



William E. Brown
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April 4, 2017

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The more than 1.2 million members of the National Association of REALTORS® (NAR) respectfully request that you support H.R. 916, the “Risk Management and Homeowner Stability Act,” introduced by Representatives Sanford (R-SC) and Sherman (D-CA). The legislation would amend the Congressional Budget and Impoundment Control Act of 1974 to prohibit the use of Fannie Mae and Freddie Mac’s guarantee fees (g-fees) to pay for government spending.

G-fees are a critical risk management tool used by Fannie Mae and Freddie Mac to protect against loan losses, and should be used only to manage the companies’ operations and credit risk. Implementing a g-fee increase that is unrelated to housing could hinder the necessary reforms required of the housing finance system for the foreseeable future. Increasing g-fees raises the cost to purchase or refinance a home. Increases disproportionately impact low and moderate income borrowers, as well as first-time homebuyers. These fees should be used only to protect Fannie Mae and Freddie Mac against losses.

NAR was deeply disturbed when g-fees were raised in 2011 to fund a two-month extension of payroll tax relief – a tax that homebuyers and owners will continue to pay until 2021. Since then, the Association has informed Congress that homeownership cannot, and must not, be used as the nation’s piggybank.

By preventing g-fees from being scored as a funding offset, H.R. 916 gives lawmakers a critical tool to prevent homeowners from footing the bill for unrelated spending. Once again, REALTORS® urge you to support this important bipartisan piece of legislation.

Sincerely,

A handwritten signature in blue ink that reads 'William E. Brown'.

William E. Brown
2017 President, National Association of REALTORS®



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