

THE FINANCIAL SERVICES ROUNDTABLE

Financing America's Economy



FOR IMMEDIATE RELEASE

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September 8, 2011

President Must Renew Leadership for Housing and Economic Recovery, Says Housing Policy Council

***ReFi Adjustments, Streamlined REO Sales, and GSE Overhaul Are
Keys to Renewed Health in Sector***

WASHINGTON – The Housing Policy Council (HPC) this evening released the following statement on the President's speech and economic recovery plan.

Statement of John Dalton, President of the Housing Policy Council:

"We welcome the President's attention to housing, and tonight's speech was a good start, and we hope this is followed by action. There are three specific areas where timely Administration leadership would help struggling homeowners and the housing sector get off life support and on a growth path: refinancing, REO properties, and GSE overhaul."

"We're pleased that the Administration realizes the need for further action in housing policy, and we stand ready to work with them to get this critical sector moving again. It's going to take a lot of hard work to turn the corner in housing, but we have to get started if we're serious about having a durable recovery and a growing economy."

SUMMARY OF MAIN RECOMMENDATIONS:

REFINANCING: Adjust the Home Affordable Refinance Program (HARP) to help more Americans refinance their homes:

- Increase LTV ratio above 125% to greatly increase the number of borrowers eligible under HARP

- Reduce or eliminate loan-level pricing adjustments (LLPAs) imposed by the GSEs, the added-on fees that the GSEs charge that increase refinancing costs for loans with high LTVs
- Take additional steps to streamline HARP requirements

REAL ESTATE OWNED (REO) PROPERTIES: To help process REO properties owned by the GSEs and FHA, HPC recommends that these REO properties:

- Be sold in a timely fashion
- Be sold in significant blocks
- Be sold “free and clear” without GSEs or FHA becoming landlords

HOUSING FINANCE SYSTEM REFORM – TRANSITIONING FROM THE GSEs: Renew Administration engagement and leadership in phase out the GSEs and implement a plan to replace them with a new housing finance system based on private capital.

HPC President John Dalton testified before the House Financial Services Committee earlier this year HPC and has offered a proposal that can be found [here](#). The proposal would create a new private sector housing finance system that would both serve homeowners and protect taxpayers.

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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