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Guild Mortgage Co. Releases Statement on Unwarranted Department of Justice Action; Punitive Environment at Odds with Missions of HUD and FHA to Expand Home Buying Opportunities for the Underserved

SAN DIEGO--(BUSINESS WIRE)-- Mary Ann McGarry, president and CEO of Guild Mortgage Co., issued the following statement regarding an action initiated against Guild by the Department of Justice:

We are extremely disappointed that the Department of Justice has elected to pursue this action. Guild has a proud record of making FHA loans since 1961 and we welcome the opportunity to set the record straight and correct the numerous misstatements in the government's complaint.

The government's action is unwarranted and without merit. The implication that any default on an FHA loan by a borrower represents wrongdoing by the lender is not justified. For more than five decades Guild has responsibly underwritten fixed rate and fully documented loans in accordance with FHA requirements.

This enforcement environment that lenders face today threatens to limit opportunities for home ownership and hurts the housing market. It is contrary to the mission of HUD and the FHA program to help the underserved - a Guild tradition since its founding in 1960.

It is unfortunate that lenders such as Guild have been placed in this untenable position where any minor error could result in substantial financial penalties. To help families with low and moderate incomes, we need to expand home buying opportunities, not shrink them. Sadly, if this punitive environment continues, the cost of lending will continue to increase for FHA borrowers and only the wealthy will be able to buy homes.

Although we disagree with the allegations and intend to defend ourselves vigorously, we will continue to serve the FHA and first-time homebuyers, which we have served for more than 50 years.

Signed,
Mary Ann McGarry
President and CEO

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