



Credit Union National Association

cuna.org

**BILL CHENEY**  
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June 24, 2013

The Honorable Bill Huizenga  
U.S. House of Representatives  
1217 Longworth House Office Building  
Washington, D.C. 20515

Dear Representative Huizenga:

On behalf of the Credit Union National Association (CUNA), I am writing regarding H.R. 1077, the "Consumer Mortgage Choice Act." CUNA is the largest credit union advocacy organization in the United States, representing America's state and federally chartered credit unions and their 96 million members. We are pleased to support this legislation.

Earlier this year, the Consumer Financial Protection Bureau (CFPB) issued a final "Ability to Repay" rule to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding a borrower's ability to repay a residential mortgage loan and establishing requirements for "qualified mortgage" under the Truth in Lending Act, Regulation Z. The CFPB also issued several amendments to this rule last month.

CUNA remains concerned about the definition of points and fees in the amended CFPB rule. Specifically, we are concerned that the inclusion of affiliated title charges remains as part of the points and fees definition. Your legislation assuages our concerns by excluding from the definition "all title charges, regardless of whether they are charged by an affiliated company, provided they are bona fide and reasonable." Defining points and fees in this way will maintain a competitive marketplace, prevent over-pricing or limiting choice in low-moderate income areas and allow consumers to enjoy the existing benefit of working through one entity for their new mortgage or refinance.

While the amendments to the rule appear to take a step in the right direction with regard to loan officer and loan originator compensation being included in the points and fees, we believe a statutory fix would make the definition clearer and stronger. Your bill addresses that concern.

Finally, your legislation addresses the exclusion of loan level price adjustments, which is an upfront fee that Fannie Mae and Freddie Mac charge to offset loan-specific risk factors such as the loan-to-value ratio or a borrower's credit score. This fee works much like a guarantee fee and is not paid to the loan originator. Excluding this adjustment fee would impair the availability of credit for some of our members.



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On behalf of America's 7,000 credit unions and their 96 million members, thank you again for introducing this bill. We look forward to working with you to secure its enactment.

Best regards,

A handwritten signature in black ink, appearing to read "Bill Cheney", with a long, sweeping horizontal line extending to the right.

Bill Cheney  
President & CEO