



MORTGAGE BANKERS ASSOCIATION

November 5, 2025

The Honorable William J. Pulte
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

RE: Strategic Plan: Fiscal Years 2026-2030

Dear Director Pulte,

The Mortgage Bankers Association¹ (MBA) thanks the Federal Housing Finance Agency (FHFA) for the opportunity to comment on the recently released draft Strategic Plan for Fiscal Years 2026-2030 (Strategic Plan)². The Strategic Plan provides the public and interested stakeholders with a valuable opportunity to gain insight and offer comments on the activities and priorities of FHFA in the coming years.

Much of the content of the Strategic Plan supports the ongoing efforts of FHFA to ensure the Enterprises meet their statutory missions in a manner that promotes safe and sound operations. The Strategic Plan also highlights issues for which MBA has provided recommendations and, in some cases, voiced concerns. We offer the following comments on the Strategic Plan.

Objective 1.1: Ensure the safety and soundness of the Enterprises and U.S. FinTech through risk-focused supervision

Objective 1.1 of the Strategic Plan includes the sub-objective of establishing and maintaining standards for sellers, servicers, and counterparties of the Enterprises. MBA

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

² Federal Housing Finance Agency, "U.S. Federal Housing Strategic Plan: Fiscal Years 2026-2030," October 15, 2025. Available at: <https://www.fhfa.gov/document/fhfa-strategic-plan-2026-2030.pdf>.

understands the need to ensure that those who engage in business with the Enterprises have sufficient financial strength to carry out their commitments.

MBA has recently expressed concerns regarding changes to capital and net worth standards for independent mortgage banks (IMBs) under consideration that could have unintended consequences. Major changes affecting their ability to meet capital requirements can have severe impacts on the market, such as reducing IMBs' ability to provide liquidity to homebuyers and refinancers, as well as reducing IMBs' ability to obtain liquidity for servicing purposes.

As with any significant changes to capital rules in the banking and financial services sector, we believe a more formal and transparent engagement process with the industry for such changes is warranted. When these requirements were previously proposed and finalized, they were done so with robust industry engagement and coordination with Ginnie Mae to ensure standards were appropriately aligned. Any future changes would benefit from the same transparent engagement via a request for information (RFI) process, which includes a public notice and comment period. It is the best way to get the full scope of impacts and avoid any unintended adverse effects on the industry and consumers. Finally, there should be a sufficient runway to allow for any necessary restructuring or capital accumulation to comply with the new standards.

Objective 1.5: Reduce unnecessary regulatory burdens

Objective 1.5 of the Strategic Plan includes the sub-objective of identifying and remediating regulations that are overburdensome, costly, and inconsistent with efficient operations of the Enterprises. MBA recently responded to the Office of Management and Budget's (OMB) request for information (RFI) on unnecessary, unlawful, unduly burdensome, and unsound rules that should be rescinded. Our response recommended that certain rules that should be revised to better address the current realities of the mortgage market³.

The current Enterprise Regulatory Capital Framework (ERCF), 85 Fed. Reg. 82150 is one such rule that warrants revision. There are areas where the ERCF remains too complex and lacks transparency, or instances where the ERCF has caused unintended consequences when directly used to set pricing. This has been seen in past policy decisions, including the implementation of the Uniform Mortgage-Backed Securities (UMBS) commingling fee, the proposed and later rescinded DTI-based LLPA, and the ongoing issue related to third-party-originated (TPO) loans. Not all risk differentials in the ERCF should be discreetly embedded in the GSEs' pricing constructs. FHFA should reevaluate certain portions of the ERCF. A simpler capital framework would allow for clearer analysis of how various components impact Enterprise business decisions without diminishing the robust level of required capital.

As FHFA seeks opportunities to reduce unnecessary regulatory burdens, it is essential to balance these priorities with the mission to support affordable housing. To avoid unintended consequences, the FHFA should continue to utilize existing legal avenues – for example,

³ Mortgage Bankers Association, MBA Letter to OMB on Deregulation RFI (May 12, 2025), available at https://www.mba.org/docs/default-source/advertising/omb-rfi_deregulation_final.pdf?sfvrsn=62ebcfa7_1.

through sufficient notice and comment – to effectuate rule revisions or rescissions in a manner that considers informed feedback from the industry. As always, MBA stands ready to partner with the Administration to remove barriers and promote affordable and sustainable homeownership.

Objective 1.6: Support efforts to expand housing supply to meet national demand

Objective 1.6 of the Strategic Plan includes the sub-objective of encouraging the Enterprises to explore opportunities to enhance the national housing supply. MBA appreciates ongoing efforts by the Enterprises to explore methods to reduce financing barriers through products such as the Single Close Construction-to-Permanent loan, which plays a vital role in enabling new housing production. To further support lender participation and borrower access, we are pleased that the Enterprises have also considered several policy enhancements to modernize Single Close Construction-to-Permanent loans and Homestyle Renovation loans, expand access to construction and renovation financing, and help alleviate the affordability and supply challenges in the market.

MBA encourages FHFA to also consider other policies that sustain liquidity for secure, well-managed condominium projects and broaden execution pathways for modern, energy-efficient manufactured housing solutions—such as CrossMod homes and fee-simple title structures. These initiatives would enhance the availability of affordable housing and improve access for first-time, low-income, and underserved homebuyers, aligning with the FHFA’s strategic goals of expanding the nation’s housing supply.

The need for increased rental housing supply remains an issue in many parts of the nation. Although both Enterprises have routinely exceeded affordable housing benchmarks, a strong market requires both affordable and market-rate production. MBA urges FHFA to promote a balanced approach that sustains both affordable outcomes and market-rate liquidity.

Objective 2.2: Ensure the FHLBanks fulfill all legal and statutory responsibilities

Objective 2.2 of the Strategic Plan includes the sub-objective of ensuring the FHLBanks serve as a source of stable and reliable liquidity for their member institutions. MBA encourages FHFA to explore the expansion of membership to independent mortgage banking companies (IMBs) with a strong and demonstrable connection to the mission of the FHLBank System. A broader membership base would allow the FHLB System to better achieve its mission to stabilize the housing finance market and promote investment in local needs, including affordable ownership and rental housing. The share of residential mortgage originations by FHLB-eligible institutions has declined over the past decade, thereby reducing the role of the FHLBs in providing liquidity relative to the size of the market. A responsible expansion of membership eligibility to IMBs could reverse this trend.

Furthermore, we believe that expanding eligible collateral types and aligning collateral standards across the FHLBs would also enable the FHLBs to better serve their mission. The pledging of high-quality collateral to secure FHLB advances is the foundation of safety and soundness for the FHLBs. Under the existing regulatory structure, each FHLB may restrict the types of collateral that it will accept based on the credit profile of the borrower and the

quality of the collateral, among other reasons. Each FHLB also maintains the ability to set collateral valuation procedures. While these procedures are important and well-intended, they result in variances that could negatively impact the FHLB's ability to serve their mission. Currently, some FHLB members that provide warehouse lines for housing related financing are unable to use those warehouse lines as eligible collateral. MBA believes harmonizing the acceptance of warehouse lines, which directly support housing finance activities, to all FHLBs, is a clear way to enhance members' alignment with the FHLB mission.

MBA also encourages FHFA to consider expanding types of eligible collateral as today's securitization-based mortgage market has created new types of assets that warrant consideration – most notably mortgage servicing rights (MSRs) and mortgage servicing advances. GSE servicing advances, for instance, are the first payment priority and receive cash first when loans re-perform, pay off, or are resolved through foreclosure. The significant contractual commitment to reimburse these advances is a clear indication of the value of this asset and demonstrates its potential to be used as very safe collateral to support advances. These assets warrant consideration as eligible collateral as they are critically important to the housing finance system and have a clear connection to the FHLBs mission.

Expanding both FHLB membership and eligible collateral would require certain adjustments to the current system. MBA believes that these steps could be undertaken without jeopardizing the safety and soundness of the system. MBA understands that the decision to include new member types and forms of collateral requires congressional action; however, these changes must first begin with an acknowledgment of their need and public support from FHFA.

Other Items For Consideration

As a general matter, MBA believes any Strategic Plan for the Enterprises should consider additional actions needed to prepare them for the eventual end of conservatorship. Resolving the status of the Enterprises, now in their 17th year of government conservatorship, remains the final piece of unfinished business from the 2008 financial crisis. There have been significant changes in the status of the Enterprises' financial position, their operations, and the oversight provided by FHFA during that time. Over the last decade, across several administrations, FHFA has made significant changes to strengthen the Enterprises' operations, protect taxpayers, and support their charters and mission.

Administrative reforms undertaken by the FHFA, as both regulator and conservator of the GSEs, have resulted in significant progress in stabilizing the companies while paving the way for eventual release. As FHFA finalizes the Enterprises' Strategic Plan for Fiscal Years 2026 - 2030, we would encourage focus on administrative efforts such as:

- Continuing to build strong bank-like capital reserves via the ERCF, which continues to provide incentives that encourage the Enterprises to distribute risk through mortgage insurance and robust credit risk transfer (CRT) programs. This protects

taxpayers and provides an important private sector view of the credit risks the Enterprises are taking.

- Ensuring FHFA's powers as regulator are sufficient to regulate and establish market conduct standards for the Enterprises. FHFA's regulatory powers should be enhanced to require the agency to enforce policies such as a level playing field for all lenders, the bright line between the primary and secondary market, a transparent pricing structure, and affordable housing requirements.

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MBA once again thanks FHFA for the opportunity to comment on the draft Strategic Plan for Fiscal Years 2026-2030. We believe the recommendations provided above will further strengthen FHFA's ability to meet the goals outlined in the Strategic Plan and will help position the Enterprises to exit conservatorship safely at the appropriate time. We look forward to continuing our partnership with FHFA as we work towards permanently implementing the reforms needed to ensure the regulated entities meet their statutory missions while operating with financial strength and appropriate market conduct.

Sincerely,



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