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May 5, 2014

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the one million members of the National Association of REALTORS® (NAR), we thank you for including H.R. 3211, the Mortgage Choice Act in the House Financial Services Committee Markup and encourage all Committee Members to vote for it. Demonstrating its bipartisan appeal, the Mortgage Choice Act's original sponsors include Representatives Bill Huizenga (R-MI), Gregory Meeks (D-NY), Spencer Bachus (R-AL), David Scott (D-GA), Ed Royce (R-CA), Mike Doyle (D-PA), Steve Stivers (R-OH), Gary Peters (D-MI), Patrick Murphy (D-FL), and Betty McCollum (D-MN).

The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,400 local associations or boards, and 54 state and territory associations of REALTORS®.

H.R. 3211 is a bipartisan compromise of earlier legislation (H.R. 1077) that reduces discrimination against mortgage firms with affiliates in the calculation of fees and points in the 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 affiliated with other settlement service providers are not be able to make QM loans to a significant segment of otherwise qualified borrowers.

H.R. 3211 endeavors to restore a competitive market among lenders by clarifying and rationalizing the definition of fees and points to reduce this discrimination. By doing so, H.R. 3211 will ensure that consumers have greater access to mortgage credit and also more choices in credit providers. Without H.R. 3211, both choice and access is reduced, affecting many consumers and those who serve them. Therefore REALTORS® ask that you support and vote for H.R. 3211.

Sincerely,



Steve Brown
2014 President, National Association of REALTORS®

