

COALITION FOR SENSIBLE HOUSING POLICY

For Immediate Release – October 21, 2014
Contact: Brian Berry (Brian@clsstrategies.com)

Coalition Statement on Completion of Qualified Residential Mortgage Rule

Washington, D.C. – Today, the Coalition for Sensible Housing Policy released the following statement in response to the completion of the Qualified Residential Mortgage (QRM) rule as required by the Dodd-Frank Act:

“We are pleased federal regulators have finalized the QRM rules and in doing so, preserve a role for prudently underwritten, low down payment loans. This final rule protects the marketplace while ensuring creditworthy homebuyers have access to safe mortgage financing with lower risk of default.”

The agencies that drafted the QRM rule are the FDIC, Office of the Comptroller of the Currency, Federal Reserve Board, Federal Housing Finance Agency, Securities and Exchange Commission and the Department of Housing and Urban Development.

The Coalition for Sensible Housing policy has long agreed that harmonizing QRM with the CFPB’s Qualified Mortgage (QM) rule will ensure that safe and sound lending protections are put in place, but without locking lower-wealth families out of homeownership or unduly restricting the housing market from efficiently accessing private capital.

“No documentation loans, poorly underwritten loans and other exotic features played a significant part in the subprime housing collapse,” said coalition member **Ken Edwards of the Center for Responsible Lending**. “We are pleased that consistent with the QM rule, QRM is not hinged on an arbitrary down payment. A mandated down payment of 20, or even 10 percent, would block many qualified low to moderate-income borrowers from access to credit.”

“This QRM rule rewards prudent mortgage lending, and provides clarity needed to draw more private capital into the marketplace, which will help expand loan availability for qualified home buyers,” said coalition member **Rohit Gupta, co-chairman of U.S. Mortgage Insurers**.

“The new QRM rule will encourage sound and financially prudent mortgage financing by lenders while also ensuring responsible homebuyers have access to safe and affordable credit. The synchronization with the QM rule will provide lenders with much needed clarity and consistency as they apply the new standards to loan applications while also providing a framework to bring more competition to the secondary mortgage market,” said coalition member **Steve Brown, president of the National Association of REALTORS®**.

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The Coalition for Sensible Housing Policy is a diverse coalition of approximately 50 consumer organizations, civil rights groups, lenders, real estate professionals united in their opposition to high down payment requirements that could freeze credit-worthy Americans out of the housing market. For more information, including a full list of members, visit www.sensiblehousingpolicy.org.