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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

February 24, 2025

Mr. William J. Pulte
Director-Designate, Federal Housing Finance Agency
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Mr. Pulte:

Congratulations on your nomination to serve as Director of the Federal Housing Finance Agency (FHFA). FHFA is responsible for the supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank System (FHLBank System). The agency is charged with ensuring that these entities “serve as a reliable source of liquidity and funding for the housing finance market throughout the economic cycle.”¹ Together, the entities FHFA oversees back nearly \$7.7 trillion in mortgage loans² and support more than \$823 billion in liquidity to FHLBank members across the country through advances and mortgage purchases.³ In addition, FHFA currently serves as the conservator of Fannie Mae and Freddie Mac.

As FHFA Director, you would set policies that will determine the cost of homeownership and rent for American families. But your record provides little insight into how you would carry out this critical role. While you have invested in housing-related businesses and served on the Board of Directors of one of the nation’s largest homebuilders, your background does not include work on the multi-trillion dollar housing finance system you would be charged to help regulate. As Ranking Member of the Senate Committee on Banking, Housing, and Urban Affairs, I therefore request that you review these questions and arrive prepared to answer them when you appear

¹ Federal Housing Finance Agency, “FHFA At-A-Glance,” accessed February 19, 2025, <https://www.fhfa.gov/about>.

² Fannie Mae reports that it backs 26 percent of the \$14.23 trillion in single-family mortgage debt outstanding and \$499.7 billion in multifamily mortgage debt. Freddie Mac reports that it backs \$3.1 trillion in single-family mortgage debt and \$467 billion in multifamily mortgage debt. Together, this totals to \$7.767 trillion in mortgage debt guaranteed. Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025 for year ending December 31, 2024, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>. Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, https://otp.investis.com/clients/us/federal_homeloan/SEC/sec_show.aspx?FilingId=18181861&Cik=0001026214&Type=PDF&hasPdf=1.

³ Federal Home Loan Banks, “Combined Financial Report for the Quarterly Period Ended September 30, 2024,” November 13, 2024, p. F20 and F22, https://www.fhfb-of.com/ofweb_userWeb/resources/2024Q3CFR.pdf.

before the Committee on February 27, 2025, and that you provide written responses to these questions following the hearing. Your responses will help me and members of the Senate better understand how you view the role of Fannie Mae, Freddie Mac, and the FHLBanks in our housing system and how you would ensure they are fulfilling their missions.

Future of Fannie Mae and Freddie Mac

In September 2008, at the height of the financial crisis, Fannie Mae and Freddie Mac (the Enterprises) experienced significant financial distress and FHFA, as their regulator, put the companies into conservatorship.⁴ At the same time, the Treasury Department made significant investments in the Enterprises to stabilize the mortgage market and prevent the companies from failing.⁵ In exchange, Treasury received senior preferred stock and warrants to purchase up to 79.9 percent of each Enterprise's common stock.⁶ In conservatorship and through the preferred stock purchase agreements (PSPAs) between Treasury and the Enterprises, there have been significant changes in the Enterprises' business operations, governance, and financial position. Today, FHFA continues to serve as both the regulator and conservator of the Enterprises. But there are reports that President Trump intends to reprivatize them.⁷ This would be a significant undertaking that raises a number of complex questions for the housing finance system.

1. If confirmed, will you seek to end the conservatorships of Fannie Mae and Freddie Mac?
 - a. If you will seek an end to the conservatorships, what other parties, including other federal agencies, do you expect to be involved in discussions and decisions regarding an end of the conservatorships?
 - b. If you will seek an end to the conservatorships, do you expect that President Trump will be apprised of any plans to end the Enterprises' conservatorships prior to FHFA taking an action to end them?
 - c. If you will seek an end to the conservatorships, do you have a projected timeline to complete the end of the conservatorships? What will your process be for deliberating and determining the best approach to ending the conservatorship?
 - d. If you will seek an end to the conservatorships, what will be your key goals for outcomes post-conservatorship?

2. In your view, what conditions are necessary to end the conservatorships of Fannie Mae and Freddie Mac?

⁴ Federal Housing Finance Agency, "History of Fannie Mae and Freddie Mac Conservatorships," October 17, 2022, <https://www.fhfa.gov/conservatorship/history#:~:text=On%20September%206%2C%202008%2C%20with,place%20each%20Enterprise%20into%20conservatorship>.

⁵ Department of the Treasury, "Statement of Secretary Henry M. Paulson, Jr on Treasury and Federal Housing Finance Agency Action to Protect Financial Markets and Taxpayers," September 7, 2008, <https://home.treasury.gov/news/press-releases/hp1128>.

⁶ Federal Housing Finance Agency, "Senior Preferred Stock Purchase Agreements," October 17, 2022, <https://www.fhfa.gov/conservatorship/senior-preferred-stock-purchase-agreements>.

⁷ Washington Post, "The upcoming housing battle that could roil mortgage costs even more," Rachel Siegel, November 19, 2024, <https://www.washingtonpost.com/business/2024/11/19/trump-mortgages-housing-fannie-freddie/>.

3. Are there any congressional actions that are necessary prior to ending the conservatorships? If so, please list any actions that are necessary.
4. In your estimation, how long would it take to meet any required preconditions and complete the process of releasing Fannie Mae and Freddie Mac from conservatorship? In responding to this question, please describe how you reached your conclusion.
5. Do you support requirements that Fannie Mae and Freddie Mac, if released from conservatorship, provide regulated rates of return for shareholders to encourage responsible management of their businesses and promote financial stability? If so, how would you impose those requirements and would congressional action be necessary? If not, why not?
6. The Enterprise Regulatory Capital Framework (ERCF) establishes the minimum regulatory capital, including capital buffers, that Fannie Mae and Freddie Mac must maintain to be considered adequately capitalized.⁸ The ERCF also establishes the minimum capital required for an Enterprise to make distributions to shareholders.⁹ Are there any circumstances in which you would support releasing Fannie Mae and Freddie Mac from conservatorship without having the amount of capital required to be adequately capitalized under the definition established by the ERCF? If so, please explain those circumstances.
7. Are there any circumstances in which you would consider moving the Enterprises from conservatorship to receivership? If so, please describe what you believe would require a change in status from conservatorship to receivership.
8. Since 2008, Treasury has made up to \$445.5 billion available to the Enterprises under the terms of the PSPAs,¹⁰ of which \$113.9 billion remains available to Fannie Mae¹¹ and \$140.2 billion remains available to Freddie Mac.¹² In addition to those funding commitments, the PSPAs have included certain limitations on Enterprise business.¹³

⁸ 12 CFR 1240.

⁹ 12 CFR 1240.11.

¹⁰ Fannie Mae reports that it received an aggregate \$119.8 billion from Treasury and has \$113.9 billion remaining. Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025, for year ending December 31, 2024, p. 205, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>. Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, p. 5, https://otp.investis.com/clients/us/federal_homeloan/SEC/sec-show.aspx?FilingId=18181861&Cik=0001026214&Type=PDF&hasPdf=1. The total that was available to both Enterprises is \$445.5 billion.

¹¹ Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025, for year ending December 31, 2024, p. 205, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>.

¹² Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, p. 90, https://otp.investis.com/clients/us/federal_homeloan/SEC/sec-show.aspx?FilingId=18181861&Cik=0001026214&Type=PDF&hasPdf=1.

¹³ Letter agreement between the United States Department of Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as Conservator, January 14, 2021, <https://home.treasury.gov/system/files/136/Executed-Letter-Agreement-for-Fannie-Mae.pdf>.

- a. If there is no legislative change to the Enterprises, do you believe the PSPAs and their funding commitments should remain in place as a limited backstop after the conservatorships end?
 - b. If there is no legislative change to the Enterprises, do you believe the PSPAs' limitations on certain Enterprise business activity should remain in place? Please explain what limitations you believe may be necessary.
9. In light of the significant, market-wide impacts that would result from a decision to terminate the conservatorships of Fannie Mae and Freddie Mac, FHFA and Treasury have agreed that FHFA will engage in a public input process prior to releasing the Enterprises from conservatorship.¹⁴ Specifically, the agencies agreed that FHFA would “issue a public request for information outlining in detail one or more specific options for the termination of conservatorship and seek input on potential impacts of each option on the housing market and on the Enterprises” and that, following that public input period, FHFA “shall brief the Financial Stability Oversight Council on a summary of the public input received, including input about factors related to each option that could have potential impacts on U.S. financial stability.”¹⁵

Further, FHFA has agreed that, no more than six months before requesting to terminate a conservatorship, the Agency will “provide Treasury a specific proposal that (a) sets forth the Agency’s recommended approach to the termination of the conservatorship, (b) reflects the input received in response to the public request for information, (c) includes a market impact assessment that describes how the recommended approach may impact the housing market and the Enterprise, and (d) addresses amendments, if any, to the Agreement, the Certificate, or the Warrants that may be required to implement the recommended approach to the termination of conservatorship.”¹⁶

- a. If confirmed, will you follow the public engagement process agreed to by FHFA and Treasury and outlined above prior to any actions to terminate a conservatorship of an Enterprise?
 - b. If confirmed, will you notify Treasury of any proposals to terminate a conservatorship as required pursuant to the agreement between FHFA and Treasury outlined above?
10. The termination of the conservatorships could have significant financial benefits for existing shareholders, including investors in junior preferred shares and common shares.¹⁷
 - a. Should the Trump Administration bar any individuals or entities who would financially profit from the end of Fannie and Freddie’s conservatorships from

¹⁴ Letter agreement between the United States Department of Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as Conservator, January 2, 2025, <https://home.treasury.gov/system/files/136/letter-agreements-and-side-letter-executed-by-ust-and-fhfa.pdf>.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ The Congressional Budget Office reports that investors other than Treasury hold 1.8 billion shares of Fannie Mae and Freddie Mac common stock and about \$32 billion in junior preferred shares. Congressional Budget Office, “Effects of Recapitalizing Fannie Mae and Freddie Mac Through Administrative Actions,” August 2020, <https://www.cbo.gov/publication/56511>.

discussions with Administration officials and from any decision-making about potential release?

- b. If confirmed, will you commit that neither you nor any FHFA employee will engage in discussions or decision-making regarding any end to the conservatorships of Fannie Mae or Freddie Mac with any individuals or entities who would financially profit from the end of the conservatorships?
11. Prior to 2008, the Enterprises did not have an explicit federal guarantee, but investors long believed that the Enterprises had an implicit guarantee - that the federal government would step in if Fannie Mae or Freddie Mac experienced financial distress.¹⁸ Through the PSPAs, Treasury provided a limited, explicit backstop to the Enterprises. Some market participants have asserted that an explicit federal guarantee of Fannie Mae and Freddie Mac securities is a necessary condition to end the conservatorships.¹⁹
- a. Do you believe that an explicit federal guarantee of Fannie Mae and Freddie Mac's securities or the companies is necessary to end the conservatorships?
 - b. Absent legislative action to create an explicit federal guarantee of Fannie Mae and Freddie Mac securities, do you believe the limited federal backstop put in place through the PSPAs should remain in place, including after the end of the conservatorships if the conservatorships were ended?
 - c. If the conservatorships and PSPAs were terminated without an explicit federal guarantee of Fannie Mae and Freddie Mac securities or the companies, do you believe investors should continue to believe that Fannie Mae and Freddie Mac have an implicit guarantee? Please explain.
12. Since 2008, FHFA has used its regulatory and conservatorship authorities to require significant changes to the operations of Fannie Mae and Freddie Mac.
- a. Under conservatorship, FHFA has required Fannie Mae and Freddie Mac to treat all originators equally without regard to size or business volume.²⁰ If confirmed, do you pledge to maintain that requirement in any agreement to release Fannie and Freddie from conservatorship? If so, how would you implement and enforce such a requirement if FHFA were no longer operating as conservator of the Enterprises?
 - b. Fannie Mae²¹ and Freddie Mac's charters require that, for any mortgage where the borrower has not put at least 20 percent down, the loan must have another type of credit enhancement.²² The most common type of credit enhancement is mortgage insurance. Prior to 2008, each Enterprise maintained its own requirements for its

¹⁸ Congressional Budget Office, "Federal Subsidies and the Housing GSEs," May 2001, pp. 35-36, <https://www.cbo.gov/publication/13072>.

¹⁹ Mortgage Bankers Association, "MBA Statement on FHFA and Treasury Amendments to the Preferred Stock Purchase Agreements," press release, January 2, 2025, <https://www.mba.org/news-and-research/newsroom/news/2025/01/02/mba-statement-on-fhfa-and-treasury-amendments-to-the-preferred-stock-purchase-agreements>.

²⁰ Federal Housing Finance Agency, "FHFA Announces Increase in Guarantee Fees," press release, August 31, 2012, <https://www.fhfa.gov/news/news-release/fhfa-announces-increase-in-guarantee-fees>.

²¹ 12 U.S.C. 1717(b).

²² 12 U.S.C. 1454(a)(2).

- private mortgage insurer counterparties.²³ Since 2015, the Enterprises, through the convening authority of FHFA, have created Private Mortgage Insurer Eligibility Requirements (PMIERS), which establish financial and operational eligibility requirements for the Enterprises' private mortgage insurer counterparties.²⁴ If confirmed, will you support the continuation of uniform PMIERS issued by Fannie Mae and Freddie Mac? If so, how would the two private companies coordinate and develop joint, uniform standards outside of conservatorship?
- c. In 2012, as part of the conservatorship of the Enterprises, FHFA directed the Enterprises to begin transferring credit risk on the single-family mortgage loans they guaranteed.²⁵ Since 2013, the Enterprises have transferred credit risk on approximately \$6.7 trillion of unpaid principal balance where the transfer of credit risk is economically sensible.²⁶ These transfers have included securities issuances, insurance, senior/subordinate securities, and lender risk sharing transactions.²⁷
 - i. Do you support the continued use of single-family credit risk transfer where that risk transfer is economically sensible?
 - ii. If you support the continued use of credit risk transfer, if confirmed, how would you ensure that the Enterprises transfer credit risk on single-family loans if the conservatorships were terminated?
 - d. Since 2019, Fannie Mae and Freddie Mac have issued a uniform mortgage-backed security (UMBS)²⁸ and aligned their programs, policies, and practices to ensure that Fannie Mae and Freddie Mac UMBS remain fungible.²⁹ Fannie Mae and Freddie Mac have implemented uniform servicing and maintain regular monitoring of prepayment speeds to ensure that securities maintain fungibility.³⁰
 - i. If confirmed, would you maintain operations of the Common Securitization Platform (CSP) and work to ensure the UMBS remains operational? If not, would you expect Fannie Mae and Freddie Mac to return to issuing their own single-family mortgage-backed securities, and what cost do you expect this change would have for each Enterprise?
 - ii. Do you agree that maintaining uniform, aligned servicing standards is an important component of maintaining uniform prepayment speeds?

²³ Federal Housing Finance Agency, "Fannie Mae & Freddie Mac Private Mortgage Insurer Eligibility Requirements," accessed February 14, 2025, <https://www.fhfa.gov/policy/fannie-mae-freddie-mac-private-mortgage-insurer-eligibility-requirements-pmiers>.

²⁴ *Id.*

²⁵ Federal Housing Finance Agency, "2012 Conservatorship Scorecard," accessed February 14, 2025, <https://www.fhfa.gov/reports/conservatorships-performance-goals-scorecard/2012>.

²⁶ Federal Housing Finance Agency, "Credit Risk Transfer Progress Report: Fourth Quarter 2023," April 11, 2024, <https://www.fhfa.gov/sites/default/files/2024-04/CRT-Progress-Report-4Q23.pdf>.

²⁷ *Id.*

²⁸ Federal Housing Finance Agency, "Statement of FHFA Deputy Director Robert Fishman on the Launch of the New Uniform Mortgage-Backed Security," press release, June 3, 2019, <https://www.fhfa.gov/news/statement-of-fhfa-deputy-director-robert-fishman-on-the-launch-of-the-new-uniform-mortgage-backed>.

²⁹ Federal Housing Finance Agency, Federal Register Notice, "Uniform Mortgage-Backed Security," Final Rule, March 5, 2019, <https://www.govinfo.gov/content/pkg/FR-2019-03-05/html/2019-03934.htm>.

³⁰ Federal Housing Finance Agency, "Prepayment Monitoring Report Fourth Quarter 2024," February 12, 2025, p. 1, https://www.fhfa.gov/document/Prepayment-Monitoring-Report_2024Q4.pdf.

- iii. If you would maintain the CSP and UMBS, how would you ensure that Fannie Mae and Freddie Mac prepayment speeds remain aligned to ensure that their securities remain fungible if the conservatorship were terminated?

13. Multiple³¹ FHFA Directors have requested third party supervision authority to ensure that FHFA can continue to monitor for risks that third parties may pose to their regulated entities outside of conservatorship.³² Do you agree that FHFA should have third party supervision authority similar to the third-party supervision authorities of banking regulators? If not, why not?

14. Since being announced³³ as the nominee to lead FHFA on January 16, 2025, have you discussed the conservatorships of Fannie Mae and Freddie Mac with any of the following people, entities, or representatives of such entities? For each person or entity, please respond with a “yes” or “no” and provide the date(s) of communication and nature of communication, if applicable.

- a. President Trump
- b. Scott Bessent
- c. Scott Turner
- d. Paul Atkins
- e. Mark Calabria
- f. Jonathan McKernan
- g. Bill Ackman or any representative of Pershing Square Capital Management
- h. John Paulson or any representative of Paulson & Co.

Fannie Mae and Freddie Mac’s Role in Access to Housing Credit

Fannie Mae³⁴ and Freddie Mac’s charters establish as part of their purpose promoting “access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.”³⁵ Congress has also required FHFA to establish affordable housing goals to ensure the Enterprises are adequately serving lower-income homebuyers and renters.³⁶

1. The Enterprises have played an important role in providing access to affordable mortgage credit throughout the nation, including in rural communities.

³¹ Federal Housing Finance Agency, “Report to Congress - 2020,” June 15, 2021, p. 10, <https://www.fhfa.gov/reports/annual-report-to-congress/2020>.

³² Federal Housing Finance Agency, “Report to Congress - 2023,” June 14, 2024, p. 110, <https://www.fhfa.gov/reports/annual-report-to-congress/2023>.

³³ Tweet by Donald J. Trump Posts From His Truth Social, January 16, 2025, <https://x.com/TrumpDailyPosts/status/1879937473289035820>.

³⁴ 12 U.S.C. 1716.

³⁵ 12 U.S.C. 1451 note.

³⁶ 12 U.S.C. 4561.

- a. Do you agree that Fannie Mae and Freddie Mac should continue to facilitate access to mortgage credit throughout the entire nation, including in rural communities that may be underserved by large financial institutions?
 - b. If Fannie Mae and Freddie Mac were permitted to vary mortgage pricing based on a borrower's location, how would that affect homebuyers and multifamily mortgage borrowers?
 - c. If confirmed, how will you ensure that Fannie Mae and Freddie Mac continue to facilitate access to mortgage credit on equitable terms in all markets at all times?
2. Fannie Mae and Freddie Mac do not just serve the wealthiest borrowers. They provide access to mortgage credit for creditworthy borrowers at all income levels, including first-time homebuyers and those who may not have the benefit of family help with a down payment.
- a. Do you believe that Fannie Mae and Freddie Mac should continue to serve borrowers at all income levels, not just the wealthiest borrowers?
 - b. Do you believe that a borrower should be required to have a certain minimum downpayment (not including any downpayment assistance, private mortgage insurance, or other credit enhancement) in order to be eligible for Fannie Mae and Freddie Mac financing? If so, what is that amount?
 - c. If Fannie Mae and Freddie Mac were to put additional restrictions on the loans they guarantee, including by requiring higher borrower credit scores, lower loan-to-value ratios, or higher borrower incomes, how would these restrictions affect individual homebuyers and the broader housing market?
3. The *Federal Housing Enterprises Financial Safety and Soundness Act*,³⁷ as amended by the *Housing and Economic Recovery Act of 2008* (HERA), requires FHFA to establish, and Fannie Mae and Freddie Mac to meet, annual single-family and multifamily mortgage purchase goals.³⁸ These goals help to ensure that Fannie Mae³⁹ and Freddie Mac⁴⁰ meet the public purposes established in their charters.
- a. Do you agree that the affordable housing goals are an important tool to ensure that Fannie Mae and Freddie Mac are fulfilling the purpose, as stated in their charters, to serve low- and moderate-income families?
 - b. If confirmed, will you fulfill FHFA's statutory requirement to ensure that the Enterprises meet the affordable housing goals FHFA has established?
 - c. If confirmed, will you implement the 2025-2027 affordable housing goals that were finalized in December 2024 after a public notice and comment rulemaking process?⁴¹
4. HERA established that Fannie Mae and Freddie Mac had a Duty to Serve very low-, low-, and moderate-income families in three underserved housing markets: manufactured

³⁷ Federal Housing Enterprises Financial Safety and Soundness Act, P.L. 102-550, October 28, 1992.

³⁸ Housing and Economic Recovery Act of 2008, P.L. 110-289, July 30, 2008.

³⁹ 12 U.S.C. 1716.

⁴⁰ 12 U.S.C. 1451 note.

⁴¹ Federal Housing Finance Agency, Federal Register Notice, "2025-2027 Enterprise Housing Goals," December 30, 2024, <https://www.federalregister.gov/documents/2024/12/30/2024-30793/2025-2027-enterprise-housing-goals>.

housing, affordable housing preservation, and rural housing.⁴² In November 2024, FHFA issued a non-objection to the Enterprises' third three-year Duty to Serve plans, which outline the Enterprises' planned activities to comply with the law from 2025 through 2027.⁴³

- a. If confirmed, will you ensure that the Enterprises adhere to the commitments laid out in their 2025-2027 Duty to Serve plans?
 - b. If confirmed, will you require the Enterprises to design and implement 2028-2030 Duty to Serve plans, including engaging in a public process to create the plan objectives?
5. Under HERA, Fannie Mae and Freddie Mac are required to contribute 4.2 basis points of the unpaid principal balance of single-family mortgage originations to support affordable housing through the Housing Trust Fund and Capital Magnet Fund.⁴⁴ These funds are allocated to states, community development financial institutions (CDFIs), and nonprofits active in affordable housing.⁴⁵
- a. If confirmed, will you maintain timely contributions to the Housing Trust Fund and Capital Magnet Fund?
 - b. Are there any circumstances under which you would not allow timely transfers from the Enterprises to the Housing Trust Fund and Capital Magnet Fund? If so, please explain.
6. In 2017, FHFA approved Fannie Mae and Freddie Mac resuming Low-Incoming Housing Tax Credit (LIHTC) equity investments on a limited basis to support affordable rental housing across the country, including in rural markets that often go underserved.⁴⁶ If confirmed, will you continue to allow Fannie Mae and Freddie Mac to make LIHTC equity investments to support the creation of affordable rental housing? If not, why not?
7. More than 50 years after the Fair Housing Act was passed, there remain significant disparities in homeownership and access to mortgage credit based on race and ethnicity. To ensure that Fannie Mae and Freddie Mac contribute to addressing, rather than deepening, inequities in underserved communities, FHFA directed the Enterprises to create Equitable Housing Finance Plans⁴⁷ and issued a rule following the Administrative

⁴² Housing and Economic Recovery Act of 2008, P.L. 110-289, Sec. 1129, July 30, 2008.

⁴³ Federal Housing Finance Agency, "Duty to Serve Program," accessed February 14, 2025, <https://www.fhfa.gov/programs/duty-to-serve>.

⁴⁴ Housing and Economic Recovery Act of 2008, P.L. 110-289, Sec. 1131, July 30, 2008.

⁴⁵ *Id.*

⁴⁶ Federal Housing Finance Agency, "FHFA Announces Fannie Mae and Freddie Mac Will Re-enter LIHTC Market," press release, November 16, 2017, <https://www.fhfa.gov/news/news-release/fhfa-announces-fannie-mae-and-freddie-mac-will-re-enter-lihtc-market>.

⁴⁷ Federal Housing Finance Agency, "FHFA Announces Equitable Housing Finance Plans for Fannie Mae and Freddie Mac," press release, June 8, 2022, <https://web.archive.org/web/20241214184813/https://www.fhfa.gov/news/news-release/fhfa-announces-equitable-housing-finance-plans-for-fannie-mae-and-freddie-mac-0>.

Procedures Act’s public input process to establish the Enterprises’ ongoing planning requirements.⁴⁸

- a. Do you agree that there remain disparities in homeownership throughout the country, including disparities by race and ethnicity?
 - b. If confirmed, will you ensure that the Enterprises comply with their 2025-2027 Equitable Housing Finance Plans, which were finalized following stakeholder engagement?
 - c. If confirmed, will you carry out FHFA’s Fair Lending, Fair Housing, and Equitable Housing Finance Plans rule, which was finalized on May 16, 2024 following a notice and comment rulemaking process?
8. The Fair Housing Act directs that “[a]ll executive departments and agencies shall administer their programs and activities relating to housing and urban development (including any Federal agency having regulatory or supervisory authority over financial institutions) in a manner affirmatively to further the purposes of this Act.”⁴⁹
- a. Do you agree that, as a Federal agency having regulatory and supervisory authority over financial institutions with programs and activities related to housing, FHFA has an obligation to ensure that Fannie Mae, Freddie Mac, and the FHLBank System are operating in compliance with the Fair Housing Act?
 - b. If confirmed, how will you ensure that all of FHFA’s regulated entities are operating in compliance with the Fair Housing Act and are acting affirmatively to further the purposes of the Fair Housing Act?
9. In August 2021, FHFA and the Department of Housing and Urban Development entered into a memorandum of understanding (MOU) to ensure the agencies can effectively and efficiently oversee Fannie Mae, Freddie Mac, and the FHLBanks’ compliance with the Fair Housing Act and fair lending laws.⁵⁰
- a. Do you agree that FHFA has primary supervisory and enforcement authority over Fannie Mae, Freddie Mac, and the FHLBanks?
 - b. If confirmed, will you maintain and continue full agency participation in this MOU?
10. FHFA requires Fannie Mae and Freddie Mac to submit quarterly data and updates to facilitate FHFA’s oversight of the Enterprises’ compliance with the law, including fair housing and fair lending laws.⁵¹ If confirmed, will you maintain the Enterprises’ reporting requirements to facilitate FHFA supervision and oversight of the Enterprises’ compliance with fair housing and fair lending laws? If not, please explain how you will

⁴⁸ Federal Housing Finance Agency, Federal Register Notice, “Fair Lending, Fair Housing, and Equitable Housing Finance Plans,” May 16, 2024, <https://www.federalregister.gov/documents/2024/05/16/2024-09559/fair-lending-fair-housing-and-equitable-housing-finance-plans#footnote-29-p42770>.

⁴⁹ 42 U.S.C. 3608(d).

⁵⁰ “Memorandum of Understanding By and Between the U.S. Department of Housing and Urban Development and the Federal Housing Finance Agency Regarding Fair Housing and Fair Lending Coordination,” August 12, 2021, https://www.fhfa.gov/sites/default/files/2023-04/FHFA-HUD-MOU_8122021.pdf.

⁵¹ Federal Housing Finance Agency, “Fair Lending Oversight,” February 16, 2023, <https://web.archive.org/web/20230307194525/https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Fair-Lending-Oversight-Program.aspx>.

supervise the Enterprises for fair housing and fair lending compliance absent this information collection.

Fannie Mae and Freddie Mac’s Role in the Multifamily Market

Fannie Mae and Freddie Mac back more than 40 percent of the multifamily mortgage debt outstanding, including mortgages that support senior housing, Low-Income Housing Tax Credit properties, cooperatives, small-balance loans, manufactured housing communities, and other affordable rental housing options.⁵² As we face a housing supply shortage, particularly for housing affordable to the lowest-income renters, the Enterprises provide an important source of financing for multifamily housing outside of the largest cities and throughout the market cycle, when other sources of financing retreat.⁵³ In conservatorship, FHFA has placed caps on the Enterprises’ multifamily businesses.⁵⁴

1. What role do you believe Fannie Mae and Freddie Mac should play in the multifamily housing market?
2. Do you believe there is a role for the Enterprises to play in addressing the rental affordability crisis? If so, what changes in the Enterprises’ policies or products would you support to address this affordability crisis?
3. In conservatorship, FHFA has placed restrictions on the volume and types of multifamily properties that the Enterprises can back.⁵⁵ These restrictions, and exceptions to these restrictions, have varied over time to facilitate Enterprise support for rental housing serving lower-income renters or providing lower operating costs for owners and renters through greater energy and water efficiency.⁵⁶
 - a. If confirmed, would you continue to implement multifamily lending caps while the Enterprises are in conservatorship?

⁵² Fannie Mae guaranteed \$499.7 billion in multifamily mortgage debt as of December 31, 2024, and Freddie Mac guaranteed \$467 billion in multifamily mortgage debt as of 2024, for a total of \$966.7 billion guaranteed by the Enterprises out of a marketwide total of \$2.28 trillion in multifamily mortgage debt outstanding. Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025, for year ending December 31, 2024, p. 106, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>; ; Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, p. 13, https://otp.investis.com/clients/us/federal_homeloan/SEC/sec-show.aspx?FilingId=18181861&Cik=0001026214&Type=PDF&hasPdf=1.

⁵³ Testimony by Sue Ansel, President & Chief Executive Officer, Gables Residential, on Behalf of the National Multifamily Housing Council and the National Apartment Association, Senate Committee on Banking, Housing, and Urban Affairs, “Chairman’s Housing Finance Reform Outline: Part I,” March 26, 2019, <https://www.nmhc.org/advocacy/congressional-testimony/nmhc-chairwoman-sue-ansel-testimony-for-march-26-2019-senate-banking-hearing-on-housing-finance-reform/>.

⁵⁴ Federal Housing Finance Agency, “Fact Sheet: 2025 Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac,” <https://www.fhfa.gov/sites/default/files/2024-11/2025-multifamily-loan-purchase-caps-fact-sheet.pdf>.

⁵⁵ *Id.*

⁵⁶ Federal Housing Finance Agency, “2018 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions,” December 2017, <https://www.fhfa.gov/reports/conservatorships-performance-goals-scorecard/2018>.

- b. If so, do you support any exceptions to those caps for buildings offering units that are affordable to lower-income renters or that have lower operating expenses through improved energy and water efficiency?

4. In 2023, FHFA issued a Request for Information (RFI) seeking “input on issues faced by tenants in multifamily properties, and on any opportunities and potential impacts associated with requiring or encouraging specific tenant protections at multifamily properties backed by Fannie Mae and Freddie Mac (the Enterprises)” including Manufactured Housing Communities (MHCs).⁵⁷ In 2024, FHFA announced a limited set of tenant protections that will apply to new Enterprise-backed multifamily loans, including 30-day written notifications of rent increases and lease expirations and a 5-day grace period for rent payments.⁵⁸ FHFA also announced that FHFA and the Enterprises would “continue to evaluate options for codifying additional tenant protections that advance sustainable housing in a manner that reflects the needs of both tenants and housing providers.”⁵⁹
 - a. If confirmed, will you pledge to require the Enterprises to continue the tenant protections announced in July 2024?
 - b. If confirmed, will you require the Enterprises to evaluate whether to implement additional protections for tenants at properties with Enterprise-backed loans? Please explain.

5. The Enterprises currently require that MHCs benefiting from Enterprise-backed financing adopt certain lease protections for residents, including notice of rent increases and pending community sales, lease renewal requirements, and homeowner rights to sell or lease their property.⁶⁰
 - a. Do you support the Enterprises maintaining or expanding these MHC tenant lease protections? Please explain.
 - b. If confirmed, are there any circumstances in which you would prohibit the Enterprises from providing these protections? If so, please explain.

6. While current Enterprise-required lease protections are helpful, there have been numerous instances of MHC owners raising pad lease rents and other fees to unaffordable levels, threatening the housing stability and home values of MHC residents.⁶¹ Sudden

⁵⁷ Federal Housing Finance Agency, “Tenant Protections for Enterprise-Backed Multifamily Properties - Request for Input,” May 2023, <https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/Multifamily-Tenant-Protections-RFI.pdf>.

⁵⁸ Federal Housing Finance Agency, “FHFA Announces Multifamily Tenant Protections,” press release, July 12, 2024, <https://www.fhfa.gov/news/news-release/fhfa-announces-multifamily-tenant-protections-july-2024>.

⁵⁹ *Id.*

⁶⁰ Fannie Mae, “Tenant Site Lease Protections,” <https://multifamily.fanniemae.com/financing-options/specialty-financing/tenant-site-lease-protections>; Freddie Mac, “Freddie Mac Multifamily Requires Tenant Protections on All Future Manufactured Housing Community Transactions,” September 13, 2021, “<https://freddiemac.gcs-web.com/news-releases/news-release-details/freddie-mac-multifamily-requires-tenant-protections-all-future>.”

⁶¹ NBC News, “‘Trapped’: How federally backed financing is making mobile homes less affordable,” Shannon Pettypiece, April 16, 2023, <https://www.nbcnews.com/politics/economics/federally-backed-financing-driving-mobile-home-rents-rcna77168>; NPR, “How the government helps investors buy mobile home parks, raise the rent and evict people,” Chris Arnold, Robert Benincasa, and Mary Childs, December 18, 2021,

increases in pad lease rents can cause financial hardship for residents, many of whom are seniors living on fixed incomes, putting them at risk of eviction.⁶² Rent hikes and fees can also make the total monthly cost of a home in an MHC unaffordable to new buyers, effectively devaluing existing residents' homes - often their single largest asset. These increases are occurring despite owners' enjoying lower-cost financing backed by the Enterprises.⁶³

- a. If confirmed, will you work to expand tenant protections for residents of MHCs with financing backed by the Enterprises to ensure that these homeowners and renters are not displaced by unaffordable rent increases?
- b. You have also said that owning MHCs is a good way for investors to make money and that you invest in MHCs.⁶⁴ Should investors in MHCs benefiting from lower financing costs through Enterprise-backed loans be permitted to raise rents and fees to levels that displace existing MHC residents in order to increase the return on their investment?

Ongoing and Future Initiatives at FHFA

The Enterprises play an important role in providing data and establishing standards for processes used throughout the housing market. The agency's access to Enterprise and market-wide data also allow FHFA to support research on critical issues facing the housing system. FHFA and the Enterprises have ongoing work and research on a wide range of topics. The next FHFA Director will play an important role in deciding which of these initiatives will go forward.

1. FHFA maintains the Uniform Appraisal Dataset (UAD), which includes appraisal data for Enterprise-backed loans going back to 2013.⁶⁵ Since October 2022, FHFA has made aggregate statistics as well as a representative sample of appraisal-level data for loans backed by the Enterprises available through its website.⁶⁶ In 2024, FHFA also began publishing data for a representative sample of Federal Housing Administration loans as part of the UAD.⁶⁷ If confirmed, will you continue to publish anonymized appraisal data, including data from FHA? If not, why not?

<https://www.npr.org/2021/12/18/1034784494/how-the-government-helps-investors-buy-mobile-home-parks-raise-rent-and-evict-pe>.

⁶² NBC News, "'Trapped': How federally backed financing is making mobile homes less affordable," Shannon Pettypiece, April 16, 2023, <https://www.nbcnews.com/politics/economics/federally-backed-financing-driving-mobile-home-rents-rcna77168>.

⁶³ *Id.*

⁶⁴ Wealthion, "Housing Market Meltdown: Bill Pulte's Real Estate Refuge Tactics," February 29, 2024, https://www.youtube.com/watch?v=Kf8at_vmvlo.

⁶⁵ Federal Housing Finance Agency, "The Uniform Appraisal Dataset Aggregate Statistics Data File Overview," updated October 28, 2024, <https://www.fhfa.gov/data/uniform-appraisal-dataset-aggregate-statistics>.

⁶⁶ Federal Housing Finance Agency, "FHFA Uniform Appraisal Dataset Aggregate Statistics: A New Resource to Provide Insights on Home Valuation," October 24, 2022, <https://www.fhfa.gov/blog/statistics/fhfa-uniform-appraisal-dataset-aggregate-statistics>.

⁶⁷ U.S. Department of Housing and Urban Development, "HUD and FHFA Expand Scope of Public Appraisal Data in Effort to Ensure Fairer Home Appraisals," press release, October 28, 2024, https://web.archive.org/web/20241110085532/https://www.hud.gov/press/press_releases_media_advisories/hud_no_24_283.

2. The Enterprises currently allow appraisal waivers for certain transactions.⁶⁸ These waivers allow the Enterprises to back loans without the underlying collateral receiving a full appraisal.
 - a. Do you believe that the appraisal waivers in use today are available for the appropriate types of mortgage products and appropriate collateral? If not, what if any uses of appraisal waivers do you believe is appropriate for collateral for Enterprise-backed loans?
 - b. If confirmed, would you allow the Enterprises to continue these appraisal waivers?

3. FHFA has participated in the interagency Property Appraisal and Valuation Equity Task Force to evaluate the causes, extent, and consequences of appraisal bias.”⁶⁹
 - a. Do you believe that there are racial and ethnic disparities in home valuations and appraisals? If so, do you believe that these disparities are systemic? If not, why not?
 - b. What factors do you believe are driving racial and ethnic disparities in appraisals that have been documented by academic researchers⁷⁰ and housing market participants,⁷¹ and what can be done to address these disparities?
 - c. If confirmed, will you continue interagency work to address appraisal issues, including allegations of discrimination? If not, why not?

4. Rising property insurance costs and declining availability are raising costs for homeowners and renters. In November 2023⁷² and March 2024, FHFA held a series of roundtables to discuss the impact of declining property insurance affordability and availability on the single family and multifamily housing markets.⁷³ These roundtables featured practitioners and experts in the housing and insurance fields who came together to discuss emerging challenges and potential solutions to rising property insurance costs and declining coverages.⁷⁴ Do you plan to continue the work to support the single and multifamily housing markets by continuing FHFA’s work to identify residential property insurance challenges and solutions?

⁶⁸ Fannie Mae, “Selling Guide,” B4-1.4-10 and B4-1.4-11, accessed February 16, 2025, <https://selling-guide.fanniemae.com/sel/b4-1.4/special-appraisal-and-other-valuation-considerations>; Freddie Mac, “Single-Family Seller/Service Guide,” Chapter 5602, accessed February 16, 2025, <https://www.allregs.com/TPL/>.

⁶⁹ PAVE Task Force, “Action Plan to Advance Property Appraisal and Valuation Equity,” March 2022, <https://web.archive.org/web/20250108201559/https://pave.hud.gov/sites/pave.hud.gov/files/documents/PAVEActionPlan.pdf>.

⁷⁰ Brookings Institution, “How racial bias in appraisals affects the devaluation of homes in majority-Black neighborhoods,” Jonathan Rothwell and Andre M. Perry, December 5, 2022, <https://www.brookings.edu/articles/how-racial-bias-in-appraisals-affects-the-devaluation-of-homes-in-majority-black-neighborhoods/>.

⁷¹ Freddie Mac, “Research Note: Racial and Ethnic Valuation Gaps in Home Purchase Appraisals,” September 20, 2021, <https://www.freddiemac.com/research/insight/20210920-home-appraisals>.

⁷² Federal Housing Finance Agency, “FHFA to Host Property Insurance Symposium,” October 16, 2023, <https://www.fhfa.gov/news/news-release/fhfa-to-host-property-insurance-symposium>.

⁷³ Federal Housing Finance Agency, “FHFA to Host Multifamily Property Insurance Symposium,” February 12, 2024, <https://www.fhfa.gov/news/news-release/fhfa-to-host-multifamily-property-insurance-symposium>.

⁷⁴ Federal Housing Finance Agency, “FHFA Insurance Symposium,” November 14-15, 2023, <https://www.fhfa.gov/shared/Invitations/Insurance-Symposium-Agenda.pdf>.

5. In 2024, the FHFA announced that it had approved Fannie Mae’s title acceptance pilot.⁷⁵ The pilot uses “an automated title review process to assess title risk during loan manufacturing and prior to loan purchase” for a limited population of refinance loans.⁷⁶
 - a. Will you allow this Fannie Mae pilot to continue? Why or why not?
 - b. What changes to the Enterprises’ title insurance requirements would you support, if any?

6. The *Economic Growth, Regulatory Relief, and Consumer Protection Act* required FHFA to establish a process for the Enterprises to review and approve credit score models which could be used to establish credit scores that would be used in the approval and origination process for Enterprise-backed loans.⁷⁷ In October 2022, FHFA announced the validation and approval of two credit score models.⁷⁸ At the same time, FHFA announced that lenders would now be allowed to use two credit reports, rather than three, in underwriting a borrower.⁷⁹ But implementation of the new credit scores and credit report policy involves many parties and is still ongoing.
 - a. If confirmed, will you continue to implement the transition to the two credit score models validated in 2022? If not, what alternative will you pursue to comply with the 2018 law?
 - b. If confirmed, will you continue to implement FHFA’s policy allowing lenders to use two credit reports in underwriting mortgages for guarantee by the Enterprises? If not, what alternative will you pursue?
 - c. If confirmed, will you continue a robust engagement process on the Enterprises’ transition to using new credit score models and incorporate stakeholder feedback? If not, why not?

7. Fannie Mae⁸⁰ and Freddie Mac⁸¹ frequently sell nonperforming and reperforming single-family loans through their note sales programs. While some of these sales are targeted to nonprofit and community partners,⁸² most loans are sold in large, national pools, sometimes for greater than 100 percent of the unpaid principal balance of the underlying

⁷⁵ Federal Housing Finance Agency, “Director Sandra Thompson’s Statement on Title Acceptance Pilot,” March 7, 2024, <https://www.fhfa.gov/news/statement/director-sandra-thompsons-statement-on-title-acceptance-pilot>.

⁷⁶ Federal Housing Finance Agency, “Title Acceptance Pilot FAQs,” <https://www.fhfa.gov/sites/default/files/2024-03/Title-Acceptance-Pilot-FAQs.pdf>.

⁷⁷ Economic Growth, Regulatory Relief, and Consumer Protection Act, P.L. 115-174, Sec. 310, May 24, 2018, <https://www.congress.gov/bill/115th-congress/senate-bill/2155/text>.

⁷⁸ Federal Housing Finance Agency, “FHFA Announces Validation of FICO 10T and VantageScore 4.0 for Use by Fannie Mae and Freddie Mac,” press release, October 24, 2022, <https://www.fhfa.gov/news/news-release/fhfa-announces-validation-of-fico-10t-and-vantagescore-4.0-for-use-by-fannie-mae-and-freddie-mac>.

⁷⁹ *Id.*

⁸⁰ Fannie Mae, “Whole Loan Sales,” <https://capitalmarkets.fanniemae.com/whole-loan-sales>.

⁸¹ Freddie Mac, “Seasoned Loan Offerings,” <https://capitalmarkets.freddiemac.com/seasonedloanofferings>.

⁸² Federal Housing Finance Agency, “Enterprise Non-Performing Loan Sales Report,” June 2024, pg. 2, <https://www.fhfa.gov/document/enterprise-non-performing-loan-sales-report-june-2024>.

loans - meaning investors expect to receive more than the face value of the loans they purchase.⁸³

- a. Do you believe that there are adequate guardrails around the Enterprises' nonperforming loan sales, including pre-sale protections, post-sale protections, and additional transparency and accountability measures?
 - b. Do you believe that there are adequate guardrails around the Enterprises' reperforming loan sales, including pre-sale protections, post-sale protections, and additional transparency and accountability measures?
 - c. Do you believe it is financially prudent for the Enterprises to sell loan pools when investors are willing to pay more than 100 percent of the value of the unpaid principal balance on the loans that the Enterprises sell?
 - d. If confirmed, how will you ensure that homeowners whose loans are sold through nonperforming or reperforming loan sales maintain at least the same level of protections as they would have had if their loan were backed by the Enterprises, including loss mitigation options and protections from foreclosure?
8. What role, if any, do you believe cryptocurrency has and will have in the housing market? Please describe any direct effects, including use in home purchases or financing, and indirect effects, including the effects of fluctuations in wealth and income of homeowners who hold cryptocurrency assets.

Housing Supply Shortage

We have a nationwide housing shortage. By one estimate, the U.S. needed nearly 5 million additional homes as of 2023.⁸⁴ While Fannie Mae, Freddie Mac, and the FHLBanks do not build housing, their financing - and the cost and availability of that financing - plays an important role in supporting housing affordability and availability. Their financing supports individual homebuyers and multifamily housing owners purchasing and operating newly-built homes, and their multifamily loans help to support the preservation of existing homes that might otherwise become obsolete and worsen our housing shortage.

1. In October 2024, you appeared on Fox Business and stated, "it really is a supply and demand issue and until we increase supply...you're going to have prices go up."⁸⁵
 - a. Do you believe we have a housing supply shortage? If so, how can FHFA's regulated entities contribute to addressing this supply shortage?
 - b. You continued, "If we don't do something with regulation ... and if we don't cut some of these regulations, I think you can see prices go way higher."⁸⁶ What changes in regulations do you believe are needed?

⁸³ Fannie Mae, "Fannie Mae Announces Winner of its Latest Non-Performing Loan Sale," October 10, 2024, <https://www.fanniemae.com/newsroom/fannie-mae-news/winner-twenty-fifth-non-performing-loan-sale>. The cover bid on the national pool of 1,675 loans was 101.29 percent.

⁸⁴ Brookings Institution, "Making it count: Measuring our housing supply shortage," Elena Patel, Aastha Rajan, and Natalie Tomeh, November 26, 2024, <https://www.brookings.edu/articles/make-it-count-measuring-our-housing-supply-shortage/>.

⁸⁵ Fox Business, "Pulte Capital CEO says the US must fix the supply problem," October 28, 2024, <https://www.foxbusiness.com/video/6363892883112>.

⁸⁶ *Id.*

2. You've said that you see local zoning regulations as "the biggest problem right now in the housing market."⁸⁷
 - a. Do you still believe that local zoning is the biggest problem in the housing market? If so, what role do you believe the federal government can play in helping to address these problems?
 - b. Do you believe FHFA, the Enterprises, or the FHLBanks can help to address local zoning barriers in our housing market? Please explain.
3. The cost of credit for housing construction contributes to the cost that homebuyers pay for a new home, as well as the cost that apartment owners pay to construct - and renters pay to rent in - a multifamily building. There have been multiple⁸⁸ proposals⁸⁹ for the Enterprises to support lower-cost acquisition, development, and construction financing to lower the cost to build and, ultimately, to buy or rent a home.
 - a. Do you believe that FHFA's regulated entities have a role to play in addressing the cost of credit for construction of single-family or multifamily housing? If not, why not?
 - b. Would you support allowing Fannie Mae and Freddie Mac to offer loan guarantees that provide lower cost financing for residential construction to expand housing supply and lower costs? If not, why not?
4. When asked about tariffs, you have said that there was "a big tariff in the Chinese countertop business, and we were able to pass it on to customers. The customers were able to take the tariffs increases."⁹⁰ President Trump has proposed tariffs⁹¹ on imports from countries that supply important homebuilding materials, including softwood lumber.⁹² If new tariffs are put in place on imports of homebuilding components, including through blanket tariffs on countries that supply homebuilding products, would the cost of buying or renting a home increase for American families? Please explain your response.

⁸⁷ Wealthion, "Housing, Investing and Philanthropy with Bill Pulte," November 15, 2023, https://www.youtube.com/watch?v=T1_IEAaZqgU.

⁸⁸ National Association of Home Builders, "Housing Policy Priorities," p. 26, <https://www.nahb.org/-/media/NAHB/advocacy/docs/housing-policy-priorities.pdf?rev=434c843480b046cab2407918a44953b9>.

⁸⁹ Center for Public Enterprise, "Smoothing the Housing Investment Cycle," Paul E. Williams and Yakov Feygin, July 18, 2024, <https://publicenterprise.org/wp-content/uploads/Smoothing-the-Housing-Investment-Cycle-Part-1.pdf>.

⁹⁰ CNBC, "Pulte Capital CEO on why the housing market is hot and social media philanthropy," Halftime Report, October 24, 2019, <https://www.youtube.com/watch?v=wO5pYvzE0i4>.

⁹¹ White House, "Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China," February 1, 2025, <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>.

⁹² Axios, "What's at stake if Canada and Mexico tariffs happen," Emily Peck, January 31, 2025, <https://www.axios.com/2025/01/31/trump-tariffs-canada-mexico-fruit-lumber>.

5. You have written that you support proposals to “unlock portions of vast, federally-owned land” for housing construction.⁹³ Please detail the types of federal lands where you would support allowing for additional residential construction.

Federal Home Loan Bank System

Since 1932, the FHLBank system has provided liquidity to its member lenders to support access to long-term, affordable mortgage credit across the country. But, as our housing finance system has evolved over nearly a century, there have not been significant changes to the FHLBank System’s structure. In 2022, FHFA launched a comprehensive review of the FHLBank System to ensure that the System’s structure continues to support access to housing and community development financing across the country.⁹⁴

1. How would you define the mission of the FHLBank System?
2. FHFA’s review of the FHLBank System, titled “FHLBank System at 100: Focusing on the Future,” led to a report issued in November 2023 that included a number of administrative, regulatory, and legislative recommendations related to the FHLBank System.⁹⁵ If confirmed, would you continue FHFA’s ongoing work on the future of the FHLBank System? If not, why not?
3. As part of its “FHLBank System at 100: Focusing on the Future” report, FHFA identified “high levels of executive compensation at the FHLBanks,” as well as the degree to which incentive compensation supports both safety and soundness and the FHLBanks’ public mission, as areas for administrative and legislative action.⁹⁶ Do you support changes to the FHLBanks’ executive compensation practices? If so, what changes do you believe are necessary? If not, why not?
4. The “FHLBank System at 100: Focusing on the Future” report also recommended updates to FHLBanks’ board size and composition to ensure that boards are both efficient and provide the necessary expertise to oversee the safety and soundness of the Banks as technology and our housing finance systems evolve.⁹⁷ Do you support changes to the structures of the FHLBanks’ boards of directors? If so, what changes do you support? If not, why not?
5. Does FHFA’s existing membership rule requirement that depository members (other than community financial institutions) have at least 10 percent of their assets be residential mortgage loans at membership application appropriately ensure that members are

⁹³ Washington Examiner, “How Trump can be the housing president,” Bill Pulte, November 14, 2024, <https://www.washingtonexaminer.com/opinion/3228524/how-trump-can-be-housing-president/>.

⁹⁴ Federal Housing Finance Agency, “FHFA Announces Comprehensive Review of the Federal Home Loan Bank System,” press release, August 31, 2022, <https://www.fhfa.gov/news/news-release/fhfa-announces-comprehensive-review-of-the-federal-home-loan-bank-system>.

⁹⁵ Federal Housing Finance Agency, “FHLBank System at 100: Focusing on the Future,” November 7, 2023, <https://www.fhfa.gov/sites/default/files/2024-12/FHLBank-System-at-100-Report.pdf>.

⁹⁶ *Id.*, pp. 67-68.

⁹⁷ *Id.*, pp 66-67.

connected to the housing system?⁹⁸ If not, what changes would you make to ensure that all FHLBank members demonstrate a connection to the housing system?

6. The FHLBanks are required by statute to contribute at least 10 percent of their net income annually to the Affordable Housing Program (AHP).⁹⁹ In 2023, the 11 FHLBanks announced that they would voluntarily contribute 15 percent of their net income to affordable housing and community development initiatives, though the additional 5 percent of net income contributed may go to activities that do not meet AHP requirements.¹⁰⁰ For many years, the FHLBanks contributed 10 percent of net income to AHP and 20 percent of their remaining net income to pay for Resolution Funding Corporation bonds while maintaining their funding commitments to members.¹⁰¹ In light of this experience, the Treasury Department¹⁰² and FHFA have called for the FHLBanks to contribute 20 percent of their net earnings to affordable housing.¹⁰³
 - a. Do you support a requirement that the FHLBanks contribute at least 20 percent of their net income annually to affordable housing? If not, why not?
 - b. If so, do you support all of FHLBanks' required affordable housing contributions being made to the AHP? Please explain.
7. Congress authorized CDFIs as members of the FHLBank System,¹⁰⁴ but they continue to face barriers to receiving FHLBank advances and other programs and products.¹⁰⁵ How will you ensure that CDFIs are able to receive the full benefits of FHLBank membership, as provided by Congress?

FSOC

The Dodd-Frank Wall Street Reform and Consumer Protection Act created the Financial Stability Oversight Council (FSOC), which is charged with identifying threats to the financial stability of the United States, promoting market discipline, and responding to emerging threats to

⁹⁸ *Id.*, p. 61.

⁹⁹ 12 U.S.C. 1430(j).

¹⁰⁰ Council of Federal Home Loan Banks, "Council of Federal Home Loan Banks Hails FHFA Report Highlighting Impact Delivered by Federal Home Loan Banks," press release, October 18, 2024, <https://fhlbanks.com/council-of-federal-home-loan-banks-hails-fhfa-report-highlighting-impact-delivered-by-federal-home-loan-banks/#:~:text=In%20response%20to%20feedback%20the,the%20statutorily%20required%2010%20percent.>

¹⁰¹ Federal Housing Finance Agency, "FHFA Announces Completion of RefCorp Obligation and Approves FHLB Plans to Build Capital," press release, August 5, 2011, <https://www.fhfa.gov/news/news-release/fhfa-announces-completion-of-refcorp-obligation-and-approves-fhlb-plans-to-build-capital>.

¹⁰² U.S. Department of the Treasury, "READOUT: Deputy Secretary of the Treasury Wally Adeyemo's Meeting with the Leadership of the Federal Home Loan Banks and Federal Housing Finance Agency to Address Housing Supply and Affordability," press release, August 6, 2024, <https://home.treasury.gov/news/press-releases/jy2520>.

¹⁰³ Federal Housing Finance Agency, "FHLBank System at 100: Focusing on the Future," November 7, 2023, p. 50, <https://www.fhfa.gov/sites/default/files/2024-12/FHLBank-System-at-100-Report.pdf>

¹⁰⁴ Housing and Economic Recovery Act of 2008, P.L. 110-289, Sec. 1206.

¹⁰⁵ Letter from Daniel A. Nissenbaum to Federal Housing Finance Agency, March 31, 2023, https://www.fhfa.gov/sites/default/files/discussion_topics/Attachments/2382/FINAL_LIIF%20FHLB%20at%20100%20Comment%20Letter.pdf.

the stability of the financial system.¹⁰⁶ As one of 10 voting members of FSOC, the FHFA Director plays a critical role in monitoring and responding to threats to financial stability.¹⁰⁷

1. What do you see as current threats to U.S. financial stability and are there emerging risks you are following that potentially pose risks to financial stability? What steps do you believe FSOC should take to address or mitigate these risks?
2. In 2024, FSOC issued a report on nonbank mortgage servicing.¹⁰⁸ The FSOC report stated, “[n]onbank mortgage companies (NMCs) carry out critical servicing functions for the residential mortgage market and originate and service the majority of U.S. residential mortgages. However, NMCs have key vulnerabilities that can impair their ability to carry out these functions. NMCs’ vulnerabilities can amplify shocks to the mortgage market and thereby pose risks to financial stability.”¹⁰⁹
 - a. Do you agree with FSOC’s assessment?
 - b. NMCs borrow from large banks to fund origination and servicing operations. If these creditors were to pull warehousing and mortgage servicing lines of credit in a period of stress, how would that impact the mortgage market?
 - c. Would you expect the failure of a large NMC to trigger stress at other NMCs, given the balance sheet and creditor similarities?
 - d. Do NMCs generally have adequate capital and liquidity to withstand a period of stress?
 - e. If one of the largest NMCs failed, does another NMC have capacity to absorb the servicing obligations of the failed NMC?
 - f. Given the structure of NMCs, do you agree that the most likely approach to bankruptcy would be liquidation rather than reorganization?
 - g. Are you concerned that a disorderly failure of a large NMC could lead to servicing disruptions for consumers?
3. In 2021, FSOC identified climate change as an emerging risk.¹¹⁰ At the time, then-Secretary of Treasury, Janet Yellen, stated “Climate change is an emerging and increasing threat to America’s financial system that requires action”¹¹¹
 - a. Do you agree that climate change poses a threat to America’s financial system?
 - b. How would the effects of climate change, including increased wildfire risk, flood risk, severe storm risk, and rising insurance costs, affect the housing market and FHFA’s regulated entities?

¹⁰⁶ Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203, Sec. 112.

¹⁰⁷ *Id.*, Sec. 111.

¹⁰⁸ Financial Stability Oversight Council, “Report on Nonbank Mortgage Servicing,” 2024, <https://home.treasury.gov/system/files/261/FSOC-2024-Nonbank-Mortgage-Servicing-Report.pdf>.

¹⁰⁹ *Id.*, p. 1.

¹¹⁰ Financial Stability Oversight Council, “Report on Climate-Related Financial Risk,” 2021, <https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf>.

¹¹¹ U.S. Department of the Treasury, “Financial Stability Oversight Council Identifies Climate Change as an Emerging and Increasing Threat to Financial Stability,” press release, October 21, 2021, <https://home.treasury.gov/news/press-releases/jy0426#:~:text=%E2%80%9CClimate%20change%20is%20an%20emerging,the%20threat%20of%20climate%20change>.

4. In 2008, stress at Lehman Brothers and AIG threatened the stability of the financial system.¹¹² Do you believe that, today, there are zero nonbank financial companies whose failure could threaten U.S. financial stability?

Conflicts of Interest

Holdings through your investment fund, Pulte Capital Partners, as well as your other investments in PulteGroup and through the Pulte Family Office, are closely tied to the housing system and may directly relate to business that will come before FHFA. To ensure that there is not an actual or apparent conflict of interest if you are confirmed, it is important that the Senate understand your current financial relationship to entities that could directly or indirectly benefit from decisions you would make as FHFA Director.

1. What is the nature of your relationship with PulteGroup and its affiliates or subsidiaries (e.g., Pulte Financial Services, PGP Title, Pulte Insurance Agency, Premier Land Title Insurance Company, Pulte Homes, Centex, Del Webb, DiVosta, John Wieland Homes and Neighborhoods, and Pulte Mortgage)? Please clearly state your relationship with PulteGroup and each affiliate or subsidiary. Please also describe if your relationship with PulteGroup or any of its affiliates or subsidiaries poses any actual or apparent conflicts of interest.
2. Do you currently own stock in PulteGroup? If you previously owned stock in PulteGroup, please state when you dispensed of your ownership interest in the company.
3. What is the nature of your relationship to the Pulte Family Office and the relationship of the Pulte Family Office to Pulte Capital Partners, if any? In responding to this question, please describe if these relationships pose any actual or apparent conflicts of interest.
4. The Pulte Family Office describes its investment focus as “invest[ing] in a wide variety of investments, ranging from direct investments to investments in various funds as a Limited Partner.”¹¹³ Is the Pulte Family Office invested in any of the following:
 - a. Fannie Mae
 - b. Freddie Mac
 - c. Rental properties (single-family or multifamily)
 - d. Manufactured Housing Communities
 - e. Other commercial Real Estate
 - f. Rental management companies or other real estate-related entities (including property or title insurers)
5. Please describe your interest in Pulte Capital Partners, LLC. In responding to this question, please describe if this interest poses any actual or apparent conflicts of interest.

¹¹² Financial Crisis Inquiry Commission, “The Financial Crisis Inquiry Report,” January 2011, pp. 324-386, <https://www.govinfo.gov/content/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf>.

¹¹³ Pulte Family Office, “Investment Focus,” <https://www.pultefamilyoffice.com/investment-focus/>.

6. Please describe if Pulte Capital Partners, LLC is invested in any of the following:
 - a. Rental properties (single-family or multifamily)
 - b. Manufactured Housing Communities
 - c. Other commercial Real Estate
 - d. Rental management companies or other real estate-related entities (including property or title insurers)
7. Do you currently hold or have you held any investments in Fannie Mae or Freddie Mac junior preferred shares or common shares, or in any funds that invest in such shares?
8. Please describe with specificity what steps you will take to mitigate any actual or apparent conflicts of interest.

Management

As FHFA Director, you would be responsible for oversight and management of the agency's operations, including more than 700 full-time employees and an agency budget of \$350 million.¹¹⁴ You will also be responsible for ensuring that FHFA continues to operate as an independent agency.

1. Do you agree that FHFA is an independent regulator? If so, how would you ensure that FHFA maintains its independence?
2. President Trump established a Department of Government Efficiency (DOGE), which is already reported to have implemented significant personnel and contracting changes at other federal agencies.¹¹⁵ If confirmed, would you seek a DOGE review of FHFA or otherwise implement large staffing or programmatic cuts?
3. Since being announced as the nominee to lead FHFA, have you spoken to any members of the administration or representatives of DOGE about staffing or programmatic cuts at FHFA? If so, please provide a detailed description of those discussions.
4. Do you believe it is appropriate for a federal agency to remove historical records from public view, including press releases? If so, please explain why. If not, please explain how you would ensure that FHFA does not remove programmatic and historical information from its website.

¹¹⁴ Federal Housing Finance Agency, "FY2024 Performance and Accountability Report," p. 9, <https://www.fhfa.gov/document/fhfa-fy-2024-performance-and-accountability-report>.

¹¹⁵ Wall Street Journal, "What to Know About USAID, the Agency Elon Musk Wants Dead," Joseph Pisani, Betsy McKay, and Joseph De Avila, February 6, 2025, <https://www.wsj.com/politics/policy/what-is-usaid-trump-doge-elon-musk-509ae5ae>; Washington Post, "DOGE rips through Education Department, cutting contracts, staff and grants," Laura Meckler and Hannah Natanson, February 14, 2025, <https://www.washingtonpost.com/education/2025/02/13/doge-education-department-cuts/>.

Conclusion

FHFA plays a critical role in our housing finance system. It needs a strong, independent leader who is committed to building a strong, stable housing market and ensuring that Fannie Mae, Freddie Mac, and the FHLBanks are helping to address, not exacerbate, our national housing crisis. I ask that you come to your hearing prepared to respond to the questions raised in this letter so that members of the Senate can understand whether your management of FHFA would lower housing costs and expand housing opportunities for American families.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Warren", written over a horizontal line.

Elizabeth Warren
Ranking Member
Senate Committee on Banking, Housing
And Urban Development