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The Honorable Mark Sanford
2201 Rayburn Office Building
Washington, DC 20515

The Honorable Brad Sherman
2242 Rayburn Office Building
Washington, DC 20515

The Honorable Randy Neugebauer
1424 Longworth Office Building
Washington, DC 20515

Dear Representatives Sanford, Sherman and Neugebauer:

On behalf of the over 1.1 million members of the National Association of REALTORS® (NAR), I thank you for introducing H.R. 4893, the “Risk Management and Homeowner Stability Act of 2016.” This bipartisan legislation would amend the “Congressional Budget and Impoundment Control Act of 1974” to prohibit the use of Fannie Mae and Freddie Mac’s guarantee fees (G-fees) from being used to offset government spending.

The purpose of the G-fee is to prospectively guard against credit losses at Fannie Mae and Freddie Mac. G-fees should only be used to protect taxpayers from mortgage losses, not to fund unrelated spending. Each time G-fees are extended, increased and diverted for unrelated spending, homeowners are charged more for their mortgages and taxpayers are exposed to additional risk for the long-term.

NAR is pleased that H.R. 4893 recognizes that diverting revenue from these risk-based fees both places an additional burden on the backs of homeowners and is bad public policy. G-fees should only be used as a buffer against mortgage defaults, not as a piggy-bank for increased government spending.

REALTORS® thank you for your diligent work to help prevent G-fee revenue from being used for unrelated purposes.

Sincerely,



Tom Salomone
2016 President, National Association of REALTORS®

