



FOR IMMEDIATE RELEASE:
November 13, 2019

CONTACT: Scott Olson
571-527-2601
scottolson@communitylender.org

CHLA Letter Supports Administration Proposal To Make Small-Lender GSE Protections Permanent

Letter also Lauds FHFA Director Calabria for Calling out Volume Discounts

The Community Home Lenders Association (CHLA) today sent a joint letter (enclosed) to Treasury Secretary Mnuchin and FHFA Director Calabria expressing strong support for the proposal in the Administration's Housing Finance plan to make permanent protections for small mortgage lenders when the Preferred Stock Purchase Agreements (PSPAs) are revised as part of the GSEs exiting conservatorship.

CHLA's letter also expressed *"strong appreciation to FHFA Director Calabria for his support of GSE pricing parity and his recent action to call out one of the GSEs for not following this important principle."*

"The Community Home Lenders Association (CHLA) writes to communicate our strong support for the proposal in the Treasury Department's September 'Housing Reform Plan' to amend the GSE Preferred Stock Purchase Agreements (PSPAs) to require small lender protections on the part of Fannie Mae and Freddie Mac after they exit conservatorship."

CHLA's letter went on to explain how GSE volume discounts and preferential pricing for large lenders like Countrywide and WAMU helped contribute to their conservatorship and discriminated against consumers served by smaller lenders. FHFA in recent years has pursued a policy of G Fee parity - but the Administration plan would make permanent such equitable small market access (along with a policy requiring a nationwide Cash Window) through revisions expected to take place under the GSE Sweep Agreement.

CHLA's letter states that G Fee parity should apply not just to G Fees, but also to any proxies for pricing discrimination such as different buy-up/buy-down grids or disparate LLPAs, and that it should apply to private mortgage insurance (PMI), which is an integral part of pricing on a GSE loan.