

June 30, 2020

Director Calabria,

The undersigned organizations write today in response to the re-proposed Enterprise Regulatory Capital Framework (“ECF”) recently published by FHFA. We appreciate the opportunity to respond and provide input on major changes relating to the Enterprises, Fannie Mae and Freddie Mac (the “GSEs”), as these changes will have a sizeable impact on the entire housing finance market and its ability to serve consumers for years to come.

The length of the ECF and the diverse topics embedded therein speak to both the complexity of this issue and the importance of establishing a risk management and loss-absorption framework for the GSEs that will support a well-functioning mortgage market through all economic cycles. Our country needs a stable and liquid mortgage market through these cycles, which, as you know, is the purpose of the GSEs’ charters. We take seriously your intention to “end the conservatorships of the Enterprises” and to significantly “increase both the quantity and quality of regulatory capital at the Enterprises.”

We believe that it is essential that market participants have time to focus on this complex proposed rule, which poses over 100 questions to respondents and has the potential to significantly affect both the cost and availability of mortgage financing, as well as affordability for homeowners and renters in both the single family and multifamily space. We therefore ask FHFA to increase the comment period from 60 days to 120 days. Such an extension would allow for more thoughtful responses from the public, as the quality and level of detail of these responses correlates with the time allowed for analysis, feedback, and commentary. This extension would align with the comment period provided for the prior proposal of a capital framework for the GSEs in 2018, as well.

Moreover, due to the focus the industry has given and continues to give in response to COVID-19, our collective ability to devote the necessary resources to responding to the proposed rule will be limited in the near term. These unique and unprecedented circumstances further support the need for a longer period of time for public review of the ECF and its implications for the GSEs, borrowers, consumer groups, lenders, servicers, investors, and other market participants.

We again thank you for your attention to this issue, and for your consideration of an extension of this comment period for an additional 60 days until October 28, 2020.

Sincerely,

American Bankers Association
Commercial Real Estate Finance Council
Center for Responsible Lending
Consumer Federation of America
Credit Union National Association
Housing Finance Strategies
Housing Policy Council
Mortgage Bankers Association
National Association of REALTORS

National Community Stabilization Trust
National Council of State Housing Agencies
National Fair Housing Alliance
National Housing Conference
Reinsurance Association of America
SIFMA
Structured Finance Association
United States Mortgage Insurers

