



MORTGAGE BANKERS ASSOCIATION

July 14, 2020

The Honorable Nita Lowey
Chairman
U.S. House Committee on Appropriations
H-307, United States Capitol Building
Washington, D.C. 20515

The Honorable Kay Granger
Ranking Member
U.S. House Committee on Appropriations
H-307, United States Capitol Building
Washington, D.C. 20515

The Honorable David Price
Chairman
U.S. House Subcommittee on Transportation,
and Housing and Urban Development
2358-A Rayburn House Office Building
Washington, D.C. 20515

The Honorable Mario Diaz-Balart
Ranking Member
U.S. House Subcommittee on Transportation,
and Housing and Urban Development
404 Cannon House Office Building
Washington, D.C. 20515

Dear Chairwoman Lowey, Ranking Member Granger, Chairman Price, and Ranking Member Diaz-Balart:

On behalf of the Mortgage Bankers Association (MBA), I am writing to share our views on the real estate finance industry's priorities within the Transportation, Housing and Urban Development (T-HUD) appropriations bill for Fiscal Year (FY) 2021, which will be considered by the full House Committee on Appropriations this week.

MBA continues to staunchly support providing the Federal Housing Administration (FHA) with the resources it requires, both in staffing and systems upgrades, to maintain its important, countercyclical role as a government-backed mortgage insurer. Accordingly, MBA has long been a proponent of adequate funding for staffing, project management, and potential improvements that would allow the agency to better manage its operations and the risks associated with its Mutual Mortgage Insurance (MMI) Fund. Therefore, we appreciate the \$130 million you have provided for FHA's administrative contract expenses (as requested by HUD).

MBA appreciates and supports the enhanced level of resources within the bill allocated to HUD's *Cybersecurity and Information Technology Fund* to help the agency better meet its acute information technology (IT) needs on a broad basis, including multifamily housing IT modernization. MBA also strongly supports the specified \$20 million from that Fund to be used in the ongoing upgrade of FHA's decades-old single-family IT infrastructure, and we thank the full Committee for its repeated efforts in this regard. These IT systems have long needed modernization, and the directed funds represent another crucial step forward to help FHA improve its quality assurance controls and the integrity of its systems.

With respect to FHA's multifamily and healthcare finance programs, we commend appropriators for including \$30 billion in commitment authority for the General and Special Risk Insurance (GI/SRI) Fund in its FY 2021 proposal, as well as adequate funding for rental assistance, particularly Section 8 Project Based Rental Assistance. Together, these programs permit private sector lenders to continue to finance workforce and affordable apartments and residential healthcare facilities that serve millions of Americans.

With respect to Ginnie Mae, MBA continues to support an increased level of funding for staffing, training, and technology needs. Accordingly, we commend the Committee for nearly doubling funds for Ginnie Mae's administrative contract expenses to a total of \$55.5 million. Given Ginnie Mae's critical role in providing liquidity targeted to low- and moderate-income families, first-time homebuyers, renters, veterans and rural households, particularly at this time, increased funding is necessary to prudently manage the increased loan volume in the single-family and multifamily mortgage markets. In addition, in recent years, market share for FHA, the Veterans Affairs Home Loan Program, and Rural Housing Service single-family lending has continued to shift towards a more diversified base of smaller lenders. MBA believes this to be a positive trend for Ginnie Mae that reduces concentration risk in the program. We commend you for providing this level of funding that will allow for increased oversight by the agency to support its ongoing counterparty risk management of the expanded issuer base.

MBA is once again pleased that the current T-HUD title maintains a prohibition on federal funds being used to facilitate eminent domain seizures of performing mortgage loans. By enacting this prohibition for the past several fiscal years, the Congress has been able to effectively defuse this threat. Funding for housing and homeownership counseling is also a priority for MBA, and we commend your decision to provide an increase to the level of \$75 million for this purpose. These funds are critical to assisting homeowners facing foreclosure, helping first-time homebuyers navigate the challenges of the purchase process and counseling for reverse mortgages (a program requirement) for seniors, a traditionally high-risk group for financial fraud.

In conclusion, MBA appreciates your efforts on this critical set of housing issues during a public health and safety crisis and a most difficult budget environment. We look forward to working with you to help advance this important legislation to the House floor as quickly as possible.

Best regards,



Bill Killmer
Senior Vice President, Legislative & Political Affairs

cc: All Members, Committee on Appropriations