

February 13, 2018

An Open Letter to Congress on GSE Reform

Dear Senator or Representative:

It has been almost ten years since Fannie Mae and Freddie Mac were placed into conservatorship. The undersigned lending institutions active in the mortgage markets are encouraged by the recent progress in Congress on comprehensive housing finance reform, particularly the consensus on both sides of the aisle on certain core principles:

- an explicit federal guarantee on mortgage securities to preserve the 30-year fixed rate mortgage and long-term financing for multifamily rental housing,
- significantly more private capital at risk ahead of the taxpayer, and
- a utility-style regulatory framework to ensure a level playing field and equal access to the secondary market for lenders of all sizes and business models.

With those principles in place, it is critical for a reformed system to preserve the operational integrity needed to ensure that mortgage capital markets will work effectively through transition and beyond. Two leading options have emerged in this debate:

- a “guarantor-based” system that builds on and improves the current system with two or more entities chartered to operate solely in the secondary market by acquiring and securitizing mortgages from small and large lenders alike.
- an “issuer-based” system that relies primarily on a handful of larger “lender-aggregators” to originate and/or acquire mortgages from smaller lenders and issue the securities themselves, after securing the federal guarantee.

The undersigned institutions strongly believe a guarantor-based system is best able to meet the housing finance needs of Main Street. Here’s why:

Simplicity: A guarantor-based system preserves the existing plumbing, technology, and infrastructure while fixing what was wrong with Fannie Mae and Freddie Mac.

Competition: A guarantor-based system will promote competition between multiple guarantors seeking business from thousands of lenders.

Small Lender Access: By requiring the preservation of both a cash window and securities execution options, the guarantor model supports a level playing field and equal access for all lenders and does not discriminate based on size or business model.

Bright Line: By limiting the ability of guarantors to be owned by a lender or engage in loan origination, the multiple guarantor approach ensures a clear separation between the primary and secondary mortgage markets.

Transition Risk: A multiple guarantor approach minimizes transition risks by utilizing the new Common Securitization Platform (CSP) built over the past several years, providing a scalable mechanism that can accommodate additional guarantors.

The undersigned lending institutions believe that a guarantor-based model protects both taxpayers and consumers. This approach will deliver on both the core principles and the operational needs of the thousands of diverse primary market participants, and will do so with the confidence and stability needed during the transition and thereafter.

We strongly urge Congress not to cede this important policy debate solely to the Executive Branch, and to consider these critical needs of the new system as the House and Senate both move forward on housing finance reform.

Sincerely,

Alabama

Sherry A. Romano
Senior Vice President, Mortgage
Lending
First Federal Bank
Tuscaloosa, AL

Alaska

Steven Larson
Executive Director, Mortgage Lending
Alaska USA Federal Credit Union
Anchorage, AK

Arizona

Steve Larsen
Chief Financial Officer
AmeriFirst Financial, Inc.
Tempe, AZ

David Robnett
President
Celebrity Capital, LLC
Scottsdale, AZ

Gary Sneed
Senior Vice President/Chief Lending
Officer
Desert Schools Federal Credit Union
Phoenix, AZ

Nelson De León
Director of Capital
Markets
Homeowners Financial Group
Scottsdale, AZ

Jon Volpe
Chief Executive Officer
NOVA Home Loans
Tucson, AZ

Terry Dean Turk
President and Chief Executive
Officer
Sun American Mortgage
Company
Mesa, AZ

Ned Kneadler
President and Chief Executive Officer
LHM Financial Corporation
Scottsdale, AZ

Jamie Korus Pearce
President
Alliance Home Loans
Phoenix, AZ

California

Bill Lowman
President and Chief Executive Officer
American Pacific Mortgage
Roseville, CA

Mike Yates
President
Best Capital Funding
Chatsworth, CA

Wes G. Iseley
Senior Managing Director
Carrington Mortgage Services, LLC
Aliso Viejo, CA

Christopher M. George
President
CMG Financial
San Ramon, CA

Laura Ann Roberts
Chief Executive Officer
Community Mortgage Funding, LLC
Pomona, CA

Curt Byers, CMB
Vice President, Secondary
Marketing
Kinecta Federal Credit Union
Manhattan Beach, CA

Enrico Arvielo
Chief Executive Officer
New American Funding
Tustin, CA

Gary D. Clark, CMB
Chief Operating Officer
Sierra Pacific Mortgage
Folsom, CA

Dan Holtz
Founder/Vice President
Sovereign Lending Group Incorporated
Costa Mesa, CA

David Schneider
Chief Executive Officer
Stearns Lending
Santa Ana, CA

Wesley Hoaglund
Chief Executive Officer
Lenox Financial Mortgage Corp.
Santa Ana, CA

Rob Hirt
Chief Executive Officer
LendUS
Alamo, CA

Andrea M. Blais, CMB
Senior Vice President, Real Estate
Lending
SchoolsFirst FCU
Santa Ana, CA

Mary Ann McGarry
Chief Executive Officer
Guild Mortgage Company
San Diego, CA

Jim Svinth
Executive Vice President, Enterprise
Risk Management
loanDepot
Foothill Ranch, CA

Colorado

Dave Roberts, CMB
President, Mortgage Division
Alpine Bank
Glenwood Springs, CO

Peter Lansing
President
Universal Lending Corporation
Denver, CO

Debra Still
President/Chief Executive Officer
Pulte Mortgage
Englewood, CO

Connecticut

David Shapard
President
Cheney Mortgage, Inc.
Manchester, CT

Robert Monti
Senior Vice President,
Residential Lending
Farmington Bank
Farmington, CT

Philip DeFronzo
President
Norcom Mortgage
Avon, CT

Florida

John A. Cosculluela, CMB
President and Chief Executive Officer
American Bancshares Mortgage
Miami Lakes, FL

Raymond S. Barbone
Executive Vice President
BankUnited
Miami Lakes, FL

Sal "Joe" Nunziata
Co-Chief Executive Officer/Founder
FBC Mortgage LLC
Orlando, FL

Cynthia Perez
Chief Financial Officer
Ready Mortgage Lenders LLC
Miami, FL

Richard E. Peek
Senior Vice President
The Mortgage Firm, Inc.
Altamonte Springs, FL

Tom Millon, CMB
President and Chief Executive
Officer
Capital Markets Cooperative
Ponte Vedra Beach, FL

Georgia

Robert J. Smith
President
AmeriSave Mortgage Corporation
Atlanta, GA

Eddy Perez
President
Equity Prime Mortgage, LLC
Atlanta, GA

Kurt Nikolai
Managing Partner
First Option Mortgage, LLC
Atlanta, GA

Josh Moffitt
President and Chief Executive
Officer
Silverton Mortgage
Atlanta, GA

Fowler Williams, CMB
President and Chief Executive Officer
Crescent Mortgage Company
Atlanta, GA

Hawaii

Jon Whittington, CMB
President
Compass Home Loans LLC
Honolulu, HI

Anders Hostelley
President and Chief Executive
Officer
Honolulu HomeLoans
Honolulu, HI

Idaho

Ryan Froehlich
Vice President
Banner Bank
Boise, ID

Indiana

Deborah Sturges
President and Chief Executive Officer
Hallmark Home Mortgage
Fort Wayne, IN

Ron McGuire
President
Tucker Mortgage, LLC
Indianapolis, IN

Iowa

Dan Vessely
President
Iowa Bankers Mortgage Corporation
Johnston, IA

Kansas

Cameron Mott
VP Mortgage Operations and
Secondary Marketing
KS StateBank
Manhattan, KS

Kentucky

Monica Bohn
Chief Executive Officer
Century Mortgage Company
Louisville, KY

John Bollman, CMB
Executive Vice President,
Mortgage Lending
Commonwealth Bank & Trust
Louisville, KY

Louisiana

Kenneth Hodges
President and Chief Executive Officer
Assurance Financial
Baton Rouge, LA

Kate DeKay
Chief Executive Officer
Eustis Mortgage
New Orleans, LA

Maryland

Eric Gates
President
Apex Home Loans, Inc.
Rockville, MD

Leo Dunn
Chairman
Bay Capital Mortgage
Corporation
Annapolis, MD

Mike Baynes
Founder
Homeside Financial, LLC
Columbia, MD

Massachusetts

Keith Polaski
Principal & Chief Operating Officer
radius financial group inc.
Norwell, MA

Michigan

Shawn Krause
Executive Vice President
Quicken Loans
Detroit, MI

Owen Lee
President/Chief Executive Officer
Success Mortgage Partners, Inc.
Plymouth, MI

Christopher M. Bennett
Principal
Vice Capital Markets, Inc.
Novi, MI

Timothy Ross
Chief Executive Officer
Ross Mortgage Corporation
Troy, MI

Mark Jones
Chief Executive Officer and
Co-Founder
AmeriFirst Home Mortgage
Kalamazoo, MI

Missouri

J.R. Buckner II
President and Chief Executive Officer
First Federal Bank of Kansas City
Kansas City, MO

Mark C. Unangst
Executive Vice President –
Chief Administrative Officer
Gershman Mortgage
St. Louis, MO

Nevada

Ben Slayton
President
Alterra Group, LLC
Las Vegas, NV

James Anderson
Executive Vice President of
Mortgage Lending
Greater Nevada Mortgage
Carson City, NV

New Jersey

Lori J. Pinto, CMB
Senior Vice President, Business
Development
Cenlar, FSB
Ewing, NJ

Gabriel Gillen
President
Family First Funding LLC
Toms River, NJ

Peter R Norden
Chief Executive Officer
HomeBridge Financial Services
Iselin, NJ

Samuel P. Lamparello CMB
Chief Executive Officer
MLB Residential Lending,
LLC
Springfield, NJ

Mike Heino
Senior Vice President
People's United Bank, NA
Mullica Hill, NJ

Peter J. Kenny
Senior Vice President
Jersey Mortgage Company
Cranford, NJ

New Mexico

Jack Thompson
Chief Executive Officer
Legacy Mortgage LLC
Albuquerque, NM

New York

Jane A. Borbee
Senior Vice President of Operations
Homestead Funding Corp.
Albany, NY

Steven Milner
Founder and Chief Executive
Officer
US Mortgage Corporation
Melville, NY

North Carolina

William A. Stokes, CMB
President and Owner
American Security Mortgage Corp
Charlotte, NC

J. Tol Broome
President, Mortgage Division
BB&T
Greensboro, NC

North Dakota

Tom Boyer
Vice President, Mortgage Manager
Starion Bank
Bismarck, ND

Ohio

Bill Case
President and Chief Executive Officer
American Mortgage Service Co.
Cincinnati, OH

Jeremy Sopko
Chief Executive Officer
Nations Lending Corporation
Independence, OH

Philson Lescott
Chief Operating Officer
NOIC, Inc.
Sylvania, OH

Paul E. Klemme
President
SIRVA Mortgage, Inc.
Independence, OH

Bill Cosgrove
Chief Executive Officer
Union Home Mortgage
Strongsville, OH

Teresa Rose
President
Western Ohio Mortgage
Sidney, OH

Oklahoma

Jeff Allen
Chief Executive Officer
Associated Mortgage Corporation
Tulsa, OK

Oregon

Mike Baldwin
President and Chief Executive Officer
LoanStar Home Lending
Portland, OR

Pennsylvania

Daniel Beam, CMB
Senior Vice President, Capital Markets
Firsttrust Bank
Horsham, PA

Mark Steele
Chairman and Chief Executive
Officer
Howard Hanna Mortgage
Services
Pittsburgh, PA

James M. Deitch
Chief Executive Officer
Teraverde Financial
Lancaster, PA

Regina M. Lowrie, CMB
President and Chief
Executive Officer
RML Advisors
Blue Bell, PA

Tennessee

Joseph M Davidson
Executive Vice President
Acopia, LLC
Goodlettsville, TN

Aaron Wimsatt
President and Chief Executive
Officer
Peoples Home Equity, Inc.
Brentwood, TN

Texas

Garrett Clayton
Chief Executive Officer
AmCap Mortgage Ltd
Houston, TX

Brian Stoffers
Global President, Debt &
Structured Finance
CBRE
Houston, TX

Jim Clapp
President
Certainty Home Loans
Plano, TX

John David Motley
President
Colonial Savings, F. A.
Fort Worth, TX

Julie Piepho
President
Cornerstone Home Lending, Inc.
Houston, TX

Gene F. Thompson III
President
InterLinc Mortgage Services, LLC
Houston, TX

Jeffrey E. Bode
President
Mid America Mortgage, Inc.
Addison, TX

Ken Johnson
Senior Vice President
Origin Bank
Addison, TX

Todd Salmans
Chief Executive Officer
PrimeLending
Dallas, TX

Tracy L. Kell
Senior Vice President
Willow Bend Mortgage
Plano, TX

Adam Thorpe
President and Chief Executive Officer
Castle & Cooke Mortgage, LLC
Draper, UT

Dave Zitting
Chief Executive Officer
Primary Residential Mortgage, Inc
Salt Lake City, UT

Brian Bennett
President
Highlands Residential
Mortgage
Dallas, TX

Dustin A. Wells
Senior Vice President,
Mortgage Division Manager
International Bank of
Commerce
Austin, TX

John H. P. Hudson
Vice President
Mortgage Financial Services
San Antonio, TX

Deric Barnett
Executive Vice President,
National Warehouse Lending
PlainsCapital Bank
Dallas, TX

Susan T. Stewart
Chief Executive Officer
SWBC Mortgage Corporation
San Antonio, TX

Scott Sanderson
President
MBS
Austin, TX

Utah

Teresa Whitehead
Chief Executive Officer
Citywide Home Loans
Sandy, UT

Brock Worthen
President
InterCap Lending Inc.
Draper, UT

Stephen C. Johnson
President
SecurityNational Mortgage Company
Salt Lake City, UT

Matt Hansen
Chief Executive Officer
SimpleNexus, LLC
Lehi, UT

Richard Ferguson
President
CBC Mortgage Agency
Cedar City, UT

Virginia

Timur J. Tunador
Chief Executive Officer
Atlantic Coast Mortgage, LLC
Fairfax, VA

Kevin Pearson
President, Financial Services
CalAtlantic Group, Inc.
Arlington, VA

Alexander George Wish
President
First Heritage Mortgage, LLC
Fairfax, VA

Sarah Stedfast
Venture President
NewTowne Mortgage
Virginia Beach, VA

Deborah Naylor
Executive Vice President
PenFed Credit Union
McLean, VA

Washington

Donn C Costa
Executive Vice President
1st Security Bank
Mountlake Terrace, WA

Donald M. Burton
President
Evergreen Home Loans
Bellevue, WA

Susan Greenwald
Senior Vice President
HomeStreet Bank
Seattle, WA

Wisconsin

Nicholas DeTorto
President and Chief Executive Officer
Inlanta Mortgage, Inc.
Pewaukee, WI

Patrick Johnson
Vice President
Johnson Bank
Madison, WI

Len Krupinski
Chief Operating Officer
Fairway Independent Mortgage Corp.
Madison, WI

Wyoming

Pam Wallace
Vice President
Jonah Bank of Wyoming
Cheyenne, WY