

## United States Senate

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August 25, 2011

The Honorable Edward J. DeMarco  
Acting Director  
Federal Housing Finance Agency  
1700 G Street NW  
Washington, DC 20552

Dear Acting Director DeMarco:

I was pleased to read in today's *New York Times* that the Obama Administration is considering taking action to boost the housing market, and that you are "open to all ideas that provide needed assistance to borrowers."

When we met more than eight weeks ago, we discussed my request for the Federal Housing Finance Agency to administratively implement S. 170, the Helping Responsible Homeowners Act, a bipartisan bill I authored with Senator Isakson.

I understand that White House officials are now examining steps that mirror the approach of S. 170, but I am still waiting to receive a response from you related to my original request which I reiterate today - that FHFA immediately implement our approach.

As you know, S. 170 is a simple and effective way to boost the economy and help responsible homeowners keep their homes. The legislation would remove barriers that are preventing non-delinquent borrowers from refinancing their mortgages and taking advantage of historically low interest rates.

S. 170 would eliminate risk-based fees on loans for which Fannie and Freddie already bear the risk; remove refinancing limits on underwater properties; make it easier for borrowers with second mortgages to participate in refinancing programs; and require that borrowers are able to receive a fair interest rate, comparable to that received by any other borrowers in good standing who have not suffered a drop in home value and have stayed current with their mortgage payments.

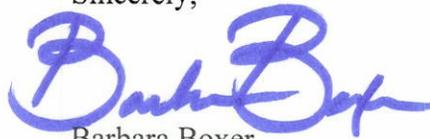
The legislation has the strong support of Mark Zandi, chief economist at Moody's Analytics, the National Association of Realtors, the National Consumer Law Center, the National Association of Mortgage Brokers, the California Association of Realtors, the California Association of Mortgage Professionals, William Gross, managing director and co-CIO of PIMCO, and housing economist Thomas Lawler.

The great news is that most of our legislation could be implemented by FHFA administratively, without the need for congressional action. In addition, experts tell us that it would not cost FHFA any taxpayer funds to do so and instead would reduce defaults and result in net savings for Fannie Mae and Freddie Mac.

S. 170 has the dual benefit of saving Fannie and Freddie money and boosting the economy by giving responsible homeowners who deserve a break but are stuck with high interest rates more money to spend in their communities.

I urge FHFA to implement this approach immediately.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara Boxer", written in a cursive style.

Barbara Boxer  
United States Senator