

March 18, 2013

Dear Representative:

The undersigned organizations request that you cosponsor H.R. 1077, the Consumer Mortgage Choice Act.

H.R. 1077 is bipartisan legislation introduced by Representatives Bill Huizenga (R-MI), David Scott (D-GA), Ed Royce (R-CA), Gregory Meeks (D-NY), Spencer Bachus (R-AL), William Lacy Clay (D-MO), Steve Stivers (R-OH), and Gary Peters (D-MI). It would make adjustments to the Truth in Lending Act's (TILA) definition of fees and points to ensure greater consumer choice in mortgage and settlement services under the Ability to Repay/Qualified Mortgage (QM) rule.

The QM rule sets the standard for mortgages by providing significant compliance certainty to QM loans that do not have risky features and meet certain requirements. A key requirement is that points and fees for a QM may not exceed 3 percent of the loan amount. The problem arises from the fact that, under current law and rules, what constitutes a "fee" or a "point" varies greatly depending upon who is making the loan and what arrangements are made by consumers to obtain closing services. As a result of these definitions, many loan originators will not be able to make QM loans to a significant segment of otherwise qualified borrowers.

H.R. 1077 endeavors to restore a full and open competitive market among lenders and other originators by clarifying and rationalizing the definition of fees and points to reduce this discrimination. By doing so, H.R. 1077 will ensure that consumers have greater access to mortgage credit and also more choices in credit providers. Without H.R. 1077, both choice and access will be severely reduced, affecting countless consumers and those who serve them.

For these reasons, we ask that you join your colleagues in cosponsoring H.R. 1077 and work with them to ensure enactment of this critical legislation.

Sincerely,

Consumer Mortgage Coalition
Community Mortgage Lenders of America
Leading Builders of America
Mortgage Bankers Association
National Association of Home Builders
NAMB - The National Association of Mortgage Professionals
National Association of REALTORS®
Real Estate Services Providers Council, Inc. (RESPRO®)