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National Association of Federally-Insured Credit Unions

Greg Mesack
Senior Vice President, Government Affairs

June 22, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Re: Floor Consideration of H.R. 3564, the Middle Class Borrower Protection Act of 2023

Dear Speaker McCarthy and Leader Jeffries:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share our support for H.R. 3564, the Middle Class Borrower Protection Act, as the House prepares to consider this important measure. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 137 million consumers with personal and small business financial service products. We appreciate this legislation being brought to the floor, and we would like to share our members' thoughts on its consideration.

NAFCU supports the Middle Class Borrower Protection Act, as this legislation repeals concerning structural fee changes to conventional single-family mortgages, implemented by the Federal Housing Finance Agency (FHFA). The legislation reinstates the previous upfront fee structure prior to FHFA's changes, which took effect on May 1, 2023.

Upfront fees are charged to a borrower at the time of origination for the mortgage and are based upon the loan amount. Reverting to the previous fee structure until the Government Accountability Office (GAO) completes its assessment of the current upfront fees will encourage the FHFA and the government-sponsored enterprises (GSEs) to operate in a safe and sound manner, allowing them to take reasonable measures to mitigate risks while fulfilling their statutory mission.

NAFCU is supportive of the FHFA's efforts to allow the GSEs to rebuild capital, and we believe strong liquidity and funding requirements are an important step toward preventing another government bailout in the event of an economic downturn and ultimately removing the GSEs from conservatorship. We strongly urge the House to advance H.R. 3564, the Middle Class Borrower Protection Act.

The Honorable Kevin McCarthy
The Honorable Hakeem Jeffries
June 22, 2023
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We thank you for the opportunity to share our support in advance of floor consideration of this bill. Should you have any questions or require additional information, please contact me or Amber Milenkevich, NAFCU's Senior Associate Director of Legislative Affairs, at amilenkevich@nafcu.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Mesack". The signature is fluid and cursive, with the first name "Greg" and last name "Mesack" clearly distinguishable.

Greg Mesack

cc: Members of the U.S. House of Representatives