

December 1, 2025

The Honorable Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chairman Atkins,

On behalf of our member companies, U.S. Mortgage Insurers (USMI)¹ appreciates the opportunity to provide feedback on the U.S. Securities and Exchange's (SEC) "Concept Release on Residential Mortgage-Backed Securities (RMBS) Disclosures and Enhancements to Asset-Backed Securities Registration" (Concept Release).² USMI represents the nation's leading private mortgage insurance (MI) companies and our members provide private capital that enables first-time and working-class borrowers without large cash down payments to access the American Dream of homeownership, all while protecting lenders, Fannie Mae and Freddie Mac (the GSEs), investors, and taxpayers from mortgage credit risk. The private MI industry supports regulatory updates to promote a vibrant public RMBS market and welcomes engagement with the SEC and market participants to appropriately calibrate and adopt enhancements to Reg AB II that increase borrowers' access to mortgage products, expand the investor base, and promote transparency and protections for investors.

Private MI is a powerful tool that makes mortgage credit available to low down payment borrowers and is backed by dedicated private capital. The private MI industry is a critical component of the U.S. housing finance system with near 70 years of experience underwriting, pricing, and managing single-family mortgage credit risk on low down payment mortgages. There are currently more than \$1.6 trillion of mortgages³ with active private MI coverage and the industry supported approximately \$300 billion in originations in 2024 alone.⁴ This represented more than 800,000 homeowners, nearly all of them purchase transactions, with 65% of mortgages with private MI in 2024 going to first-time buyers and nearly 35% had household incomes of less than \$75,000.⁵

USMI supports prudent revisions to Reg AB II to help reinvigorate the public RMBS market alongside the private one as a means to enhance housing affordability, reduce mortgage costs, and improve access to the American Dream of homeownership for families nationwide. We

¹ USMI membership comprises: Enact Mortgage Insurance Corporation; Essent Guaranty, Inc.; Mortgage Guaranty Insurance Corporation; National Mortgage Insurance Corporation; and Radian Guaranty Inc.

² 90 Federal Register 47254 (October 1, 2025).

³ Private MI Companies' 3Q2025 10-Q Filings.

⁴ Private MI Companies' 2024 10-K Filings.

⁵ GSE Aggregate Data and Home Mortgage Disclosure Act (HMDA) Data.

agree with the Concept Release that appropriate updates to asset-level disclosure requirements could “facilitate increased capital formation through registered RMBS issuances, while providing investors with information necessary to their investment decision.”⁶ Expanding secondary mortgage market executions could produce benefits for the U.S. housing market as a robust registered public RMBS market would increase the investor base for mortgage credit risk, thereby increasing the availability of mortgage credit for homebuyers. Further, a more transparent and standardized RMBS market could expand the availability of affordable mortgage credit for families across the country and boost investor trust and the overall resilience of the U.S. housing finance system.

As the Concept Release notes, a robust private-label RMBS market currently operates under Rule 144A with \$1.04 trillion in RMBS issuances from 2014 through 2024 while there were no registered public RMBS transactions during that same period.⁷ However, the 144A market has a limited investor base since the securities may only be sold to Qualified Institutional Buyers (QIBs) – institutions that own and invest at least \$100 million in unaffiliated securities – and are not available to retail investors or smaller investment firms. The current asset-level disclosure requirements prohibit RMBS investors from receiving certain information that is commonly considered necessary for prudent due diligence. To truly encourage the growth of the registered public RMBS market, USMI encourages the SEC to revise Schedule AL⁸ to align with Rule 144A requirements and practices to reduce costs and improve market efficiency. It is important that any modifications to Schedule AL be directly informed by Rule 144A RMBS disclosure requirements for better operational and regulatory parity.

While the vast majority of current originations supported by private MI are in the GSE and depository portfolio markets, the private MI industry has sufficient capacity to insure mortgages that collateralize registered public RMBS transactions. Importantly, all of the major rating agencies – S&P, Moody’s, Fitch, KBRA, and DBRS Morningstar – have updated their RMBS rating methodologies in recent years to provide for improved treatment of private MI coverage on RMBS transactions’ underlying collateral. These changes appropriately improved the ability to assess mortgage credit risk, enhance the global consistency of ratings methodologies, and improve the transparency and use of rating methodologies.

Private MI companies are sophisticated, well-capitalized long-term managers of single-family mortgage credit risk and the industry has implemented innovative tools and structures to transform the business model from “Buy-and-Hold” to “Buy-and-Actively Manage” by distributing mortgage credit risk to the global reinsurance and capital markets. Mortgage insurance-linked notes (MILNs) have been an integral component of the industry’s

⁶ 90 Federal Register 47258 (October 1, 2025).

⁷ 90 Federal Register 47257 (October 1, 2025). AB Alert analysis of registered, 144A, and private placement private-label RMBS for 2014-2024.

⁸ 17 CRF 229.1125.

programmatic use of credit risk transfer (MI-CRT) to enhance capital and risk management, and continue enabling borrower access to low down payment mortgage credit. Since 2015, the industry has issued 59 MILN transactions that collectively transferred \$23 billion of risk to a global investor base.⁹ USMI welcomed language in the SEC’s 2023 finalized Securities Act Rule 192 on “Prohibition Against Conflicts of Interest In Certain Securitizations”¹⁰ that provided regulatory clarity on the treatment of MILNs and ensured that securities regulations to not impair the issuance of MILNs. The final Rule 192 explicitly states that MILNs, as neither synthetic ABS nor conflicted transactions, are not subject to the regulation.¹¹ As the SEC considers potential modifications to Reg AB II, USMI encourages the SEC to ensure that any new regulatory language preserves and does not impair the treatment of MILNs under Rule 192, including in the definitions of “synthetic ABS” and “conflicted transactions.”

USMI and its member companies welcome the SEC’s request for comments on the Concept Release and appreciate the opportunity to engage with the SEC on housing-related policies that promote access to affordable and sustainable homeownership, especially for borrowers without large cash down payments. Please feel free to reach out to me directly at sappleton@usmi.org or 202-280-1820 if you have any questions or should you need any further information related to USMI’s observations and recommendations.

Sincerely,



Seth D. Appleton
President, USMI

⁹ Private MI CRT Transaction Data as of November 30, 2025.

¹⁰ 88 Federal Register 85396 (December 7, 2023).

¹¹ 88 Federal Register 85402 (December 7, 2023). “...while MILNs create synthetic exposure to insurance contracts, they are not covered by this rule because the underlying private mortgage insurance contracts are not self-liquidating. Accordingly, MILNs are not synthetic ABS subject to the prohibition in Rule 192(a)(1), and consequently, neither would the reinsurance agreements executed between the mortgage insurer and the special purpose insurer be conflicted transactions under Rule 192(a)(3).”