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The Honorable Sandra L. Thompson
Acting Director
Federal Housing Financial Agency
400 7th Street SW
Washington, DC 20219

Dear Acting Director Thompson:

The Credit Union National Association (CUNA) represents America's credit unions and their more than 120 million members. On behalf of our members, we would like to send our sincerest congratulations to you on your appointment as Acting Director of the Federal Housing Finance Agency (FHFA or Agency). CUNA and America's credit unions look forward to working with you in your capacity as Acting Director. We trust you understand and recognize the unique structure of credit unions and the enormous benefit they provide to American consumers in need of financial services. We would like to bring to your attention some immediate items for your consideration, as well as some longer-term priorities for credit unions.

Background

As member-owned, not-for-profit financial cooperatives, America's credit unions are at the heart of the Federal Home Loan Banks' (FHLBanks') and government-sponsored enterprises' (GSEs') statutory missions. The FHLBanks were chartered in 1932, with a mission "to provide reliable liquidity to member institutions to support housing finance and community investment."¹ In 1934, the Federal Credit Union Act was enacted so federally chartered credit unions could promote thrift among their members and meet the credit needs of low- and moderate-income borrowers who had difficulty getting financing from a traditional bank.² Four years later, Fannie Mae was created to ensure a robust secondary market existed that would provide liquidity to primary mortgage lenders, even amidst the difficult economic circumstances of the Great Depression.³

Today, credit unions still derive significant benefits from being a part of the FHLBanks system and from the work of the GSEs. The FHLBanks provide their credit union members with funding and liquidity, allowing them to effectively provide affordable credit to their communities. Similarly in 2019 alone, credit unions originated a record of almost \$180 billion in first-lien mortgages, selling over 35% into the secondary mortgage market.⁴ Accordingly, credit unions have a substantial interest in the effective functioning of the FHFA-regulated entities so they meet their core missions to benefit low- and moderate-income borrowers and communities.

¹ See *FHLBanks' Mission*, available at <https://fhlbanks.com/mission/>.

² 12 U.S.C. § 1751 et al.

³ 12 U.S.C. § 1716 et al.

⁴ Sources: National Credit Union Administration (NCUA) credit union call report data; CUNA analysis.

Issues Requiring Immediate Attention

There are several FHFA issues that require immediate attention so that credit unions can meet their members' needs, especially as American consumers continue to feel the economic effects of the COVID-19 pandemic. CUNA urges the FHFA to rescind the adverse market fee, revise its policies regarding the purchase of loans which qualify as qualified mortgages under the Consumer Financial Protection Bureau's (CFPB or Bureau) current regulatory framework, restructure the GSEs' approach to implementing the seven percent cap on investment and second home loans, and revisit the fourth set of amendments to the Amended and Restated Preferred Stock Purchase Agreement (PSPA) with the United States Department of Treasury (Treasury) at the first opportunity.

Rescind the Adverse Market Fee

CUNA has strongly opposed the FHFA's 0.5% adverse market fee for certain refinanced mortgages purchased by the GSEs. We appreciate that FHFA exempted refinance loans with loan balances below \$125,000 from the fee, however, it is now clear that the risks to the GSEs feared by the FHFA at the time the fee was implemented do not appear to be coming to pass. The share of loans in forbearance continue to fall, now for the 16th consecutive week. For the GSEs, that share was down to 2.05%.⁵ In the first quarter of 2021, the total delinquency rate for conventional loans decreased by 52 basis points over the previous quarter.⁶ These delinquent loans include those in forbearance where a payment has been missed under contract.

During the course of the pandemic, credit unions have been proactively communicating with their members, who have, in turn, been proactive and responsive. Credit unions generally report that as loans roll off forbearance, the number of loans in delinquency is and will continue to be small. Delinquency rates for credit unions for 2021 are forecasted at 0.65%.⁷ Delinquency rates for 2022 are forecast even lower, at 0.60%.⁸ Forecasts for both 2021 and 2022 are lower than the five-year average of 0.74%.⁹

We understand that the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) may see some losses as forbearance ends and borrowers must resume making payments. However, given the strength of our current housing market and the success of legislative, regulatory and investor programs established at the outset of the pandemic, now is the appropriate time to rescind the adverse market fee. CUNA strongly urges the FHFA to immediately rescind the adverse market fee to lower the cost of refinancing for consumers.

Revise Policies Regarding the General QM Definition in Recognition of the Bureau's Delay

As you may be aware, the Truth in Lending Act's (TILA's) Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability-to-repay (ATR) any residential mortgage loan, and mortgage loans that meet one of Regulation Z's several definitions of "Qualified Mortgages" (QMs)

⁵ MBA, *Forbearance and Call Volume Survey* (June 22, 2021), available at <https://www.mpamag.com/us/mortgage-industry/market-updates/new-forbearance-requests-remain-at-extremely-low-level-mba/258719>.

⁶ MBA, *Mortgage Delinquencies Decrease in the First Quarter of 2021* (May 7, 2021), available at <https://www.mba.org/2021-press-releases/may/mortgage-delinquencies-decrease-in-the-first-quarter-of-2021>.

⁷ Jordan van Rijn, CUNA, *CUNA Economic and Credit Union Forecast*, p 3, (February 8, 2021) available at https://www.cuna.org/uploadedFiles/Global/About_Credit_Unions/Forecast%20-%20Feb%202021.pdf.

⁸ *Id.*

⁹ *Id.*

obtain certain safe harbor presumptions against liability.¹⁰ Since 2013, a temporary QM definition has existed for mortgage loans eligible for purchase or guarantee by the GSEs while they are operating under the conservatorship of the FHFA (Temporary GSE QMs).¹¹ This provision, sometimes referred to as the “GSE Patch,” was scheduled to sunset on January 10, 2021 or when the GSEs cease to operate under the conservatorship of the FHFA.

Temporary GSE QM originations represent a large and persistent share of the residential loan market, and the Bureau has stated that in order for the GSE Patch to sunset without causing an increase in prices or reducing the availability of credit, changes to the General QM definition were needed.¹² On October 20, 2020, the Bureau extended the GSE Patch sunset date to coincide with the mandatory compliance date of the General QM Final Rule.¹³ On December 29, 2020, the CFPB issued a final rule¹⁴ revising the definition of a General QM by replacing debt-to-income ratio (DTI) considerations with price-based thresholds (General QM Final Rule). The General QM Final Rule was scheduled to become effective March 1, 2021 with a mandatory compliance date of July 1, 2021.¹⁵

On January 14, 2021, the Treasury issued a fourth set of amendments to the PSPA between it and the GSEs.¹⁶ Amendment VIII added new Section 5.14 entitled “Acquisitions of Certain Loans.”¹⁷ Subsection 5.14(c) required sellers to implement programs to ensure any Single-Family Mortgage Loan sold to the Enterprises is a QM as defined by Regulation Z, including the new General QM definition.¹⁸ These provisions were required to be implemented by sellers on or prior to July 1, 2021,¹⁹ aligning this deadline with the Bureau’s mandatory compliance deadline for the General QM Final Rule. Subsection 5.14(c) also permits the FHFA to set exceptions to this requirement.

On February 23, 2021, the Bureau issued a statement confirming that the General QM Final Rule would become effective on March 1, 2021.²⁰ However, in this statement the CFPB also indicated it is reviewing the General QM Final Rule and intends to delay the mandatory compliance deadline while it did so. On March 5, 2021, the Bureau issued a proposed rule delaying the mandatory compliance deadline until October 1,

¹⁰ See Ability-to-Repay and Qualified Mortgage Standards Under the Truth in Lending Act (Regulation Z), 78 Fed. Reg. 6407 (January 30, 2013).

¹¹ *Id.*

¹² Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z): General QM Loan Definition, 85 FR 86308 (December 29, 2020).

¹³ Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z): Extension of Sunset Date, 85 FR 67938 (October 26, 2020).

¹⁴ 85 FR 86308.

¹⁵ *Id.* at 86384.

¹⁶ Executed Letter Agreement for Fannie Mae from Secretary of the Treasury Steven T. Mnuchin to Director of the FHFA Mark A. Calabria (January 14, 2021), available at <https://home.treasury.gov/system/files/136/Executed-Letter-Agreement-for-Fannie-Mae.pdf>, and Executed Letter Agreement for Freddie Mac from Secretary of the Treasury Steven T. Mnuchin to Director of the FHFA Mark A. Calabria (January 14, 2021), available at <https://home.treasury.gov/system/files/136/Executed-Letter-Agreement-for-Freddie%20Mac.pdf> (collectively, the PSPA Amendments).

¹⁷ PSPA Amendments, p. 9.

¹⁸ PSPA Amendments, p. 10.

¹⁹ PSPA Amendments, p. 9.

²⁰ CFPB, Statement on Mandatory Compliance Date of General QM Final Rule.

2022.²¹ In that proposal, the Bureau confirmed its intention to evaluate the General QM Final Rule and indicated it may initiate another rulemaking to reconsider the rule.²²

During the proposed delay, credit unions are permitted by the regulation to continue to use the new price-based General QM definition, the old DTI-based General QM definition, and the Temporary GSE QM definition until October 1, 2022. This delay would have allowed credit unions, particularly those that are small- or mid-sized, to avoid expending unnecessary time and resources implementing the new General QM definition while the Bureau reconsiders it. While most credit unions were generally supportive of the new General QM definition, many felt that it made little sense for their credit union to invest limited time and financial resources on the necessary systems, processes, and training to implement the rule when the Bureau has indicated an intention to alter some or all of the General QM Final Rule prior to the mandatory compliance date.

However, on April 8, 2021, the Enterprises each issued notice of policy changes requiring Sellers to implement the CFPB's new General QM definition on or before July 1, 2021.²³ The Enterprises cited the PSPA Amendments as the basis for this policy change and stated the PSPA Amendments prohibit the Enterprises from purchasing loans made under the old DTI-based QM definition or the GSE patch after that deadline. CUNA, therefore, requests that the FHFA use its exception authority in subsection 5.14(c) to continue to purchase loans under any QM definition that is currently available under Regulation Z's framework.²⁴ While it is likely too late to prevent waste of credit union resources, allowing credit unions to sell loans meeting all QM definitions available to them provides the most flexibility in qualifying their members. It also improves liquidity in the housing finance system by allowing credit unions to sell, rather than portfolio, these other qualified mortgage loans.

As the pandemic hopefully continues to wane and more American homeowners are able to safely exit forbearance, CUNA strongly encourages the FHFA to work as closely as possible with the Consumer Financial Protection Bureau (CFPB) and the federal prudential regulators including the National Credit Union Administration (NCUA). During the course of the pandemic and the attendant economic fallout, credit union staff have been inundated with legal, regulatory and investor changes. Many of these were absolutely necessary and helpful, however, the implementation of the General QM definition is illustrative of what can happen without this cooperation. Greater coordination between the FHFA, CFPB, and prudential regulators would reduce confusion and improve clarity for credit union personnel, and allow them to process changes as efficiently as possible. This, in turn, ensures as much credit union time and resources are directed towards assisting credit union members as possible.

Restructure the Per-Lender Limit on Second Home and Investment Properties

CUNA urges the FHFA to carefully consider the effect of the structure of its seven percent cap on the financing of non-owner-occupied homes and second homes. We fully recognize that the source of this requirements is

²¹ Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z): General QM Loan Definition; Delay of Mandatory Compliance Date, 86 FR 12839.

²² *Id.* at 12840.

²³ Fannie Mae Lender Letter LL-2021-09 – Introduction of Changes to Loan Eligibility Due to the PSPA and Qualified Mortgage Rule (April 8, 2021), available at <https://singlefamily.fanniemae.com/media/25566/display> and Freddie Mac Bulletin 2021-13 Updates in Response to the Amended Senior Preferred Stock Purchase Agreement (PSPA) – Government Loans and the CFPB Revised General QM Definition Rule (April 8, 2021), available at <https://guide.freddie.com/app/guide/bulletin/2021-13>.

²⁴ PSPA Amendments, Amendment VIII, §5.14(c), *supra* note 12.

the PSPA Amendments issued in January of this year.²⁵ However, those amendments state “Seller [referring to Fannie Mae or Freddie Mac], shall limit its acquisitions of Single-Family Mortgage Loans secured by either investment properties or second homes to not more than 7 percent of the Single-Family Mortgage Loans acquired by Seller during the preceding 52-week period.”²⁶ While this language is an aggregate cap on both GSE’s total Single-Family Mortgage Loans book of business, the GSEs have instead communicated this as a per-lender limitation.²⁷ Credit unions report that Fannie Mae has provided very little guidance on these per-lender limitations, how long they last, or what exceeding the limitations will mean. Freddie Mac has communicated a 6.5% per-lender cap in July, decreasing to 6% in subsequent months.²⁸

For smaller lenders like many credit unions, this per-lender hard cap is especially harmful as the credit union may not have the ability to portfolio enough loans to meet member demand and may lack additional outlets for the sale of these loans. Currently, the *Federal Credit Union Act* prohibits federally-chartered credit unions from originating non-owner occupied 1- to 4-family houses as 30-year loans.²⁹ This cap sidelines credit unions, which results in more consumers obtaining loans from predatory lenders or at higher costs than necessary. Instead, the GSEs should enforce a per-lender hard cap only for very large lenders who have easy access to alternative outlets. The FHFA should prioritize liquidity for community lenders like credit unions that often offer smaller loans to more underserved populations. This would ensure that those consumers can obtain the loans they need safely and at a favorable rate.

Further, the hard cap on these loans, coupled with the increased pricing for non-owner-occupied homes beginning June 1st, is counterproductive to offering affordable 1- to 4-family homes for rent. In combination, these limitations may further increase the cost of financing affordable rental housing. This will in turn result in higher rents to the tenants of those homes. We are already seeing a significant squeeze in the affordable housing market due to a lack of supply, and this policy may further exacerbate this problem.

Finally, we urge the FHFA to revisit this provision in the PSPA with Treasury entirely. The FHFA’s capital framework already addresses the risk associated with these loans.³⁰ A further, additional hard cap is simply not needed and unnecessarily increases the cost of credit and housing for American consumers.

Longer-Term Priorities

While we appreciate your attention on these shorter-term priorities, credit unions have not lost sight of the larger mission of the FHFA. Credit unions are integral to achieving the FHFA’s housing mission and goals. We look forward to working with you on the below longer-term priorities as well. Please let us know if CUNA can be a resource to you and the FHFA.

²⁵ *Id.* at §5.14(b).

²⁶ *Id.*

²⁷ *See*, Fannie Mae Lender Letter (LL-2021-08) Eligibility of Loans Secured by Second Home and Investment Properties (March 10, 2021) available at <https://singlefamily.fanniemae.com/media/25286/display>.

²⁸ *See, e.g.*, Freddie Mac Bulletin 2021-21 Deliveries of Second Home and Investment Property Mortgages (June 7, 2021), available at <https://guide.freddiemac.com/app/guide/bulletin/2021-21>.

²⁹ 12 U.S.C. §1757(5).

³⁰ Enterprise Regulatory Capital Framework, 85 Federal Register 82150, 82221 (December 17, 2020).

Working with Credit Unions to Fulfill the GSEs' Statutory Mission

CUNA strongly supports the FHFA's mission of ensuring that the GSEs fulfill their statutory missions to support affordable housing, community development, and diversity and inclusion. CUNA supports placing the FHFA's mission objectives as equal to those related to ending the conservatorship, and we trust that your experience in the FHFA's Division of Housing and Mission Goals will bring a renewed mission focus at the Agency.

CUNA looks forward to working with the FHFA to further its mission to support sustainable and affordable homeownership. 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."³¹ The average size of a credit union loan sold to the GSEs is \$220,656.³² It remains difficult for smaller credit unions to gain access to the secondary market and we urge the FHFA to consider programs and initiatives to ensure the smallest credit unions can safely access the liquidity of the secondary market. Some credit unions may not have sufficient personnel to meet the GSEs' significant requirements for originating and selling loans directly to the GSEs. GSE requirements may also force these credit unions to identify other third-party wholesalers in order to obtain requisite experience in selling loans. These credit unions and their members, which are often low-income or underserved, would benefit from a clearer and less expensive path toward the benefits of selling on the secondary market.

Further, we believe there is more the FHFA can do to serve low- and moderate-income consumers through its affordable housing programs. For example, the home affordable lending products offered by the GSEs, such as Home Possible and Home Ready, are limited to borrowers with income not exceeding 80% of area median income (AMI).³³ This income limitation often fails to accurately capture the economic realities of some geographic areas or neighborhoods within its metropolitan statistical area. In high-cost areas, the AMI can be driven upwards by extremely high earners in particular neighborhoods. Reliance on the AMI ultimately makes these products ineffective in helping borrowers seeking to purchase a home at current market prices. The FHFA should introduce an alternative to AMI for these higher cost areas to assist credit unions in meeting the needs of their members where they live.

CUNA looks forward to working with FHFA and the regulated entities on data collection for research publications and housing finance forums so the critical work of our nation's credit unions is included as an important part of industry analyses and discussions. The FHFA's Listening Sessions have been a wonderful opportunity to provide the Agency with feedback and engage in a dialogue on topics of interest and concerns. On a practical note, CUNA suggests the FHFA consider releasing the prompt questions for these Listening Sessions earlier than two weeks out, if at all possible. More lead-time would allow us to gather more data and information from member credit unions and improve the quality of information we present to the FHFA.

³¹ Credit Union Membership Access Act, Pub. L. No. 105-219, § 2(4), 112 Stat. 913, 914 (1998).

³² Sources: FFIEC 2019 Home Mortgage Disclosure Act Data, CUNA Analysis.

³³ See, e.g., *Fannie Mae Selling Guide*, B5-6-02, HomeReady Mortgage Loan and Borrower Eligibility, Borrower Income Limits and Calculations (12/16/2020).

Addressing Racial Discrimination in Appraisals

Credit unions are disturbed by the increase in reports of racial discrimination by appraisers reported by the Department of Housing and Urban Development (HUD).³⁴ It is well documented that diverse and often underserved communities face several barriers when it comes to access to financial services, and credit unions have a long history of serving underserved and diverse communities. There is a large and persistent homeownership gap in the U.S. Recent data finds that only 45% of Black families own homes (this remains little changed since 1970), 50% of Hispanic or Latino families own homes compared to 75% of white families who own homes.³⁵ Undervaluation of homes owned by people of color exacerbates the homeownership gap, the racial wealth gap, and, ultimately, harms the long-term financial security of our entire nation. It further discredits the reliability and value of home appraisals generally. Credit unions rely on appraisers for accurate and unbiased opinions on the market value of homes serving as collateral for mortgage loans. When racial prejudice is injected into that process, it prevents credit unions from meeting their mission to serve their members, and introduces risk into the housing finance system. While people of color and particularly Black Americans are forced to bear the consequences of this problem, it harms our entire financial system.

CUNA applauds President Biden's recent creation of a task force to address this issue³⁶ and is grateful that the FHFA will serve on that task force. CUNA also supports the Agency's recent effort to assess and modernize the current GSEs' appraisal policies, practices and processes.³⁷ CUNA encourages the FHFA to carefully examine the education and training requirements for appraisers to ensure they not only understand the existing obligations under the Fair Housing Act,³⁸ but that they also receive training on implicit and unconscious bias, to ensure appraisers have the tools needed to confront their own biases.

Further, CUNA strongly supports efforts to improve the number and diversity of appraisers. Appraisers have been in short-supply for some time and the need to increase the pool of individuals entering this critical vocation is paramount. Conducting appraisals in rural areas is challenging, especially for credit unions who are often the only lenders serving these areas. While these challenges can be year-round, winter is particularly difficult. The appraisal industry is aging and 85 percent white.³⁹ Increasing the number and diversity of qualified, working appraisers will improve equity for homebuyers across the country, not only in the quality and accuracy of appraisals but in the speed of the appraisal and closing as well.

In the course of this task force's operation, CUNA hopes the participants will consider the increased use of technology and data to conduct valuations, which would greatly benefit consumers and reduce reliance on subjective judgments by individuals. In particular, the secondary market's dedication to an antiquated model of in-person appraisals will likely help perpetuate the appraisal industry's inefficient and disadvantageous approach to the detriment of people of color, people in rural areas and low- and moderate-income consumers.

³⁴ Remarks of Senior Advisor to the Secretary of HUD Alanna McCargo, *Virtual Home Appraisal Bias Event* (delivered June 15, 2021) available at <https://www.consumerfinance.gov/about-us/events/archive-past-events/virtual-home-appraisal-bias-event/>.

³⁵ [Source](#): U.S. Census via FRED, CUNA Analysis.

³⁶ Weinberger, Evan, *Biden Kicks Off Effort to End Discrimination in Home Appraisals*, Bloomberg Law (June 18, 2021).

³⁷ FHFA, *Request for Information on Appraisal-Related Policies, Practices, and Processes* (December 28, 2020).

³⁸ 42 U.S.C. § 3605.

³⁹ Safia Samee Ali, *Black Appraisers Call Out Industry's Racial Bias and Need for Systemic Change*, NBC News (June 7, 2021) available at <https://www.nbcnews.com/news/us-news/black-appraisers-call-out-industry-s-racial-bias-need-systemic-n1269452>.

Focusing on permitting greater use of bias-free artificial intelligence, virtual video communications, and other technologies could make appraisals less costly, timelier, and more equitable for all.

Supporting the FHLB Bank System

CUNA supports the FHLBanks' mission to provide reliable liquidity to its member institutions to support housing finance and community investment. Maintaining an ongoing commitment to housing finance should be the top goal for FHLBanks and their members. There are some actions the FHFA could take to further allow the FHLBanks to meet this mission.

The individual FHLBanks must be able to exercise their own discretion, given that individual banks and their Boards of Directors have a more comprehensive understanding of the communities within their jurisdictions and their risks. Where the FHFA is concerned with the safety and soundness of the FHLBank System, it should address nondepository financial institutions seeking membership that do not have any oversight from state or federal regulators. The FHFA should ensure only those organizations that have a structural commitment to the FHLBanks' mission and operate under appropriate monitoring and licensing, such as credit union service organizations (CUSOs), are given access to the FHLBank System.

Further, the FHLBanks could provide some ancillary services that should not require insured depositories to maintain membership. As an example, many states exclusively allow the FHLBanks to provide custodial services for public deposits. All insured depositories, regardless of membership, should have the authority to pledge securities and access letters of credit from the FHLBank System in order to accept public funds. In addition, the FHLBank System should consider creating a capital investment pool under the affordable housing initiative that could be leveraged by the FHLBank System to incentivize well-run smaller institutions to support community housing needs.

Finally, it is critical that FHLBanks operate in a financially safe and sound fashion to serve primarily as a source of liquidity for the housing finance system. This focus must be maintained, even as other programs are instituted to address larger systemic issues in our housing finance system, such as the lack of affordable housing. Any newly allocated funding or created programs should first require a careful assessment of the potential collateral impact on the balance sheets of the FHLBanks and the bank system as a whole.

Conservatorship of the GSEs and Housing Finance Reform

As detailed in our *Credit Union Principles for Housing Finance Reform*,⁴⁰ CUNA has long supported reformation of our housing finance system and the goal of an eventual exit from conservatorship by the GSEs. However, this must be done responsibly and without sacrificing equitable access and pricing to the secondary market for lenders of all sizes and charter types.

CUNA understands that the users of a secondary market will be required to pay for the use of such market through fees, appropriate risk premiums and other means. Guarantee fees and other fees and premiums should never again have any relationship to lender volume. This equitable access is necessary to ensure

⁴⁰ See, *Credit Union Principles for Housing Finance Reform*, enclosed herein and available at https://www.cuna.org/uploadedFiles/Advocacy/Related_items/CU%20Principles%20Housing.pdf.

affordable and predictable mortgage products for American homebuyers and to support the GSEs mandates to benefit low- and moderate-income communities.

While CUNA supports re-capitalizing the GSEs as a necessary step toward ending the conservatorship, it is critical that FHFA responsibly balances the GSEs retained capital obligations with the flexibility needed to meet the GSEs' mandates for the benefit of low- and moderate-income communities. Further, consistent with our principle that there be a reasonable and orderly transition to a new housing finance system, we believe that this recapitalization of the GSEs should be a gradual one that takes place over several years to ensure that there is no disruption of the current mortgage market. In addition, the slow and careful implementation of this important rule will allow FHFA to refine and make adjustments to new information and changing conditions. These phase-ins will also provide credit unions and other originators adequate time to adapt and underwrite loans with a full understanding of the impact this implementation will have on pricing.

While we support actions the Agency can take to move the GSEs out of conservatorship, ultimately, true housing finance reform can only be achieved through action by Congress. We hope you will support us in calling on Congress to establish a statutory mandate for equitable access to the secondary market for lenders of all sizes and an explicit federal guarantee to ensure affordability, stability and durability of our housing finance system in the future.

Conclusion

On behalf of America's credit unions and their more than 120 million members, congratulations again on your appointment as Acting Director of the FHFA; we look forward to working with you.

Sincerely,



Jim Nussle
President & CEO