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March 1, 2016

United States Senate
Washington, DC 20510

Dear Senator:

The over 1.1 million members of the National Association of REALTORS® (NAR) urge you to cosponsor S. 752, introduced by Senators Crapo (ID) and Warner (VA). This bipartisan legislation would establish a scorekeeping rule to ensure that increases in guarantee fees (G-fees) of Fannie Mae and Freddie Mac will not be used to offset spending that increases the deficit.

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.

S. 752 prohibits increases in Fannie Mae and Freddie Mac G-fees from being used to offset increased spending. NAR is pleased that the legislation recognizes that diverting revenue from these risk-based fees both places an additional burden on the backs of homeowners and is bad public policy. Mortgage G-fees should only be used as a buffer against mortgage defaults, not as a piggy-bank for increased government spending.

Once again, NAR strongly encourages your support for S. 752 and asks that you cosponsor this important legislation in order to prevent G-fee revenue from being used for unrelated purposes. Thank you for your consideration of this request.

Sincerely,



Tom Salomone
2016 President, National Association of REALTORS®

