

January 21, 2020

Federal Housing Finance Agency
Division of Conservatorship
400 7th Street SW 8th floor, Washington, D.C. 20219

Re: Request for Input on Enterprise Pooling Practices

Dear Madam or Sir:

Dodge & Cox respectfully submits this letter in response to a request by the Federal Housing Finance Agency (the “FHFA”) for a Request for Information (RFI) regarding the above-referenced release. We wish to express our support for and agreement with the comprehensive comment letter submitted by SIFMA. We commend the FHFA’s efforts to explore rules that encourage thoughtful and effective pooling practices in the conventional MBS sector and hope that our feedback is helpful. We would like to particularly emphasize the following points.

- This kind of market structure would offer less value to us as investors as it would reduce our investment choices, potentially leading to reduced sponsorship in specified pool investing.
- To the extent that specified pool sponsorship worsens, mortgage borrowers with certain attributes, we believe, will be impacted through higher rates as originators will see their execution worsen and need to pass these costs to borrowers.

Dodge & Cox is a fundamental value-oriented manager serving as investment adviser to the Dodge & Cox Funds and other separately managed accounts totaling over \$320 billion in assets under management. Dodge & Cox, one of the longest-standing professional investment management firms in the United States, is known for its thorough, independent research, and focus on the long term.

If you have any questions regarding our comment letter or would like additional information, please contact Masato Nakagawa, Structured Products representative, at (415) 274-9333.

Sincerely

Structured Products Fixed Income Team
Dodge & Cox