



**Indiana Credit Union League**  
*The association of Indiana credit unions*

November 26, 2021

Clinton Jones  
General Counsel  
Federal Housing Finance Agency  
400 Seventh Street SW  
Washington, DC 20219

RE: Enterprise Regulatory Capital Framework Rule—Prescribed Leverage Buffer Amount and Credit Risk Transfer (Comments/RIN 2590–AB17)

Dear Mr. Jones:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit remarks on the Federal Housing Finance Agency's (FHFA's) notice of proposed rulemaking and request for comments on proposed amendments to the Enterprise Regulatory Capital Framework (ERCF). The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.8 million consumers.

The ICUL supports the proposed amendments because it will more accurately reflect the capital requirements of the Fannie Mae and Freddie Mac (Enterprises). We believe that FHFA's efforts to ensure the Enterprises have strong capital will help provide stability in the mortgage market during economic cycles without needing emergency taxpayer intervention. It also provides additional confidence for investors and the overall economy.

Additionally, the ICUL supports using the Enterprises as an affordable and equitable way to access the secondary market for lenders of all sizes. With credit unions being smaller lenders in comparison to banks, they often meet the needs of rural and working-class communities. Credit unions' purpose is to help members reach their financial goals and home affordability is critical factor in wealth creation for most American families.

The ERCF amendments will tie the capital requirements at the Enterprises to the true risk and allow the Prescribed Leverage Buffer Amount (PLBA) to serve as a back-stop rather than a primary driver of capital requirements. In addition, the Enterprises' Credit Risk Transfer programs help facilitate the continued acquisition of high-risk loans during economic cycles. It is essential that the capital requirements are balanced with the fact that the Enterprises need to be able to continue fulfilling their statutory mission of facilitating loans to low-income and very low-income borrowers and communities. If a capital requirement is set too high, this statutory mission could be more difficult to attain.

The ICUL asks the FHFA to analyze and make public the potential impact the proposed amendments may have on mortgage pricing. It is important that mortgage affordability be part of the overall consideration and that mortgages continue to be an affordable for people of modest means.

The ICUL appreciates the opportunity to comment on the FHFA's notice of proposed amendments on the ERCF. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

