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United States Senate

August 24, 2020

The Honorable Mark Calabria
Director
Federal Housing Finance Agency
400 7th Street SW
Washington, D.C. 20024

Dear Director Calabria,

I write today to express deep concerns with the recent announcement that Fannie Mae and Freddie Mac will impose a market condition credit fee of 0.5% on refinance mortgages with settlement dates on or after September 1, 2020.

The COVID-19 pandemic has brought unprecedented financial hardship on homeowners across my home state of Iowa and all across the country. Many folks are looking to secure monthly savings by taking advantage of historically low interest rates and refinancing their mortgage.

At a time when so many homeowners are struggling to pay monthly bills and put food on the table, this fee would punish families who are pursuing much-needed financial relief during a time of crisis. It would raise the cost of refinancing by roughly \$1,400 for the average consumer, inflicting additional financial strain on middle class households and dampening the overall economic recovery.

Shortly after the fee was announced, a White House spokesperson raised serious concerns with the move, noting that "it appears only to help Fannie and Freddie and not the American consumer." I agree with this assessment, and I urge you to prioritize consumers by directing Fannie Mae and Freddie Mac to rescind this fee immediately.

Sincerely,



Joni K. Ernst
United States Senator

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