



July 21, 2025

The Honorable Mike Crapo
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
219 Diksen Senate Office Building
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Wyden:

On behalf of U.S. Mortgage Insurers (USMI),¹ I write to express strong support for the Honorable Jonathan McKernan to serve as the next Under Secretary for Domestic Finance at the U.S. Department of the Treasury. Director McKernan brings a wealth of experience and a deep commitment to safety and soundness in the financial system, housing affordability, and responsible access to credit. His distinguished record of public service – including his work at the Treasury Department, tenure as a Director of the Federal Deposit Insurance Corporation (FDIC), and senior positions at the Federal Housing Finance Agency (FHFA) and U.S. Senate – and his extensive knowledge of issues related to housing, banking, and financial services prepare him well to perform this important role on behalf of the American people.

Throughout his career, Director McKernan has demonstrated a thoughtful and prudent approach to financial policy, consistently advocating for transparency, accountability, and an expanded role for private capital in U.S. financial and housing markets. He has consistently shown a clear understanding of the critical balance between expanding homeownership opportunities and safeguarding the financial system.

USMI and its members have long shared these priorities. Since 1957, private mortgage insurance (MI) has played a critical role in protecting the government and taxpayers from mortgage credit risk while enabling millions of low down payment borrowers to achieve the American dream of homeownership. USMI is a trade association comprised of the leading private MI companies in the U.S. and represents an industry dedicated to a housing finance system backed by private capital that enables access to low down payment mortgage credit for qualified borrowers while protecting taxpayers. Our member companies are focused on ensuring that borrowers who lack the means for large down payments have access to affordable and sustainable mortgages within a well-functioning U.S. housing finance system. The private MI industry has a nearly 70-year track record of underwriting and actively managing

¹ USMI membership comprises the following private mortgage insurers: Enact Mortgage Insurance Corporation; Essent Guaranty, Inc.; Mortgage Guaranty Insurance Corporation; National Mortgage Insurance Corporation; and Radian Guaranty Inc.



single-family mortgage credit risk in order to facilitate affordable and sustainable access to low down payment conventional mortgages. Since 1957, private MI has helped nearly 41 million families purchase a home or refinance an existing mortgage, including more than 800,000 in 2024 alone, 65% of whom were first-time homebuyers.²

Despite challenges to homeownership posed by elevated interest rates, limited housing supply, and high home prices, the private MI industry is in the market every day deploying private capital that provides robust risk protection to lenders, the GSEs, and American taxpayers while facilitating access to prudently underwritten and affordable mortgages for borrowers without large cash down payments.

Director McKernan's nomination comes at a critical time for the nation's housing and financial systems, and his leadership will be instrumental in ensuring they remain strong and resilient. As such, USMI urges the Committee on Finance to swiftly and favorably advance Director McKernan's nomination to serve as the Under Secretary for Domestic Finance. Upon confirmation by the full Senate, the private MI industry looks forward to working closely with Director McKernan to implement policies that promote safety and soundness in the housing finance system and also ensure access and affordability for homebuyers.

Sincerely,

Seth D. Appleton
President, USMI

² GSE Aggregate Data.