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New Paper from Goodman, Parrott and Zandi Analyzes Risk Sharing Options

As momentum is growing to further de-risk the Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac, it is essential that policymakers have access to rigorous and thoughtful analysis of all the options. To that end, Laurie Goodman, Jim Parrott and Mark Zandi released an excellent paper – [Delivering on the Promise of Risk Sharing](#) – that examines the various front and back end risk sharing options in order to facilitate “a full understanding of the trade-offs will only be understood as the different structures are tested in the market.”

USMI welcomes this kind of rigorous analysis, which concludes that front end risk sharing with MI potentially satisfies all of the essential goals – from reducing taxpayer risk and maintaining broad borrower access to credit to minimizing volatility and maximizing transparency. All policymakers who are intent about how to de-risk the GSEs in the absence of comprehensive housing finance reform are well-served and should be guided by this thoughtful analysis.

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