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**National Association of Federally-Insured Credit Unions**

September 9, 2019

The Honorable Michael Crapo  
Chairman  
Committee on Banking, Housing  
& Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing  
& Urban Affairs  
United States Senate  
Washington, DC 20510

**Re: Tomorrow's Hearing: Housing Finance Reform: Next Steps**

Dear Chairman Crapo and Ranking Member Brown:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in regard to tomorrow's hearing entitled "Housing Finance Reform: Next Steps." NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 118 million consumers with personal and small business financial service products. NAFCU has long advocated for housing finance reform because the current conservatorship of Fannie Mae and Freddie Mac (the GSEs) is unsustainable in the long term. We are pleased to see the Committee continue this important discussion.

NAFCU's Housing Finance Reform Principles (see [here](#)) recognize the importance of a strong, independent regulator for the GSEs. The reports released last week from the Administration were another important step in the housing finance reform debate and NAFCU is encouraged to see this dialogue move forward. As NAFCU has previously communicated to the Committee, a legislative solution is essential and should be the primary focus prior to major administrative action. Congressional action is the only way to ensure key elements from NAFCU's Housing Finance Reform Principles, such as guaranteed access for community financial institutions, fair pricing based on quality and not quantity of loans sold, and a level playing field allowing institutions of all sizes to compete, are included in reforms. Furthermore, any major changes should come gradually, so as not to disrupt the market. We are pleased to see the continued focus on ensuring the GSEs are well capitalized so that taxpayers will never again have to bail out the mortgage giants in the event of a severe economic downturn. The stability of this nation's housing finance system depends on the safety and soundness of the GSEs.

NAFCU appreciates the Committee's continued attention to housing finance reform. NAFCU looks forward to continuing to review these proposals and work with Congress and the Administration as you continue to examine the next steps for reform. Should you have any questions or require additional information, please do not hesitate to contact me or Max Virkus, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Senate Banking Committee