

Congress of the United States
Washington, DC 20515

May 7, 2018

The Honorable Paul Ryan
Office of the Speaker
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Speaker Ryan and Minority Leader Pelosi,

As chairs of the Congressional Tri-Caucus, we write to voice our substantive concerns with Section 104 of S. 2155, “the Home Mortgage Disclosure Act Adjustment and Study,” and to urge you to remove this section from the legislation. This provision in particular would be a massive disservice to the cause of fighting discrimination in the American economy.


Section 104 would exempt the overwhelming majority of lenders from the enhanced reporting requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), which would imperil efforts to ensure mortgage lenders across the country are fairly and equitably serving all segments of the market.. These reporting requirements are imperative in identifying possible discriminatory lending patterns which victimize the communities we represent, plague the mortgage lending industry, and contribute to persistent disparities in wealth.

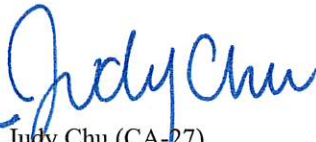
In 1975, Congress passed the Home Mortgage Disclosure Act (HMDA) to give regulators the tools necessary to dismantle discrimination in access to mortgage credit and bolster equal lending opportunities for qualified borrowers. In response to rampant predatory lending in the mortgage market in the lead-up to the financial crisis, including confirmed targeting of communities of color and limited English proficient individuals for high cost and abusive loans, Congress amended the Home Mortgage Disclosure Act (HMDA) to require banks to disclose detailed information on their mortgage lending activities.

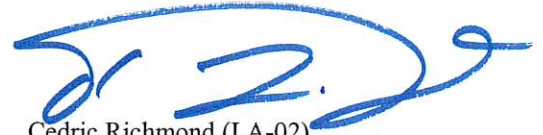
In implementing these new HMDA requirements, the Consumer Financial Protection Bureau balanced the need for transparency without overly burdensome requirements on smaller financial institutions. The HMDA provision in question would exempt the vast majority of the nation’s mortgage lenders from these requirements. These proposed changes would endanger the public’s ability to hold bad actors accountable.

Many of our constituents continue to face barriers in improving their economic standing, including challenges accessing affordable mortgage products. Section 104 eliminates critical consumer protections and empowers bad actors to prey on minority and low-to-moderate income families. We should not be complicit in this effort. We urge you to work with the Committee of jurisdiction and remove this dangerous provision.

Sincerely,


Michelle Lujan Grisham (NM-01)
Chair, Congressional
Hispanic Caucus


Judy Chu (CA-27)
Chair, Congressional Asian
Pacific American Caucus


Cedric Richmond (LA-02)
Chair, Congressional Black
Caucus