

September 11, 2013

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The undersigned groups believe that H.R. 2767, the “Protecting American Taxpayers and Homeowners Act” (PATH Act), which passed the House Financial Services Committee in July, was helpful in starting the serious dialogue about housing finance reform. While we share a common goal of housing finance reform, we are concerned that the PATH Act would hinder the ability for American families to have access to quality homeownership and rental options and hurt job growth. Public policy reforms should promote responsible, sustainable housing opportunities, protect the American taxpayer and not endanger the future of this critical economic sector.

We believe that, as part of secondary mortgage market reform, the inclusion of an explicit federal government guarantee is critical to ensure the availability of mortgage capital in all market conditions as well as liquidity in the secondary mortgage market for smaller lenders. The PATH Act does not include a guarantee for the conventional secondary mortgage market, and this omission would have extremely negative consequences for American families and the economy.

First and foremost, the PATH Act jeopardizes the availability of fixed-rate, long-term debt, such as the 30-year mortgage, which has successfully served families for decades. Moreover, without the federal government clearly, and explicitly, offering a guarantee of some mortgage securities, taxpayers and lenders are left with extremely limited options to keep lending available during an economic downturn. Furthermore, real estate is the lynchpin of our economy. The \$2 trillion real estate sector supports 17 million American jobs. We are concerned that the PATH Act would significantly hinder job growth in this sector.

Housing finance reform should be a priority for this Congress, but it must be done in a responsible manner that can garner widespread support. As written, the PATH Act does not achieve that goal and would jeopardize our nation’s economic recovery.

Respectfully,

CCIM Institute
Community Mortgage Lenders of America
Institute of Real Estate Management
Leading Builders of America
National Association of Home Builders
National Association of REALTORS®
REALTORS® Land Institute
Society of Industrial and Office REALTORS®