



December 8, 2011

The Honorable Bob Casey
United States Senate
393 Russell Senate Office Building
Washington, DC 20510

Dear Senator Casey:

The members of the Mortgage Bankers Association, the National Association of Home Builders and the National Association of REALTORS[®], fervently believe revisions must be made to the draft “Middle Class Tax Relief Act of 2011” to ensure that Fannie Mae's and Freddie Mac's credit risk guarantee fees (g-fees) continue to be used solely for the purpose of minimizing the loss exposure of these government-sponsored enterprises (Enterprises), investors and taxpayers.

Because g-fees currently are calculated by the Enterprises as a function of the costs of guaranteeing the securities they issue, i.e., the risk of underlying loans, our organizations believe g-fee levels would be most appropriately addressed as part of comprehensive housing finance reform. Further, we strongly believe that fees charged by the Enterprises to manage risk and enhance capital should not be diverted for purposes unrelated to the safety and soundness of the housing finance system.

We appreciate the attempts by Senator Casey and many in Congress to provide financial relief to the middle class, as well as foster job creation. Unfortunately, we believe it is counterproductive to divert g-fees away from their intended purposes of minimizing the Enterprises' risk exposure and ensuring the liquidity of the secondary mortgage market.

Therefore, we respectfully request that you oppose the draft “Middle Class Tax Relief Act of 2011” unless it is revised in the manner described above.

Thank you for your consideration of this very important matter.

Sincerely,

Mortgage Bankers Association of America
National Association of Homebuilders
National Association of REALTORS[®]

cc: Members, United States Senate