



Press Release

Housing Finance Reform This Year Under Director Mark Calabria

ANDREW EVANS | NOVEMBER 5, 2019

While Congress has been unable to reform Fannie Mae and Freddie Mac in the decade since the financial crisis, this year the Trump Administration has embarked on a series of changes with a view toward the housing finance giants exiting government conservatorship. The administration's reforms, largely undertaken under the direction of new Federal Housing Finance Agency Director Mark Calabria, have reduced the risk that Fannie and Freddie pose to the economy, notes AAF's Director of Financial Services Policy Thomas Wade, but far more work remains.

An excerpt:

Perhaps the most effective reform activities have taken place in derisking and limiting the scope of the government-sponsored enterprises (GSEs) – from allowing the QM patch to expire, to discontinuing certain pilot programs, to caps on multifamily lending. More work must be done, however; although it is commendable that the FHFA has discontinued the MSR pilot program, that program was only one example of charter creep at the GSEs. Perhaps more fundamentally, the GSEs retain the first 10 to 40 basis points of loss on CRT transactions. More must be done to shield taxpayers from risk.

[Read the Timeline of Reforms and Analysis](#)

[AAF EVENT: The Future of GSE Reform, Featuring Dir. Calabria](#)