



February 25, 2020

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
2221 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the Mortgage Bankers Association (MBA), I am writing to express our views on several housing finance-related bills scheduled to be considered for markup by the Financial Services Committee this week.

H.R. 4351, the *Yes in My Backyard Act* (“YIMBY”)

MBA supports the Amendment in the Nature of a Substitute to H.R. 4351, the *YIMBY* legislation introduced by Representatives Denny Heck (D-WA), William Lacy Clay (D-MO), and Trey Hollingsworth (R-IN). The proposal would provide the federal government a new tool it can use to encourage localities to remove legal and regulatory barriers that impede new construction and housing development. Over the past several years, homeowners and renters have been increasingly cost-burdened due to rising costs in construction and limited inventory.

Several broad economic and market factors contribute to this housing supply and demand mismatch including prohibitive zoning/permitting approval processes and low availability of developable land. By leveraging the federal government’s grantmaking powers, H.R. 4351 (as amended) has the potential to incentivize localities to ease restrictive policies that contribute to these dynamics and, in turn, increase market efficiencies that promote housing affordability.

H.R. 5931, the *Improving FHA Support for Small Dollar Mortgages Act*

MBA also supports the Amendment in the Nature of a Substitute to H.R. 5931, the *Improving FHA Support for Small Dollar Mortgages Act* introduced by Representatives William Lacy Clay (D-MO) and Steve Stivers (R-OH). The proposal directs the Federal Housing Administration to examine its single-family mortgage insurance policies and identify barriers that restrict access to mortgages of \$70,000 or less. The proposal’s congressional findings cite an Urban Institute study that found that small dollar mortgage applications were denied at higher rates, which could not be fully explained by differences in applicants’ credit profiles. Rather, the study highlighted high origination and servicing costs, as well as risk aversion since the financial crisis, as factors that make small dollar mortgages more difficult to originate in a financially prudent way. Requiring FHA to examine how it can streamline its regulations to make the small dollar mortgage market more efficient and accessible is an important step in the right direction.

H.R. 5187, the *Housing as Infrastructure Act*

Finally, MBA supports the aims of the Chairwoman's comprehensive *Housing as Infrastructure Act*, which increases funding for important government programs like the Housing Trust Fund and the Flood Mitigation Assistance Grant Program. As Congress considers proposals to enhance our nation's transportation and energy infrastructures, housing policy should certainly be part of the broader conversation.

Importantly, as this bill progresses, we would urge the Committee to oppose budgetary offsets for infrastructure spending – such as increases in guaranty fees for the housing Government Sponsored Enterprises (“GSEs”) or increased VA Home Loan program fees – that could raise costs for persons within low- to moderate-income communities, first-time homebuyers, and our nation's veterans.

Thank you for your consideration of the views expressed within this letter. We look forward to our continued work together to promote a more competitive and sustainable real estate finance market in the United States.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Killmer', with a long horizontal flourish extending to the right.

Bill Killmer
Senior Vice President, Legislative and Political Affairs

cc: All Members: Committee on Financial Services