



March 29, 2018

The Honorable Melvin L. Watt
Federal Housing Finance Agency
Office of Housing and Regulatory Policy
400 7th Street Southwest, 9th Floor
Washington, DC 20219

Director Watt,

I am writing you today in support of a more open-market approach to creditworthiness of applicants for home mortgage loans and a move away from the monopolistic, one-size-fits-all approach currently in place within our nation's GSEs. I believe this is unfair and counterproductive, and pre-existing, well-established tools that could diversify the credit evaluation market should be explored.

The Pittsburgh Community Reinvestment Group was founded to help more people realize the American Dream. Working with financial institutions and community-based organizations, we understand the power access to credit. We have worked with traditionally underserved and undercapitalized communities for three decades. We have seen the ways that a credit score can keep responsible minorities and low-and moderate-income Pittsburghers from building and preserving wealth for their families. While we certainly agree that borrowers must meet their obligation, the current approach locks out more and more of these responsible neighbors, stymieing local markets and keeping families and workers from participating in the economy they help create.

Do consumers with thin credit histories have different attitudes about financial obligations or just different attitudes about taking on debt in the first place? Is a person with savings, positive cash flow, but no real credit history a bad investment? Of course, these are questions without simple answers. This is why Fannie Mae and Freddie Mac adjust their own systems and policies. At the same time, however, both GSEs insist on FICO's one-size-fits-all approach. Their dominant market positions mean that this rigidness defines the entire industry. PCRG believes the market should accommodate more than one credit scoring model. There's a free-market angle to this as well: multiple credit evaluation options could encourage innovation, provide fairer access for some borrowers, and bring a positive spill-over effects for the broader mortgage market. VantageScore is an alternative that is gaining prominence in other credit markets, and should also be considered as an alternative to Classic FICO in mortgage credit scoring.

On behalf of PCRG and Pittsburgh's community and economic development ecosystem, I encourage you to give lenders the option to choose between the latest models from FICO, VantageScore. Thank you for your time.

Sincerely,

Ernie Hogan,
Executive Director

A+ Schools
ACTION-Housing, Inc.
Allegheny City Central Association
Allegheny Land Trust
Amani Christian CDC
Bellevue Initiative for Growth and Revitalization
Bloomfield Development Corp.
Bloomfield-Garfield Corp.
Brookline Area Community Council
Community Leaders United for Beechview
Design Center of Pittsburgh
East Allegheny Community Council
East Hill Consensus Group
East Liberty Development, Inc.
Economic Development South
Etna Economic Development Corp
Fineview Citizens Council
Friendship Community Group
Garfield Jubilee Association
GTECH Strategies, Inc.
Habitat for Humanity of Greater Pittsburgh
Hazelwood Initiative, Inc.
Highland Park CDC
Hill CDC
Hill District Consensus Group
Hill House EDC
Hilltop Alliance
Housing Alliance of Pennsylvania
Larimer Consensus Group
Lawrenceville Corp.
Lawrenceville United
Manchester Citizens Corp.
McKees-Rocks CDC
Mexican War Streets Society
Millvale Borough Development Corp.
Mount Washington CDC
NeighborWorks Western PA
Northside Leadership Conference
Oakland Planning and Development Corporation
Operation Better Block
Penn Hills CDC
Perry Hilltop Citizens Council
Pittsburgh Downtown CDC
Pittsburgh Project
PULSE
Polish Hill Civic Association
POWER Link
Rebuilding Together Pittsburgh
Sharpsburg Neighborhood Org
South Side Community Council
South Side Local Development Company - "emeritus"
South Side Slopes Neighborhood Association
Squirrel Hill Urban Coalition
Troy Hill Citizens, Inc.
Tube City Renaissance
Uptown Partners of Pittsburgh
Urban Innovation21
Washington Citywide CDC
Wilksburg CDC

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