



441 G St. N.W.
Washington, DC 20548

B-334889

January 6, 2023

Committee on Banking, Housing, and Urban Affairs
United States Senate

Committee on Financial Services
House of Representatives

Subject: *Federal Housing Finance Agency: Prior Approval for Enterprise Products*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Federal Housing Finance Agency (FHFA) entitled "Prior Approval for Enterprise Products" (RIN: 2590-AA17). We received the rule on December 20, 2022. It was published in the *Federal Register* as a final rule on December 27, 2022. 87 Fed. Reg. 79217. The effective date is February 27, 2023.

The final rule, according to FHFA, establishes a process for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (collectively, the Enterprises) to provide advance notice to the FHFA Director before offering a new activity to the market. Further, FHFA stated that the rule establishes a process for the Enterprises to obtain prior approval from the FHFA Director before offering a new product to the market.

Enclosed is our assessment of FHFA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shari Brewster, Assistant General Counsel, at (202) 512-6398.

A handwritten signature in black ink that reads "Shirley A. Jones".

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Clinton Jones
General Counsel
Federal Housing Finance Agency

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
FEDERAL HOUSING FINANCE AGENCY
ENTITLED
“PRIOR APPROVAL OF ENTERPRISE PRODUCTS”
(RIN: 2590-AA17)

(i) Cost-benefit analysis

In its submission to us, the Federal Housing Finance Agency (FHFA) indicated that it considered preparation of an analysis of the costs and benefits of this final rule to be not applicable.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

FHFA stated that it has considered the impact of this final rule under the RFA and certifies that the final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

As an independent regulatory agency, FHFA is not subject to the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On November 9, 2020, FHFA published a notice of proposed rulemaking. 85 Fed. Reg. 71276. FHFA stated it received 17 comments on the proposed rule. Commenters included, according to FHFA, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, National Association of Home Builders, National Taxpayer Union, American Enterprise Institute, Community Home Lenders Association, National Association of Federal Credit Unions, American Bankers Association, Mortgage Bankers Association, Center for Responsible Lending, Independent Community Bankers of America, Housing Policy Council, U.S. Mortgage Insurers, National Association of Realtors, Manufactured Housing Institute, Consumer Federation of America, and one lender. FHFA addressed these comments in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

FHFA determined that this final rule contains no information collection requirements under the PRA.

Statutory authorization for the rule

FHFA promulgated this final rule pursuant to sections 4511, 4513, 4526, and 4541 of title 12, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

As an independent regulatory agency, FHFA is not subject to the Order.

Executive Order No. 13132 (Federalism)

As an independent regulatory agency, FHFA is not subject to the Order.