

Marc 18, 2019

Alfred M. Pollard
General Counsel
Attention: Comments/RIN 2590-AA98
Federal Housing Finance Agency
Eighth Floor
400 Seventh Street, S.W.
Washington, DC 20219

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

Mr. Pollard:

The **NAMMBA** is an organization representing Members who have an acute interest in housing and homeownership in America. Granted, our Members have divergent views on a variety of housing related issues. Nevertheless, we write today regarding the Federal Housing Finance Agency's ("FHFA's") proposed rule to implement the "Credit Score Competition" provisions contained in Sec. 310 of the "Economic Growth, Regulatory Relief, and Consumer Protection Act" (S. 2155 / Public Law 115-174) because the currently proposed rule fails to fulfill either the letter or the spirit of the law and on one very important thing – our Members all agree - we support compliance with the law of the land.

We would like to emphasize four important points:

- In crafting and approving Sec. 310, which is entitled ***Credit Score Competition***, it was Congress' intent that FHFA would promulgate implementing rules allowing for competition in the credit scoring models used by lenders for loans to be sold to Fannie Mae and Freddie Mac, giving lenders the option of choosing in a fair and responsible way from among approved credit scoring models.
- In order to ensure that competition would not compromise safety and soundness, any model approved for use at the enterprises must not only meet "standards and criteria" established by FHFA but the fact that model meets those standards and criteria must be validated by the enterprises as required by Sec. 310.
- By specifying a statutory timeline for implementation of Sec. 310 it was Congress' intent that FHFA should adhere to that timeline in order that the benefit of credit score competition can be realized without undue delay.
- Minorities in America deserve the expanded opportunity for homeownership provided to them in a fair and responsible manner. We've researched the VantageScore 4.0 model and believe there is the possibility of delivering a credit score to nearly 40 million consumers who are "unscored" today using the GSE

required credit score model. In addition, we understand that approximately 10 million of the 40 million would have a credit score at 620 or greater making many of them mortgage eligible now or sometime soon. This simply cannot be ignored. Our minority communities need all the fair, responsible and rational tools available to fulfil the dream of homeownership and deliver the possibility of increased generational wealth. We're not suggesting a relaxation of standards – just a use of better tools to give people the opportunities they deserve.

As enacted into law Sec. 310 is simple and straightforward; its implementing regulations should be as well. Now that Credit Score Competition in the Mortgage Sector is the law of the land, the **NAMMBA** simply wants to ensure that FHFA follow the spirit and letter of the law in promulgating its duty.

Sincerely,
J. Tony Thompson
Founder/CO
National Association of Minority Mortgage Bankers of America (NAMMBA)