



National Association of Federal Credit Unions
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B. Dan Berger
Executive Vice President
Government Affairs

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The Honorable Barney Frank
Chairman
United States House of Representatives
Washington, DC 20515

The Honorable Spencer Bachus
Ranking Member
United States House of Representatives
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association exclusively representing the interests of our nation's federal credit unions, I am writing in conjunction with tomorrow's hearing entitled "Housing Finance-What Should the New System Be Able to Do?: Part I- Government and Stakeholder Perspectives".

Government Sponsored Enterprises like Fannie Mae and Freddie Mac allow credit unions to obtain the necessary liquidity to create new mortgages for their member-owners by utilizing the secondary market. Despite their conservatorship, Fannie Mae and Freddie Mac have remained an important tool for credit unions to help them free up funds to make more loans. GSEs have served as a valuable resource and partner in credit union efforts to promote homeownership to their members, particularly low- and moderate-income members, in the current economic environment.

We realize that Fannie Mae and Freddie Mac will likely transition out of their current conservatorship into a new model. As Congress considers ways of reforming the current GSE system, we believe it is important that safeguards are in place to make for a smooth transition, and that the important roles that Fannie Mae and Freddie Mac play for credit unions and the secondary market not be compromised. As credit unions can only raise capital from their membership, having additional sources of liquidity is of key concern to our members. We look forward to working with the Committee on this issue and the future of the GSEs as it moves forward.

Thank you for the opportunity to share NAFCU's views on the matter of GSE reform. If you have any questions or if we can be of further assistance to you or your colleagues on this issue, please do not hesitate to contact myself or NAFCU's Director of Legislative Affairs, Brad Thaler, at (703) 522-4770.

Sincerely,

B. Dan Berger
Executive Vice President of Government Affairs

cc: Members of the House Committee on Financial Services

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