



October 12, 2022

The Honorable Marcia L. Fudge  
Secretary  
U.S. Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, D.C. 20410

Dear Secretary Fudge:

We are writing to urge you to meaningfully reduce the annual Mortgage Insurance Premium (MIP) and suspend the life of loan requirement for borrowers with Federal Housing Administration (FHA) insured loans. Lowering the annual MIP would help reduce the cost of buying a home with an FHA mortgage, and ending the life of loan requirement would contribute to building wealth through homeownership in the Black community.

Since the start of the pandemic, the cost of buying a home has skyrocketed as home prices continue to rise and interest rates have doubled. Less than three years ago, a salary of \$64,400 per year was sufficient to purchase the median-priced home of \$329,000 with a 3.31% interest rate<sup>1</sup>. Today, between much higher home prices and double the interest rate on a 30-year fixed-rate loan, a salary of more than \$120,000 is necessary to purchase that very same home.<sup>2</sup>

As you are aware, the Black Homeownership Collaborative is a coalition of organizations dedicated to creating 3 million net new Black homeowners by 2030. The opportunity for homeownership is an opportunity to build sustainable and thriving communities for working-class families. We look forward to continuing to work together with the leaders of the Administration and commend the work on housing issues.

Sincerely,

Mortgage Bankers Association  
NAACP  
National Association of Real Estate Brokers  
National Association of REALTORS®  
National Fair Housing Alliance  
National Housing Conference  
National Urban League

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<sup>1</sup> Median Sales Price and Federal Reserve Bank of St. Louis for Q1 2020.

<sup>2</sup> Essent IQ using a 10% downpayment, 30% DTI ratio, Q2 2022 median home price and 6.5% interest rate.