

August 6, 2021

Mr. Brian Deese  
Director, National Economic Council

Ambassador Susan Rice  
Director, Domestic Policy Council

The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. Deese and Ambassador Rice:

We are writing to express our strong opposition to any extension of the increased guarantee fees on home mortgages sold to Fannie Mae and Freddie Mac (the government-sponsored enterprises, or GSEs) to pay for non-housing expenditures. These additional guarantee fees originally were put in place to pay for temporary payroll tax relief in 2011 and are set to expire on October 1, 2021. GSE guarantee fees are paid by homeowners at all income levels, including low- and moderate-income borrowers and first-time homebuyers. Extending the artificially high level of these fees unnecessarily raises the cost of homeownership and disproportionately impacts people of color and other underserved communities.

We recognize that a bipartisan infrastructure bill is an important achievement. Funding for that bill, however, must not be undertaken at the expense of homeowners. Guarantee fees are a critical risk management tool used by the GSEs to cover operating costs and losses that occur in their operations. Allowing the increased level of guarantee fees to expire as scheduled would reduce the cost of mortgage credit and calibrate guarantee fees back to their stated purpose. Alternatively, this funding source, if extended, could be better used to support the GSEs' housing mission-related initiatives, including investments into the Housing Trust Fund and Capital Magnet Fund.

Any extension of guarantee fees for non-housing expenditures simply amounts to a tax on homeownership at a time when many Americans already are facing rising home prices and limited supply of available homes. Congress instead should take this opportunity to promote homeownership as a means of providing more families with the chance to begin building generational wealth. Other housing investments that should be included in a more comprehensive infrastructure bill being considered by Congress include measures such as:

- Down payment assistance for first-generation, first-time homebuyers
- Neighborhood Homes Investment Act
- Affordable Housing Tax Credit Improvement Act

Finally, none of the funding in either bill should contribute to or perpetuate segregation or housing inequality. We look forward to discussing this critical issue with you and your respective staffs in the coming days.

Sincerely,

National Housing Conference (NHC)  
Atlanta Neighborhood Development Partnership (ANDP)  
Housing Partnership Equity Trust (HPET)  
Local Initiatives Support Corporation (LISC)  
Low Income Investment Fund (LIIF)  
Manufactured Housing Institute (MHI)  
Mortgage Bankers Association (MBA)  
National Association of Affordable Housing Lenders (NAAHL)  
National Community Renaissance  
National Council of State Housing Agencies (NCSHA)  
National NeighborWorks Association (NNA)