

November 30, 2020

Charlie Oppler
2021 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

Shannon McGahn
Chief Advocacy Officer

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Mark Calabria
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

Dear Secretary Mnuchin and Director Calabria:

Thank you for your ongoing efforts to ensure Fannie Mae and Freddie Mac (the Enterprises) continue to support homeowners and the economy during these uncertain times. The response to COVID-19 and the need for housing security is critical, now and in the future.

The National Association of REALTORS® urges the Treasury and FHFA to forestall advancing the pre-finalized enterprise capital rule and making any changes to the preferred stock purchase agreements that could endanger market stability by ending the conservatorship. The agencies must be prudent in exercising regulatory restraint in the best interests of the recovering economy until after the pandemic is under control. The Enterprises currently support nearly 75% of home purchases and are one of the few bright spots supporting the frail economy. The potential combination of economic uncertainty and a rushed process to end conservatorship could have significant negative consequences homeowners, homebuyers and the broader economy.

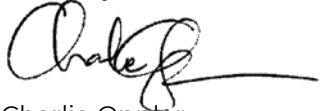
REALTORS® are concerned these efforts will need to be redoubled in the months ahead as COVID infection rates rise, social distancing efforts stymie economic growth, and unemployment insurance support wains. Efforts to reform the Enterprises at this time could undermine their ability to support the broad national market during this crisis. Worse, a rush to expedite the transition of the Enterprises through conservatorship without thoughtful analysis and industry input could jeopardize the reforms to date, the Enterprises' future and that of the U.S. housing market. Both the [Structured Finance Association](#) and [coalition of reinsurance investors](#) have already voiced warning and concern over the impact of the capital rule and changes to the preferred stock purchase agreements. Furthermore, market



experts including [Andrew Davidson and Company](#) have sounded the alarm over the higher cost for consumers, risks to taxpayers, decline in competition in both MBS and insurance markets, and the likelihood that the GSEs will chase riskier business due to the recent capital rule.

Once again, REALTORS® thank the Treasury and FHFA for your actions to aid in the pandemic response and to support small businesses and homeowners. However, now is not the time to upend a system that has served the country well through this pandemic with a dramatic and untested new venture. Now is the time to act to prioritize homeowners, renters, homebuyers, workers, and the entire American economy. NAR appreciates the opportunity to provide input and look forward to continuing to work together on these important issues. If you have any questions, please contact me or NAR Senior Policy Representative, Ken Fears, at 202-383-1066 or KFears@NAR.REALTOR.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Oppler", with a long horizontal flourish extending to the right.

Charlie Oppler
2021 President, National Association of REALTORS®