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March 12, 2014

The Honorable Andy Barr
United States House of Representatives
Washington, D.C. 20515

Re: NAFCU support for the bipartisan *Consumer Financial Protection Bureau Rural Designation Petition and Correction Act*

Dear Representative Barr:

On behalf of that National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I write today to thank you for your leadership in introducing the *Consumer Financial Protection Bureau (CFPB) Rural Designation Petition and Correction Act* (H.R. 2672). NAFCU supports this measure and looks forward to its consideration before the House Financial Services Committee at tomorrow's scheduled mark-up.

In establishing a petition process to ensure "rural" designations for the purpose of some Qualified Mortgage categories, your legislation is making the designation process fairer and more transparent. It will be particularly helpful for small creditors, including credit unions, offering mortgages with balloon payments in underserved areas as they strive to satisfy all of the "ability-to-repay" requirements to ensure loans are considered "qualified mortgages" (QM).

As you know, NAFCU also has serious concerns about other aspects of the QM definition as well, including the way in which points and fees are calculated. We thank you for your co-sponsorship of the *Mortgage Choice Act* (H.R. 3211). The entire credit union community is hopeful that this bipartisan, commonsense QM fix can soon see swift action by the Committee as well.

Again, thank you leadership in addressing one of the outstanding QM related issues. Credit union mortgage lending is a vital part of the housing market and allows over 97 million credit union members the opportunity to attain homeownership. Regulatory burden placed on credit unions by the CFPB's QM definition will only add to the growing amount of regulatory compliance at credit unions and needlessly detract from member service. If my staff or I can be of assistance to you, or if you have any additional questions regarding this issue, please feel free to contact myself, or NAFCU's Director of Legislative Affairs, Jillian Pevo, at (703) 842-2836.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs