Federal Housing Finance Agency
Office of General Counsel
Constitution Center, 400 7th Street SW
Washington, DC 20219
Filed via: FHFA website (https://www.fhfa.gov/regulation/federal-register) or email to RegComments@fhfa.gov

Re: RIN 2590-AB64 â€” Enterprise Duty To Serve Underserved Markets, Proposed Rescission of 12 CFR Part 1282, Subpart C and Adoption of New 12 CFR Part 1283
Regulations.gov reference (record copy only; FHFA is a non-participating agency and does not accept comments through Regulations.gov): FHFA-2026-0232-0001 (Federal Register document 2026-12750)
Comment deadline: July 24, 2026.

To the Agency:

I am writing to formally object to the proposed rescission and replacement of the Duty to Serve regulation governing Fannie Mae and Freddie Mac. The proposal is framed as reducing administrative burden and enabling greater innovation, but its substantive effect is to strip away the specific structural protections that Congress and the Agency built to reach the very populations Duty to Serve exists to protect, replacing enforceable targeting mechanisms with a vague, Enterprise-self-determined standard that no longer names them at all.

The existing regulation defines and prescribes activities for federally recognized Indian tribes and Indian areas, colonias, persistent poverty counties, high-needs rural regions, agricultural workers, and manufactured housing communities, and it requires each Enterprise to address a minimum number of activities in each of these markets or explain why it will not. The proposed rule eliminates every one of these definitions and replaces the entire activities framework with a standard permitting an Enterprise to take any "eligible action" that has not been affirmatively deemed ineligible by the Agency. Removing the named categories that anchor accountability for the most underserved segments of the housing market, and replacing a mandatory minimum-activity requirement with Enterprise discretion, does not modernize the Duty to Serve obligation established under section 1335 of the Federal Housing Enterprises Financial Safety and Soundness Act, 12 U.S.C. 4565; it hollows out the mechanism by which that obligation was made concrete and enforceable in the first place.

Under the Administrative Procedure Act, 5

U.S.C. Â§ 553(c), an agency changing a regulatory framework must supply a reasoned explanation for why the new approach adequately serves the statutory purpose the old approach was designed to serve, and it must confront rather than ignore the reliance interests and populations the prior framework specifically protected. Motor Vehicle Manufacturers Association v. State Farm Mutual Automobile Insurance Company, 463 U.S. 29 (1983), requires the Agency to articulate a rational connection between the facts before it and the choice made; here, the stated justification is administrative convenience, while the practical effect is the removal of every defined pathway of accountability for Indian areas, colonias, persistent poverty counties, and agricultural worker housing. An assertion that removing a "bounded set of actions" simplifies compliance is not a reasoned response to the loss of targeted protection for populations with the least capacity to advocate for themselves in an undefined, Enterprise-determined system.

The proposal compounds this harm by reducing transparency at the same time it reduces specificity. Quarterly reports will continue to be submitted to the Agency but will no longer be published, leaving the public without interim visibility into Enterprise performance for three-year stretches at a time. Plan modifications, which occur roughly fifteen times annually under the current framework to respond to changing market conditions, would be restricted to narrowly defined "special circumstances" that expressly exclude routine economic fluctuations and underserved market-specific disruptions, meaning an Enterprise falling short in a colonia, a persistent poverty county, or an Indian area during ordinary hardship would have no mechanism to adjust its Plan until the next three-year cycle begins. Reduced public reporting combined with reduced responsiveness leaves exactly the communities this rule claims to serve with less recourse than they have today, not more.

The Agency has not demonstrated that a numeric one-to-five compliance rating and self-defined "eligible actions" will produce outcomes equal to or better than the specific, named targeting the current rule requires. Given the significance of the housing needs at stake for rural, tribal, and persistently impoverished communities, the Agency should not finalize a framework that removes their explicit recognition from the regulation without first demonstrating, with evidence, that the replacement will not result in reduced investment or attention to these markets.

For these reasons, I urge the Agency to withdraw the proposed rescission of 12 CFR part 1282, subpart C, and to retain the existing named activity categories, minimum activity requirements, and quarterly public reporting, incorporating any genuine administrative simplification without eliminating the accountability mechanisms specific to Indian areas, colonias, persistent poverty counties, high-needs rural regions, agricultural workers, and manufactured housing residents.

Respectfully submitted,

Concerned Citizen