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NAMB's Strategic Withdrawal of Legal Action Against FHFA

McLean, Virginia, April 2, 2009 – In February 2009, the National Association of Mortgage Brokers (NAMB) filed suit against the Federal Housing Finance Administration (FHFA) to block implementation of the Home Valuation Code of Conduct (HVCC), which will inhibit competition among mortgage originators and increase the cost of mortgages to consumers. NAMB's suit asserted that the HVCC constituted a "de facto" rulemaking that did not comply with the requirements of the Administrative Procedures Act (APA), which sets out the procedures a federal agency must follow when issuing a regulation.

Today, NAMB has withdrawn its lawsuit against the FHFA. NAMB invoked this strategic maneuver to assess means by which we can refute the FHFA's claim that no court may review their decisions while the GSE's are in conservatorship. NAMB believes the FHFA's claim that there are no legal limits on the arbitrary and unilateral use of their conservatorship power is unprecedented and will prove detrimental to consumers.

"This issue goes beyond the bounds of this particular case," said NAMB President, Marc Savitt, CRMS, "All companies, investors, and trade groups should understand there may not be a court, any court, able to hear their case while FHFA is utilizing their conservatorship powers."

NAMB strongly opposes FHFA's position that it does not need to comply with the APA and other laws. NAMB has withdrawn its lawsuit against FHFA, without prejudice, as it assesses various means to challenge FHFA's extraordinary claim. Those options include filing suit again with revised and expanded arguments directed at FHFA's new claim.

For a copy of NAMB's Lawsuit, please click [here](#).

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The National Association of Mortgage Brokers is the voice of the mortgage broker industry, representing the interests of mortgage brokers and homebuyers since 1973. The Association is committed to promoting the highest degree of professionalism and ethical standards for its members. In addition to mandating members adhere to a professional code of ethics, NAMB

provides mortgage brokers with professional education opportunities, and offers rigorous certification programs to recognize members with the highest levels of professional knowledge and education.