N A A H L

NATIONAL ASSOCIATION OF AFFORDABLE HOUSING LENDERS

November 26, 2012

Edward J. DeMarco
Acting Director
Federal Housing Finance Agency
Office of Policy Analysis and Research (OPAR)
400 Seventh Street, SW., Ninth Floor
Washington, DC 20024
gfeeinput@fhfa.gov

Dear Mr. DeMarco,

The National Association of Affordable Housing Lenders (NAAHL) represents for-profit and non-profit lenders who are committed to increasing the flow of private capital to underserved areas. We appreciate the opportunity to comment on FHFA's proposal to impose a surcharge on new mortgages in states with long foreclosure timelines. The proposal would increase the guarantee fees ("G-fees") that Fannie Mae and Freddie Mac charge for mortgages that finance properties with one to four units ("single-family mortgages") in certain states to recover a portion of the costs the enterprises incur in cases of mortgage default in those states.

This proposal raises some troubling questions. For example:

- Will the model "punish" not just states but also cities and counties that have ordinances designed to protect neighborhoods from decline?
- Will FHFA then "reward" states and cities that have laws accelerating foreclosures on delinquent homeowners?
- What other state and local government policies and practices will FHFA seek to shape through punishment and rewards?
- As FHFA continues its proposed policy of factoring other costs such as state and local property taxes into pricing, what will be the impacts on access to mortgage capital in underserved rural and urban areas?

In conclusion, we are concerned about the serious, perhaps unintended consequences that may result from this proposal. As always, we look forward to working with you to increase the flow of private capital to underserved areas.

Sincerely,

Judith A. Kennedy
President and CEO

®