

Congress of the United States
Washington, DC 20515

May 19, 2025

William J. Pulte
Director
Federal Housing Finance Agency
Constitution Center
400 7th Street, SW
Washington, DC 20219

Dear Director Pulte,

Congratulations on your recent confirmation to serve as the fifth Director of the Federal Housing Finance Agency. We look forward to working with you and the rest of President Trump's team to promote a stable, competitive housing market and expand mortgage accessibility for American families.

As you know, FHFA plays a central role in ensuring that Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System operate in a manner that supports affordable homeownership while respecting state-based insurance regulation and market competition.

We write to express serious concerns about the Government-Sponsored Enterprises (GSEs) prohibiting the acceptance of actual cash value (ACV) homeowners insurance policies for federally backed mortgages, something highlighted in guidance issued in February 2024.¹

Mandating RCV policies not only restricts consumer choice but also imposes significant cost burdens on families already facing steep affordability challenges in the housing market. In many regions—particularly those vulnerable to natural disasters or with elevated risk profiles—full replacement cost insurance is either prohibitively expensive or increasingly unavailable. Functional state insurance regulators have allowed for a range of policy types, including ACV policies, precisely to preserve access to coverage for homeowners who might otherwise be left uninsured or unable to close on a home. The GSEs' effective ban on ACV products undermines that balance and results in fewer coverage options, delayed closings, and in some cases, lost home sales.

We believe firmly that consumers deserve access to a competitive insurance market that offers a range of products to suit individual needs and circumstances. One-size-fits-all mandates—

¹ Fannie Mae, Selling Guide Announcement (SEL-2024-01), February 7, 2024,
<https://singlefamily.fanniemae.com/media/38011/display>

particularly those that limit lower-cost insurance options—run counter to this goal and make homeownership less attainable, not more.

We urge you to formally take action to allow for the acceptance of ACV policies, instruct the GSEs to revise their Selling and Servicing Guides accordingly, and issue clear, public guidance highlighting the revision of the RCV policy and announcing that homeowners may use ACV policies where permissible under state law. This will restore regulatory certainty, reduce costs, and ensure more Americans can access the insurance—and mortgages—they need to achieve homeownership.

We would welcome the opportunity to meet with you and your team to discuss this matter further and to ensure the agency's policies reflect sound principles of affordability, competition, and state regulatory authority.

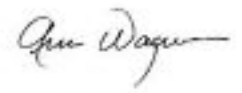
Sincerely,



Mike Flood
Member of Congress



Bill Huizenga
Member of Congress



Ann Wagner
Member of Congress



Andy Barr
Member of Congress



Roger Williams
Member of Congress



Tom Emmer
Member of Congress



John Rose
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William R. Timmons, IV
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Dan Meuser
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Young Kim
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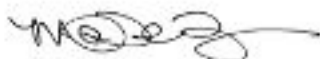
Andy Ogles
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