

Joint Statement from Housing, Financial Services, and Public Interest Groups on GSEs' Adverse Market Fee

WASHINGTON, D.C. (August 13, 2020) - A broad coalition of organizations representing the housing, financial services industries as well as public interest groups issued the following statement on the GSEs' new adverse market fee:

"Wednesday night's surprise announcement by Fannie Mae and Freddie Mac (the GSEs) conflicts with the Administration's recent executive actions urging federal agencies to take all measures within their authority to support struggling homeowners. The additional 0.5% fee on Fannie Mae and Freddie Mac refinance mortgages will raise costs for families trying to make ends meet in these challenging times. In addition, the September 1 effective date means that thousands of borrowers who did not lock in their rates could face unanticipated cost increases just days from closing.

"In spite of the fragility of the national economic recovery, the mortgage market has been able to withstand many of the most severe effects of the COVID-19 pandemic. The recent refinance activity has not only helped homeowners lower their monthly payments, but it is also reducing risk to the GSEs and taxpayers. At a time when the Federal Reserve is purchasing \$40 billion in agency mortgage-backed securities per month to help reduce the cost of buying or refinancing a home and stimulate the broader economy, this action by the GSEs raises those costs, contradicting and undermining Fed policy.

"The pricing increase is particularly harmful for our nation's low- and moderate-income homeowners and for the emerging, but unsteady improvements to the national economy. The undersigned organizations strongly urge the Federal Housing Finance Agency, which had to approve this policy, to withdraw this ill-timed, misguided directive."

American Bankers Association
American Land Title Association
Center for Responsible Lending
Community Housing Lenders Association
Credit Union National Association
Housing Policy Council
Independent Community Bankers of America
Manufactured Housing Institute
Mortgage Bankers Association
National Association of Affordable Housing Lenders
National Association of Federally-Insured Credit Unions
National Association of Hispanic Real Estate Professionals
National Association of Home Builders
National Association of Real Estate Brokers
National Association of Realtors
National Community Stabilization Trust
National Council of State Housing Agencies
National Fair Housing Alliance
National Housing Conference
Real Estate Services Providers Council (RESPRO)