

CHLA 2026 Policy Positions and Priorities

FEDERAL HOUSING ADMINISTRATION (FHA)

- **FHA Should Insure Loans in Condo Projects Approved by the GSEs.** FHA should insure condo loans in projects approved by Fannie and Freddie – and streamline the FHA project approval process.
- **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.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE)

- **Liquidity Backstop.** Expand PTAP program as a standby liquidity facility – funded with Federal Reserve TALF funds – to reduce Ginnie Mae risk, increase warehouse lender confidence, enhance IMB liquidity.
- **Housing Policy Council (HPC) Ginnie Mae Bifurcation Proposal.** Ginnie Mae should implement the HPC proposal to enhance warehouse lending by facilitating stand-alone financing of servicing advances.
- **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 – with Essential Small Lender Protections.** (1) G Fee parity. (2) Cash window competitive with securitization pricing. (3) No GSE charters for Wall Street Banks. (4) Maintain all mortgage products. (5) Utility model to restrain G Fees & excessive risk.
- **End LLPAs for Entry Level Housing:** Rescind: (1) 75 BP LLPA for condos, (2) 50 PB LLPA for manufactured home loans, and (3) 50 to 275 BP LLPA for entry level loans in high cost areas.

FEDERAL MORTGAGE PROGRAM FEES SHOULD BE BASED ON ACTUARIAL RISK

- **End FHA Life of Loan Premiums.** FHA premiums should cease at 78% LTV – to avoid fee overcharging.
- **No VA Mortgage Fee Offsets.** VA mortgage fees should not be increased to pay for other spending.
- **No G Fee Budget Offsets.** The 10 Basis point GSE fee to fund nonhousing spending should be repealed.

TAX POLICIES

- **CHLA Starker Exchange for Down Payment Gifts to Children and Grandchildren.** Enact legislation to allow deferral of investment capital gains for funds gifted to children or grandchildren that are used as a down payment on a first-time home purchase [targeting the proposal to limit budget impact].
- **Make 401(k) Loans for Down Payments More Flexible.** (1) Extend the maximum loan term from 15 to 30 years. (2) Allow interest rate as low as the mortgage rate. (3) No prepayment required with job loss.

LO COMP REFORM

- **Congress or CFPB Should Limit Applicability of LO Comp Restrictions to Transactions Between Firms.**
- This would restore the original intent of the LO Comp statute – to end Yield Spread Premiums – and help borrowers: (1) In competitive situations, (2), on HFA bond loans, and (3) on loans IMBs broker out.

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 reduces mortgage lending, 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 Real Competition in the Pricing of FICO Credit Scores.
The Right to Robust Third-Party Mortgage Service Provider Competition to bring down mortgage closing costs – in credit reports, employment verification, and origination software services.
2. The Right to Obtain a Mortgage Loan Through a Qualified, Fully Licensed Mortgage Loan Originator.
3. The Right to Full Disclosures and Conflict of Interest Protections in the Use of Dual Compensation.

REGULATORY BALANCE FOR SMALLER IMBs

- **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.
- **Tiered CFPB Regulation for Smaller IMBs.** The CFPB should transparently and permanently implement the Dodd-Frank requirement to tier CFPB regulation by a firm's size, volume, and risk.
- **Federal Preemptive Artificial Intelligence (AI) Standards.** Congress should pass last year's House tax provision creating a 10-year moratorium on state AI rules, to augment the President's Executive Order.