United States Senate

March 5, 2026

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

Dear Director Pulte:

We write to urge you to reform Fannie Mae and Freddie Mac's note sale processes to ensure that they comply with President Trump's January 20, 2026, Executive Order, "Stopping Wall Street from Competing with Main Street Homebuyers," and do not move single-family homeownership from struggling Americans to wealthy institutional investors.

President Trump's executive order directed Federal agencies to ensure their programs help owner-occupants, not large investors, own single-family homes. Within this order, the President instructed FHFA to prevent Fannie Mae and Freddie Mac (the Government-Sponsored Enterprises – GSEs) from enabling institutional investors to acquire single-family homes over owner-occupants and from "disposing of Federal assets in a manner that transfers a single-family home to a large institutional investor."

Both Fannie Mae and Freddie Mac's note sale processes clearly conflict with the President's order. Under FHFA's oversight, the GSEs transfer ownership of hundreds to thousands of delinquent and previously delinquent mortgages to bulk purchasers each year through note sales. While FHFA does not release data for every pool of Fannie Mae and Freddie Mac note sales, the data FHFA has made public shows that mortgages sold in note sales are predominately purchased by private equity firms and other institutional investors and that most homeowners eventually lose their home, with many homes turned over to those new mortgage holders. Indeed, FHFA's public data shows that approximately 35% of properties foreclosed upon or voluntarily turned over to a lender after a Fannie Mae or Freddie Mac note sale ultimately are held by the mortgage purchaser for rental, sold to an investor, or sit on a lender's books.

In other words, GSE note sales – which dispose of Federal assets – result in single-family mortgages and ultimately single-family homes becoming owned by large institutional investors. In fact, these note sales have transferred ownership of thousands of single-family homes to institutional investors. Instead of enabling large investors to acquire single-family homes at the expense of struggling families, FHFA should use its broad authority as the GSE's conservator and regulator to follow President Trump's directive, require the GSEs to overhaul their note sale processes, and ensure single-family homes are owned by families, not corporations.

Specifically, to prevent institutional investors from taking homes from American households and to help more struggling families remain in their homes, we request you order Fannie Mae and Freddie Mac to:

- Prohibit institutional investors from purchasing note sale pools;

- Mandate "first-look" note sale opportunities that give states, municipalities, and nonprofits the first chance to purchase note sale pools;
- Help households stay in their homes by excluding mortgages from note sales until all FHFA-required loss mitigation options have been exhausted and by requiring note sale purchasers to offer borrowers loss mitigation and payment relief options comparable to what GSE-backed servicers must provide to homeowners;
- Require note sale purchasers provide quarterly data regarding treatment and outcomes for these loans, including loss mitigation data, post-foreclosure outcomes, charge-offs and resales of loans, and remaining loan term, foreclosure status, loan to value ratio, and other loan characteristics; and
- Conduct regular Community Impact Pools and Extended Timeline Pools, which target note sale pools to nonprofits and small investors.

Thank you for your attention to this important matter. We look forward to your prompt reply.

Sincerely,

Jack Reed
United States Senator

Jeffrey A. Merkley
United States Senator

Sheldon Whitehouse
United States Senator

Adam B. Schiff
United States Senator

Ron Wyden
United States Senator

Tina Smith
United States Senator