August 14, 2023

The Honorable Sandra Thompson

Federal Housing Finance Agency

Constitution Center

400 Seventh Street, SW

Washington, DC 20219

Re: Enterprises’ Single-Family Mortgage Pricing Framework

Dear Director Thompson,

The National Housing Resource Center (NHRC) appreciates the opportunity to comment on FHFA’s process for setting the Enterprises’ single-family upfront guarantee fees, including whether it is appropriate to continue to link upfront guarantee fees to the Enterprise Regulatory Capital Framework.

The organizations signing on to this comment are housing providers working directly with America’s homebuyers or organizations supporting this work.  We know the challenges homebuyers face to afford home purchase

We believe that Government Sponsored Enterprise (GSE) pricing should not be done on an individual loan basis, but it should be spread across the entire portfolio. We are open to second homes having higher loan level pricing because they are not close to the GSE’s core mission.

We are concerned that borrowers who have down payments of less than twenty percent are paying higher pricing through the current loan level price adjustment pricing (LLPAs). This aggravates the affordability problem many homebuyers face.  Furthermore, the burden of this pricing falls more on Black and Brown borrowers coming from low wealth communities who are more likely to have a lower downpayment than white borrowers.  NHRC does not recommend setting up barriers for borrowers of color who are the future of the housing market. We recommend focusing on the mission of delivering affordable loans in the field.  Finally, with downpayments below twenty per cent, borrowers are paying for mortgage insurance.  Adding an LLPA to the borrower’s home purchase expense represents a belt and suspenders approach with too much coverage at the expense of the lower downpayment borrower.

The National Housing Resource Center (NHRC) is dedicated to organizing housing counseling agencies to ensure that homeownership and rental needs are met among all communities through our congressional advocacy and community outreach work. We commend your efforts to improve the GSE’s single-family mortgage pricing framework.

We urge you to remove LLPAs altogether with the exception of second homes. We recommend that instead of managing the risk on an individual loan by loan basis, FHFA manage the risk on the entire portfolio through the guarantee fee. This may lead to a modestly higher guarantee fee, but we believe this would be a sound way to mitigate risk. These recommendations would allow for more inclusion of borrowers of color and first-time homebuyers, especially as interest rates continue to rise this year.

Thank you for considering these recommendations.

Signed,

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| ACCAP | Blaine | MN |
| Administration of Resources and Choices | Tucson | AZ |
| Affordable Housing Centers of Pennsylvania | Philadelphia | PA |
| Affordable Housing Partnership | Albany | NY |
| Americans for Financial Reform Education Fund | Washington | DC |
| Arundel Community Development Services, Inc. | Annapolis | MD |
| Beyond Housing | St. Louis | MO |
| Bit Technology, Inc. | Ocala | FL |
| Bucks County Housing Group | Warminster | PA |
| Center for Changing Lives | Chicago | IL |
| Center for Community Progress | Washington | DC |
| Center for New York City Neighborhoods, Inc. | New York City | NY |
| Centre for Homeownership & Economic Development Corporation, Inc. | Hillsborough | NC |
| Centro de Apoyo Familiar | Riverdale | MD |
| Chicago Area Fair Housing Alliance | Chicago | IL |
| Community Housing Council of Fresno | Fresno | CA |
| Community Services of Nevada CSNV | Las Vegas | NV |
| Consumer Credit and Budget Counseling, Inc. d/b/a National Foundation for Debt Management | Marmora | NJ |
| Covenant Faith Outreach Ministries | Tupelo | MS |
| [Debthelper.com](http://Debthelper.com) | West Palm Beach | FL |
| EK Sattler Assoc | Newark | NJ |
| GECAC | Erie | PA |
| Goldenrule Housing & Community Development Corp | Sanford | FL |
| Greater Phoenix Urban League | Phoenix | AZ |
| HOME, Inc. | Des Moines | IA |
| HomeFree-USA | Landover | MD |
| HomeOwnership Center, Inc. | Elkins | WV |
| HOND, INC. | Wilmington | DE |
| HOPE Fair Housing Center | Wheaton | IL |
| Housing Action Illinois | Chicago | IL |
| Housing and Education Alliance | Tampa | FL |
| Housing Channel | Fort Worth | TX |
| Housing Network of Rhode Island | Pawtucket | RI |
| Housing Opportunities and Maintenance for the Elderly Inc. (H.O.M.E.) | Chicago | IL |
| Housing Opportunities of Fort Worth, Inc. | Fort Worth | TX |
| Housing Options & Planning Enterprises, Inc. | Oxon Hill | MD |
| Housing Partnership Network | Boston | MA |
| Hudson County Housing Resource Center | Jersey City | NJ |
| Kingdom CDC | Spring Lake | NC |
| La Fuerza Unida, Inc. | Glen Cove | NY |
| Lake County Housing Authority | Grayslake | IL |
| Lawrence CommunityWorks | Lawrence | MA |
| LINC UP Nonprofit Housing Corporation | Grand Rapids | MI |
| Massachusetts Affordable Housing Alliance | Dorchester | MA |
| Merrimack Valley Housing Partnership | Lowell | MA |
| Metropolitan Planning Council | Chicago | IL |
| MN Homeownership Center | Saint Paul | MN |
| Mt. Airy CDC | Philadelphia | PA |
| Multi-County Community Service Agency, Inc. | Meridian | MS |
| National Association for Latino Community Asset Builders | Washington | DC |
| National CAPACD- National Coalition for Asian Pacific American Community Development | Washington | DC |
| National Housing Resource Center | Philadelphia | PA |
| Neighborhood Housing Services of Chicago | Chicago | IL |
| NID-HCA | Las Vegas | NV |
| Northern Homes CDC | Boyne City | MI |
| NWCS, Inc. | Philadelphia | PA |
| Origin SC | North Charleston | SC |
| Parachute Credit Counseling, Inc. | West Seneca | NY |
| Philadelphia Association of Community Development Corporations | Philadelphia | PA |
| PRG Inc. | Minneapolis | MN |
| Rockaway Development & Revitalization Corporation | Far Rockaway, Queens | NY |
| Self-Help Enterprises | Visalia | CA |
| South Suburban Housing Center | Homewood | IL |
| Southwest CDC | Philadelphia | PA |
| The Journey Forward | Chicago | IL |
| The Statewide Independent Living Council of Illinois | Springfield | IL |
| Trellis | Phoenix | AZ |
| Urban League of Essex County | Newark | NJ |
| Urban League of Greater Atlanta | Atlanta | GA |
| Ventura County Community Development Corporation | Oxnard | CA |
| Western Arizona Council of Governments | Yuma | AZ |
| Woodstock Institute | Chicago | IL |
| Working In Neighborhoods | Cincinnati | OH |