



May 1, 2023

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

The Honorable Sandra L. Thompson
Director
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, DC 20024

Dear President Biden and Director Thompson:

We write today expressing our deep concern with the new Federal Housing Finance Agency policy which goes into effect today and will have the net effect of making it significantly more expensive for people with good credit to buy houses. This new policy will force homebuyers with good credit to pay more on their mortgage every single month.

In other words, the policy will take money away from the people who played by the rules and did things right – including millions of hardworking, middle-class Americans who built a good credit score and saved enough to make a strong down payment. Incredibly, those who make down payments of 20 percent or more on their homes will pay the highest fees – one of the most backward incentives imaginable. For decades, Americans have been told that they will be rewarded for saving their money and building a good credit score. This policy turns that time-tested principle upside down.

And how will these new junk fees be used? To subsidize higher-risk borrowers by handing out better mortgage rates to people with lower credit ratings who have saved less for a down payment. We all want to increase home ownership across our great country – that’s a central component of the American Dream. And we recognize that there’s a gap in access to credit and that low credit scores are a significant barrier to buying a home. Moreover, federal programs exist to address affordable housing assistance and the new policy does nothing to address the shortage of housing inventory.

But the right way to solve that problem is not to use the power of the federal government to penalize hardworking, middle-class American families by confiscating their money and using it as a handout. The right way is to implement policies which will reduce inflation, cut energy costs and bring lower interest rates. Doing so will enable more families to save and improve their credit scores. Increased financial literacy efforts must also be part of the solution.

It is already clear that this new policy will be a disaster. It amounts to a middle-class tax hike that will unfairly cost American families millions upon millions of dollars. And – at a time when the real estate market has already slowed considerably due to high interest rates – it will further depress home sales. The practice by FHFA of making substantive policy changes without utilizing the federal rulemaking process is inappropriate.

We urge you to take immediate action to end this unconscionable policy.

Sincerely,



Alabama Auditor Andrew Sorrell



Alaska Commissioner of Revenue Adam Crum



Arizona Treasurer Kimberly Yee



Arkansas Auditor Dennis Milligan



Arkansas Treasurer Mark Lowery



Florida Chief Financial Officer Jimmy Patronis



Idaho Treasurer Julie Ellsworth



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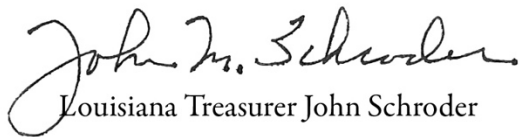
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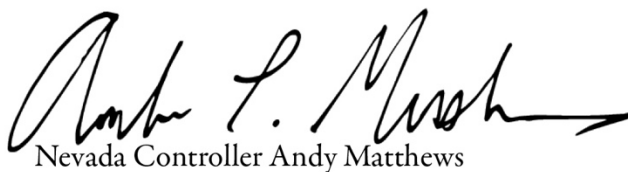
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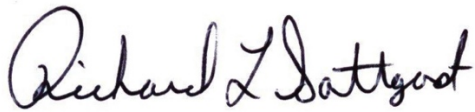
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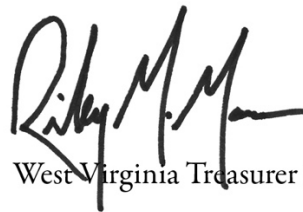
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