

# CHLA Policy Positions and Priorities

## FEDERAL HOUSING ADMINISTRATION (FHA)

- **CHLA FHA Modernization Plan.** (1) Update Information Technology (IT), (2) Pay Scale Comparability, (3) Flexible Contracting Authority, (4) Allow use of receipts for actions that reduce FHA risk or losses.
- **CHLA Proposal to Streamline Condo Project Approvals.** Increase transparency and reduce response times for approval of condo projects, working towards DE-type authority for such approvals.

## GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE)

- **Liquidity Backstop.** Expand the PTAP program and/or adopt the Tozer Plan - to reduce Ginnie Mae risk, increase the confidence of warehouse lenders, and improve liquidity for all Ginnie Mae issuers.
- **Pool Flexibility.** Allow issuers to take individual loans out of existing Ginnie Mae Loan pools.
- **CHLA Ginnie Mae Modernization Plan.** (1) Full funding of administrative expenses, (2) Pay Scale Comparability, (3) Flexible Contracting Authority, (4) Commitment to broad base of small issuers.

## FANNIE MAE AND FREDDIE MAC (FHFA)

- **End Fannie Mae, Freddie Mac Conservatorships.** FHFA should adopt a Utility Model, with small lender protections, including G Fee parity, full cash window access, and no GSE charters for Wall Street Banks.
- **Complete Substitution of Repurchase Demands with an Indemnification Fee option.** Fannie Mae and Freddie Mac should complete the task of replacing repurchase demands with a fair indemnification fee.

## FEDERAL MORTGAGE PROGRAM FEES SHOULD BE BASED ON RISK

- **No G Fee Budget Offsets.** Congress should not tax homebuyers to pay for non-housing spending.
- **No FHA Premium Offsets.** 2023 FHA premium cuts should not be rescinded, to pay for other programs
- **No VA Mortgage Fee Offsets.** VA loan fees should not be hiked (Blue Water) to pay for other programs.

## TAX POLICIES

- **Restore Portion of Mortgage Interest Deduction Benefits Lost in Last Tax Bill.** Adopt CHLA's Mortgage Interest Credit (MIC) for 1<sup>st</sup> Time Homebuyers, a 1<sup>st</sup> time homebuyer tax credit, or a higher SALT cap.
- **Make Permanent the 20% Small Business (Qualified Business Income) Deduction.**

## LO COMP REFORM

- **Allow Reduced LO Compensation to Match Offers For A Borrower An LO Has Been Working With.**
- **Allow a Different LO Compensation Level for State HFA Bond Financed Mortgage Loans.**
- **Allow Reduced LO Compensation When Loan Originators Make Mistakes That Have a Cost.**

## REJECT CALLS TO EXTEND CRA OR CRA-LIKE REQUIREMENTS TO IMBs

- **States Should Not Adopt CRA for IMBs.** State CRA for IMBs is neither appropriate nor necessary.
- **The CFPB Should Not Adopt a Backdoor CRA for IMBs.** The CFPB should not use fair housing or ECOA laws to tell IMBs where to locate branch offices, where to market loans, or what borrowers to lend to. IMBs are already outperforming banks on mortgage loans to minority and underserved borrowers.

## CHLA HOMEBUYER MORTGAGE BILL OF RIGHTS

1. **The Right to Be Protected from Abusive Trigger Lead Solicitations.**
2. **The Right to Real Competition in The Pricing of FICO Credit Scores.**
3. **The Right to Robust Third-Party Mortgage Service Provider Competition to Bring Down Mortgage Closing Costs – For Credit Reports, Employment Verification, and Origination Software Services.**
4. **The Right to Obtain a Mortgage Loan Through a Qualified, Licensed Mortgage Loan Originator.**
5. **The Right to Full Disclosures and Protections in the Use of Dual Compensation.**
6. **The Right to Have LO Comp Rules Apply Equally to Mortgage Bankers and Mortgage Brokers.**

## REGULATORY BALANCE FOR SMALLER IMBS

- **No Regulation by Enforcement for Smaller IMBs.** The CFPB should not levy fines or take enforcement action against smaller IMBs without first giving them a chance to correct (as bank regulators do).
- **Streamline State Exams of Smaller IMBs.** CSBS should implement multi-state exams of IMBs, with a goal of ending duplicative exams in multiple states that put small IMBs at a competitive disadvantage.