

**Testimony of David M. Dworkin, President and CEO, of the  
National Housing Conference, before the Federal Housing Finance Agency**  
*Closing the Gap to Sustainable Homeownership Public Listening Session*  
June 29, 2021

Thank you James and thank you Acting Director Thompson. I look forward to working with you and your team. The National Housing Conference is the oldest and broadest housing coalition in the United States. NHC was founded in 1931 by Mary Kingsbury Simkhovitch and Helen Alfred as an unlikely coalition of social workers, religious leaders, builders and labor unions. Together, we have experienced every housing crisis of the past 90 years.

Today, NHC has led a broad coalition to fund 10 billion dollars for the Housing Assistance Fund; and on the first Juneteenth federal holiday, announced a plan by the Black Homeownership Collaborative to sustainably create 3 million net new Black homeowners by 2030. This 3by30 initiative was led by a steering committee consisting of NHC, the NAACP, the National Urban League, the Mortgage Bankers Association, the National Association of REALTORS®, the National Association of Real Estate Brokers, and the National Fair Housing Alliance, with the research from the Urban Institute. We continue to work together to meet this daunting but essential objective.

We believe that if the right changes are made, which are addressed in our 7 Point Plan and corresponding workstream recommendations, this goal can be met. It cannot succeed without serious and sustained participation of Fannie Mae and Freddie Mac. With new leadership at FHFA, we are hopeful that the Enterprises will play a major role, along with other members of the Collaborative, to help us meet this audacious objective that would sustainably push the Black homeownership rate to well over 50 percent. This would be an historic accomplishment, but still leave much work to be done to close an unacceptable gap in homeownership for all people of color.

Yet FHFA policies have contributed to increasing the cost of homeownership by restricting the availability of mortgage credit when it needed to be expanded, widening the racial homeownership gap as a result. The stated intent of FHFA has been to increase the capital of the Enterprises to prepare for a release from conservatorship. However this objective has been rushed by insisting on increases in capital inconsistent with the Enterprises mission of providing liquidity to underserved markets; an arbitrary restriction on mortgage lending pilots, essential to the Enterprises responding to lender efforts to responsibly increase homeownership; and refinance, origination and engagement policies that have hamstrung the Enterprises.

NHC recommends that the new leadership of FHFA pursue several significant changes in these policies that can contribute to sustainable increases in homeownership, especially among people of color, who have been disproportionately harmed by the relative absence of the Enterprises from these markets.

First, we must end loan level price adjustments that target first time and first generation homebuyers.

Second, the PSPA's must be revised to eliminate the cap on so-called high risk loans. This restriction is unnecessary, unwarranted, and extremely damaging to those who most need access to Enterprise mortgages.

Third, FHFA must immediately repeal its ban on product pilots. Product pilots are essential to ensuring that the best ideas developed by lenders across the country are tested and scaled. Unsuccessful pilots are an essential part of the innovation process, and successful ones are critical to the Enterprises mission to add liquidity.

Fourth, both Fannie Mae and Freddie Mac need to work with lenders to create mortgage products that encourage lending for small dollar mortgages. This should be a high level priority as part of a renewal of pilot programs.

Fifth, the Enterprises must work with lenders to develop special purpose credit programs that directly target underserved borrowers.

I am happy to further engage with the FHFA leadership team on any and all of these issues. Thank you for this opportunity.