



MORTGAGE BANKERS ASSOCIATION

September 24, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

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

**Re: Suspension of Certain Provisions of the Senior Preferred Stock
Purchase Agreements for Fannie Mae and Freddie Mac**

Dear Secretary Yellen and Acting Director Thompson,

The Mortgage Bankers Association (MBA)¹ would like to thank the U.S. Department of the Treasury (Treasury) and the Federal Housing Finance Agency (FHFA) for suspending certain provisions of the Senior Preferred Stock Purchase Agreements (PSPAs) governing Fannie Mae and Freddie Mac (the Enterprises). The decision to suspend the PSPA limits on the Enterprises' acquisitions of multifamily loans, loans with higher risk characteristics, and loans secured by second homes and investment properties, as well as the limits on lenders' use of the Enterprises' cash windows, builds on recent steps that both Treasury and FHFA have taken to promote smooth market functioning and support consumers. These steps, in turn, should improve the overall health of the housing finance system.

MBA recognizes the need for FHFA to oversee the Enterprises' business activities and any associated risks, and we appreciate that both Treasury and FHFA plan to re-evaluate the appropriate methods of managing matters of both risk and mission. Addressing these issues using FHFA's supervisory and conservatorship authority rather than through inflexible, backward-looking caps embedded in the PSPAs will better support the market, particularly first-time homebuyers and historically underserved groups, and will allow the Enterprises to remain consistent with mission and safety-and-soundness objectives.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 330,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 1,900 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

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Thank you once again for taking these consequential steps on this important matter. We would welcome the opportunity to meet as you re-evaluate the terms of the PSPAs to ensure this critical backstop for the Enterprises appropriately balances mission and safety-and-soundness considerations, while also maintaining a measured path towards an end to the Enterprises' conservatorships.

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
Mortgage Bankers Association

cc: The Honorable Wally Adeyemo
Deputy Secretary
U.S. Department of the Treasury

The Honorable Nellie Liang
Under Secretary for Domestic Finance
U.S. Department of the Treasury