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MORTGAGE BANKERS ASSOCIATION

January 19, 2020

The Honorable Charles Grassley  
Chairman  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Grassley and Ranking Member Wyden,

On behalf of the Mortgage Bankers Association (MBA), I am writing to support the nomination of the Honorable Janet Yellen to serve as the next Secretary of the Treasury. MBA believes the Treasury Department will need to continue its critical economic recovery efforts under her leadership, including several remaining issues that will have a significant impact on our nation's real estate finance market. Accordingly, I urge the Senate Finance Committee to approve her nomination as quickly as possible.

First, the COVID-19 emergency continues to test the strength and resilience of the residential and commercial real estate markets. 2.7 million homeowners are in mortgage forbearance plans and 6 percent of renter households were unable to make their lease payments in December. Treasury is well positioned to work with key stakeholders to support both adequate liquidity for mortgage servicing and the implementation of effective rental assistance to meet these urgent needs. Furthermore, as COVID-19 protocols proceed in an effort to slow the spread of the virus, the hospitality, retail and other industry sectors continue to suffer. Ms. Yellen's experience with both the real estate finance and capital markets, as well as her interest in and understanding of the vital role that safe, affordable housing plays in providing economic security, will serve her well in her new position.

Next, our nation needs committed leadership to expand minority homeownership. The national homeownership rate is approximately 65%, but the Black homeownership rate is only 44%, which is close to its lowest level in 50 years. Closing this gap will require the examination of new pathways to homeownership and steps to eliminate barriers commonly faced by potential minority borrowers. Moreover, Congress and the administration will need to work together to support new homeowners through both fiscal policy and tax reforms. As Chair of the Federal Reserve, Ms. Yellen repeatedly spoke in support of addressing the need for sustainable housing in low- to moderate-income communities. If confirmed, she will soon have a new opportunity for action in this regard and MBA looks forward to partnering with her in these efforts.

Finally, more than twelve years since the federal government took control of Fannie Mae and Freddie Mac, it is critical that the next administration work with Congress, the Federal Housing Finance Agency and other key stakeholders to enact legislative reforms that promote a robust secondary market and provide long-term certainty to all participants in the housing finance system. The next Treasury Secretary will play an integral role in these efforts.

Ms. Yellen's experience uniquely prepares her to understand and respond to the complex challenges that will face the next Treasury Secretary. I believe she will put her extensive talents to use in ways that will strengthen America's housing markets and provide regulatory clarity for the real estate finance industry. MBA looks forward to working with the incoming Biden administration, Treasury Secretary designee Yellen, and Congress to strengthen both the single-family and multifamily mortgage segments to ensure deep and liquid markets for affordable housing finance through all economic cycles.

I would again respectfully urge the Finance Committee and, in turn, the full Senate to swiftly approve Ms. Yellen's nomination. Thank you in advance for your consideration of these views.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Broeksmit", with a stylized flourish at the end.

Robert D. Broeksmit, CMB  
President and Chief Executive Officer

cc: The Honorable Mike Crapo