

THE FINANCIAL SERVICES ROUNDTABLE

Financing America's Economy



FOR IMMEDIATE RELEASE

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HPC Statement on Administration Options for Housing Finance Reform

WASHINGTON –August 16, 2011— According to news reports, the Obama Administration may be considering a plan to create a new housing finance system based on private capital and a limited but defined government guarantee of mortgage-backed securities (MBS).

John Dalton, the President of the Housing Policy Council, issued this statement in response to the news reports:

“We applaud the Administration’s renewed efforts to reform our housing finance system. The current housing crisis is one of the biggest obstacles to a real economic rebound, so this is good news. The housing market will never fully recover until a plan is in place to structure how to finance housing, so we’ve got to get started. Renewed engagement by the Administration would be a significant step to advance the long but necessary process of winding down the GSEs and creating a new system which protects taxpayers and helps homeowners and provides a stable housing finance system.

“After several years of research, careful study, and rigorous economic analysis, the Housing Policy Council produced a proposal that contains key elements under consideration by the Administration. It’s important to understand what our proposal does and doesn’t do:

1. It provides maximum taxpayer protection because layers of private capital would shield taxpayers from another undefined future housing down-turn.

2. It helps credit-worthy homebuyers get access to 30-year fixed rate mortgages through market ups and downs, keeping housing as a foundation for economic growth
3. It lets the market – not the government – make key decisions like which institutions may fail and what the price of risk should be
4. It ends the GSEs and creates a new system where private capital flows back into the mortgage finance system and is the main engine in providing housing finance.

“The Housing Policy Council stands ready to work with all stakeholders to create a new private sector housing finance system that serves homebuyers and protects taxpayers.”

For more information about the Housing Policy Council’s plan or to interview an HPC official, please contact Elise Brooks to schedule an interview.

The Roundtable's **Housing Policy Council** is made up of thirty-two companies that are among the nation's leaders in mortgage finance. Member companies originate seventy-five percent of the mortgages for American home buyers. Member companies participate in the Council through the senior mortgage executive in their company.

The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO.

Roundtable member companies provide fuel for America's economic engine, accounting directly for \$92.7 trillion in managed assets, \$1.2 trillion in revenue, and 2.3 million jobs.

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