

Fannie Mae and Freddie Mac Reform Proposed in the Senate

Congress' discussion about the future of Fannie Mae and Freddie Mac's role in the housing finance system was started in the Senate with release of an outline for housing finance reform legislation by Senate Banking Committee Chairman Mike Crapo (R-ID). In his press release, Chairman Crapo called on House and Senate colleagues, the Administration, and interested stakeholders to work together to enact a housing finance reform bill.

As this process gets underway, MHI will continue to make the case that any government sponsored secondary market for housing finance must actively support financing for manufactured housing, which is the largest form of unsubsidized affordable homeownership in the country. Chairman Crapo has been a long-time supporter of manufactured housing, including MHI's priority financing legislation the Preserving Access to Manufactured Housing Act.

MHI has been joined by housing and finance industry leaders calling for housing finance reform to include manufactured housing. Explicit language ensuring that the secondary market allows for and supports manufactured housing loan products is needed, so that manufactured home loans may compete on a level playing field absent of current barriers and prejudicial treatment. Improving the flow of capital to the manufactured housing sector will lower lenders' capital costs and draw more lenders to the market, increasing competition, lowering financing prices, and enabling more consumers to choose manufactured housing.

For years, MHI has been calling for Congress to include a specific requirement to serve the manufactured home loan market for both real property and chattel-secured loans in any housing finance reform legislation. MHI has cautioned that based on historical experience, the GSEs might neglect manufactured home lending without this kind of formal directive. In December, MHI submitted written testimony to the House Financial Services Committee about housing finance reform. MHI also recently met with Dr. Mark Calabria, Chief Economist to Vice President Mike Pence, who has been nominated by President Trump to be the Director of the Federal Housing Finance Agency, which regulates Fannie Mae and Freddie Mac.

As the housing finance reform debate continues, MHI will build upon its strong advocacy with Congress and the Administration to ensure the government sponsored housing finance system facilitates access to capital for consumers seeking to purchase a quality and affordable manufactured home.

If you have any questions, please contact MHI's Government Affairs Department at 703-229-6208 or MHIgov@mfgghome.org.