

May 20, 2015

Dear Senator:

The undersigned non-profit organizations, who work with homeowners facing foreclosure and other home finance challenges, urge you to oppose Chairman Shelby's "Financial Regulatory Improvement Act of 2015," which undermines the essential, reasonable consumer protections passed by Congress in 2010 in the Dodd-Frank Act. The bill released by Chairman Shelby and scheduled to be marked up by the Committee tomorrow would remove sorely needed protections against high-risk, high-fee loans and the practices that allowed abuses in the mortgage lending process to flourish.

The draft legislation:

- Creates sweeping exemptions from the Dodd-Frank mortgage underwriting requirements for a wide array of lenders (even where a loan has not been assessed for affordability or where it includes abusive fees or a balloon payment), while also placing the burden on the homeowner to prove facts not in the homeowner's possession;
- Denies homeowners living in manufactured homes, some of the lowest-income homeowners in the nation, basic protections that currently limit steering into high-risk, high-fee loans;
- Undermines measures to prevent appraisal fraud;
- Prevents homeowners from receiving fair, advance notice of their mortgage costs;
- Inserts loopholes allowing loans to be packed with overpriced insurance products that primarily benefit the lender;
- Excludes representatives with consumer-oriented interests from participation in a crucial advisory committee for development of the common securitization platform at Fannie Mae and Freddie Mac;
- Delays publication of crucial information collected under the Home Mortgage Disclosure Act that historically has served to promote fair access to credit and lender accountability through a real-world, timely overview of market activity; and

- Undermines the Consumer Financial Protection Bureau and its regulations by requiring burdensome and extensive re-review and re-examination of all recent rules.

The draft legislation would overturn essential consumer protections adopted to stop the problems that helped bring our country into the greatest recession since the Great Depression.

We urge the Committee instead to work together to develop legislation that expands a sustainable and fair mortgage market for all. The alternative bill introduced by Ranking Member Brown rightly extends protections for tenants in foreclosed properties and strengthens protections for members of the military. It also addresses certain important regulatory matters by providing some streamlining. The bill, however, includes changes to Dodd-Frank's mortgage provisions that, while constructive in some ways, should be left to the Consumer Financial Protection Bureau. The CFPB has provided ongoing, responsive attention to the housing market, including smaller, community-based institutions, and continues to pursue practical approaches to consumer protection.

Respectfully submitted,

Alliance for a Just Society  
Alliance of Californians for Community Empowerment  
Amador Tuolumne Community Action Agency  
Beyond Housing  
Bucks County Housing Group, Inc.  
California Reinvestment Coalition  
Center for NYC Neighborhoods  
Center for Popular Democracy  
Central American Resource Center (CARECEN)  
CFORM/Covenant Community Development Corporation  
Community Housing Development Corporation (CHDC)  
Community Legal Services East Palo Alto  
Community Legal Services of Philadelphia, PA (on behalf of its low-income clients)  
Connecticut Fair Housing Center  
Consumer Action  
Empire Justice Center  
Family Housing Resources  
Financial Protection Law Center  
Grow Brooklyn, Inc.  
Hawaiian Community Assets  
HNDP/Hagerstown Home Store  
Home Ownership Opportunities  
HomeFree-USA

Homes on the Hill  
Homeward, Inc.  
Housing & Education Alliance  
Housing Action Illinois  
Housing Help Inc.  
Housing Opportunity Development Corporation  
Inland Fair Housing and Mediation Board  
Integra Home Counseling, Inc.  
Kingdom Community Inc.  
Legal Aid of Manasota, Inc.  
Legal Aid Society of Southwest Ohio, LLC (on behalf of its low-income clients)  
Legal Services of Southern Piedmont  
Live The Dream Development, Inc.  
Long Island Housing Services, Inc.  
MFY Legal Services, Inc.  
Montebello Housing Development Corporation  
Mountain State Justice  
National Association of Consumer Advocates  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of its low-income clients)  
National Council of La Raza  
National NeighborWorks Association  
Nazareth Housing Services  
Neighborhood Housing Services of Baltimore  
Neighborhood Housing Services of Chicago (NHS)  
Neighborhood Housing Services of Greater Cleveland  
New Economy Project  
New Level Community Development Corporation  
North Carolina Justice Center  
Partners in Community Building, Inc.  
Philadelphia Unemployment Project  
Portland Housing Center  
Schuylkill Community Action  
United South Broadway Corp.  
Urban League of Morris County