

The Honorable Michael Enzi
Chairman
Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bernie Sanders
Ranking Member
Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

March 13, 2015

Dear Chairman Enzi and Ranking Member Sanders:

The undersigned organizations wish to express our support for the amendment offered by Senators Crapo, Warner, Corker, and Merkley to ensure Fannie Mae and Freddie Mac credit risk guarantee fees (g-fees) are no longer used to offset the costs associated with unrelated policies that increase the deficit. The Senate adopted similar, bipartisan language during the 113th Congress in response to several attempts to use g-fees to offset unrelated expenditures.

G-fees are a critical risk management tool used by Fannie Mae and Freddie Mac to protect against losses from faulty loans, and should be used only to manage the companies' credit risk. Increasing g-fees for other purposes effectively taxes potential homebuyers and consumers wishing to refinance their mortgages. G-fee increases unrelated to housing could also act to hinder the necessary reforms required of the housing finance system in the years ahead.

We are united in our belief that using g-fees as a funding mechanism places an unnecessary burden on homeowners and prevents Fannie Mae and Freddie Mac from effectively managing their risk, and urge the Budget Committee to pass the amendment offered by Senators Crapo, Warner, Corker, and Merkley.

Sincerely,

American Bankers Association
American Land Title Association
Credit Union National Association
Financial Services Roundtable
Housing Policy Council
Mortgage Bankers Association
National Association of Federal Credit Unions
National Association of Realtors

Cc: The Honorable Mike Crapo
The Honorable Mark Warner
The Honorable Bob Corker
The Honorable Jeff Merkley