

THE FINANCIAL SERVICES ROUNDTABLE

Financing America's Economy



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HPC Makes Recommendations for Reducing REO Inventory & Mortgage Overhang

WASHINGTON, DC –September 16, 2011— The Housing Policy Council of The Financial Services Roundtable (HPC) yesterday made recommendations to the FHFA, Treasury Department and HUD in response to the request for ideas on reducing the Real Estate Owned (REO) properties of the GSEs and FHA.

John H. Dalton, President of the Housing Policy Council issued the following statement:

“The Housing Policy Council supports the goal of reducing the inventory of REO properties of Fannie Mae, Freddie Mac and the FHA. The overhang of these properties is one of the factors preventing a full recovery of the housing market.

REO properties should be sold in a timely fashion, and in significant blocks based on local market conditions. Purchasers of the REO properties should have the flexibility to sell, rent, or demolish if necessary to enable the local real estate market to begin to recover. Additionally, these properties need to be sold “free and clear” to purchasers. It is important that Fannie Mae, Freddie Mac or FHA do not remain landlords in the REO process.

We share the desire of HUD and FHFA to reduce, in a responsible fashion, the amount of REO currently on the books of the GSEs and FHA. The overhang of that property and of the REOs held by the private sector has reduced the pace at which the housing industry can recover from its downturn. Creating effective programs to reduce the GSE and FHA REO inventory is one step in the right direction.”

The full letter can be found online at:

http://www.fsround.org/fsr/policy_issues/regulatory/other.asp

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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