

For Immediate Release
June 6, 2016

Media Contact:
Robert Schwartz 202-207-3665
rschwartz@rasky.com

USMI Announces New Housing Finance Reform Principles *Calls for Private Capital to Absorb All Expected Credit Losses & Protect Taxpayers*

(June 6, 2016) – U.S. Mortgage Insurers (USMI) today announced a new set of housing finance reform principles to help evaluate and shape reform efforts aimed at ensuring that American consumers have access to mortgage credit while better shielding taxpayers from housing-related risks.

“These principles set forth a sensible roadmap for much needed reform to put the housing finance system on a more sustainable path. Policymakers should keep the features that work well while reducing risks at the GSEs as much as possible,” stated Lindsey Johnson, USMI President and Executive Director.

USMI announced the following [principles for reform](#):

- **Protect Taxpayers.** Private mortgage insurance (MI) and other forms of private capital should absorb all credit losses in front of any government guaranty.
- **Promote Stability.** A goal of the reformed system should be to promote stability in housing finance.
- **Ensure Accessibility.** A reformed system should ensure broad access to mortgage finance for creditworthy borrowers and participation by lenders of all sizes and types.
- **Foster Transparency.** There should be a consistent, transparent, and coordinated approach to the federal government's housing policy among all government agencies and entities.

New [polling](#) also shows strong public support for housing finance reform efforts that rely on private capital to assume more of the risk currently borne by the GSEs. Among the findings:

- Half of respondents (49%) believe the government is not doing enough to reduce the risks of another housing-related taxpayer bailout;
- Most (48%) believe the private sector should bear the responsibility for the risk of losses on bad loans;
- The majority (54%) would support a law requiring more private capital – such as additional mortgage insurance – to reduce the amount that taxpayers have to pay if borrowers default on their mortgage; and

- 71% are concerned about the return of loans with features (including interest only or zero down) that independent government reports and third-party analysts have noted contributed to the mortgage crisis.

A complete description of the USMI housing finance reform principles can be found [here](#) and a summary of the polling administered by Morning Consult on behalf of USMI between October 8-12, 2015 and April 7-9, 2016, can be found [here](#).

###

About USMI

U.S. Mortgage Insurers (USMI) is dedicated to a housing finance system backed by private capital that enables access to housing finance for borrowers while protecting taxpayers. Mortgage insurance (MI) offers an effective way to make mortgage credit available to more people. USMI is ready to help build the future of homeownership. Learn more at www.usmi.org.