

NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER: STOP BIDEN REGIME MORTGAGE SOCIALISM.

BACKGROUND. House conservatives are sponsoring legislation to nullify a new Biden Regime regulation that would force lower-risk mortgage borrowers to help subsidize lower rates for high-risk borrowers by paying higher fees. Experts have stated that under this rule, people with credit scores of 680 or higher will pay an additional \$40 per month on a \$400,000 loan to subsidize higher-risk mortgages. If you are a first-time buyer or obtaining a second mortgage, having good credit and financial stability will earn you a higher mortgage rate in order to subsidize those with bad credit and poor spending habits.



THE BILL. Conservative Rep. Stephanie Bice sponsors [HR 2876](#), to cancel the Biden Regime proposed changes to loan level price adjustments by the Federal National Mortgage Association and credit fees charged by the Federal Home Loan Mortgage Corporation. The bill has 14 co-sponsors. It currently is in the House Financial Services Committee, awaiting a vote to send it to the full House for debate. Bice blasted the White House for imposing this new regulation without involving Congress or voters and criticized Biden for enhancing the culture of dependency. "Whether its student loan forgiveness or their mortgage rule, through the power of the pen, Biden and his executive agencies are attempting to bypass Congress and fundamentally change how our country operates," Bice said, "We should not punish individuals who have made sound financial decisions or have the government incentivize lowering credit scores." Biden Regime reckless spending and its [high](#)

[inflation](#) and interest rates already have harmed citizens looking for houses; they do not need increased mortgage fees. This legislation prevents the Regime from implementing a senseless rule. Her bill follows a letter from House Financial Services Committee Chairman Patrick McHenry, (N.C.) and Housing and Insurance Subcommittee Chairman Warren Davidson, (OH.) sent to Federal Housing Financing Agency Director Sandra Thompson threatening congressional action, if the policy not repealed.¹

BIDEN CRITICISM. The new mortgage policy has faced heated opposition from the banking, mortgage, and real estate industries and from the GOP, also criticism from several Democrat congressmen. Former Federal Housing Administration commissioner David Stevens declared, "We can do better programs to help more minorities get into homeownership. This is not the way to do it." Lenders will pass on the new costs to borrowers, which will result in higher mortgage rates and reduced access to credit. This new tax punishes financially responsible borrowers. It will give incentive for home buyers to reduce their down payments and assume additional debt. The scheme is a socialist redistribution of wealth.

SUPPORTERS. This legislation supported by FreedomWorks, Heritage Action, and Club for Growth.

TAKE ACTION NOW. The Biden edict took effect on May 1, 2023, but there is still time for Congress to nullify it. Home buyers already pay too many taxes and fees and suffer enormous paperwork in order to qualify for a loan. It is raw socialism to force home buyers who have frugally saved money to buy a house and who have conscientiously maintained a solid credit rating to pay a higher mortgage fee to subsidize those who saved little and irresponsibly destroyed their credit rating through financial mismanagement. Urge your congressman to vote [HR 2876](#) out of committee and pass it into law. Email netaxpayers@gmail.com for congressional contact information and to join our NTF *Congress Watch Project*.

Research, documentation, and analysis for this issue paper done by **Nebraska Taxpayers for Freedom**. This material copyrighted by Nebraska Taxpayers for Freedom, with express prior permission granted for its use by other groups in the *NE Conservative Coalition Network*. 5-23. C



¹ Elizabeth Elkind. Fox News, [GOP bill would repeal Biden policy forcing people with good credit to subsidize high-risk mortgages](#), April 26, 2023.