

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

September 13, 2011

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

Dear Acting Director DeMarco:

On Thursday evening, President Obama delivered an address to Congress and the Nation proposing several ways to spur economic growth and help create jobs across the country, including a proposal to help American families avoid foreclosures by refinancing their mortgages at historically low interest rates. 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.¹

Bill Gross, the Managing Director and co-CIO of the world's largest bond fund, PIMCO, believes that removing barriers to refinancing under this type of proposal could provide an economic stimulus of up to \$50 or \$60 billion.²

For these reasons, on Friday, Rep. Elijah E. Cummings, Ranking Member of the Committee on Oversight and Government Reform, and Rep. Dennis Cardoza, Co-Chair of the Housing Stabilization Task Force, wrote to you on our behalf with this request:

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.³

¹ 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).

² *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>).

³ Letter from Ranking Member Elijah E. Cummings and Representative Dennis Cardoza to Edward J. DeMarco, Acting Director, Federal Housing Finance Agency (Sept. 9, 2011).

We were dismayed, therefore, to learn that your Office of Congressional Affairs sent an email response later that day indicating that officials from your agency believe it would be premature to “brief” Members of Congress before they resolve the details of their response to the President’s proposal.

Contrary to the assertion made by your Office of Congressional Affairs, the letter from Representatives Cummings and Cardoza did not request a “briefing.” It requested a meeting that would enable us to begin a detailed dialogue about the process by which agency officials will “review, evaluate, and implement the President’s proposal.”

Contrary to another assertion made by the Office of Congressional Affairs, this meeting would not be premature—if anything, it is overdue. Legislation similar to the President’s proposal has been pending in both the House and Senate for months. On Friday, you issued a public statement in response to the President’s address indicating that your office has been “analyzing these issues” and discussing them with “a range of stakeholders.”⁴ As Members of Congress who have been tirelessly seeking to support renewed economic growth by stabilizing the housing market, we certainly deserve the same courtesy and consideration as other stakeholders in this process.

Fannie Mae and Freddie Mac guarantee more than 50% of all existing mortgages, including the mortgages of millions of responsible U.S. homeowners who are currently underwater.⁵ We appreciate that FHFA is examining ways to respond to the President’s call to action, but we would like to speak with the officials responsible for implementing this proposal now rather than later.

For these reasons, we renew our request that the appropriate agency officials be made available for a meeting with Members to discuss these issues on Thursday, September 15, at 4:00 p.m.

Sincerely,



Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform



Dennis Cardoza
Member of Congress
Co-Chair, Housing Stabilization Task Force

⁴ Statement of Edward J. DeMarco on Home Affordable Refinance Program (HARP), Federal Housing Finance Agency (Sept. 9, 2011).

⁵ Congressional Budget Office, *Fannie Mae, Freddie Mac, and the Federal Role in the Secondary Mortgage Market* (Dec. 2010) (online at <http://www.cbo.gov/ftpdocs/120xx/doc12032/SummaryforWeb.pdf>).

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