



May 31, 2023

President Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

Dear President Biden and Director Thompson,

We write to you in regard to the mandated May 1, 2023, changes to the loan level pricing adjustment (“LLPA”) structure employed by Fannie Mae and Freddie Mac and ask that you reverse course on behalf of hardworking Americans across the country.

In short, the new LLPA framework will inevitably increase mortgage costs for lower-risk individuals and handicap those borrowers with larger down payments. Further, the changes provide no incentive to borrowers to maintain good credit and will confuse borrowers at all credit levels. Disincentivizing good credit behavior and penalizing responsible Americans during an inflation crisis – which required the Federal Reserve to increase interest rates 10 consecutive times in a year – is wrong and unreasonable.

Your actions are threatening the American housing system. By upending the existing financing model that relies on individual financial responsibility, you are increasing uncertainty in the housing market and our nation’s economy. As noted by Senate Republicans on April 26, the LLPA mandates will “distort the cost of lending in U.S. housing markets, making the entire system less efficient and costlier for all Americans.”¹

As governors, we promote hard work, accountability, fairness, and opportunity for all our citizens. The LLPA mandates blatantly contradict these goals. Therefore, we request you rescind the updated LLPA immediately. If you are unwilling to do so, Congress must take action.

Sincerely,

¹ [Roger Marshall, et al., Letter to Federal Housing Finance Agency Director Sandra Thompson \(Apr. 26, 2023\) https://www.marshall.senate.gov/wp-content/uploads/4.23-FHFA-Mortgage-Fee-Letter-w-sigs.pdf](https://www.marshall.senate.gov/wp-content/uploads/4.23-FHFA-Mortgage-Fee-Letter-w-sigs.pdf)



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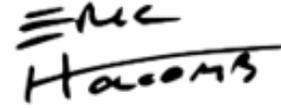
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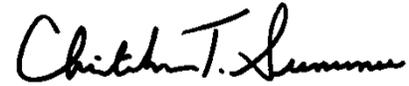
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