

August 22, 2017

The Honorable Melvin L. Watt
Director
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, D.C. 20024

Dear Director Watt:

As organizations focused on expanding access to sustainable and affordable mortgage credit, we applauded FHFA's announcement over 3 years ago regarding its initiative "to increase mortgage credit for creditworthy borrowers, consistent with the full extent of applicable credit requirements and risk-management practices." Since 2015, GSE Scorecards included the assessment of alternate credit score models as a key element in determining how to make increased mortgage credit available to creditworthy borrowers. Both the 2016 and 2017 Scorecards went a step further; they both instructed the GSEs to "as appropriate, plan for implementation."

FHFA's effort to expand the use of alternative credit scoring models is a critical component to reversing the steady decline in homeownership particularly for low- and moderate-income as well as minority consumers. That's why, since your original announcement in the January 2015 Scorecard, organizations representing a broad array of consumer and industry leaders have wholeheartedly supported FHFA's effort to introduce competition and innovation into the use of various credit scoring models.

Subsequently, we were disappointed to learn of your announcement regarding FHFA's intention to push back the timeline for implementation to 2019 during a recent speech. The additional delay in implementation timeline comes after nearly 3 full years of internal review and assessment on part of the GSEs to see if added competition and critical updates to the credit models would increase access to homeownership. We were dismayed to hear about this significant push back of the timeline, and we would like to request a meeting with you to explore the factors contributing to the delayed implementation.

The undersigned organizations continue to believe that the GSEs should maintain the original timeline for introducing needed competition to the scoring system and updating the outdated credit scoring system that is not adequately serving today's credit market. This is one of the top priorities for our respective organizations and we would be pleased to meet with you as soon as you are available.

Respectfully,

America's Homeowners Alliance
Asian Real Estate Association of America
Community Mortgage Lenders of America
Consumer Federation of America
Community Home Lenders Association
Community Associations Institute
Leading Builders of America
National Association of REALTORS®
National Association of Hispanic Real Estate Professionals
National Association of Home Builders
National Fair Housing Alliance
National Urban League
National Community Reinvestment Coalition (NCRC)
Real Estate Services Providers Council, Inc. RESPRO®
The Realty Alliance