November 23, 2015

The Honorable Paul Ryan Speaker U.S. House of Representatives Washington, DC 20515

The Honorable Mitch McConnell Majority Leader United States Senate Washington, DC 20510 The Honorable Nancy Pelosi Minority Leader U.S. House of Representatives Washington, DC 20515

The Honorable Harry Reid Minority Leader United States Senate Washington, DC 20510

Dear Speaker Ryan, Leader Pelosi, Leader McConnell, and Leader Reid:

The undersigned organizations are writing to express our strong support for the inclusion of S. 2038, the *Jumpstart GSE Reform Act*, in any final omnibus appropriations measure. This legislation would prohibit the sale of Treasury-owned senior preferred shares in government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac without congressional approval, and also prohibit any increase in GSE guarantee fees (g-fees) from offsetting other government spending.

Our organizations have a long-standing interest in congressional efforts to reform Fannie Mae and Freddie Mac. While much work remains on this front, prohibiting Treasury from selling their shares of senior preferred stock in the GSEs will ensure that Congress has the final say in any comprehensive housing finance reform plan. With taxpayers currently backstopping the U.S. housing finance system, the GSEs should not be allowed to recapitalize without congressionally approved reforms in place.

S. 2038 would also ensure that Congress cannot utilize Fannie Mae and Freddie Mac's g-fees as a revenue off-set for government spending. Our organizations strongly believe that g-fees should only be utilized for their intended purpose – to guard against credit losses by the GSEs themselves. Utilizing g-fees for any other purpose serves only as a "tax on homeownership" in the form of higher payments, and is counterproductive to congressional housing finance reform efforts.

Again, as Congress debates the final omnibus appropriations measure for FY 2016 we urge you to incorporate the bipartisan provisions of S. 2038 to ensure Congress, not regulators, reshapes the U.S. housing finance system.

Thank you for consideration of our views.

**Mortgage Bankers Association** 

**National Association of Home Builders** 

National Association of REALTORS®