



MORTGAGE BANKERS ASSOCIATION

March 2, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232, U.S. Capitol Building  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204, U.S. Capitol Building  
Washington, DC 20515

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

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

Dear Speaker Pelosi, Minority Leader McCarthy, Chairwoman Waters and Ranking Member McHenry:

On behalf of the Mortgage Bankers Association (MBA), I am writing to express our views on two bills that will be considered by the full House of Representatives today under suspension of the rules.

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

MBA supports 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, which was amended and reported favorably last week by voice vote in the Committee on Financial Services, would provide the federal government with new tools 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 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*, as Amended**

MBA also supports passage of H.R. 5931, the *Improving FHA Support for Small Dollar Mortgages Act*, as amended and introduced by Representatives William Lacy Clay (D-

MO) and Steve Stivers (R-OH). Reported favorably by a unanimous 48-0 vote by the Committee on Financial Services last week, this legislation 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 forward for potential home buyers.

### **Conclusion**

MBA supports these two important proposals and encourages all Members of the House of Representatives to vote in favor of both bills. We look forward to our continued work together to promote a more competitive and sustainable real estate finance market in the United States.

A handwritten signature in black ink, appearing to read "Bill Killmer", with a stylized flourish extending to the right.

Bill Killmer  
Senior Vice President  
Legislative and Political Affairs

cc: All Members, U.S. House of Representatives