



# ***GSE Activity Report***

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Friday, May 24, 2024

## ***Too Piggy***

When we assessed FHFA's proposed approach to Freddie's new home-equity [loan purchases](#), we noted that the product design eschewed old-style piggy seconds atop HLTV first liens. Still, Congressional comments and those from aggrieved structured-finance providers think they're still all too porcine.

Comments to FHFA were due Wednesday, but they are still coming in judging by a letter [today](#) from Senate Republicans. It goes beyond criticizing the product also to assert that the proposal is a "thinly-veiled" political initiative to cover up current economic problems. The lone House Democrat so far siding with the [GOP](#) doesn't repeat the political point, but adds an economic-inequality charge to most of the others raised by House and Senate Republicans.

What will FHFA do? Nothing in the near term, we would guess. But, action approving the proposal remains the most likely outcome, with this perhaps occurring during the August recess or at a similar time when Washington's attention is elsewhere.