

July 24, 2017

The Honorable Melvin L. Watt  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street, SW  
Washington, DC 20219

cc: Office of Housing and Regulatory Policy

**RE: Improving Language Access in Mortgage Lending and Servicing**

Director Watt,

The California Mortgage Bankers Association appreciates the opportunity to comment on the Federal Housing Finance Agency (FHFA) Request for Input on issues facing qualified mortgage borrowers with Limited English Proficiency (LEP). We write today to urge FHFA not to amend the Uniform Residential Loan Application (URLA) to include a question regarding the language preference of potential borrowers. We are concerned that doing so at this time would present numerous practical and legal challenges for our members, as well as increased confusion for borrowers.

The California Mortgage Bankers Association is strongly supportive of efforts to expand sustainable homeownership opportunities for borrowers throughout California. We also believe that a more complete understanding of the challenges unique to LEP borrowers will help our members better serve their communities. The share of LEP borrowers is expected to continue rising in the coming years, and our members understand the importance of ensuring broad access to credit for this segment of the population.

Our members bring a host of practical knowledge to this issue through their daily interactions with a diverse customer base. It is this knowledge of the realities of a mortgage transaction and real world experience that leads us to the conclusion that adding a question on the URLA inquiring about borrower language preferences would be a mistake. Such a question may lead potential borrowers to believe that all interactions with their lender or servicer, verbal or written, will be conducted in the language for which they declare a preference on the URLA—even if there was a disclaimer of some sort. If this expectation cannot be met, it would create confusion for the borrower, and may create the impression that they are being treated unfairly by the lender or servicer. The proposed URLA question could also lead borrowers to be concerned that their answer may be harmful to their loan application or their ability to access mortgage credit. Neither outcome is consistent with the customer service on which our members pride themselves.

And while an objective of the proposed URLA question may be data collection on language proficiency, the California Mortgage Bankers Association is unconvinced that the URLA is the appropriate venue for this effort. Existing sources, such as the American Survey of Mortgage

Borrowers and the U.S. Census already provide detailed information on various demographic indicators. We believe that utilizing or adding to these or other pre-existing sources would be a far more suitable approach, as it would not interfere with or otherwise harm our members' relationships with their customers.

Because of these concerns and unaddressed risks, we reiterate our view that FHFA should not include a question on the language preference of potential borrowers on the URLA. Our members remain committed to working with FHFA, Fannie Mae, Freddie Mac, and other government agencies to identify challenges unique to LEP borrowers and develop solutions that expand access to sustainable homeownership. Amending the URLA as has been proposed would only undermine these efforts.

We thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Milazzo". The signature is fluid and cursive, with the first name "Susan" being larger and more prominent than the last name "Milazzo".

Susan Milazzo  
Executive Director