FHFA Mortgage Servicer Plan Only a First Step

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Statement by John Ryan, CSBS president and CEO, on the mortgage servicer plan announced by FHFA Director Mark Calabria:

"FHFA's commitment to provide partial support to GSE mortgage servicers during this unimaginable national challenge is an important step, but only a first step. Additional efforts are needed to ensure servicers are able to provide the support to consumers promised by Congress.

"The GSE servicers will continue to have to fund significant obligations. In addition, the GSE servicers are one slice of the nonbank market. State regulators maintain the call for the Federal Reserve and Treasury to establish a credit facility as a backstop to ensure servicers have access to predictable and reliable funding to avoid breakdowns in the mortgage finance system.

"State regulators' primary focus is on protecting consumers. When this crisis has passed, we will continue to build on longstanding work on enhanced prudential regulatory standards for the nonbank servicers regulated by the states. State regulators committed to crafting consistent standards for mortgage servicers with federal counterparts, Ginnie Mae and FHFA at the National Mortgage Policy Summit in November 2019."


State-licensed, nonbank mortgage company overview:

- Nonbanks produce 66% of Ginnie Mae eligible and GSE eligible loans
- Nonbanks provide nearly 90% of lending to first-time home buyers, low- to
moderate earners and veterans

- Non-Ginnie Mae, non-GSE unpaid principle balance is approximately $866 billion, or about 17% of the dollar volume
- Approximately four million loans serviced are outside of Ginnie Mae and GSE eligibility, or about 15% of the total loan count

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