



**Americans for Financial Reform**  
1629 K St NW, 10th Floor, Washington, DC, 20006  
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March 25, 2015

Dear Representative:

On behalf of Americans for Financial Reform we are writing to urge your opposition to the following bills, many of which would undercut important community protections—the same type of environment that allowed a devastating housing crisis to develop. Others undermine or put barriers in front of the work of the Consumer Financial Protection Bureau (CFPB), and are part of a strategy to weaken the CFPB—and are driven by financial sector interests that want to disrupt the good work the Bureau is doing preventing financial tricks and traps.

Below we briefly discuss each of the bills we oppose.

- H.R. 650, the Preserving Access to Manufactured Housing Act of 2015, would make homeownership more costly for those who can least afford it. It would do this by raising the interest rate and points and fees trigger for protections under the high-cost mortgage protections of HOEPA for manufactured housing loans. This bill would not expand access to sustainable credit, but would strip away protections already created by Congress and implemented by the CFPB. If this bill became law it would permit an interest rate of close to 14% **in todays market** for a 15- or 20-year loan on a family's home mortgage without enhanced protections. In comparison, the going rate for traditional real-estate mortgages is currently around 4%. (See [letter](#) dated Feb. 26, 2015.)
- H.R. 685, the Mortgage Choice Act of 2015, would reintroduce some of the high fees that borrowers faced in the lead up to the mortgage crisis, fees that the new mortgage rules were designed to prevent. It would create a loophole to the 3% points and fees threshold in the Qualified Mortgage (mortgage affordability) rules by excluding fees paid to title insurance companies affiliated with the lender. Increased loan fees would lead to hundreds, if not thousands, of dollars in needless mortgage fee expenses for each borrower on such loans, and encourage further price gouging in an already broken title insurance market. (See [letter](#) dated October 22, 2014.)
- H.R. 1195, the Bureau of Consumer Financial Protection Advisory Boards Act, would direct the CFPB to establish a Small Business Advisory Board. This would add needless regulatory layers to the CFPB's processes, as the CFPB—unlike most regulators—is already required under Dodd-Frank to hold small business review (SBREFA) panels for all rulemakings that would noticeably impact a large number of small financial

institutions. The CFPB is also already required to consider the impact of its rulemakings on small businesses, and it has already established a community bank advisory board.

- H.R. 1259, the Helping Expand Lending Practices in Rural Communities Act, would create a drawn-out petition process that would allow individuals who reside or do business in a state to apply to the CFPB for the designation of an area as rural. Having this designation would allow people and businesses in those areas to circumvent certain mortgage provisions put in place by the CFPB, including Qualified Mortgage rules and the Ability-to-Repay standard. This bill is unnecessary, as the CFPB has already proposed large expansions in the designation of rural areas. Moreover, the petition process created by this legislation would be unnecessarily complex, and subject to arbitrariness. What areas are rural and underserved should be determined by a data driven process, not individual pleading.
- H.R. 1265, the Bureau Advisory Commission Transparency Act, would unnecessarily constrain the CFPB's ability to engage useful advisory committees. The CFPB is already following FACA procedures. CFPB advisory board meetings are conducted in public and include opportunities for public comment. Documents made available to the board, as well as minutes and transcripts of the meetings, are made available to the public.
- H.R. 1408, the Mortgage Servicing Asset Capital Requirements Act of 2015, would delay a portion of new capital rules applied by prudential regulators. The legislation would apply to all banks except for the largest eight in the U.S., meaning that it would lead to a delay in strengthened capital positions for large regional banks with trillions of dollars in assets. Excessive bank leverage was a major contributor to the global financial crisis and we do not believe Congress should intervene to weaken new rules that strengthen controls on bank borrowing.
- H.R. 1529, the Community Institution Mortgage Relief Act of 2015, would exempt option ARM and other dangerous loans from ability to repay requirements. It would also remove the protection of required escrow accounts from loans that currently have that protection. The CFPB recently responded to community bank concerns by proposing a large expansion in the community bank portfolio loans that will receive QM status. This bill goes far beyond that expansion and authorizes unsustainable lending.
- We oppose H.R. 601, the Eliminate Privacy Notice Confusion Act. In 2014, the CFPB finalized amendments to Regulation P which provide for alternative web delivery methods for certain privacy notices. The CFPB rule preserves privacy protections for consumers while lowering burdens on firms. Conversely H.R. 601 eliminates important disclosures that help consumers understand how their information is used without their consent. Further, the provisions of H.R. 601 do not apply only to community banks, but also to megabanks.

A number of the bills discussed above would help return us to an environment of predatory lending, irresponsible underwriting, and excessive fees that paved the way for our recent

devastating housing crisis. Some would undermine the work of the CFPB to ensure that consumers are protected from abusive lending, and others would dilute privacy or systemic protections. We urge you to oppose them.

Sincerely,

Americans for Financial Reform

## **Following are the partners of Americans for Financial Reform.**

*All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.*

- AARP
- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Center for Effective Government
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Policy Institute
- Essential Action
- Green America
- Greenlining Institute
- Good Business International

- Government Accountability Project
- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Home Defenders League
- Information Press
- Institute for Agriculture and Trade Policy
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lawyers' Committee for Civil Rights Under Law
- Main Street Alliance
- Move On
- NAACP
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Council of Women's Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People's Action
- National Urban League
- Next Step
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development

- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE
- United Food and Commercial Workers
- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

*List of State and Local Partners*

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)

- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR
- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- New Economy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network

- New Yorkers for Responsible Lending
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY
- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

***Small Businesses***

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Pheonix AZ

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