



## Mortgage Bankers Association of Missouri Platform Alliance for Sustainable Homeownership in Missouri

**Purpose:** To promote the opportunity for sustainable homeownership in Missouri for all capable and qualified residents.

We will do so by encouraging fair and equal access to credit and fair housing, and by promoting the maintenance of a sound, functioning secondary market to provide consistent mortgage liquidity.

We will endeavor to ensure that Housing Policies, Legislation, and Regulation do not unfairly disadvantage Missouri relative to other states. And, we will work diligently to ensure that all housing and finance related Policies, Legislation, and Regulations are measured against the goal of advancing sustainable Homeownership opportunities in Missouri.

To achieve this goal, we support the following:

All mortgage loans should be produced in accordance with applicable state and federal laws and regulations.

All mortgage loans should be fully documented and the borrower's ability to repay must be determined.

The Qualified Residential Mortgage definition should ensure the availability of affordable, low downpayment conventional mortgages. Government-insured mortgage loans (FHA, VA, and USDA) must remain exempt from risk retention as they are in the Dodd-Frank legislation.

The To-Be-Announced "TBA" market structure must be sustained. The TBA structure allows a consumer to "forward lock" an interest rate while the mortgage loan is processed and closed for delivery into a mortgage-backed security.

Until the return of investor confidence delivers affordable mortgage pricing through private mortgage-backed securities, an explicit Ginnie Mae like government guarantee for conventional mortgages must be sustained.

Federal tax incentives must be maintained to promote homeownership and to support stability and recovery in the housing market – (1) the Mortgage Interest Deduction and (2) the Real Estate Tax Deduction

30-year, fixed rate mortgage financing must be available to qualified borrowers.

FHA must continue to offer financing to qualified borrowers with a minimum 3 ½ % downpayment and no restrictions on borrower income.

For the immediate future, conventional mortgage financing options for all qualified borrowers must remain available with a minimum 5% downpayment (with appropriate mortgage insurance coverage for risk).

Conventional loan guarantee fees, loan level price adjusters and other fees associated with conventional mortgage loans must be commensurate with historical risk and balanced with the public purpose of the Government Enterprises.

Government-supported mortgage programs – Fannie Mae, Freddie Mac and FHA – should explore program enhancements to provide access to affordable financing for investors in 1-4 family dwellings to meet the increasing need for safe, affordable rental housing and to assist in the absorption of excess housing inventory.

Sustain accessible, fair, responsible lending outreach to the diverse segments and underserved markets.

For decades, housing led our country's economic engine – and will need to do so again to continue the economic recovery with accompanying job growth. Mortgage reform is needed, but with a balance to ensure our mortgage system does not unnecessarily restrict credit availability and provides for consistently good execution in the secondary mortgage market.

Any attempt to dismantle an existing market system without a firm equitable plan of replacement is dangerous. Without care and planning it is possible that the housing finance market could atrophy or shut down. This will lead to an immense supply of housing with little demand, and devastate the fabric of America as we know it. An unbalanced supply and demand will lead to further downward spiraling of housing values.

Our mission is to ensure that the citizens of Missouri continue to have access to reliable sources of real estate financing, and that mortgage loans are delivered in a fair and responsible manner with sound business practices that are essential for the making, marketing and servicing of real estate mortgage loans.

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