

Congress of the United States
Washington, DC 20515

April 28, 2023

The Honorable Sandra L. Thompson
Director, Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

Dear Director Thompson,

We write to express our concerns regarding the Federal Housing Finance Agency's latest rule proposing changes to the loan-level price adjustments (LLPAs) for new mortgages. This rule marks another way the Biden Administration is burdening hardworking, responsible Americans with misguided progressive policies.

The revised LLPA fee structure will take effect on May 1, 2023.¹ Under this new rule, a homebuyer with a credit score of 740 and a 15% to 20% down payment will face a 1% surcharge, which is four times the amount of the previous fee. When placed into a long-term mortgage rate, the buyer's rate rises nearly a quarter of a percentage point. On a \$400,000 loan with a 6% mortgage rate, that buyer could see their monthly payment rise by approximately \$40, or \$480 annually.

Meanwhile, homebuyers with credit scores of 679 or lower will have their fees reduced, giving them more favorable mortgage rates. For example, a buyer with a credit score of 620 and a down payment of 5% will have their fees slashed by up to 45%. When absorbed into a 30-year mortgage, buyers will see around a \$100 discount in their monthly payment, or \$1200 annually.²

Many families work their entire lives to save money and build credit in order to purchase a home. It is absurd that you are considering implementing a rule that would essentially turn the Federal Housing Finance Agency into a modern-day Robin Hood—taking money from those who work hard to uphold their credit scores and using those dollars to subsidize the mortgages of those who do not attain good credit.

Equally troubling is that you are promulgating this confusing rule during one of the worst housing crises in our nation's history. The average 30-year mortgage rate is over 6.3%, which is 25% higher than what it was a year ago.³ We urge you to evaluate how this rule will impact the American homeowner and reconsider the implementation of the new pricing structure.

¹ <https://singlefamily.fanniemae.com/media/9391/display>

² <https://nypost.com/2023/04/16/how-the-us-is-subsidizing-high-risk-homebuyers-at-the-cost-of-those-with-good-credit/>

³ <https://www.freddie.mac.com/pmms>

We appreciate your attention to this important matter and look forward to receiving your response within 30 days.

Sincerely,



Keith Self
Member of Congress



Ryan Zinke
Member of Congress



Stephanie Bice
Member of Congress



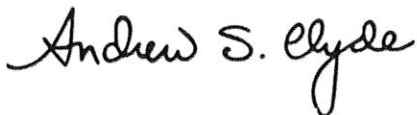
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Brett Guthrie
Member of Congress



Andrew Clyde
Member of Congress



Andy Ogles
Member of Congress



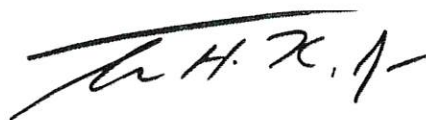
Darrell Issa
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Paul A. Gosar, D.D.S.
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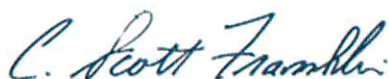
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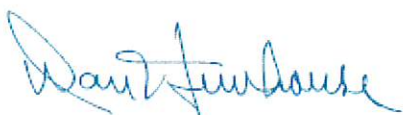
Eric A. "Rick" Crawford
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