

June 15, 2022

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Chairwoman
House Committee on Financial Services
2221 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on Financial Services
2004 Rayburn House Office Building
Washington, DC 20515


Dear Speaker Pelosi, Republican Leader McCarthy, Chairwoman Waters, and Ranking Member McHenry:

On behalf of the National Association of REALTORS®' 1.5 million members working in all aspects of the residential and commercial real estate industries, I write to express our support for two important provisions of Title III of the Financial Services Racial Equity, Inclusion, and Economic Justice Act.

REALTORS® believe that homeownership – and the mortgage credit foundation it rests upon – is the bedrock of the American Dream. NAR supports access to credit in all markets and at all times. Broad access to homeownership depends upon an open housing market that is free from discrimination. We support the strong and fair enforcement of the fair lending provisions of the Fair Housing Act and the Equal Credit Opportunity Act, which prohibit discrimination in consumers' access to credit on prohibited bases.

For these reasons, NAR supports many aspects of **Subtitle A of Title III, Improving Language Access in Mortgage Servicing**. NAR champions efforts to facilitate homeownership and expand access to financing among consumers of all backgrounds. We believe lenders have a responsibility to ensure that consumers understand the loans they receive, including their terms and costs. We support development and use of a standard language preference form that will enable creditors to provide consumers with access to mortgage documents in their preferred language, if those documents have been translated by a government agency. While we believe consumers would be best served by creditors who also provide oral interpretation services, the cost of providing such services may prove burdensome for smaller lenders. We would like to collaborate with the committee to develop a workable solution, such as authorizing an appropriation to fund interpretation services for lenders with a smaller total loan volume.

NAR also supports much of **Subtitle B, Fair Lending for All**. The Equal Credit Opportunity Act (ECOA) is essential for a financial marketplace that operates in an



equitable and inclusive manner, free from discrimination. Strong enforcement of ECOA should include the use of testing to uncover discriminatory lending practices. Because fair lending testing requires specialized expertise and authority, we agree that an Office of Fair Lending Testing should be established, and support that provision of Subtitle B. We do not believe, however, that fair lending violations should carry criminal penalties under ECOA. We are not aware of criminal liability for violation of any civil rights statute that does not involve force, intimidation, or damage to property. The Fair Housing Act provides no criminal penalties for lending violations, and adoption of Subtitle B's criminal liability provisions would create inconsistent enforcement regimes across the two statutes.

The National Association of REALTORS® supports a mortgage market that is free from discrimination and accessible to all qualified borrowers, regardless of what language they speak. We look forward to working with the committee to ensure strong fair lending mechanisms and workable approaches to overcoming language barriers in the lending marketplace.

Sincerely,



Leslie Rouda Smith
2022 President, National Association of REALTORS®

cc: United States House of Representatives

