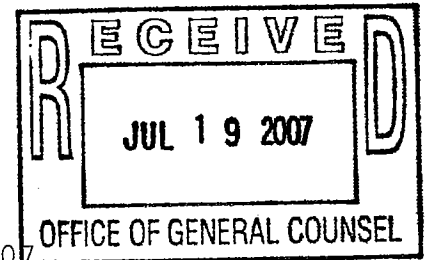




**Mortgage
Insurance
Companies
of America**

Suzanne C. Hutchinson
Executive Vice President



July 19, 2007

Mr. Alfred Pollard
General Counsel
OFHEO
1700 G Street, NW
4th Floor
Washington, DC 20552

Dear Mr. Pollard:

The Mortgage Insurance Companies of America (MICA) is pleased to comment on Release PG-07-0_ provided on June 25 by the Office of Federal Housing Enterprise Oversight (OFHEO) regarding the conforming loan limit (CLL) for Fannie Mae and Freddie Mac. MICA strongly supports OFHEO's effort to ensure that the CLL reflects current housing-market conditions to the greatest extent possible and we believe that the proposed approach could well improve the CLL's accuracy. However, as discussed below, we suggest that OFHEO defer action on developing a process through which to lower the CLL in periods of house-price declines until the pending legislation is completed and the overall issue of the CLL comes under full jurisdiction of the new regulator. Additionally, we request that the guidance make clear that, for the time being, OFHEO will not change the CLL regardless of any house-price declines experienced between the 2007 and 2008 resets.

As you know, MICA strongly supports final action by Congress on legislation (now numbered H.R. 1427) to improve the prudential and mission regulation of the housing government-sponsored enterprises (GSEs). We support OFHEO's efforts to facilitate quick and final action on this legislation and we ask that OFHEO advise us of anything we can do to further this critical effort.

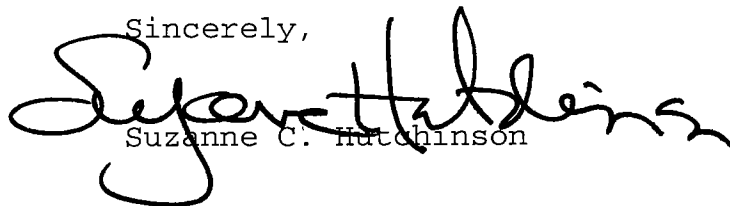
Section 133 of H.R. 1427 would make significant changes in how the CLL would be determined, including:

- delegating this authority solely to the new regulator, eliminating reliance on the current index provided by the Federal Housing Finance Board (FHFB); and
- permitting a higher CLL in "high-cost areas."

Together, both of these changes would significantly alter the CLL's impact on the nation's mortgage market. Perhaps most importantly, it would permit the new regulator to marshal the formidable analytical resources already dedicated to the OFHEO house-price index (HPI) for a far more accurate price index than is now reflected in the FHFB index. This could mitigate the distortions at which your pending proposal is aimed, enhancing market stability and liquidity. However, a short-term revision now that is followed by the larger one mandated in the legislation could create significant operational issues for mortgage lenders and, perhaps, exacerbate current volatility. In this regard, we support that part of your proposal that would defer a reduction in the CLL for next year should the current index show a reduction in house price. However, we believe that details setting forth how the current mechanism for adjusting the CLL should be adjusted would better await the outcome of the current Congressional deliberations on the pending legislation.

We would be pleased to provide any additional information or assistance that would be of use as you consider this issue.

Sincerely,



Suzanne C. Hutchinson