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February 5, 2018

U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

The National Association of REALTORS® (NAR) requests your support for H.R. 1153, "The Mortgage Choice Act." H.R. 1153 is bipartisan legislation introduced by Representatives Bill Huizenga (R-MI), Gregory Meeks (D-NY), Ed Royce (R-CA), David Scott (D-GA), Steve Stivers (R-OH), Mike Doyle (D-PA), and David Joyce (R-OH). The bill would make adjustments to the Truth in Lending Act (TILA) definition of points and fees under the Ability to Repay/Qualified Mortgage (QM) rule. An identical bill passed the House with greater than two-thirds vote in the last Congress.

The Mortgage Choice Act will enhance competition in the mortgage and title insurance markets, and ensure that consumers will be able to choose the lenders and title providers best suited for their home buying needs. Currently, the QM rule discriminates against companies affiliated with real estate brokerages. For a mortgage to be a QM and receive safe harbor protections, the fees and points of the mortgage cannot exceed 3% of the loan amount. However, mortgage bankers and title companies affiliated with real estate brokerages are required to count more items towards the fees and points than large retail institutions. This puts these smaller firms at a competitive disadvantage.

The legislation does not give title insurance and other affiliates a special advantage, carve out, or loop hole. These companies are, and will remain, subject to the Real Estate Settlement Procedures Act (RESPA) and all other consumer protection laws that prevent steering, kickbacks and unfair practices.

The 1.3 million members of the National Association of REALTORS® urge your support for this bill, as it will enhance the quality and efficiencies of the services provided by mortgage and settlement providers. NAR looks forward to working with you to advance the measure.

Sincerely,

A handwritten signature in black ink that reads 'Elizabeth G. Mendenhall'.

Elizabeth Mendenhall

2018 President, National Association of REALTORS®



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