

Congress of the United States
House of Representatives
Washington, DC 20515

September 9, 2011

Mr. Edward DeMarco
Acting Director
Federal Housing Finance Agency
1700 G Street, NW
Washington, D.C. 20551

Dear Acting Director DeMarco:

We are writing to request that you make key agency officials available next week for a meeting with Members to begin discussing a plan to review, evaluate, and implement the proposal made by the President last night to help more American families refinance their mortgages at historically low interest rates.

During his address to Congress, President Obama set forth a robust proposal to spur economic growth and help create jobs across the country through the American Jobs Act. According to various estimates, the President's proposal has the potential to grow the economy by one to three percent in 2012, create more than a million jobs, and significantly lower the unemployment rate.¹

A key part of the President's proposal is to help American families avoid foreclosures by assisting them in refinancing their mortgages at lower interest rates. This proposal would help not only these families, but their communities, investors, and the American taxpayers. As the President stated:

[T]o help responsible homeowners, we're going to work with Federal housing agencies to help more people refinance their mortgages at interest rates that are now near 4%—a step that can put more than \$2,000 a year in a family's pocket, and give a lift to an economy still burdened by the drop in housing prices.²

¹ *Analysis: Obama Jobs Plan Reinvigorates Growth Outlook*, Reuters (Sept. 9, 2011) (online at www.reuters.com/article/2011/09/09/us-obama-jobs-economy-idUSTRE7881C920110909?feedType=nl&feedName=usbusinessearly).

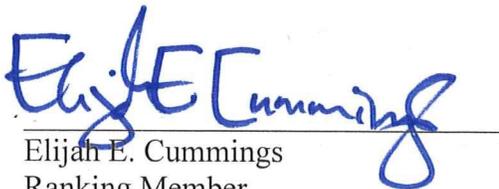
² President Barack Obama, *Address by the President to a Joint Session of Congress* (Sept. 8, 2011) (online at www.whitehouse.gov/the-press-office/2011/09/08/address-president-joint-session-congress).

The President's proposal is similar to bipartisan legislation that has been introduced in Congress and has garnered widespread support from industry, investors, and consumer groups.³ There are currently more than 8 million homeowners whose mortgages are guaranteed by Fannie Mae and Freddie Mac and are carrying an interest rate at or above 6%, even though current 30-year mortgage rates are hovering at about 4.12%.⁴ According to Bill Gross, managing director and co-CIO of the world's largest bond fund, PIMCO, removing barriers to refinancing under these proposals could provide an economic stimulus of up to \$50 billion or \$60 billion.⁵

For these reasons, we request that you designate appropriate officials from your agency to meet with Members next week in order to begin discussing an approach to expeditiously executing the President's proposal. We have tentatively scheduled this meeting for 4 pm on Thursday, September 15, 2011, but we are willing to adjust our calendars to make necessary accommodations.

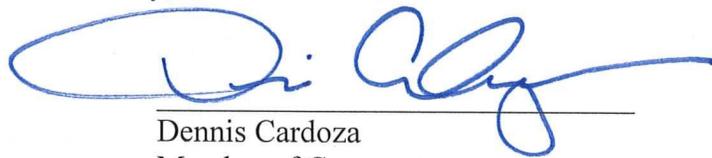
Thank you for your consideration, and we look forward to working with your agency on this critical issue.

Sincerely,



Elijah E. Cummings
Ranking Member

Committee on Oversight and Government Reform



Dennis Cardoza
Member of Congress

Co-Chair, Housing Stabilization Task Force

cc: The Honorable Darrell E. Issa, Chairman
Committee on Oversight and Government Reform

³ See, e.g., S. 170, The Helping Responsible Homeowners Act (co-sponsored by Senator Barbara Boxer and Senator Johnny Isakson). See also Senator Barbara Boxer, *Press Release: Boxer Calls for Immediate Action to Help Responsible Homeowners* (Aug. 25, 2011) (online at www.boxer.senate.gov/en/press/releases/082511b.cfm) (stating that legislation is supported by Mark Zandi, chief economist at Moody's Analytics, the National Consumer Law Center, the National Association of Mortgage Brokers, the California Association of Realtors, the California Association of Mortgage Professionals, William Gross, managing director and co-CIO of PIMCO, and housing economist Thomas Lawler); see also Congressman Dennis Cardoza, *The Home Act H.R. 363* (online at <http://cardoza.house.gov/index.cfm?sectionid=120>).

⁴ See, e.g., Freddie Mac, *Primary Mortgage Market Survey* (Sept. 8, 2011) (online at www.freddiemac.com/).

⁵ *New Mega Mortgage Refinance Proposal Will Save Homeowners Billions*, Star Global Tribune (Aug. 20, 2011) (online at <http://starglobaltribune.com/2010/new-mega-mortgage-refinance-proposal-will-save-homeowners-billions-1036>).