

Congress of the United States
Washington, DC 20515

October 7, 2013

Edward DeMarco, Acting Director
Federal Housing Finance Agency
400 7th Street, Southwest
Washington, DC 20024

Dear Acting Director DeMarco,

We are deeply concerned by your recent statement that “FHFA has been analyzing approaches for reducing Fannie Mae and Freddie Mac loan limits across the country and any such change would be announced with adequate advance notice for implementation on January 1, 2014.”

Such action by a single regulator would serve only to further tighten credit availability and thereby erode progress in our fragile housing recovery. Currently, homeownership rates are at an historic 18-year low. Mortgage credit is virtually nonexistent for middle class Americans with less than stellar credit. Unless borrowers have a credit score of 760, conventional mortgage financing will simply be out of reach.

Moreover, housing is the cornerstone of our economy, and arbitrary regulatory reduction of the conforming loan limit will further disrupt our overall economic recovery. We think you said it best yourself, when you testified before the House Financial Services Committee on May 25, 2011 that the Director of FHFA, as conservator, has not unilaterally set the maximum loan rate, proclaiming, “That essentially has never been done. And as I testified before, **I don’t intend to act unilaterally in lowering the loan limit because the Congress of the United States has been so actively and repeatedly involved in adjusting the conforming loan limit. I believe that is an important issue of national policy.**”

You further articulated our shared concern, “**I think for me to do this unilaterally would risk some disruption in the marketplace. It could be inconsistent with my responsibilities as conservator. I really and truly believe that the Congress of the United States is the body that should make the determinations about the future path of the loan limit if it is going to be something other than what current law provides.**”

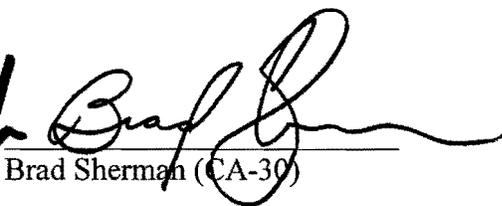
We could not agree more. The Housing and Economic Recovery Act of 2008 contains specific language prohibiting the conforming loan limit from declining. It states that if the “annual adjustment is a decrease, then no adjustment shall be made.” This is a clear indication of Congressional intent to retain stability for housing markets.

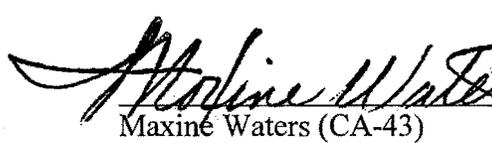
We urge you to continue to defer to the United States Congress on whether the conforming loan limits should be reduced and allow our delicate recovery in housing to continue.

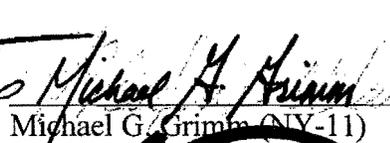
Sincerely,

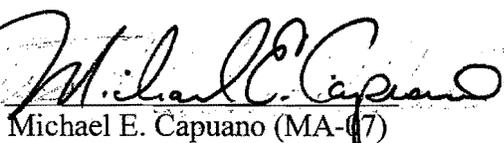

Carolyn B. Maloney (NY-12)


Gary G. Miller (CA-31)

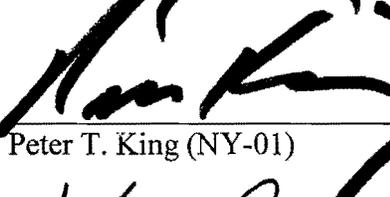

Brad Sherman (CA-30)

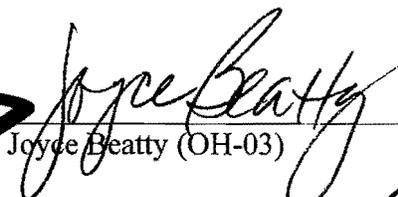

Maxine Waters (CA-43)

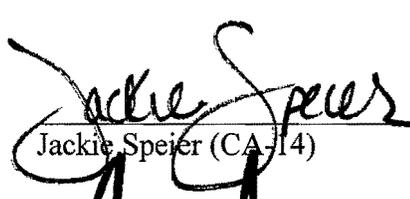

Michael G. Grimm (NY-11)

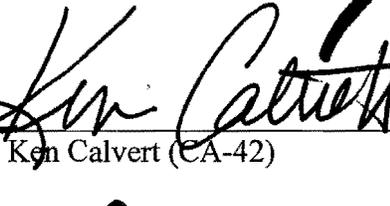

Michael E. Capuano (MA-07)

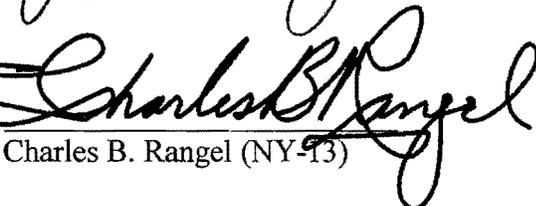

Carolyn McCarthy (NY-04)

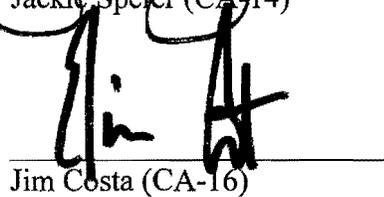

Peter T. King (NY-01)

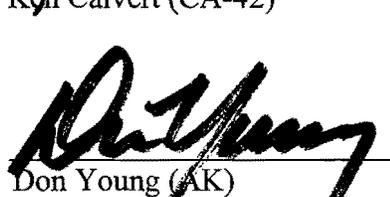

Joyce Beatty (OH-03)

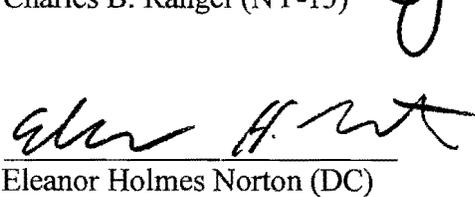

Jackie Speier (CA-14)

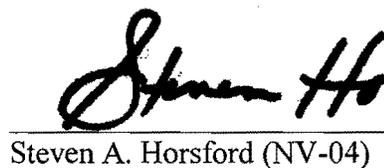

Ken Calvert (CA-42)

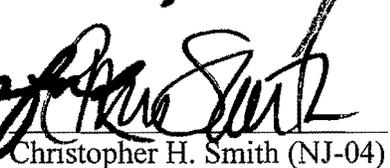

Charles B. Rangel (NY-13)

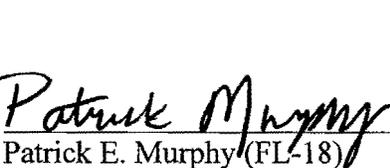

Jim Costa (CA-16)

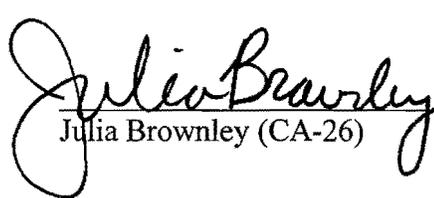

Don Young (AK)


Eleanor Holmes Norton (DC)

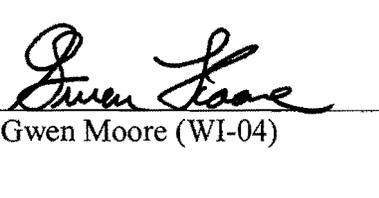

Steven A. Horsford (NV-04)

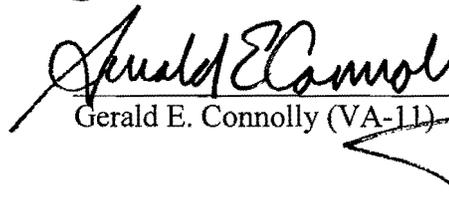

Christopher H. Smith (NJ-04)

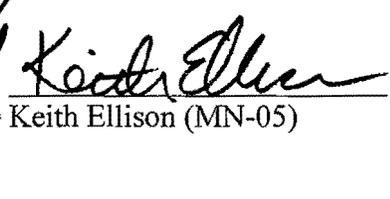

Patrick E. Murphy (FL-18)

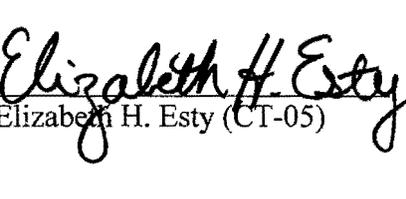

Julia Brownley (CA-26)

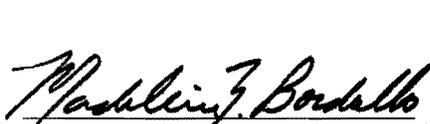

Joseph J. Heck (NV-03)


Gwen Moore (WI-04)


Gerald E. Connolly (VA-11)


Keith Ellison (MN-05)

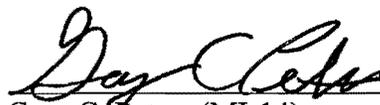

Elizabeth H. Esty (CT-05)

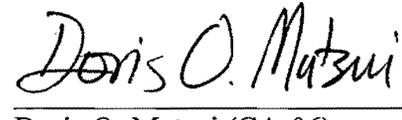

Madeleine Z. Bordallo (GU)

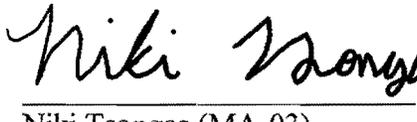

Albio Sires (NJ-08)


Jerry McNerney (CA-09)

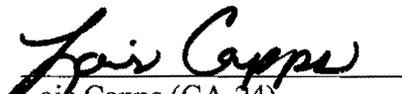

Adam B. Schiff (CA-28)

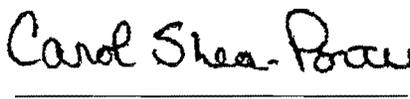

Gary C. Peters (MI-14)

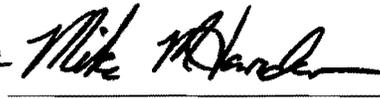

Doris O. Matsui (CA-06)

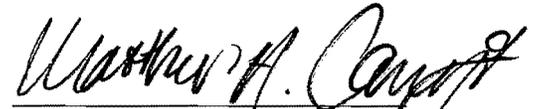

Niki Tsongas (MA-03)


John Garamendi (CA-03)

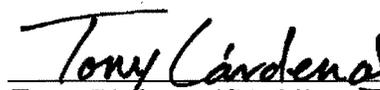

Lois Capps (CA-24)

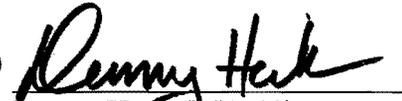

Carol Shea-Porter (NH-01)


Michael M. Honda (CA-17)


Matthew A. Cartwright (PA-11)


George Miller (CA-11)

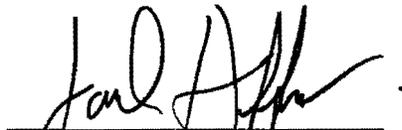

Tony Cardenas (CA-29)


Denny Heck (WA-10)

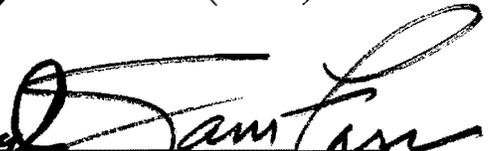

Dina Titus (NV-01)


Mike Quigley (IL-05)


Susan A. Davis (CA-53)

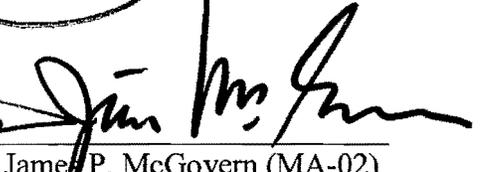

Jared Huffman (CA-02)


Michael H. Michaud (ME-02)


Sam Farr (CA-20)

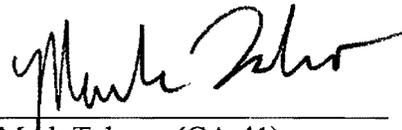

Betty McCollum (MN-04)


Gregory W. Meeks (NY-05)


James P. McGovern (MA-02)


Anna G. Eshoo (CA-18)


Ed Perlmutter (CO-07)


Mark Takano (CA-41)

Lucille Royal Allard *Janice Hahn* *Jim Matheson*
Lucille Royal Allard (CA-40) Janice Hahn (CA-44) Jim Matheson (UT-04)

Barbara Lee *Chris Van Hollen* *Mike Thompson*
Barbara Lee (CA-13) Chris Van Hollen (MD-08) Mike Thompson (CA-05)

Earl Blumenauer *David G. Valadao* *Bill Foster*
Earl Blumenauer (OR-03) David G. Valadao (CA-21) Bill Foster (IL-11)

Zoe Lofgren *Bradley S. Schneider* *Grace Meng*
Zoe Lofgren (CA-19) Bradley S. Schneider (IL-10) Grace Meng (NY-06)

Joseph Crowley *Janice D. Schakowsky* *Marc A. Veasey*
Joseph Crowley (NY-14) Janice D. Schakowsky (IL-09) Marc A. Veasey (TX-3)