



December 29, 2020

Dear Senator Rounds and Senator Warner,

On behalf of the undersigned groups, we appreciate your understanding of our deep concern regarding the potential impact of the Federal Housing Finance Agency's *Enterprise Regulatory Capital Framework Final Rule*. Our groups have cautioned the FHFA about the harm of issuing a rule with such major implications for the housing market without first conducting a thorough impact analysis on market stability, the cost and accessibility of credit, and the GSEs' ability to support liquidity in the market through all economic cycles.¹ We thank you for your recent efforts to assess the final rule's impact to protect American taxpayers and maintain broad, affordable access to credit.

Many market analysts have repeatedly pointed to the prospect of more costly and harder to obtain mortgage loans as a result of the rule, especially during the current pandemic or future market crises. Furthermore, the rule would shift market share to government programs and undermine reforms intended to protect taxpayers. These important reforms have contributed to the development of a robust and competitive private market willing to take on GSE credit risk.

We appreciate your amendment to delay implementation of the final rule until the impact of the rule can be evaluated by the Government Accountability Office. Such an analysis would address the effects on taxpayers, competition, homebuyers and homeowners, but also market stability and the Enterprises' ability to carry out their charter duties and countercyclical role.

The Enterprises held critically low levels of capital in the last crisis relative to the risk on their balance sheets. As with any capital reform of this magnitude, it is important to have a thorough impact assessment of the *Enterprise Regulatory Capital Framework* final rule to ensure that it does not undermine twelve years of reform, jeopardizing both taxpayers and American homeownership.

We thank you, Senator Rounds and Senator Warner, for your attention to this vital matter.

Sincerely,

National Association of REALTORS®
Reinsurance Association of America
The Council of Insurance Agents and Brokers
Mortgage Bankers Association

¹ <https://www.fhfa.gov/SupervisionRegulation/Rules/Pages/Comment-Detail.aspx?CommentId=15644>
<https://www.fhfa.gov/SupervisionRegulation/Rules/Pages/Comment-Detail.aspx?CommentId=15638>
<https://www.fhfa.gov/SupervisionRegulation/Rules/Pages/Comment-Detail.aspx?CommentId=15640>
<https://www.fhfa.gov/SupervisionRegulation/Rules/Pages/Comment-Detail.aspx?CommentId=15630>