MISSOURI CREDIT UNION ASSOCIATION

November 26, 2012

Fair Housing Finance Agency
Office of Policy Analysis and Research
400 Seventh Street SW., Ninth Floor
Washington, DC 20024
gfeeinput@fhfa.gov

RE: Don Cohenour - Comments on Notice to Adjust Guarantee Fees;
Docket No. 2012-N-13

To Whom It May Concern:

On behalf of the 1.3 million credit union members, the Missouri Credit Union Association (MCUA) would like to take this opportunity to express our views on the Federal Housing Finance Agency's (FHFA's) notice regarding adjustment to the guarantee fees (g-fees) that Fannie Mae and Freddie Mac (the Government Sponsored Enterprises [the GSEs]) charge for single-family mortgages in certain states. Specifically, the adjustment would increase the g-fees for single-family mortgages in states where GSE costs related to state foreclosure practices are higher than the national average; these states are Connecticut, Florida, Illinois, New Jersey, and New York.

We appreciate the FHFA's invitation to provide input on its plan to adjust state- level g-fee pricing, we ask the agency to consider issuing a formal request for comment in the *Federal Register* on this issue. We ask the FHFA to re-publish the plan in the *Federal Register* as a proposal and provide additional data regarding the costs and factors that the agency has used to arrive at the five states that would be charged higher g-fees under its plan.

The FHFA stated in the notice that, "Because the [GSEs] currently set their g-fees nationally, accounting for expected default costs only in the aggregate, borrowers in states with lower default-related carrying costs are effectively subsidizing borrowers in states with higher costs," 77 Fed. Reg 58991. While we do not disagree with this premise, we are concerned that focusing too much on the average length of time of foreclosure could result in lenders rushing to foreclose without adequately assessing other preventative options. We believe the FHFA has not provided enough information on how the "cost" of foreclosure was determined for us to agree or disagree with the agency's comment on subsidizing borrowers in costlier states.

In addition, MCUA feels it is essential that the federal government's regulation of the secondary market ensure lenders of all types and sizes, including credit unions, have access to a secondary market that is equitable. This means that terms, rates, or conditions for selling loans in the secondary market must be affordable and fair to all lenders, regardless of their size or charter type.

We appreciate the opportunity to respond to the proposed adjustments. Unfortunately, we believe the information included in the agency's notice is inadequate to make an informed decision on whether the agency's adjustment is appropriate. We will be happy to respond to any questions regarding these comments.

Sincerely,

Don Cohenour
Interim President