



November 13, 2013

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, N.W.
Washington, D.C. 20552

Dear Director Cordray:

The undersigned trade associations, on behalf of thousands of our members across the nation, urge you to delay the final implementation of the pending Ability to Repay/Qualified Mortgage (QM) rules scheduled for January of 2014.

We appreciate the efforts that the CFPB has undertaken to clarify the final rule and to provide guidance. The fact remains that key details of the rule have continued to change throughout 2013. Software vendors and other compliance specialists are in various stages of product development and many are only now releasing necessary products and programs. Some in the industry are still awaiting these products and training regimes. The lending industry has only weeks left to test software and systems, train employees, and ensure that quality control mechanisms are in place.

Safety and soundness concerns will cause many lenders to reduce or stop lending until they are certain that they can do so in full compliance and without undue risk. This risk includes not just safety and soundness risks but also liability from private rights of action and state attorneys general.

We also fear that this credit constriction will not be temporary. Some who vacate the mortgage lending business, particularly those in rural areas, may not return, causing further concentration of the industry and giving borrowers fewer choices both immediately and long term.

To avoid this outcome we urge you, in the strongest terms, to provide an explicit and official transition period before final implementation, of 9 to 12 months to provide sufficient time for all lenders to come into full compliance with the rules.

Sincerely,

Frank Keating
President and CEO
American Bankers Association

Camden R. Fine
President and CEO
Independent Community Bankers
of America

B. Dan Berger
President and CEO
National Association of Federal
Credit Unions

cc: Members of the U.S. Senate
Members of the U.S. House of Representatives
Hon. Ben Bernanke, Chairman, Federal Reserve Board of Governors
Hon. Martin Gruenberg, Chairman, Federal Deposit Insurance Corporation
Hon. Debbie Matz, Chairman, National Credit Union Administration
Hon. Thomas Curry, Comptroller of the Currency