



March 5, 2018

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Oppose S. 2155, the “Economic Growth, Regulatory Relief and Consumer Protection Act”

Dear Senator:

On behalf of The Leadership Conference on Civil and Human Rights, I urge you to oppose S. 2155, the “Economic Growth, Regulatory Relief and Consumer Protection Act.” Under the innocent-sounding guise of “regulatory relief,” S. 2155 would undermine one of our nation’s key civil rights laws and weaken consumer protections enacted after the 2008 financial crisis.

The Leadership Conference is particularly opposed to Section 105 of the bill, which would exempt more than four in five banks and credit unions from a recent policy expanding on and improving the data collected by the Consumer Financial Protection Bureau (CFPB) under the Home Mortgage Disclosure Act of 1975 (HMDA). In 2015, the CFPB finalized a rule that now requires most mortgage lenders to report more detailed HMDA data about the loans they make, including specific details such as the total points and fees, the difference between the annual percentage rate paid compared to the benchmark rate for all loans, any prepayment penalty terms, the value of the property, the borrower’s credit score, and whether the loan was a “reverse mortgage” sold to a senior.

These additional data fields are essential for federal and state regulators to find patterns of discriminatory or predatory lending. They certainly would have been useful before 2008.

Supporters of S. 2155 claim they are simply trying to reduce regulatory requirements on small banks and credit unions. While we are sensitive to the need for regulatory burdens to be carefully tailored to the size of lending institutions, the expanded HMDA data fields include information that lenders already routinely collect in the underwriting process. Moreover, the revised CFPB rule already exempts truly small lenders, those making fewer than 25 mortgages each of the past two years, as well as financial institutions not located in metropolitan areas.

Exempting the overwhelming majority of our nation’s banks and credit unions from an expanded HMDA requirement that would better enable federal regulators, state attorneys general, fair housing advocates, and others to identify and address discriminatory and predatory mortgage practices is unwise. Doing so only weeks after Acting CFPB Director Mick Mulvaney arbitrarily broke up the CFPB office in charge of supervising and enforcing HMDA and fair lending laws, and only weeks before we mark the 50th anniversary of the Fair Housing Act of 1968, is simply unacceptable.

Other provisions in S. 2155 would weaken important consumer protections, undermine the independence of the CFPB as our nation’s chief consumer protection watchdog, and go well beyond the bill’s stated purpose of providing regulatory relief to small financial institutions. For example:



- Section 101 expands an exemption from the CFPB’s “qualified mortgage” rule for truly small lenders that hold loans in portfolio, applying it to institutions holding up to \$10 billion in assets;
- Section 103 exempts lenders from appraisal requirements for many rural loans when the loan is below \$400,000 in home value, eliminating a vital protection for buyers and lenders alike;
- Section 107 exempts manufactured-home retailers and their employees from anti-steering protections that apply to other mortgage originators (loan officers and mortgage brokers), and replaces them with substantially weaker protections;
- Section 109 expands an exemption that allows lenders to avoid escrowing taxes and insurance for many higher-cost, higher-risk loans, making it less likely that borrowers will be able to meet recurring costs of homeownership; and
- Section 110 eliminates the requirement of a three-day wait period on mortgage disclosures in cases where the lender offers a new interest rate, giving borrowers less time to examine whether other loan terms have also been changed in the process.

Congress should not weaken civil rights law or consumer protections. For the above reasons, I urge you to oppose S. 2155. Thank you for your consideration of The Leadership Conference’s views. If you have any questions, please contact Rob Randhava, Senior Counsel, at (202) 466-3311.

Sincerely,



Vanita Gupta
President & CEO