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National Association of Federally-Insured Credit Unions

November 13, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Re: Today's Committee Markup

Dear Chairwoman Waters and Ranking Member McHenry:

I write today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in regards to today's markup to share our thoughts on legislation before the Committee. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 118 million consumers with personal and small business financial service products.

NAFCU is supportive of H.R. 2445, the *Self-Employed Mortgage Access Act of 2019*, offered by Representative Bill Foster. This legislation would require the Consumer Financial Protection Bureau (CFPB) to amend its Ability-to-Repay/Qualified Mortgage (ATR/QM) standard to ensure that lenders can continue to use standards from Appendix Q for verifying monthly debt and income or substitute government program mortgage standards.

Second, NAFCU is also generally supportive of efforts to combat abusive debt collection practices. As the Committee looks to advance legislation in this area, we would caution, however, that solutions are practical and workable, so as not to hamper legitimate debt collection efforts. For example, the proposed text of H.R. 5013, the *Small Business Fair Debt Collection Protection Act*, would appear to expand coverage beyond just small businesses by eliminating the limitation of the rule to just consumers and only affirmatively stating it covers small businesses, while staying silent on businesses above the small business threshold. Underwriting and collections for businesses is different than for consumers. While no one wants small businesses to face abusive debt collection, we are concerned about the scope of the proposed text before the Committee.

Additionally, the efforts of H.R. 5021, the *Ending Debt Collection Harassment Act of 2019*, to treat electronic communication methods in the same manner as other communication channels, do not seem unreasonable. However, Section (d) of the legislation would appear to require lenders to send multiple duplicative notices. Additionally, we would recommend further review of how to handle situations for debt collectors when a borrower had indicated to a lender that their preferred method of communication was via electronic means.



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Thank you for the opportunity to comment on a few of the measures before the Committee today. We appreciate your leadership and ongoing focus on issues important to credit unions. We look forward to working with you on these issues. Should you have any questions or require any additional information, please do not hesitate to contact me or Sarah Jacobs, NAFCU's Associate Director of Legislative Affairs, at 703-842-2231 or sjacobs@nafcu.org.

Sincerely,

Brad Thaler,
Vice President of Legislative Affairs

cc: Members of the House Financial Services Committee