

October 20, 2011

United States Senate
Washington, DC 20510

Dear Senator:

It has come to our attention that Senator Vitter is asking for a second degree amendment to Menendez/Isakson #857 that will cap the lending authority for Fannie Mae and Freddie Mac from the US Treasury . Please be aware that the Mortgage Bankers Association of America, the National Association of Homebuilders, and the National Association of REALTORS adamantly OPPOSE the Vitter Amendment.

Housing markets remain fragile. Despite record low interest rates, existing home sales for September were down and contract failures are more than double last year's rates. The Vitter amendment would devastate any housing recovery. The amendment would shut down Fannie Mae and Freddie Mac at the very time that they are providing valuable support to a struggling housing market.

At their current rate, including the punitive ten percent dividend they are required to pay, they may reach this cap in short order, ending their ability to provide liquidity to mortgage markets. Private entities simply do not have the capacity to fill the void. Passage of this amendment would be catastrophic to housing markets and would most likely cause a relapse recession. For more information or if you have any questions, please contact Jamie Gregory (NAR) at 202-841-3567; Bill Kilmer (MBA) at 202-329-1894; or Scott Meyer (NAHB) at 202-266-8144.

Please vote NO on the Vitter Amendment.

Sincerely,

Mortgage Bankers Association of America

National Association of Homebuilders

National Association of REALTORS