

Congress of the United States  
Washington, DC 20515

July 13, 2012

Ms. Mary L. Schapiro, Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Mr. Martin J. Gruenberg, Acting Chairman  
Federal Deposit Insurance Corporation  
1776 F Street, NW  
Washington DC 20006

Mr. Thomas J. Curry, Comptroller  
Office of the Comptroller of the Currency  
250 E Street, SW  
Washington, DC 20219

Mr. Ben S. Bernanke, Chairman  
Board of Governors of the Federal Reserve  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Mr. Edward DeMarco, Acting Director  
Federal Housing Finance Agency  
1700 G Street, NW  
Washington, DC 20552

Mr. Shaun Donovan, Secretary  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410

Dear Chairman Schapiro, Chairman Bernanke, Acting Chairman Gruenberg, Acting Director DeMarco, Comptroller Curry and Secretary Donovan:

Last year, we sent you a letter raising concerns about the proposed Qualified Residential Mortgage (QRM) credit history standards and the shift away from the use of credit scores to a narrow set of “derogatory factors” found in credit reports. We are aware that you have received much public feedback regarding components of the QRM eligibility requirements. We want to emphasize the importance of a thorough examination of allowing for the inclusion of credit scores in the final rule.

We are concerned that the set of proposed QRM credit history standards will lead to unintended consequences at a time when we can least afford disruptions to our housing market. The proposed credit history standards provide an incomplete picture of a borrower’s credit risk focusing only on negative payment history. With no inclusion of positive credit history there is not a balancing and weighting of other categories of the borrower’s credit data. The use of credit scores, through a vendor-neutral approach, would result in a more complete and predictive measurement of credit default risk in keeping with the intent of the QRM provision in the Dodd-Frank Act.

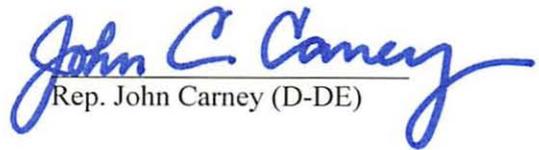
As a follow-up to our original letter, we would appreciate your response to the following questions:

- Do the Agencies believe that the proposed QRM credit history standards provide as complete and predictive measurement of a borrower’s credit risk as the use of credit scores?
- Do the Agencies agree that the removal of references to credit rating agencies in accordance with section 939A of the Dodd-Frank Act was not intended to impact or restrict the Agencies from adopting a vendor-neutral approach that leverages credit scores as part of the QRM credit history standards?

The creation of a QRM standard must support a healthy and stable mortgage market. If credit history standards are to be included as part of the QRM, the final rule should provide for a vendor neutral solution that supports the use of credit scores. The stakes are too high for us not to ensure that we have the most effective solution to this important issue. We look forward to receiving your response.

Sincerely,

  
Rep. John Campbell (R-CA)

  
Rep. John Carney (D-DE)