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National Association of Federally-Insured Credit Unions

December 1, 2022

The Honorable Sandra L. Thompson
Director
Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20219

RE: Targeted Pricing Changes to Enterprise Pricing Framework

Dear Director Thompson:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I am writing in response to the Federal Housing Finance Agency's (FHFA) announcement of targeted changes to the government-sponsored enterprises (GSEs) guarantee fee pricing. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve 133 million consumers with personal and small business financial services products. NAFCU appreciates the FHFA eliminating upfront fees for first-time homebuyers at or below 100 percent area median income (AMI) in most areas, or below 120 percent AMI in high-cost areas; the GSEs flagship affordable mortgage programs; HFA Advantage and HFA Preferred loans; and single-family loans supporting Duty to Serve program. However, given operational challenges leading up to today's effective date, NAFCU is requesting that the effective date of the GSEs' credit fee caps be immediately extended until March 1, 2023.

Exactly a week after the FHFA's announcement, Freddie Mac announced that the changes would be implemented beginning December 1, 2022.¹ A few days after Freddie Mac's announcement, Fannie Mae announced that all loan-level price adjustments will be waived for the loans described above.² This gave a timeframe of one month for lenders to bring their system into compliance with the eliminated fees. This elimination of fees is a consumer benefit and because credit unions always put their members first and seek to pass on cost-savings, NAFCU's member credit unions have been working diligently to implement these price changes into their systems. Especially given the current state of the housing market and rising interest rates, NAFCU's members are ecstatic to offer first-time homebuyers some relief.

However, the practical implementation of the elimination of these upfront fees has been challenging and is taking more time than was initially anticipated. The GSEs are using pooling data

¹ Bulletin 2022-22. Freddie Mac. October 31, 2022. <https://guide.freddiemac.com/app/guide/bulletin/2022-22>

² Lender Letter (LL-2022-05). Fannie Mae. November 4, 2022.
<https://singlefamily.fanniemae.com/media/32386/display>

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and settlement dates to determine the loans that qualify for the waiver of the guarantee fee. Lenders have been informed that they must include the proper code in their system in order to get the guarantee fee savings. This requires an overhaul of most lenders' systems and a review of the loans that have already been priced and are in the pipeline to close. NAFCU is requesting that the application date be used as the operative date. Additionally, an extension on the implementation of this fee elimination until March 1, 2023, based on application date, would help NAFCU's members immensely.

NAFCU appreciates the FHFA's attention to the market and willingness to change policies to promote sustainable and equitable access to affordable housing. If you have any questions or concerns, please do not hesitate to contact me at apetros@nafcu.org or (703) 842-2212 or Aminah Moore, NAFCU's Senior Regulatory Affairs Counsel, at amoore@nafcu.org or (703) 842-2268.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann C. Petros".

Ann C. Petros
Vice President of Regulatory Affairs