

America's Credit Unions
Independent Community Bankers of America
Mortgage Bankers Association

January 21, 2026

The Honorable Kevin Hassett
Director
National Economic Council
1600 Pennsylvania Avenue, NW
Washington, DC 20500

RE: Moving the Needle on Single Family Home Affordability

Dear Director Hassett:

On behalf of the undersigned financial services trade organizations, we urge the Administration to consider three near-term administrative actions that can be taken without congressional action to directly lower costs for home mortgage borrowers. Appreciating home prices, rising monthly escrow payments for property taxes and insurance, supply issues, and higher interest rates continue to strain household incomes, particularly for first-time homebuyers. We share the Administration's view that addressing these challenges requires coordinated action across federal agencies to reduce costs for borrowers and sustain responsible access to affordable homeownership. We suggest in the short-term the following targeted, achievable reforms that lower costs for borrowers, preserve safety and soundness for market participants, and protect taxpayers, and that would help the Administration make meaningful progress in increasing housing affordability:

1. **End the tri-merge credit reporting requirement and allow a single-file framework (FHFA/GSEs).** The GSEs should eliminate the requirement for a tri-merge on every loan and adopt an alternative credit reporting framework that gives lenders the flexibility to order only one report. A single-file framework promotes beneficial competition in the credit reporting space, encourages innovation, streamlines origination processes, and reduces borrower and lender costs that have seen dramatic increases in recent years.
2. **Responsibly reduce mortgage insurance premiums (MIP) (HUD/FHA).** FHA's just-released actuarial report on the Mutual Mortgage Insurance Fund shows a reserve ratio of nearly 11.5%, which is almost 6 times the statutory minimum. The Administration should consider lowering the annual MIP (and/or eliminating the life-of-loan premium requirement) to provide immediate financial relief to borrowers and expand access to homeownership. Any MIP cut should be carefully coordinated with program adjustments to address rising delinquency rates and risk-layering factors.
3. **Reduce Loan Level Price Adjustments (LLPA) across the grid and eliminate LLPAs for rate/term refinances (FHFA/GSEs).** Absent adjustments to LLPAs, a lower MIP will shift market share from the GSEs to FHA. This necessitates a coordinated reduction in the GSEs' LLPAs. The GSEs should implement a simple, targeted approach by modestly lowering LLPAs across-the-grid for purchase loans and removing all LLPAs for rate/term

refinances where the borrower has an existing GSE loan and a strong payment history (i.e., no late payments in the last 12 or 18 months)

The mortgage market is increasingly governed by overlapping, highly complex regulations that have driven up mortgage costs, making it significantly more expensive to originate and service a mortgage. While near-term affordability is critical, policymakers should not overlook the opportunity for broader regulatory modernization that would reduce costs structurally and sustainably.

We commend the Administration's efforts to address housing affordability and appreciate your consideration of our recommendations. These recommendations represent the aligned views of our organizations to advance housing affordability and are not intended to represent an exhaustive list of policy actions the Administration should take. We will continue to support and engage with the Administration on our individual policy recommendations.

Sincerely,

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