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August 20, 2015

Mr. Edward Golding  
Principal Deputy Assistant Secretary for Housing  
US Department of Housing and Urban Development  
Washington, DC 20410

Dear Mr. Golding:

I am writing on behalf of the 1 million members of the National Association of REALTORS® (NAR) to commend FHA on the release of the Supplemental Performance Metric. NAR supports FHA's efforts to provide an additional metric to evaluate lenders in addition to the Lender Compare Ratio.

The National Association of REALTORS® (NAR) is America's largest trade association, including NAR's eight affiliated institutes, Societies and Councils, five of which focus on commercial transactions. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,400 local associations or boards, and 54 state and territory associations of REALTORS®.

The proposed Supplemental Performance Metric is a step in the right direction and NAR feels that it will help compare lenders to a rate FHA finds acceptable, rather than an industry average. This step is crucial in an environment where lenders are instituting credit overlays on FHA insured mortgages.

NAR continues to believe that the benefit of the Supplemental Performance Metric needs to be more definitive. If a lender's Supplemental Performance Metric is less than 125 percent of the benchmark rate, this will only be a consideration, not an assurance, to cease further action under the Credit Watch process. If a lender has a supplemental metric ratio below the acceptable compare ratio, NAR would like to see more certainty that the lender will not be subject to termination unless there are additional factors that merit such a step.

We look forward to continuing to work with you to maintain the success of the FHA program and preserve access to homeownership. If I may be of any assistance to you, please do not hesitate to contact me or our Regulatory Policy Representative, Sarah Young, at (202) 383-1233 or [scyoun@REALTORS.org](mailto:scyoun@REALTORS.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Polychron'.

Chris Polychron  
2015 President, National Association of REALTORS®



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