



May 10, 2016

The Honorable Harold Rogers  
Chairman  
House Committee on Appropriations  
H-305, The Capitol  
Washington, D.C. 20515

The Honorable Nita Lowey  
Ranking Member  
House Committee on Appropriations  
1016 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mario Diaz-Balart  
Chairman  
Subcommittee on Transportation, Housing, and  
Urban Development  
House Committee on Appropriations  
2358A Rayburn House Office Building  
Washington, D.C. 20515

The Honorable David Price  
Ranking Member  
Subcommittee on Transportation, Housing, and  
Urban Development  
House Committee on Appropriations  
2358A Rayburn House Office Building  
Washington, D.C. 20515

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

On behalf of the Mortgage Bankers Association (MBA), I am writing to share our industry's priorities within the Transportation, Housing and Urban Development appropriations bill for fiscal year 2017.

MBA continues to staunchly support providing the Federal Housing Administration (FHA) with the resources, both in staffing and systems upgrades, it needs. We are grateful that the Committee over the past two budget cycles has not granted to HUD authority to charge a fee to single-family lenders as a funding mechanism to cover FHA's administrative costs. Instead, we have urged Congress to fund FHA's needs through the regular appropriations process, as has been the practice for decades. We are especially pleased the Senate Appropriations Committee, in its version of the pending HUD appropriations bill, specifically designated \$13 million in information technology funds for FHA via a \$23 million increase (above the fiscal year 2016 enacted level) for HUD's Information Technology Fund. We believe this is a far better way to fund an agency's technology needs – rather than through an unprecedented off-budget fee that will undoubtedly be passed on to the very borrowers FHA is designed to serve and ultimately raise the cost of homeownership.

MBA further supports providing the full \$23 million requested for Ginnie Mae's staffing, training and technology needs. Given Ginnie Mae's key role in providing liquidity targeted to low- and moderate-income families, first-time homebuyers, renters, veterans and rural households, this funding level 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, VA and Rural Housing Service single-family lending has shifted toward a more diversified base of smaller lenders. This has been a positive trend for Ginnie Mae that reduces concentration risks in the program.

With respect to FHA's multifamily and healthcare finance programs, we urge the Committee to once again provide \$30 billion in commitment authority for the General and Special Risk Insurance (GI/SRI) Fund in FY 2017 as well as full 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.

Relative to another multifamily issue, by way of background, Congress established a system for financing FHA multifamily loans through Ginnie Mae by providing a statutory prohibition on the use of Ginnie Mae securitizations in HUD's risk sharing programs, also known as Sections 542 (b) and (c), by Housing Finance Agencies (HFAs). Nonetheless, the administration's budget request once again recommended dropping this

important safeguard, which maintains a level playing field for private sector, FHA-approved multifamily lenders relative to HFAs. We believe it is appropriate that the Committee, once again, exclude this proposal in FY 2017.

MBA recommends that the appropriations bill maintain for a third year the prohibition on federal funds being used to facilitate eminent domain seizures of performing mortgage loans. By enacting this prohibition for the past two fiscal years, Congress was able to temporarily defuse this threat. If the ban is not renewed, the threat posed by these schemes would return. The introduction of this new risk to the housing finance system would severely impact the return of private capital to our markets, and would undermine congressional efforts to successfully transition to a new housing finance system.

Funding for housing and homeownership counseling is also a priority for MBA and we urge the Committee to include \$47 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.

Thank you for your work regarding this critical set of housing issues during a difficult budget environment. We look forward to working with you as this legislation moves through Committee and to the House floor.

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 & Political Affairs

cc: All Members, House Committee on Appropriations