

***Biden rule will redistribute high-risk loan costs to homeowners with good credit***  
***Michael Lee - Fox News***

*Experts believe that borrowers with a credit score about 680 would pay around \$40 more per month on a \$400,000 mortgage under rules from the Federal Housing Finance Agency that go into effect May 1, costs that will help subsidize people with lower credit ratings also looking for a mortgage, according to a Washington Times report Tuesday.*

*"The changes do not make sense. Penalizing borrowers with larger down payments and credit scores will not go over well," Ian Wright, a senior loan officer at Bay Equity Home Loans, told The Washington Times. "It over-complicates things for consumers during a process that can already feel overwhelming with the amount of paperwork, jargon, etc. Confusing the borrower is never a good thing."*



*President Joe Biden Kevin Dietsch/Getty Images© Kevin Dietsch/Getty Images)*

*The Federal Housing Finance Agency, which oversees federally backed home mortgage companies Fannie Mae and Freddie Mac, has long sought to give consumers more affordable housing options. But those who work in the industry believe the new rules will only serve to frustrate and confuse people.*

*"This confusing approach won't work and more importantly couldn't come at a worse time for an industry struggling to get back on its feet after these past 12 months," David Stevens, a former commissioner of the Federal Housing Administration during the Obama administration, wrote in a social media post responding to the new rules.*

*"To do this at the onset of the spring market is almost offensive to the market, consumers, and lenders."*

*The rules come as the housing market has struggled in the wake of multiple interest rate increases by the Federal Reserve.*

*Under the new rules, consumers with lower credit ratings and less money for a down payment would qualify for better mortgage rates than they otherwise would have.*



*The rules come as the housing market has struggled in the wake of multiple interest rate increases by the Federal Reserve. iStock© iStock*

*Federal Housing Finance Agency Director Sandra Thompson said the new rules are designed to "increase pricing support for purchase borrowers limited by income or by wealth" and comes with "minimal" fee changes.*

*While Stevens agreed there was a gap in opportunity for low-income, especially minority borrowers, to qualify for affordable homes, he argued that attempting to manipulate prices was not the solution.*



*The Federal Reserve building Chip Somodevilla/Getty Images© Provided by FOX News*

*"Why was this done? The answer is simple, it was to try to narrow the gap in access to credit, especially for minority home buyers who often have lower down payments and lower credit scores," Stevens said.*

*"The gap in home ownership opportunity is real. America is facing a severe shortage of affordable homes for sales combined with excessive demand causing an imbalance. But convoluting pricing and credit is not the way to solve this problem."*