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2017 President

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July 12, 2017

The Honorable Rodney Frelinghuysen
Chairman
U.S. House Committee on
Appropriations
2306 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Graves
Chairman
Financial Services and General
Government Subcommittee
U.S. House Committee on
Appropriations
2078 Rayburn House Office Building
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
U.S. House Committee on
Appropriations
2365 Rayburn House Office Building
Washington, DC 20515

The Honorable Mike Quigley
Ranking Member
Financial Services and General
Government Subcommittee
U.S. House Committee on
Appropriations
2458 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Frelinghuysen and Graves and Ranking Members Lowey and Quigley:

On behalf of the over 1.2 million members of the National Association of REALTORS® (NAR), I urge your support of Rep. Amodei's (R-NV) amendment to the Fiscal Year 2018 Financial Services and General Government (FSGG) Appropriations bill requesting governance restructuring of the Consumer Financial Protection Bureau (CFPB) to a qualified five-member commission. The CFPB is essential to identifying problematic financial services industry practices that harm consumers and would be most effective with important procedural safeguards in place to avoid unwarranted executive overreach.

NAR continues to support the existence of a federal agency such as the CFPB designed specifically to protect consumers' interests with regard to financial products and services. However, the agency has taken a number of controversial positions on issues important to consumers and the real estate industry that may not have occurred but for the single director governance structure.

One of the laws within the CFPB's jurisdiction, the *Real Estate Settlement Procedures Act* (RESPA),¹ directly affects real estate professionals' business operations – governing everything from important consumer disclosures to fee restrictions for home loan settlements. NAR therefore has a strong interest in ensuring the agency properly applies RESPA in every supervisory, enforcement, and regulatory action. Unfortunately, the current CFPB has implemented unprecedented and unreasonable interpretations of RESPA, causing significant disruption and confusion for the real estate industry.²

¹ 12 U.S.C. §§2601-2617.

² See *PHH Corp. v. CFPB* (No. 15-1177, D.C. Cir., Oct. 2016), where the CFPB imposed a multi-million dollar penalty based on a novel interpretation of RESPA that upended longstanding precedent issued by the Department of Housing and Urban Development and relied upon by industry.

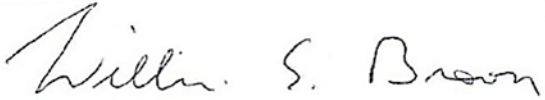


A board governance structure would guarantee such agency actions are thoroughly analyzed and debated before being issued and reduce arbitrary decision-making and abuses of power that may occur with a single-director structure. Similar to other executive commissions, with no more than three members of one political party serving staggered terms, a board structure would offer long-term policy stability and compliance certainty, which are vital to promoting progress in such a dynamic economic sector.

To safeguard consumers and continue encouraging responsible lending practices, the governing board and agency should remain independent from the Congressional appropriations process, preserving the existing funding from the Federal Reserve. Such independence shields the agency from political pressures and bureaucratic impediments that may inhibit agency operations and protection of consumer financial interests.

NAR urges your support of Rep. Amodei's amendment to the FSGG Appropriations bill to improve agency accountability, transparency, and policy consistency for the real estate industry. A more reliable advocacy agency would bolster real estate professionals' role as trusted consumer advisors to advance the nation's pursuit of homeownership.

Sincerely,

A handwritten signature in black ink that reads "William E. Brown". The signature is written in a cursive style with a large initial "W".

William E. Brown

2017 President, National Association of REALTORS®

cc: U.S. House Appropriations Committee