



November 14, 2023

The Hon. Jeanne Shaheen
United States Senate
506 Hart Senate Office Bldg.
Washington, DC 20510

The Hon. Ann McLane Kuster
United States House of Representatives
137 Cannon House Office Bldg.
Washington, DC 20510

The Hon. Maggie Hassan
United States Senate
330 Hart Senate Office Bldg.
Washington, DC 20510

The Hon. Chris Pappas
United States House of Representatives
323 Cannon House Office Bldg.
Washington, DC 20515

Re: Fannie Mae and New Hampshire Credit Unions

Dear Honorable Senators and Representatives of New Hampshire:

I am writing on behalf of the Cooperative Credit Union Association (Association) to bring to your attention challenges some of our member credit unions face doing business with the Federal National Mortgage Association, the federal government-sponsored enterprise commonly known as Fannie Mae. The Association is the state trade association representing approximately 200 state and federally-chartered credit unions located in the states of New Hampshire, Delaware, Massachusetts, and Rhode Island, which further serve over 3.6 million consumer members.

As you may know, smaller credit unions and community banks can face obstacles to doing business with Fannie Mae because Fannie Mae typically favors large-volume mortgage lenders such as the biggest banks, placing New Hampshire credit unions at a competitive disadvantage.

Recently, our member Holy Rosary Credit Union (HRCU)—a \$420 million asset credit union headquartered in Rochester, New Hampshire—contacted us because Fannie Mae rejected HRCU's application to join Fannie Mae's mortgage lending program. The only reason Fannie Mae cited for the denial was that it regarded HRCU's volume of mortgage origination, which averaged over \$28 million a year between 2020 and 2022, as insufficient to meet Fannie Mae's minimum levels. Similarly, another credit union shared Fannie Mae stipulated the sale of at least 12 loans to Fannie Mae in a year or be removed from their program. Fannie Mae did not cite regulatory or public policy reasons for these decisions.

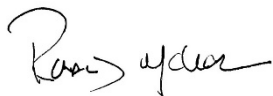
Credit unions cannot remain competitive in the mortgage market unless Fannie Mae is willing to do business with them. While credit unions can in theory go through middlemen such as credit union service organizations to do business with Fannie Mae indirectly, the additional costs associated with using such middlemen make it more difficult for credit unions to offer competitive rates to their members, which in turn causes mortgage credit to be more expensive for ordinary New Hampshire

families. Along with Freddie Mac, Fannie Mae is part of a what is effectively a government-sponsored duopoly created by Congress to advance affordable home ownership, not to subsidize big banks at the expense of community-based financial institutions like New Hampshire credit unions.

We respectfully ask you please to contact Fannie Mae to seek a fuller explanation for its denial of HRCU's application as well as to request Fannie Mae's public policy justification for limiting services to New Hampshire credit unions and other community-based mortgage lenders with lower origination volumes.

Thank you for the opportunity to bring New Hampshire credit unions' concerns about Fannie Mae to your attention. If you have any questions or desire further information, please do not hesitate to contact the Association at (508) 481-6755 or govaff-reg@ccua.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald McLean". The signature is fluid and cursive, with a large initial "R" and a long horizontal stroke extending to the right.

Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.
rmclean@ccua.org