



National Association of Home Builders

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Government Affairs

James W. Tobin III
Senior Vice President & Chief Lobbyist

July 22, 2013

The Honorable Jeb Hensarling
Chairman
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling:

On behalf of the 140,000 members of the National Association of Home Builders (NAHB), I am writing to express our opposition to the *Protecting American Taxpayers and Homeowners (PATH) Act*. We commend you for beginning the overdue debate on comprehensive housing finance reform. While NAHB supports many of the individual components of the PATH Act, we strongly believe that the legislation greatly impairs several critical elements of the U.S. housing finance system.

While we agree that private capital must be the dominant source of mortgage credit, the housing finance system cannot be left entirely to the private sector. NAHB believes that the federal government should continue to provide an explicit guarantee to ensure a reliable and adequate flow of affordable housing credit in all economic and financial conditions. The PATH Act goes too far in dismantling the current housing finance system and diminishing the Federal Housing Administration's (FHA) support for single and multifamily mortgage liquidity.

NAHB supports the creation of a sustainable housing finance system. By eliminating the federal guarantee for the conventional mortgage market and severely reducing the scope and reach of FHA's programs for homebuyers, the PATH Act will greatly limit homeownership and rental housing opportunities for many qualified Americans.

NAHB offered many recommendations to improve the PATH Act, as stated in our testimony before the committee. Absent adoption of those recommendations, we oppose the legislation and urge you to vote "no" on the PATH Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'James W. Tobin III', with a stylized flourish at the end.

James W. Tobin III

cc: Members, House Committee on Financial Services