



NATIONAL
ASSOCIATION of
REALTORS®

John Smaby
2019 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

William E. Malkasian
Chief Advocacy Officer/Senior Vice President

Shannon McGahn
Senior Vice President Government Affairs

500 New Jersey Avenue, NW
Washington, DC 20001-2020
Phone 202-383-1194
WWW.NAR.REALTOR

September 17, 2019

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

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

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the 1.3 million members of the National Association of REALTORS® (NAR), NAR is pleased to support several bills under consideration at tomorrow's markup, which will serve to expand opportunities to individuals who are underserved by traditional credit models or harmed by inaccurate reporting.

- H.R. 123, introduced by Rep. Green (D-TX), creates a pilot program for FHA to include alternative credit data when evaluating prospective homebuyers. Factors like on-time rental, utility and telecommunications payments are often ignored, despite being critical indicators of a borrower's ability to pay. Millions of Americans, particularly minorities, immigrants, and people with modest incomes, may come from backgrounds that avoid debt, leading many with little to no credit history. With new credit scoring models, many of these "thin file" individuals would be able to obtain credit and enter the housing market.
- H.R. 4067, introduced by Rep. Scott (D-GA), directs the CFPB to coordinate research on why people don't have bank accounts or other banking relationships, develop strategies to increase participation in the banking system, and increase financial education. Having an educated banking relationship is an important first step toward obtaining a mortgage which, in turn, is a critical step to propel low-income families and underserved communities to build wealth and enter the middle class.
- H.R. 4328, introduced by Rep. Waters (D-CA), amends the Fair Credit Reporting Act to protect Federal and DC government employees and contractors from negative reporting resulting from pay stoppages due to a shutdown of the Federal government. Borrowers' credit scores are critical gateways to obtaining a mortgage, as they are viewed as accurate predictors of a borrower's capacity and willingness to repay mortgage debt. However, negative reporting due to a federal government shutdown wouldn't be accurate and, thus, would be rightly banned.

REALTORS® urge your support for these critical bills, which will ensure the American Dream remains within reach for immigrants, rural and minority borrowers, and government employees and contractors.

Sincerely,

John Smaby
2019 President, National Association of REALTORS®

cc: U.S. House Committee on Financial Services



REALTOR® is a registered collective membership mark which may be used only by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics.