

The signals from the long-term trend in HPI are highly sensitive to the beginning & ending periods used, and therefore, the countercyclical capital buffer is subjective, not objective. A capital raise will be more difficult, if not impossible, if the ERCF uses subjective measures.

Image from ERCF:

Figure 1: Real National HPI 1975 Q1 to 2019 Q3, Long-term Trend (1975 – 2012), and Collar

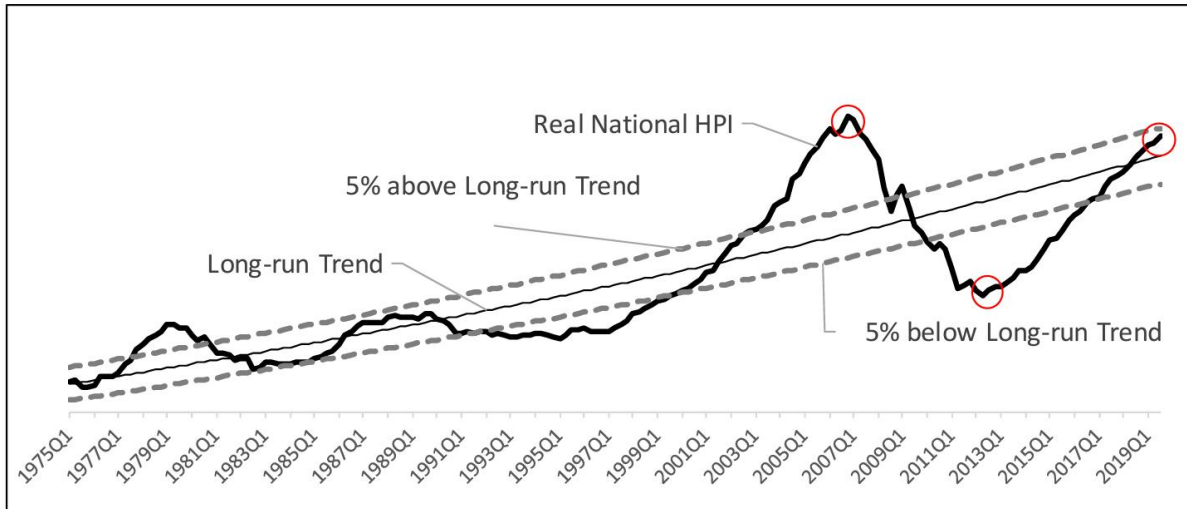
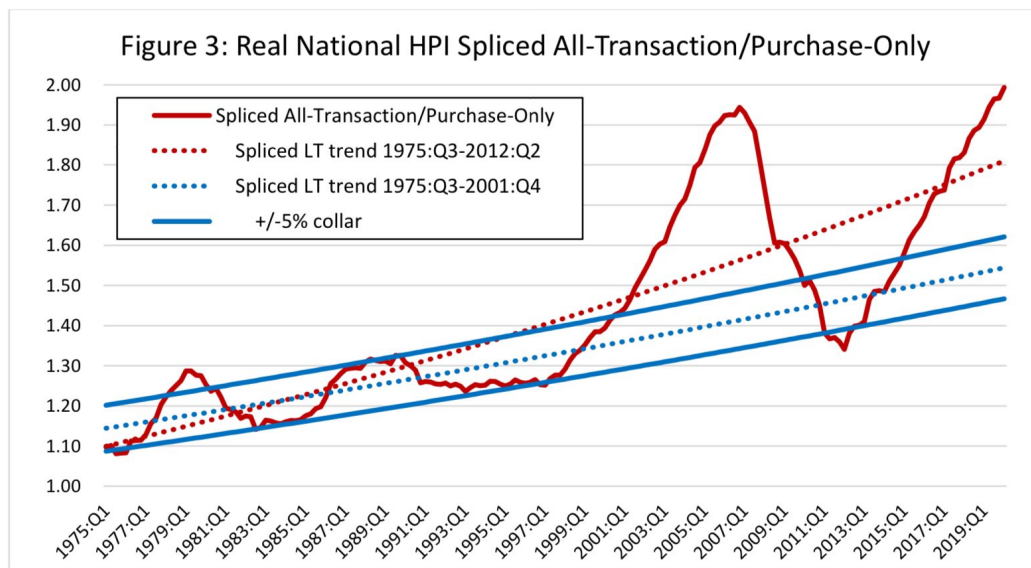


Image from 08/28/2020 American Enterprise Institute comment letter:



Source: FHFA and AEI Housing Center.

Image from 08/31/2020 DUS Advisory Council comment letter:

