



February 21, 2008

The Honorable James B. Lockhart, III
Director
Office of Federal Housing Enterprise Oversight
1700 G Street, NW
Washington, DC 20552

The Honorable Brian Montgomery
Assistant Secretary for Housing
FHA Commissioner
U.S. Department of Housing and
Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Director Lockhart and Commissioner Montgomery:

The Mortgage Bankers Association (MBA) wishes to express its profound appreciation to you and your respective staffs for your efforts to expeditiously implement the Economic Stimulus Act of 2008 ("the Act"). Both the Department of Housing and Urban Development (HUD) and the Office of Federal Housing Enterprise Oversight (OFHEO) have pivotal roles in this endeavor and MBA would like to offer any further assistance you might need toward this end.

As you know, the Act provides a temporary increase in both the limits on loans that may be insured under the Federal Housing Administration (FHA) program and the limits on loans that Fannie Mae and Freddie Mac (the GSEs) may purchase in the secondary mortgage market. While MBA recognizes that the Act was signed by the President just last week, the need for these changes to increase the availability of mortgage financing to families throughout the nation cannot be overstated.

While the Act will make increased financing available for loans, the use of these new limits by both FHA and the GSEs are largely dependent on the establishment of area median house prices by HUD. The law provides that HUD is to establish these prices within 30 days after the law's enactment. Beyond that, any necessary regulatory actions will facilitate the limits' adoption.

Following the law's enactment, MBA has provided information to its members, HUD and OFHEO to help implement the law. At the same time, some lenders have begun to take applications for loans that could be served by these new limits. We continue to offer our assistance to assure that the law is efficiently implemented going forward.

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We are heartened by reports that HUD plans to issue these new limits as early as the first week of March and that OFHEO has been working with the GSEs to facilitate implementation. We welcome close cooperation between HUD and OFHEO for this purpose as well.

As you are aware, the mortgage lending industry has been moving with unprecedented speed to increase its capacity for loss mitigation, borrower outreach, and with efforts such as HOPE NOW, its ability to assist distressed homeowners. We strongly believe that increased FHA and GSE financing is an additional tool essential to serving these homeowners as well as new borrowers seeking more affordable financing.

Again, we greatly appreciate your efforts and look forward to continuing to assist in any way we can so that the new temporary loan limits can be implemented as quickly as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Kieran P. Quinn". The signature is fluid and cursive, with a large initial "K" and "Q".

Kieran P. Quinn, CMB
Chairman