

Meeting with Essent Guaranty, Inc.

On March 4, 2013, staff from the Federal Housing Finance Agency (FHFA) met with representatives of Essent Guaranty Inc. (Essent), a mortgage guaranty insurance company, to discuss the proposed risk retention rules for asset backed securities. Essent reiterated points made in its August 1, 2011 comment on the proposed rule that mortgage insurance should be recognized as a permitted means to satisfy the risk retention requirements for securitized residential mortgage loans. Essent noted that a provision recognizing mortgage insurance as a form of risk retention could include conditions that would require a mortgage insurance company to re-underwrite loans covered by a policy in some form, a condition that would be similar to that proposed in the rulemaking for eligible third-party buyers of the risk retention piece in commercial mortgage securitizations.