



July 27, 2023

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

Dear Director Thompson:

Community Home Lenders of America appreciates the work of FHFA in its efforts to improve the credit score reporting process and to offer more mortgage access with lower costs in mortgage transactions.

CHLA supports the need for additional time, access to more data and an enhanced engagement process so that our members can provide feedback and keep abreast of progress in data analysis, program policy, and timeline decisions. We also believe that it will be important to engage with credit score stakeholders such as FHA, VA and Ginnie Mae. Our position was outlined in the recent industry letter issued on June 22, 2023, which argued for a slower implementation schedule. CHLA understands and appreciates that FHFA is seriously considering this feedback.

One way to achieve a slower implementation schedule would be to take more incremental steps, by starting with VantageScore, the new entrant in this space. CHLA recommends that the FICO 10T requirement be deferred to a later phase.

We are also concerned about expanding FICO's role, considering the 400% credit report price increase FICO imposed last year. In our November 30, 2022 letter to FHFA, we argued that Fannie and Freddie have the legal authority to establish conditions for such loans, asking FHFA to roll back the 400% price increase. CHLA also argued that arbitrarily exempting some 54 larger lenders from this price hike was discriminatory against smaller lenders, and that it violated at least the spirit of FHFA's permanent policy of guarantee fee (G – Fee) parity.

Therefore, at a minimum, CHLA would argue that FHFA should not expand FICO's authority to use alternative credit score models on Enterprise loans unless and until the 400% credit report price hike and discriminatory application is addressed.

Thank you for the opportunity to provide this feedback.

Sincerely,

COMMUNITY HOME LENDERS OF AMERICA

CC: Mr. Michael J. DeVito, CEO, Freddie Mac
Ms. Priscilla Almovodar, CEO, Fannie Mae