



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

October 12, 2017

America's Homeowners Alliance
Community Mortgage Lenders of America
Community Home Lenders Association
Leading Builders of America
National Association of REALTORS®
National Association of Home Builders
National Urban League
Real Estate Services Providers Council, Inc.
RESPRO®

Asian Real Estate Association of America
Consumer Federation of America
Community Associations Institute
Mortgage Bankers Association
The Reality Alliance
National Fair Housing Alliance
National Community Reinvestment Coalition
National Association of Hispanic Real Estate
Professionals

Dear Stakeholders:

Thank you for your letter of August 22, 2017 about the assessment the Federal Housing Finance Agency (FHFA) has in process on updating credit scoring models and the possible use of competitive credit scores in making mortgage lending decisions.

I am pleased that representatives from a number of your organizations were able to meet with me and FHFA staff on October 4 to discuss the concerns and questions outlined in your August 22 letter. I thought the meeting was timely and productive and that it provided an opportunity to exchange useful ideas and information, as well as an opportunity for FHFA to address certain misconceptions about positions we had previously stated.

In follow up to the October 4 meeting, I am pleased to confirm the following:

1. FHFA will continue our efforts to make a thorough assessment of all factors that we find are relevant to reaching an informed decision about the possible use of updated scoring models;
2. As part of our assessment process, FHFA expects to issue a request for input (RFI) this fall to help us identify the relevant factors and obtain the perspectives of a diverse cross section of market participants and interested parties on these factors;
3. FHFA expects to receive responses to the RFI in the first quarter of 2018;
4. FHFA expects to announce our conclusions and a decision about credit scoring models in 2018 as soon as we complete our assessment of the responses. The implementation date for any changes arising from FHFA's decision would not be before 2019, in order to provide the Enterprises and industry participants 12 – 24 months to implement any such changes; and
5. While we continue to work towards a decision about credit scoring models, FHFA and the Enterprises also will continue to evaluate other ideas for increasing access to credit

for creditworthy borrowers and to implement such ideas that we determine would not adversely impact safety and soundness.

I encourage you and the members of each of your organizations to respond to the RFI when it is released this fall and thank you for your continuing involvement in this critically important process.

Sincerely,

A handwritten signature in cursive script that reads "Melvin L. Watt". The signature is written in black ink and is positioned below the word "Sincerely,".

Melvin L. Watt