



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

September 22, 2021

American Bankers Association
Mortgage Bankers Association
National Association of Home Builders of the United States
National Association of REALTORS

Dear Stakeholders:

Thank you for your letter dated September 9, 2021, regarding provisions added to the Preferred Stock Purchase Agreements (PSPAs) with Fannie Mae and Freddie Mac (the Enterprises) on January 14, 2021.

On September 14, 2021, the Federal Housing Finance Agency (FHFA) and the U.S. Department of the Treasury (Treasury) suspended some of these provisions. The suspension will provide FHFA time to review the extent to which requirements under the new provisions are redundant or inconsistent with existing FHFA standards, policies, and directives that mandate sustainable lending standards.

FHFA will consult with Treasury on the scope of the review and on any recommended revisions to the PSPA requirements. The suspended provisions include limits on the Enterprises' cash windows (loans acquired for cash consideration), multifamily lending, loans with higher risk characteristics, and second homes and investment properties.

The Enterprises will continue to build capital under the continuing provisions of the PSPAs. FHFA also continues to direct the Enterprises to operate in a safe and sound manner consistent with their statutory mission, and to foster resilient housing finance markets given prevailing housing market conditions, which include elevated demand relative to available inventory.

I appreciate you sharing your views on this topic, and I looking forward to your continued engagement on this and other important housing finance issues.

Sincerely,

Sandra L. Thompson
Acting Director