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**B. Dan Berger**  
Executive Vice President  
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National Association of Federal Credit Unions | [www.nafcu.org](http://www.nafcu.org)

May 3, 2013

The Honorable Jeb Hensarling  
Chairman  
House Financial Services Committee  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
United States House of Representatives  
Washington, D.C. 20515

**Re: Support H.R. 1077, the *Consumer Mortgage Choice Act***

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing our nation's federal credit unions, I write today in support of H.R. 1077, the *Consumer Mortgage Choice Act*, introduced by Representative Bill Huizenga on March 12, 2013. We urge the Committee to support this bipartisan and commonsense legislation and work to pass it prior to the "ability to repay" provisions from the *Wall Street Reform and Consumer Protection Act* take effect in January of 2014.

As currently defined, "points and fees" include, among other charges, fees paid to affiliated title companies, salaries paid to loan originators, amounts of insurance and taxes held in escrow, loan level price adjustments, and payments by lenders to correspondent banks, credit unions and mortgage brokers in wholesale transactions. As a result of this troublesome definition, many affiliated loans, particularly those made to low- and moderate-income borrowers, would not qualify as Qualified Mortgages (QMs) and would be unlikely to be made or would only be available at higher rates due to heightened liability risks. Consumers would lose the ability to choose to take advantage of the convenience and market efficiencies offered by one-stop shopping.

The *Consumer Mortgage Choice Act* would make important changes that would:

- Exclude title charges from "points and fees" definition.
- Prevent double-counting of loan officer compensation.
- Clarify that escrow charges should be excluded from any calculation of "points and fees."
- Exclude loan level pricing adjustments (LLPAs).
- Exclude lender-paid compensation to mortgage brokers.

Taken together, these changes would make important improvements to the definition of “points and fees” used to determine whether a loan meets the QM test.

Thank you for your kind attention to this important matter. We appreciate the opportunity to voice our concerns, and hope you will support H.R. 1077, *Consumer Mortgage Choice Act*. Should you have any questions or need additional information, please do not hesitate to contact myself or NAFCU’s Vice President of Legislative Affairs, Brad Thaler, at 703-842-2204.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger", with a large, sweeping flourish extending to the right.

B. Dan Berger  
Executive Vice President of Government Affairs

cc: Members of the House Financial Services Committee