

The Honorable Michael Enzi  
Chairman  
Committee on the Budget  
624 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Bernie Sanders  
Ranking Member  
Committee on the Budget  
624 Dirksen Senate Office Building  
Washington, DC 20510

March 18, 2015

Dear Chairman Enzi and Ranking Member Sanders:

The undersigned organizations wish to express our support for the amendment offered by Senators Crapo, Warner, Corker, and Merkley to ensure Fannie Mae and Freddie Mac credit risk guarantee fees (g-fees) are no longer used to offset the costs associated with unrelated policies that increase the deficit. The Senate adopted similar, bipartisan language during the 113<sup>th</sup> Congress in response to several attempts to use g-fees to offset unrelated expenditures.

G-fees are a critical risk management tool used by Fannie Mae and Freddie Mac to protect against losses from faulty loans, and should be used only to manage the companies' credit risk. Increasing g-fees for other purposes effectively taxes potential homebuyers and consumers wishing to refinance their mortgages. G-fee increases unrelated to housing could also act to hinder the necessary reforms required of the housing finance system in the years ahead.

We are united in our belief that using g-fees as a funding mechanism places an unnecessary burden on homeowners and prevents Fannie Mae and Freddie Mac from effectively managing their risk, and urge the Budget Committee to pass the amendment offered by Senators Crapo, Warner, Corker, and Merkley.

Sincerely,

American Bankers Association  
American Land Title Association  
Credit Union National Association  
Financial Services Roundtable  
Housing Policy Council  
Leading Builders of America  
Mortgage Bankers Association  
National Association of Federal Credit Unions  
National Association of Home Builders  
National Association of Realtors

Cc: The Honorable Mike Crapo  
The Honorable Mark Warner  
The Honorable Bob Corker  
The Honorable Jeff Merkley