



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

January 16, 2018

The Honorable Michael D. Crapo
Chairman
Committee on Banking, Housing, and Urban
Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing, and Urban
Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

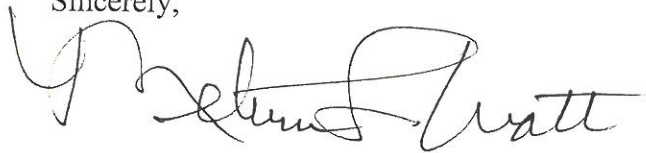
Dear Chairman Crapo and Ranking Member Brown:

During my testimony last year before the Senate Banking, Housing and Urban Affairs Committee, a number of Committee members encouraged me to be more forthcoming with personal or FHFA views about the content of housing finance reform. Following that hearing, several members of my staff and I started to develop some key points that we thought would be important to emphasize in response to those requests and we have continued to refine those points as we responded to requests for technical assistance from members of your Committee and others regarding ideas and proposals they had under consideration. In recent months, perhaps attributable to the growing perception that reform could be achievable this year, FHFA has received a number of new or renewed requests for our views.

I am pleased to provide for your information and for distribution to Committee members who have requested our views, and to others at your discretion, the enclosed document which outlines FHFA's perspectives on housing finance reform. While we have shared some of these perspectives with Committee members and others who sought technical assistance on specific proposals, this is the first time we are sharing the enclosure in its entirety. By doing so now, prior to the introduction of any specific legislative proposal, we seek to provide our views independently and transparently to those who have requested them while continuing to provide technical assistance to the Committee and its members on other proposals that may be introduced. Consequently, to the extent that any proposal gains support from members of Congress, whether it includes the perspectives contained in the enclosure or not, we look forward to continuing to provide technical assistance to facilitate your work. This is consistent with my strongly held view that it is the prerogative and responsibility of Congress, not FHFA, to decide on housing finance reform.

Please contact me at your convenience if I can provide additional information, clarifications or assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin L. Watt". The signature is written in a cursive style with a large initial "M" and a long horizontal stroke extending to the right.

Melvin L. Watt

Enclosure