

May 21, 2018

The Honorable Mel Watt  
Director  
Federal Housing Finance Agency  
400 7th Street SW, 9th Fl.  
Washington, D.C., 20219

Dear Director Watt,

The undersigned 77 national and state-based organizations and leaders - representing businesses, communities, consumers, older Americans, servicemembers, and workers - write to encourage the Federal Housing Finance Agency to complete and announce as soon as possible the results from its ongoing review of credit scoring models used by the GSEs. There is no reason to delay the process or halt it because of the anticipated passage of S.2155.

We appreciate the fact that FHFA has been engaged in this longstanding process for many years, and we believe it should be concluded soon. Updating the credit score model used by Fannie Mae and Freddie Mac will benefit millions of consumers and increase accessibility to mortgages.<sup>1</sup> Completing and announcing the results of the ongoing review as soon as possible will allow adoption of the updated scoring model(s) to begin and bring overdue benefits to consumers.

We understand that Section 310 of S. 2155, if adopted, would mandate a new process for the GSEs regarding scoring models, requiring them to consider any updated or alternative models submitted to them. However, that process could take several years, as there is a 180 day effective date, a two year transition period, and up to 240 days for the GSEs to make a decision - a potential total of over three years. In the meantime, millions of consumers could benefit from an immediate update to the credit scoring models.

If you have any questions or would like to discuss this further, feel free to reach out to Mike Litt at U.S. PIRG or Chi Chi Wu at the National Consumer Law Center.

Sincerely,

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<sup>1</sup> Some of the undersigned groups submitted comments to the RFI on GSE score requirements, explaining the benefits millions of consumers stand to gain from an updated credit score model. See Consumer Group Comments in Response to FHFA Request for Input Regarding Credit Scores, March 30, 2018, available at [https://www.nclc.org/images/pdf/credit\\_reports/comment-fhfa-rfi-credit-scores.pdf](https://www.nclc.org/images/pdf/credit_reports/comment-fhfa-rfi-credit-scores.pdf)

## **National Organizations**

AARP

Allied Progress

American Family Voices

Americans for Financial Reform

Center for Digital Democracy

Center for Popular Democracy

Center for Responsible Lending

Consumer Action

Demos

Equal Voice Action

Faith in Action

Franciscan Action Network

Government Accountability Project

Herd on the Hill

Interfaith Center on Corporate Responsibility

NAACP

National Association of Consumer Advocates

National Coalition for Asian Pacific American Community Development (National CAPACD)

National Consumer Law Center (on behalf of its low-income clients)

National Manufactured Home Owners Association

National Rural Social Work Caucus

NMHOA

Other 98% Action

Progressive Congress Action Fund

The Retired Enlisted Association

U.S. PIRG

UNITE HERE

## **State Organizations and Community Leaders**

AKPIRG

All Parks Alliance for Change

American Council on Consumer Awareness

Asian Services In Action, Inc.

California Reinvestment Coalition

CASH Campaign of Maryland

Catholic Charities of Dallas

Cleveland Jobs with Justice

Connecticut Fair Housing Center

Consumers Council of Missouri

De. Community Reinvestment Action Council, Inc.

Empire Justice Center

Empower Missouri

Florida Consumer Action Network

Georgia Watch

HomesteadCS

Illinois State Black Chamber of Commerce, Inc.

Interfaith Council for Peace and Justice

Interfaith Worker Justice - New Mexico

Joshua's Hand Inc.

Kentucky Equal Justice Center

Manufactured Home Owners Association of New Jersey

Maryland Consumer Rights Coalition

Mexican American Opportunity Foundation

Mississippi Center for Justice

Missouri Faith Voices "A Member of Faith In Action"

Missouri State Representative Tracy McCreery

Mobilization for Justice, Inc.

Montana Organizing Project

National Association of Social Workers West Virginia Chapter

New Jersey Citizen Action

North Dakota Women's Network

NYPIRG

Ohio Voter Rights Coalition  
Progress Florida  
ProgressOhio  
Prosperity Works  
St. Louis NAACP  
Tennessee Citizen Action  
Texas Appleseed  
The Manufactured Home Federation of MA. Inc.  
THE ONE LESS FOUNDATION  
Travois  
Vermont Public Interest Research Group  
Virginia Citizens Consumer Council  
Virginia Organizing  
West Virginia Citizen Action Group  
Woodstock Institute  
WV Center on Budget and Policy  
WV Healthy Kids and Families Coalition