



MORTGAGE BANKERS ASSOCIATION

## MBA's Housing Affordability Checklist

(updated April 27, 2026)

*To improve housing affordability, accessibility, and sustainability, federal policymakers should advance targeted, actionable policy priorities that directly lower borrower costs, expand access to credit, reduce the costs of originating and servicing mortgages, and modernize our nation's housing finance ecosystem.*

### Reduce Borrower Costs

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*Near-term administrative policies that directly lower upfront or monthly costs for mortgage borrowers.*

- End the tri-merge mandate; adopt a single-file credit report framework for scores above 700.** Allowing lenders to obtain a single credit report for most borrowers would reduce borrower costs and simplify the loan origination process, while preserving the option to obtain additional reports for higher-risk loans.

*Agency* **Federal Housing Finance Agency (Fannie Mae and Freddie Mac)**

- Align and reduce Loan Level Price Adjustments (LLPAs).** Aligning and lowering LLPAs by an eighth or quarter point across the grid for purchase and rate/term refinance loans would reduce upfront borrower costs and improve affordability. A borrower with a \$400,000 loan will save approximately \$2,000 at closing or up to \$60 per month.

*Agency* **Federal Housing Finance Agency (Fannie Mae and Freddie Mac)**

- Responsibly Adjust the FHA Annual Mortgage Insurance Premium (MIP).** A modest 20-basis-point reduction in the annual MIP on a \$352,000 loan saves borrowers approximately \$60 per month and reduces the loan-level Net Present Value to the MMI Fund by less than 20%. However, rising FHA delinquencies demand a careful approach to reducing the MIP, including a review by FHA of loans with layered risk – such as high DTI, low credit score, and low reserves on the same loan – before implementing a MIP reduction.

*Agency* **Federal Housing Administration**

## **Expand Access to Credit**

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*Regulatory policies that broaden borrower eligibility, modernize underwriting frameworks, and remove structural barriers to mortgage credit.*

- Reform loan originator compensation.** Current rules prohibit lenders from offering lower rates or reduced fees when borrowers present competing offers. Similarly, compliance safeguards discourage lenders from offering affordable loan products, such as housing finance agency loans, construction loans, down payment assistance, or assumption loans.

*Agency* **Consumer Financial Protection Bureau**

- Permit a GSE streamlined refinance option.** Ability-To-Repay requirements currently include income verification, appraisal requirements, and certain underwriting elements, even for performing borrowers with strong pay histories seeking to refinance into a lower interest rate.

*Agency* **Consumer Financial Protection Bureau**

- Reform Interest Rate Reduction Refinancing Loans (IRRRLs).** Finalizing the proposed IRRRL rule to adopt a more flexible Net Tangible Benefit framework and remove the 36-month recoupment requirement, along with additional guardrails to protect prepayment speeds, would preserve the low-cost refinancing option for veterans, a cornerstone feature of the Home Loan program.

*Agency* **Department of Veterans Affairs – Home Loan Guaranty**

- Implement delegated authority.** The longstanding absence of delegated authority discourages lenders from participating in the Rural Housing Servicing program and slows processing times compared with peer federal housing programs (e.g., FHA and VA).

*Agency* **Department of Agriculture – Rural Housing Service**

- Expand the use of automated valuation models** and artificial intelligence-assisted underwriting. Responsible adoption of modern technologies can reduce processing costs and streamline risk management.

*Agency* **All**

- Update underwriting requirements.** Limiting income analysis to applicants who will contribute to the mortgage would eliminate a significant barrier to program participation.

*Agency* **Department of Agriculture – Rural Housing Service**

## **Modernize Mortgage Servicing**

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*Policies that help borrowers preserve affordable homeownership, reduce operational costs, improve liquidity, and encourage program participation.*

- Modernize Reg X Loss Mitigation servicing.** Loss mitigation rules adopted after the financial crisis require documentation-heavy applications that do not reflect modern servicing technologies or the streamlined assistance programs now used by other federal housing programs and investors.

*Agency* **Consumer Financial Protection Bureau**

- Implement a Partial Claim Program.** Veterans currently lack access to this fundamental loss mitigation option, which is widely available in other federal housing programs that help distressed borrowers avoid foreclosure.

*Agency* **Department of Veterans Affairs – Home Loan Guaranty**

- Address Servicer Liquidity.** Mortgage servicers are required to meet advancing obligations throughout the entire loan lifecycle, creating potential liquidity strain during economic stress. To address servicer liquidity, FHA should provide for reimbursement of taxes and insurance earlier in default. Similarly, to support strong MSRMs and modernize its program, Ginnie Mae should adopt loan-level accounting.

*Agency* **Federal Housing Administration & Ginnie Mae**

- Eliminate punitive claims curtailment rules.** FHA imposes claims curtailments for technical delays in meeting its required foreclosure timelines, which often do not result in material risk or loss to the insurance fund. These penalties can be disproportionate and discourage servicer participation in FHA programs.

*Agency* **Federal Housing Administration**

## **Increase Housing Supply**

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*Policies that reduce costs and expand access to financing for new construction and support a more competitive housing production pipeline.*

- Expand access to condominium and construction financing.** Eliminating unnecessary financing barriers requires narrow, predictable, critical-repair condominium guidelines for first-time homebuyers and a limited, safeguards-based pilot for early execution or delivery of Single Close Construction-to-Permanent (C2P) loans to address longstanding liquidity and balance-sheet constraints.

*Agency* **Federal Housing Finance Agency (Fannie Mae and Freddie Mac)**

- Eliminate costly regulatory barriers to new construction.** Certain federal requirements, including FHA energy efficiency standards and floodplain management rules can add significant cost, complexity, and uncertainty to new residential construction, particularly for entry-level and affordable housing.

Agency **Federal Housing Administration**

- Modernize FHA's 203(k) rehabilitation program.** Allowing unused contingency funds to be applied toward future mortgage payments would provide immediate relief to borrowers during the transition from renovation to occupancy when cash reserves are often depleted.

Agency **Federal Housing Administration**

- Update underwriting rules for manufactured housing loans.** Misalignment between FHA's Title I and Title II programs inhibits scalability and program participation.

Agency **Federal Housing Administration**

- Align minimum property requirements with GSE standards.** Adopting the property condition ratings framework used by the GSEs (C1–C6) would reduce administrative burden and help address seller hesitancy that can disadvantage veteran homebuyers.

Agency **Department of Veterans Affairs – Home Loan Guaranty**

## **Housing Finance Reform**

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*Long-term policies that strengthen the function of the mortgage finance markets.*

- Publish calibrated bank capital rules.** Capital frameworks for mortgages remain overly punitive relative to actual risk, particularly for mortgage servicing assets and warehouse lines. The banking agencies should right size the risk to encourage participation in the mortgage markets.

Agency **Federal Reserve/FDIC/OCC**

- Promote private label securitization.** Amending Reg AB II disclosure requirements would help revive the private-label securities market and expand sources of mortgage credit.

Agency **Securities and Exchange Commission**

*Supporting materials on these issues, including comment letters, white papers, and issue briefs, are available on the [All Letters and Testimony](#) and [Residential Policy Issues](#) pages on MBA.org. If you have questions related to MBA advocacy, or as you engage with policymakers and industry stakeholders on these issues, please feel free to contact Anthony Siller ([asiller@mba.org](mailto:asiller@mba.org)).*