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Mortgage Finance Proposals Threaten to Cut Off Access for Working and Middle Class Americans

Washington, DC -- John Taylor, President & CEO of the National Community Reinvestment Coalition (NCRC) today made this statement about proposals in Congress for Fannie Mae and Freddie Mac, and federal agency proposals on the Qualified Residential Mortgage (QRM):

“How we address Fannie Mae and Freddie Mac, and the definition of the Qualified Residential Mortgage, will determine who is able to get a loan in America going forward. The question is, will we limit homeownership to only the well heeled, or will we ensure broader access while protecting against the kinds of greedy and malfeasant practices that led to the financial crisis. So far, the answer from Congress and the Administration is that they would like to limit homeownership to the well heeled.

“The Qualified Residential Mortgage definition is one of the most important issues coming out of Dodd Frank. It will determine who will be able to get quality, affordable home financing in this country. If we require 20% down payments to get a loan, we will ensure broad swaths of working and middle class people will not be able to get a loan.”

“When you have a mortgage finance system where rampant greed and malfeasance are allowed to proliferate, you will get poor outcomes for consumers. Rather than continuing to work to make sure we have the right kinds of protections in place prevent risky and abusive lending, we are going down the path of making homeownership more expensive and unaffordable for most people. Do we really want to shut our children out of the dream of homeownership?

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About the National Community Reinvestment Coalition (NCRC):

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families.

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