

106TH CONGRESS
1ST SESSION

S. CON. RES. 16

Expressing the sense of the Congress that the Government National Mortgage Association guaranty fee should not be increased to provide increased revenues or the Federal Government to offset other expenditures.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1999

Mr. GRAMS (for himself and Mr. GORTON) submitted the following concurrent resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs

CONCURRENT RESOLUTION

Expressing the sense of the Congress that the Government National Mortgage Association guaranty fee should not be increased to provide increased revenues or the Federal Government to offset other expenditures.

Whereas the Government National Mortgage Association, known as Ginnie Mae, was established as a wholly owned corporation of the United States to facilitate the worldwide sale of investment securities backed by mortgages insured or guaranteed by the Federal Housing Administration (FHA) or the Veterans Administration (VA), which is now the Department of Veterans Affairs;

Whereas Ginnie Mae assesses a fee to lenders issuing such securities and notes for the guaranty, by Ginnie Mae, of

the timely payment to investors of principal and interest of the securities and notes;

Whereas the guaranty fee currently charged by Ginnie Mae, at a rate of 6 basis points, has produced significant net revenue for the Federal Government each year;

Whereas Ginnie Mae is actuarially sound and its reserves are sufficient to protect the taxpayers of the United States from any loss;

Whereas the cost of home ownership is increasing, thereby making the dream of home ownership unattainable for many families in the United States;

Whereas FHA and VA loans are used primarily by first-time and minority homeowners to achieve the dream of home ownership;

Whereas Congress should seek to eliminate barriers to affordable housing and reduce the costs of home ownership; and

Whereas proposals to increase the Ginnie Mae guaranty fee above the current rate, if enacted, would constitute a tax on home ownership, would increase the costs of owning a home, and would ultimately deny many Americans the opportunity to own a home: Now, therefore, be it

1 *Resolved by the Senate (the House of Representatives*
 2 *concurring)*, That it is the sense of the Congress that any
 3 increase in the guaranty fee assessed by the Government
 4 National Mortgage Association above the rate currently in
 5 effect constitutes an unnecessary and unwarranted tax on
 6 home ownership that cannot be justified as sound public
 7 policy or as necessary for financial soundness of the Gov-

- 1 ernment National Mortgage Association and, therefore,
- 2 should not be used to provide increased revenues or the
- 3 Federal Government to offset other expenditures.

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