

The Honorable Steve Womack
Chairman
T-HUD Appropriations Subcommittee
House Committee on Appropriations
2358-A Rayburn House Office Building
Washington, DC. 20515

The Honorable Mike Quigley
Ranking Member
T-HUD Appropriations Subcommittee
House Committee on Appropriations
1016 Longworth House Office Building
Washington, DC. 20515

The Honorable Brian Schatz
Chairman
T-HUD Appropriations Subcommittee
Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC. 20510

The Honorable Cindy Hyde-Smith
Ranking Member
T-HUD Appropriations Subcommittee
Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC. 20510

June 24, 2024

Dear Chairs and Ranking Members:

As Congress commences the process of crafting the Fiscal Year (FY) 2025 Transportation and Housing and Urban Development (“T-HUD”) Appropriations bill, we write to express our strong support for full funding of the FY 2025 budget request level of \$67 million for salaries and expenses of the Government National Mortgage Association (Ginnie Mae).

Ginnie Mae plays a critical role in guaranteeing securities backed by Federal Housing Administration (FHA) loans, as well as Rural Housing Service (RHS) and Veterans Affairs (VA) single family loans. The FY 2025 budget request from the administration projects that Ginnie Mae will generate approximately \$1.4 billion in profits (negative credit subsidies). It is essential that Ginnie Mae has the resources and staff the agency needs to fulfill its responsibilities and focus on its core mission, including marketing Ginnie Mae securities to global investors and conducting oversight of the 300-plus companies that issue Ginnie Mae securities backed by FHA, RHS, and VA loans. This broad base of issuers is vital to maintaining a competitive mortgage market and keeping mortgage costs as low as possible. With the sustained increase in long-term mortgage rates, homeownership affordability is strained, which means that enabling ongoing liquidity for low-down payment FHA, RHS, and VA loans, as well as maintaining the competition created by a broad issuer base, is particularly critical.

In 2023, Ginnie Mae supported more than 1.2 million households in our Nation’s urban, rural, and Tribal communities, including underserved segments of the population, service members, and Veterans – with nearly 630,000 Americans achieving the dream of homeownership for the first time. Considering the critical role Ginnie Mae plays in homeownership (combined with the funding needs enumerated above) and the fact that the agency produces significant taxpayer profits, we believe that the requested expenditure of \$67 million would be a sound investment.

Further, it is critical that Ginnie Mae have the resources to proactively work on initiatives to enhance market liquidity for issuers, to support their ability to make principal and interest advances to Ginnie Mae investors when borrowers are delinquent, and to buy loans out of pools in order to perform essential loss mitigation. Development of expanded liquidity options would maximize

issuer participation in the program while minimizing Ginnie Mae's exposure and need to intervene in cases where an issuer is unable to meet its advance obligations. We encourage you to include language in the T-HUD committee report designating funds for the specific purpose of pursuing enhanced liquidity within the Ginnie Mae program. We also encourage you to support the funding level requested for HUD's Office of General Counsel, which is also essential for Ginnie Mae to ultimately pursue opportunities to expand market liquidity.

In closing, we appreciate the tight budget constraints governing the difficult budget and appropriations choices before the Congress this year. However, Ginnie Mae plays a unique and vital role in helping to meet our nation's homeownership challenges that are critical to strengthening our economy and reducing inflation.

We appreciate your consideration of this request and your continued support for giving Ginnie Mae the requisite tools and resources to make home ownership possible for more Americans.

Community Home Lenders Association
Housing Policy Council
Leading Builders of America
Mortgage Bankers Association
National Association of Home Builders
National Association of REALTORS®
National Reverse Mortgage Lenders Association