



PRESERVING FAIR STANDARDS FOR COMMUNITY LENDERS

CMLA SUPPORTS BIPARTISAN CALL FOR GSE CAPITAL CUSHION

Washington, DC, September 14, 2017 – The Community Mortgage Lenders of America (CMLA) today issued a statement of support for the bipartisan call for permitting Fannie Mae and Freddie Mac to build a capital cushion, rather than face a zero-capital situation on January 1st, 2018.

“CMLA calls upon the U.S. Treasury Department and the Federal Housing Finance Agency (FHFA) to heed the calls from Democratic Senators and the Republican National Committee to permit Fannie Mae and Freddie Mac to begin retaining capital in order to build a cushion against a quarterly fluctuation in income, that could lead to significant disruption in the mortgage market”, said Glen Corso, CMLA Executive Director.

“Under the current agreements between the two GSEs and the US Treasury,” Corso pointed out, “Fannie and Freddie not only pay all of their quarterly income as a dividend, but also a portion of their existing capital base. Under the agreement, they are scheduled to reach zero capital on January 1, 2018. We all learned the hard lesson in the 2008 recession that strong capital levels are a must for mortgage market participants. That lesson is doubly true for the two institutions that are the bulwark of the conventional mortgage market – Fannie Mae and Freddie Mac. The Treasury Department and FHFA should take action immediately to permit the GSEs to begin rebuilding their capital while in conservatorship.”

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About the CMLA

CMLA is the only trade association solely dedicated to advocating for independent, community-based residential mortgage lenders, both mortgage companies and community banks. Founded in 2009, the CMLA is committed to the preservation of a thriving independent mortgage-lending sector, which increases competition in the industry and thus, provides borrowers with greater choice and lower costs. The CMLA works to ensure the interests of its members are effectively represented before members of Congress, Federal regulators and the Executive branch.

For More information please visit www.thecmla.com and/or direct policy and member inquiries to Glen Corso at 703-467-0420 or gcorso@thecmla.com