

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-1013

August 1, 2014

Dear Majority Leader Reid, Chairman Johnson and Members of the Senate Committee on Banking, Housing, and Urban Affairs:

On June 9, the House passed the Mortgage Choice Act (H.R. 3211), on the suspension calendar without objection. Senators Manchin and Johanns introduced a companion bill, S. 1577 in October, but it has not yet been considered. We support the Mortgage Choice Act because of our concern about lower-income consumers' access to credit and their ability to select the mortgage and title insurance providers of their choice.

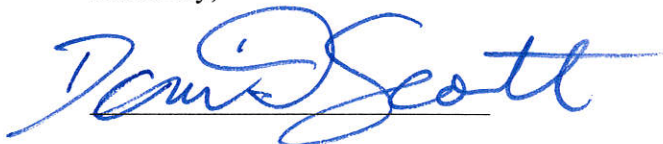
Passage of H.R. 3211 represents the fourth time that the House has approved virtually identical legislation without objection. In 2007 and 2009, a Democratic House majority passed essentially the same provision in the Miller-Watt-Frank anti-predatory lending legislation, and then a third time as part of the House's version of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010.

The Mortgage Choice Act simply excludes the cost of title insurance from the definition of points and fees under the Truth in Lending Act regardless of whether a title insurance agent is affiliated with a mortgage lender or not. It also clarifies that funds held in escrow for the payment of property insurance do not count as "points and fees." The legislation is needed to ensure that smaller loans to creditworthy low and moderate-income consumers can select the mortgage lender and title insurance provider of their choice and obtain a "qualified mortgage," the gold standard for all mortgages.

The bill authorizes the Consumer Financial Protection Bureau to implement rules governing the exclusion of reasonable title insurance charges from "points and fees." It preserves the Bureau's strong enforcement authority to require transparency and disclosure of affiliations and charges under the Real Estate Settlement Procedures Act (RESPA). In fact, the CFPB has been vigorous in its pursuit of RESPA violations, ranging from minor disclosure errors to kick-backs for referrals by an unaffiliated title company.

We urge you and the entire Senate to quickly adopt the Mortgage Choice Act to improve access to credit, enhance competition among title insurance providers, and reinforce the CFPB's authority to define what title insurance costs qualify as excludable "points and fees."

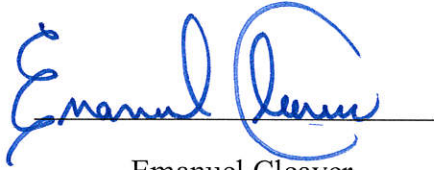
Sincerely,



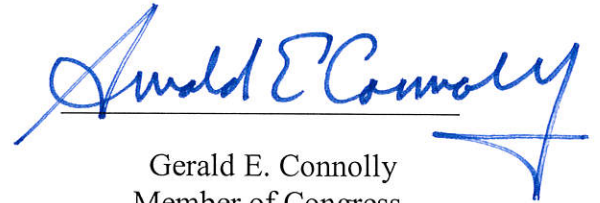
David Scott  
Member of Congress



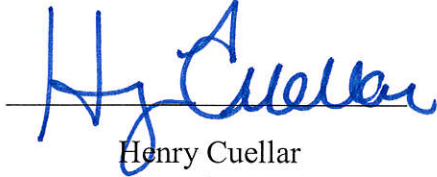
Maxine Waters  
Member of Congress



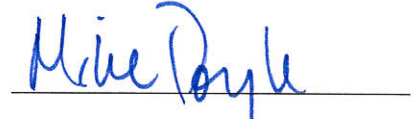
Emanuel Cleaver  
Member of Congress



Gerald E. Connolly  
Member of Congress



Henry Cuellar  
Member of Congress



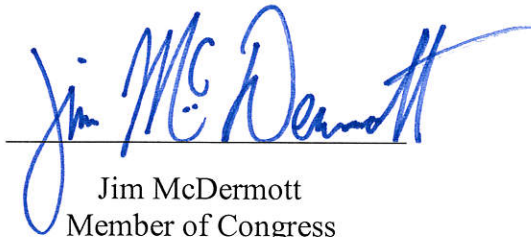
Michael F. Doyle  
Member of Congress



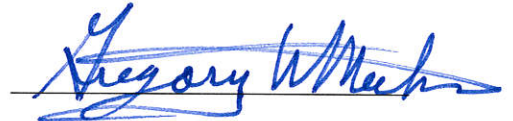
Daniel T. Kildee  
Member of Congress



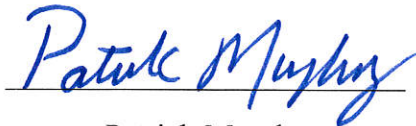
Betty McCollum  
Member of Congress



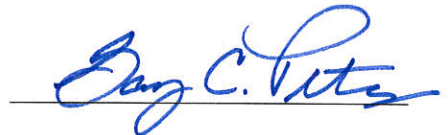
Jim McDermott  
Member of Congress



Gregory W. Meeks  
Member of Congress



Patrick Murphy  
Member of Congress



Gary C. Peters  
Member of Congress