

CHLA Policy Positions and Priorities

PURCHASE OF MORTGAGE LOANS TO BRING DOWN MORTGAGE RATES

- The Federal Reserve and the GSEs should purchase mortgage loans, to bring down rates.

FEDERAL HOUSING ADMINISTRATION (FHA)

- **End Life of Loan Premiums.** Revert to pre-2013 policy of ending premiums when loans hit 78% LTV. Life of Loan premiums overcharge borrowers and hurt minorities and underserved borrowers the most.
- **Adopt the CHLA/NAR/NAMB/CAI proposal to streamline FHA condo approvals.** Improve FHA condo approval process by granting DE-type approval authority and improve approval transparency.
- **Pay-scale comparability, flexible contracting authority, full Information Technology funding.**

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE)

- **Expand PTAP program to increase issuer liquidity and bolster warehouse lender confidence.**
- **Pay-scale comparability, more flexible contracting authority.**

FANNIE MAE AND FREDDIE MAC (FHFA)

- **Restore Balance in Repurchase Policies.** Fannie Mae and Freddie Mac should offer indemnifications, based on risk, in lieu of repurchase demands for all defective loans - to protect lenders and consumers.
- **Avoid Restrictive Condo Changes.** Fannie and Freddie should release for public comment proposed new restrictions on condo project approvals and pursue policies that balance affordability and risk.
- **FHFA Should End GSE Conservatorships of Fannie and Freddie Under a True Utility Model.**

CHLA'S CONSUMER MORTGAGE BILL OF RIGHTS

1. The Right to Say No to Abusive Trigger Lead Solicitations.
2. The Right to Robust Competition in Mortgage Services Market.
3. The Right to Affordable Credit Report Pricing.
4. The Right to Robust Dual Compensation Consumer Protections.
5. The Right to Obtain a Mortgage Through a Qualified Mortgage Loan Originator.
6. The Right to Have Pricing Parity Requirements Apply to ALL Loan Originators.
7. The Right for All Borrowers to End MI Premiums When Loans Hit 78% LTV.

REGULATORY BALANCE FOR SMALLER IMBS

- **CFPB:** To comply with Dodd-Frank requirement that all loan originators must be "qualified," the CFPB should require ALL loan originators at banks to meet all SAFE Act licensing requirements: (1) *Pass the SAFE Act exam,* (2) *Pass an independent criminal background check,* (3) *20 hours of SAFE Act pre-licensing requirements,* and (4) *8 hours of SAFE Act continuing education courses each year.*
- **No Regulation by Enforcement for Smaller IMBs.** The CFPB should not levy fines or take enforcement action against smaller IMBs without first giving them a chance to correct.
- **Streamline state exams of smaller IMBs.** CSBS should implement streamlined IMB multi-state exams.

PROTECT UNDERSERVED BORROWERS FROM IMPACT OF SITZER COURT CASE

- Federal mortgage programs should take action to ensure low down payment borrowers are not harmed.

Federal MORTGAGE PROGRAM LOAN FEES SHOULD ONLY BE BASED ON RISK

- Congress should **not** impose fees (like the GSE 10 BP fee) to offset non-housing spending.

REJECT CALLS TO EXTEND CRA TO IMBs AT STATE OR FEDERAL LEVEL

- CRA for IMBs is (1) not needed as IMBs far outperform banks in mortgages to minorities and other underserved borrowers, (2) not appropriate, as IMBs have no federal backing and actually bring capital into communities, (3) counterproductive, driving out IMBs, as CRA in Massachusetts has shown.

MONITOR ICE PURCHASE OF BLACK KNIGHT FOR CONSUMER ABUSES

- The CFPB should monitor practices of the combined Black Knight/Ice entity and take action against anti-consumer actions like junk (access) fees, one-way user fee charges, and tying.