

September 21, 2017

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Melvin L. Watt  
Director  
Federal Housing Finance Agency  
400 7th Street, SW  
Washington, D.C. 20024

Dear Secretary Mnuchin and Director Watt:

The undersigned organizations have a deep and abiding interest in reforming Fannie Mae and Freddie Mac (the GSEs) to ensure that America's housing finance system provides a deep and liquid market for long-term single- and multifamily mortgages to serve the housing needs of working families.

We are increasingly concerned about efforts to derail comprehensive reform. We urge both Treasury and FHFA to focus on continuing to work with Congress to end conservatorship through comprehensive, bipartisan, legislative reforms.

As you both have made clear on numerous occasions, housing finance reform must go through Congress to create stable, sustainable housing markets that best serve our nation's communities. We fully endorse this point of view, and believe the debate over recapitalizing a broken system distracts from the critical structural issues that Congress must address to ensure that the federally-supported secondary market serves key, bipartisan objectives.

The undersigned organizations believe that key structural reforms must be implemented by Congress before a decision is made regarding the GSEs and capital retention, and that Congress should decide the final resolution of the conservatorships. As noted by the Congressional Budget Office (CBO) in 2016, allowing Fannie Mae and Freddie Mac to create a capital cushion simply converts a potential future draw on federal funds into an immediate draw and such an action would effectively increase the size of taxpayer exposure to future losses.

We urge Treasury, FHFA and Congress to remain focused on addressing the long-term housing finance reform efforts necessary to end GSE conservatorship permanently and create a stronger, stable system for the future that helps ensure all in America have access to affordable housing opportunities.

Sincerely,

**American Bankers Association  
American Land Title Association  
Asian American Real Estate Association  
Committee on Healthcare Financing**

**Consumer Bankers Association**  
**Consumer Mortgage Coalition**  
**Habitat for Humanity**  
**Housing Policy Council of the Financial Services Roundtable**  
**Mortgage Bankers Association**  
**National Affordable Housing Management Association**  
**National Association of Hispanic Real Estate Professionals**  
**National Association of Home Builders**  
**National Association of Housing Cooperatives**  
**National Housing Conference**  
**Real Estate Services Providers Council, Inc.**

cc: All Members, Senate Committee on Banking, Housing, and Urban Affairs  
All Members, House Committee on Financial Services