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The Honorable Mick Mulvaney
Acting Director
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, D.C. 20552

Re: Request for Information Regarding Bureau External Engagements; Docket No. CFPB-2018-0005 submitted electronically via:
<https://www.regulations.gov/comment?D=CFPB-2018-0005-0001>

Dear Acting Director Mulvaney,

On behalf of over 1.3 million members of the National Association of REALTORS®, I appreciate the opportunity to comment on the Request for Information (RFI) Regarding Bureau External Engagements. The Bureau of Consumer Financial Protection (Bureau) has been engaged externally with the real estate community in a variety of forums over the years, providing helpful perspective and useful information on important issues affecting consumers and the industry. As the Bureau reviews priorities under the new leadership, ensuring future external engagements offer necessary transparency with thoughtful exchange of ideas is key to developing and implementing significant changes that are mutually beneficial to all affected parties. Such external engagements should focus on high priority issues as the qualified mortgage (QM) rule and the *Real Estate Settlement Procedures Act* (RESPA) falling under the Bureau's jurisdiction that greatly impact business sustainability and economic stability.

The National Association of REALTORS® (NAR) 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 residential and commercial real estate transactions and belong to one or more of the approximately 1,200 local associations and boards, and 54 state and territory associations. As one of many populations directly affected by Bureau activities, the real estate industry greatly values external engagement opportunities providing insight and feedback to help develop Bureau actions.

As the Bureau continues its assessment of the QM rule, NAR advocates for continued external engagement to ensure the availability of affordable mortgages for responsible consumers while obligating lenders to make good faith determinations that consumers will have the reasonable ability to repay the loan. As reiterated by NAR to the Bureau through formal comments and at stakeholder meetings, the Bureau's engagement with industry representatives will guarantee that any changes to the QM rule are based on sound public policy to support homeownership without unnecessarily restricting mortgage credit to qualified borrowers. As the expiration of the "QM patch" nears, which allows for a loan to qualify as a QM when eligible for purchase by Fannie Mae or Freddie Mac, the Bureau must ensure that each step in the review is thoroughly vetted by all players in the primary and secondary markets to avoid undue adverse effects on consumers and the broader economy.

NAR also appreciates the Bureau's willingness to be featured as keynote speakers at many NAR events, including most recently at the Regulatory Issues Forum occurring



during the 2018 REALTORS® Legislative Meetings and Trade Expo in Washington D.C. These meetings bring together nearly 10,000 members to play an active role in advancing real estate public policy initiatives, including those stemming from Bureau activities. When the Bureau participates in the Regulatory Issues Forum, it is always a highly attended event that gives members an opportunity to hear first-hand enforcement strategies and legal interpretations on matters specific to REALTORS®' businesses. When audience question and answer segments are possible, such as the case with this event, the Bureau's engagement is especially beneficial in providing instantaneous insight on member inquiries. Questions nearly always address confusion about RESPA, so as the Bureau evaluates future topics for external events, guidance and clarity on RESPA matters would be greatly welcomed.

The roundtables hosted by the Bureau also afford a platform for industry and consumer groups to join together with Bureau staff, to dialogue on particular policy issues, explain strategies for compliance, and create recommendations for actions to further specific goals. These cross sector meetings have been a great tool for constructive input from both sides of the table, while offering vital transparency into the priorities of the various representatives. It is important for the Bureau to utilize this feedback and provide regulatory relief, especially when there is a consensus on a particular issue. For example, the real estate industry continues to be united on Bureau changes related to clarity within the QM rule on the three percent cap on points and fees that poses ongoing problems for affiliated businesses. The Bureau must take such unified perspectives derived from external engagements into consideration when prioritizing action items in the future.

Staff at the Bureau, including from Financial Institution External Affairs, Regulations, Supervision Policy, and Mortgage Markets, continue to be available and thoroughly engaged in meetings hosted by NAR. We greatly appreciate these opportunities and the candid conversations that develop. In the past, members of NAR have also been involved in various field hearings and town hall events, and look forward to continued engagement through these forums at the local level. Such meetings are useful for offering a unique understanding of the need for definitive Bureau actions, like guidance on compliance with RESPA related to co-marketing practices in light of changing judicial interpretations and updated marketplace technology. The Bureau's interest in obtaining on-the-ground perspectives from the REALTOR® community dealing with complicated business decisions must be followed by a willingness to make changes in response to the feedback provided.

NAR appreciates the ability to give feedback to the Bureau through the RFI process to further the Bureau's examination of its operations. External engagements are a vital instrument for gaining public comments necessary for the Bureau to act in the best interests of consumers. NAR looks forward to the Bureau's continued transparency through such engagements and meaningful changes made as a result of the feedback provided during these interactions.

Sincerely,



Elizabeth Mendenhall

2018 President, National Association of REALTORS®