



CALIFORNIA ASSOCIATION OF REALTORS®

March 31, 2020

Brian D. Montgomery
Assistant Secretary for Housing – Federal Housing Commissioner
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

2020 OFFICERS

JEANNE RADSICK
President

DAVE WALSH
President-Elect

JENNIFER BRANCHINI
Treasurer

JOEL SINGER
Chief Executive Officer/
State Secretary

Re: Eliminate FHA Mortgage Insurance Premiums on Low-Risk Loans

Dear Honorable Brian Montgomery:

On behalf of the more than 200,000 members of the California Association of REALTORS® (C.A.R.), we are asking the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA) to eliminate the FHA mortgage insurance premium on mortgages with loan-to-values (LTV) below 80-percent or a minimum of three-year payment history with no missed payments. This will provide immediate economic relief to millions of struggling families who are now being impacted by the COVID-19 crisis.

Canceling mortgage insurance on mortgages at either an 80-percent LTV, or have three-years or more of current payments can save borrowers hundreds of dollars a month and ease the economic burden on families. To determine an LTV the FHA can conform with state and federal shelter-in-place guidance by looking to automated valuation models and other in-person appraisal alternatives, mirroring the FHFA and their announcement on March 23, “FHFA Directs Enterprises to Grant Flexibilities for Appraisal and Employment Verifications.”

On March 19, California’s Governor issued a “shelter-in-place” order (Order). This has added to the financial burden California’s households have been feeling since the beginning of this crisis.

The decision by the Governor to protect the public health through the Order is having serious economic consequences resulting in a massive increase in unemployment and reductions in the incomes, especially in the middle class and working families who utilize FHA mortgages. HUD and the FHA must continue to



REALTOR® is a federally registered collective membership mark which identifies a real estate professional who is a Member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.



take strong and immediate actions to protect the public from housing distress as well and the ensure that the consequences of this crisis do not also create greater problems for the overall housing market.

C.A.R. appreciates your consideration of our comments during this crisis for our nation and stands ready to assist in any way possible.

Sincerely,

A handwritten signature in cursive script, reading "Jeanne Radsick".

Jeanne Radsick
2020 President, California Association of REALTORS

Cc: California Members of House Financial Services Committee
National Association of REALTORS®

