

CHLA 2025 Policy Positions and Priorities

FEDERAL HOUSING ADMINISTRATION (FHA)

- **CHLA FHA Modernization Plan.** (1) Update Information Technology (IT), (2) Pay Scale Comparability, (3) Flexible Contracting Authority, (4) Allow use of receipts for actions that reduce FHA risk or losses.
- **CHLA proposal to streamline condo project approvals.** Increase transparency and reduce response times for approval of eligible condo projects - working towards DE-type authority for such approvals.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE)

- **Liquidity Backstop.** Expand the PTAP program or adopt the Ted Tozer Plan – to reduce Ginnie Mae risk, increase the confidence of warehouse lenders, and improve liquidity for all Ginnie Mae issuers.
- **Pool Flexibility.** Allow Ginnie Mae loan level pooling, along with other pooling flexibilities.
- **CHLA Ginnie Mae Modernization Plan.** (1) Full funding of salaries/administrative expenses, (2) Pay Scale Comparability, (3) Flexible Contracting Authority, (4) Ongoing commitment to broad issuer base.

FANNIE MAE AND FREDDIE MAC (FHFA)

- **End Fannie Mae, Freddie Mac Conservatorships.** Adopt a Utility Model, with small lender protections: G Fee parity, a robust, non-discriminatory cash window, and no GSE charters for Wall Street Banks.
- **Complete Substitution of Repurchase Demands with an Indemnification Fee option.** Fannie Mae and Freddie Mac should complete the task of replacing repurchase demands with a fair indemnification fee.

FEDERAL MORTGAGE PROGRAM FEES SHOULD BE BASED ON RISK

- **No G Fee Budget Offsets.** Repeal the 10 Basis point GSE fee that pays for non-housing spending.
- **End FHA Life of Loan Premiums.** FHA premiums should cease at 78% LTV – to avoid fee overcharging.
- **No VA Mortgage Fee Offsets.** VA Blue Water fees should not be reinstated to pay for other programs.

TAX POLICIES

- **Restore Portion of Mortgage Interest Deduction Benefits Lost in Last Tax Bill.** Adopt CHLA's Mortgage Interest Credit (MIC) for 1st Time Homebuyers, a 1st time homebuyer tax credit, or a higher SALT cap.
- **Make QBI permanent** (the 20% Small Business Qualified Business Income deduction).

LO COMP REFORM

- Allow reduced LO compensation to match offers for a borrower that has been working with an LO.
- Allow a different LO Compensation level for State HFA Bond Financed Mortgage Loans.
- Allow reduced LO Compensation to cover costs caused by loan originator mistakes.

REJECT CALLS TO EXTEND CRA OR CRA-LIKE REQUIREMENTS TO IMBs

- **States Should Not Adopt CRA for IMBs.** CRA for IMBs is neither appropriate nor necessary – and is counter-productive, as the experience in Massachusetts has demonstrated.
- **The CFPB Should Not Adopt a Backdoor CRA for IMBs.** The CFPB should not use ECOA or fair housing laws to dictate where IMBs locate branch offices or how to conduct their business marketing.

CHLA HOMEBUYER MORTGAGE BILL OF RIGHTS

1. The Right to Be Protected from Abusive Trigger Lead Solicitations.
2. The Right to Real Competition in the pricing of FICO Credit Scores.
3. The Right to Third-Party Mortgage Service Provider Competition to bring down mortgage closing costs, for FICO credit scores, credit reports, employment verification, and origination software services.
4. The Right to Obtain a Mortgage Loan Through a Qualified, Fully Licensed Mortgage Loan Originator.
5. The Right to Full Disclosures and Protections in the use of Dual Compensation.

REGULATORY BALANCE FOR SMALLER IMBs

- **Tiered CFPB Regulation for Smaller IMBs.** The CFPB should more fully and transparently implement the Dodd-Frank requirement to tier CFPB regulation by a firm's size, volume, and risk.
- **No Regulation by Enforcement.** The CFPB should not levy fines or take enforcement action without giving smaller IMBs the chance to correct good faith compliance errors (as bank regulators do).
- **Streamline state IMB exams.** States should do streamlined multi-state exams of IMBs, ending duplication in multiple states that put small IMBs at a competitive disadvantage.