

March 15, 2019

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA98  
Federal Housing Finance Agency  
400 Seventh Street, SW, 8<sup>th</sup> Floor  
Washington, DC 20219

Re: Validation and Approval of Credit Score Models - RIN 2590-AA98

Mr. Pollard:

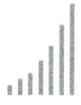
Eastern Corporate Federal Credit Union (EasCorp) is a federally-chartered corporate credit union headquartered in Burlington, Massachusetts. EasCorp has approximately 250 natural person member credit unions throughout the United States, many of whom are active mortgage lenders in their respective communities, and seller/servicers to and for each of Fannie Mae and Freddie Mac (the GSEs).

On their behalf, thank you for the opportunity to submit these comments regarding the Federal Housing Finance Agency's ("FHFA's") proposed rule entitled "Validation and Approval of Credit Score Models."

EasCorp submitted a comment letter on February 2, 2018, in response to FHFA's Credit Score Request for Information ("RFI"). In it I wrote:

*Rather than maintaining the status quo, we support a policy of healthy competition among the providers of empirically-derived, and demonstrably and statistically sound credit scoring models. Alternative models almost certainly could help underserved portions of the U.S. population gain access to and receive more affordable rates on a home mortgage loan.*

At the time I wrote those words no one knew that Congress was about to pass legislation (S. 2155) that would include language (Sec. 310, "Credit Score Competition") requiring FHFA to promulgate regulations to make credit score competition a reality. Yet while the provision passed by Congress was a simple and clear directive, your proposed implementing rule is far too complex compared to what Congress directed you to do, and it goes beyond the scope of Sec. 310 by suggesting the disqualification of credit score modelling companies if they are related to a consumer data provider through common ownership or control.



The deadline for solicitation of applications from developers of credit scoring models for the validation and approval of those models prescribed in the statute is “not later than 30 days after the effective date of this paragraph.” That means applications should have been solicited by December 20, 2018 and credit score competition should be in place by August 17, 2019. We urge you to take immediate steps to ensure that the deadline set by Congress will be met. Otherwise, each day you delay is another day potential homeowners who are, in fact, creditworthy are either denied mortgage credit or required to pay additional fees or higher rates than should be required of them.

In conclusion, we want lenders to have credit scoring model options available to them consistent with the intentions of Sec. 310 of S. 2155.

Thank you once again for the opportunity to provide input.

Sincerely,

Jane C. Melchionda  
President/CEO

JCM/daz