

April 1<sup>st</sup>, 2009

The Honorable Timothy Geithner, Secretary  
United States Department of the Treasury  
1500 Pennsylvania Ave, N.W.  
Washington, DC 20220

Dear Mr. Secretary:

We are writing to express our concerns over the continued stress in the mortgage finance market. Stabilization of the housing market is critical to our economic recovery. The Treasury Department has a number of initiatives under consideration to meet the challenges facing the housing market and we encourage you not to overlook a critical component of the mortgage finance system – private mortgage insurance.

Mortgage insurers make it possible for consumers to buy homes with less than a 20 percent down payment. Their mission facilitates the entrance of first time homebuyers applying for conventional loans. A vibrant housing market will not be possible unless new homeowners enter the market. The mortgage insurance industry is also a critical counterparty to the GSEs who are increasingly being relied on to fulfill their important mission of creating liquidity and providing financing for qualified homebuyers.

Given current market conditions, it is our understanding that the capital levels for the industry are coming under considerable pressure and that capital constraints are constricting the ability of the mortgage insurance industry to fully support the GSE's and the lending community in providing needed liquidity to the marketplace. With appropriate capital, the mortgage insurance industry can support significant incremental growth in housing and ensure that mortgage money is available for all creditworthy borrowers. For every additional billion dollars in capital in the mortgage insurance industry, eighty billion dollars of mortgages can be funded and over 500,000 homes can be financed. This increased level of financing is critical to meet the demands of potential homeowners, restore growth in the market and reduce the excess supply of homes.

As the Treasury Department continues to develop strategies to address the housing crisis, the recovery of the U.S. housing market is dependent on both public and private market participants to facilitate responsible and sustainable homeownership. We hope that you will consider proposals to ensure that all critical industry players are able to assist in the recovery of the housing market.

Sincerely,

**FINANCIAL SERVICES ROUNDTABLE & THE HOUSING POLICY COUNCIL  
MORTGAGE BANKERS ASSOCIATION  
NATIONAL ASSOCIATION OF HOME BUILDERS  
NATIONAL ASSOCIATION OF HISPANIC REAL ESTATE PROFESSIONALS  
ASIAN REAL ESTATE ASSOCIATION OF AMERICA**