

August 14, 2020

The Honorable Mark Calabria
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

Re: New Adverse Market Refinance Fee.

Dear Director Calabria:

On behalf of America's credit unions and their 115 million members, I am writing you to express our strong opposition to the recently announced 0.5% fee increases for certain refinanced mortgages purchased by the Federal National Mortgage Association (Fannie) and the Federal Home Loan Mortgage Corporation (Freddie, and together with Fannie the GSEs) beginning on September 1st.

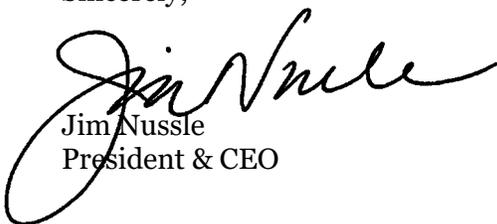
This late night, preemptory proclamation by the GSEs threatens to undercut the mortgage market for borrowers who are benefitting from refinancing in an environment of historically low interest rates. Given the serious challenges faced by American families due to the economic impacts of COVID-19 emergency, we are unable to understand why the GSEs would be encouraged or allowed to undermine the mortgage refinancing market, one of the few bright spots in our economy at the moment. Refinanced mortgages can lower payments for borrowers and provide them with liquidity needed to pay off high interest debt, make needed home repairs or provide funds for a purchase. Not only will this decision raise costs for credit union members and other borrowers, it may ultimately price some of our most vulnerable potential homeowners out of the market.

Furthermore, the decision to make September 1st the date for imposing this fee appears to have been made without consideration for borrowers who are midstream in their refinancing applications but have not locked in their interest rates, or for virtually-staffed credit unions who closed on loans that may not be delivered for sale before September 1.

As not-for-profit, financial cooperatives, credit unions have a specified mission to meet the credit and savings needs of consumers, especially persons of modest means. That mission has never been more critical than now, when our nation is facing unprecedented economic challenges. The substance and timing of this announcement makes those challenges even more difficult to overcome.

In conclusion, we strongly encourage you to withdraw these directives and consider a better path forward for the GSEs, our credit unions and the borrowers whose needs we are all striving to meet.

Sincerely,



Jim Nussle
President & CEO