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To: DeMarco, Edward
Subject: Agenda for Discussion with FHFA
Attachments: FHFA Agenda 1.4.12 v2.docx

Ed – here is a draft agenda for discussion at 1pm. Talk to you then.

Mary

Agenda for Discussion w. FHFA

FHFA and Treasury share common goals to promote a strong housing market recovery, reduce government involvement in the housing market over time and to provide the public and financial markets with a clear plan to wind down the GSEs.

Actions necessary to facilitate this fall into three broad categories:

1. Near-term targeted actions to help the housing market recovery
 - Are there further steps we can take to ensure success of HARP 2.0? For example:
 - Convergence in GSE standards for all refinancing
 - Increased competition for cross servicer refinancing
 - Monitoring of lender results, including development of public scorecard
 - Is FHFA willing to support (i) extension/expansion of HAMP and (ii) GSEs making NPV positive MHA principal reduction modifications if incentive payments tripled and GSEs are eligible?
 - Successful execution of REO to Rental program
 - January announcement pilot sales in Q1 2012, with broader roll-out in Q2 2012
 - Potentially expand into targeted NPL sales in Q2/Q3 2012?
 - Reduce lender overlays, R&W uncertainties and other barriers to mortgage lending for qualified borrowers; coordinate with FHA
 - Announce policy goals / changes before the spring selling season
 - Explore potential NPV positive equity building refinance strategies
2. Establish meaningful policies that demonstrate a commitment to winding down the GSEs
 - Implement guarantee fee increases to achieve “market” pricing over time
 - Implications of recent legislation and potential need for further clarification
 - Initiate credit risk syndication and non-guaranteed mortgage securitizations on a quarterly basis, starting in 2H 2012
 - Align payment and servicing standards to create a fungible TBA security by 2013
 - Complete servicer compensation reform policy work in 2012; implement in 2013
 - Develop plan to manage resolution and disposition of legacy assets, potentially including pursuing a good bank / bad bank-type strategy in 2012, if economic
3. Ensure sufficient capital support for the GSEs during the transition period and thereafter

Treasury and the broader Administration are committed to help achieve these objectives

1. Willingness to explore options to restructure the Preferred Stock Purchase Agreements to reduce the burden associated with the 10% dividend rate
2. Work with FHFA to draft policy paper(s) on these Housing Market and GSE Reform goals
3. Commitment of resources
 - Treasury and Administration personnel
 - Potential Treasury engagement of a Financial Agent to assist in transition initiatives
 - MHA principal reduction incentive payments
4. Coordinated outreach effort to Congress and the public to ensure the merits of the policy initiatives are communicated appropriately and well supported