

Press Release



The Trump Administration's Housing Finance Reform Plan: Details, Omissions, and Surprises

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Yesterday, one day before the 11-year anniversary of Fannie Mae and Freddie Mac entering conservatorship, the Treasury Department and Department of Housing and Urban Development released wide-ranging housing finance sector reform plans with a view to moving toward releasing the two housing finance government-sponsored enterprises (GSEs) from federal control. While the plans contain a surprising breadth and ambition of reforms, they are light on details, notes AAF's Director of Financial Services Policy Thomas Wade in an analysis of the plans.

An excerpt:

Perhaps most crucially, both reform plans are silent on the future of the GSEs beyond removing them from conservatorship. This suspicion is only reinforced by the recommendation that the Treasury financial backstop remain in place (albeit "limited and tailored") and provided by Ginnie Mae. With even a limited and tailored line of credit to Treasury, the GSEs will retain much of the flavor of, well, GSEs.

Proponents of the idea that the GSEs be razed to the ground and have their fields salted will not find much in the report to reassure them other than a number of strong policy suggestions that seek to improve the standing of private operators and level the mortgage playing field.

[Read the analysis.](#)