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URGENT ACTION ALERT

DATE: March 9, 2018
TO: Concerned Parties
FROM: Hilary O. Shelton, Director, NAACP Washington Bureau

URGE YOUR SENATORS TO PRESERVE AND PROTECT THE CRUCIAL HOME MORTGAGE DISCLOSURE ACT (HMDA)

***A BILL CURRENTLY BEING CONSIDERED BY THE FULL US SENATE WOULD
DECIMATE HMDA, WHICH HELPS PREVENT DISCRIMINATION IN HOME
MORTGAGES; SENATE VOTE ON AN AMENDMENT COULD BE AS EARLY AS
LATE MONDAY AFTERNOON***

THE ISSUE:

Originally enacted in 1975, the *Home Mortgage Disclosure Act*, or HMDA, requires many financial institutions to maintain, report, and publicly disclose information about mortgages. The law was updated and expanded to include additional reporting requirements in 2010 by the *Dodd-Frank Wall Street Reform and Consumer Protection Act*. The data gathered by HMDA is crucial because it demonstrates patterns of whether lenders are serving the housing needs of their communities; it sheds light on lending patterns that could be discriminatory; and it gives public officials and policy advocates information that help them make decisions and establish policies. HMDA data can also help us determine if certain areas or businesses are facing increased lending costs and therefore a greater risk of foreclosure. Under current law, there is an exemption from the additional reporting requirements for small banks and credit unions that made 25 loans or less in each of two preceding years; as a result, over 20% of lenders are already exempted from additional reporting set forth by *Dodd-Frank*.

The U.S. Senate is currently considering a bill, S. 2155, the mis-named *Economic Growth, Regulatory Relief, and Consumer Protection Act*. The NAACP opposes this legislation for several reasons: it would demonstrably erode protections and information available to consumers and policymakers regarding financial services. Of great concern to us is section 104, which would exempt 85% of banks and other mortgage providers from full reporting of loan data under HMDA. Exempting lenders from reporting the expanded HMDA requirements means that we will lose data on loan characteristics (such as interest rate, loan term, introductory rate period, and other features) and on borrower characteristics (including age, credit score, debt to income ratio). Senator Catherine Cortez Masto (NV) intends to offer an amendment to completely strike Section 104. If Senator Cortez Masto is allowed to offer her amendment, and if it is accepted, the bill will move forward without harming HMDA. **The NAACP-supported Cortez Masto amendment is likely to be considered as early as Monday, 3/12!**

THE ACTION WE NEED YOU TO TAKE:

Contact both your Senators and **URGE THEM TO SUPPORT SENATOR CORTEZ MASTRO'S AMENDMENT TO S. 2155 TO STRIKE THE HMDA-HARNING LANGUAGE FROM THE BILL.** To contact your Senators, you may:

✓ **Make a Phone Call:**

Call your Senators in Washington by dialing the Capitol Switchboard and asking to be transferred to your Senators' offices. The switchboard phone number is **(202) 224-3121** (see message section, below).

✓ **Write a Letter**

To write letters to your Senators, send them to:

The Honorable (name of Senator)
U.S. Senate
Washington, D.C. 20510

✓ **Send a Fax**

If you would like to send a fax, call your Senators' or Representative's offices (through the Capitol switchboard) and ask for their fax numbers (you can use either the attached sample letter or the message box, below).

✓ **Send an E-Mail**

To send an e-mail to your Senators, go to www.senate.gov; click on "*Find Your Senators*". Look up your Senators by state; go to their web sites for e-mail addresses.

**NO TIME
TO MAIL
A
LETTER!
CALL,
SEND AN
E-MAIL
OR FAX
TODAY!**

**A SAMPLE
LETTER IS
ATTACHED**

REMEMBER TO CONTACT BOTH YOUR SENATORS!!!!

THE MESSAGE

- The data we get from the Home Mortgage Disclosure Act (HMDA) is vital because it demonstrates patterns of whether lenders are serving the housing needs of their communities; it sheds light on lending patterns that could be discriminatory; and it gives public officials and policy advocates information that help them make decisions and establish policies;
- As currently written, S. 2155 would exempt 85% of lenders from fully reporting HMDA data which is used to identify discrimination in mortgage lending
- Exempting lenders from reporting the expanded HMDA requirements means that we will lose data on loan characteristics (such as interest rates, loan terms, introductory rate periods, and other features) and on borrower characteristics (including age, credit score, and debt to income ratio).

THANK YOU FOR YOUR ATTENTION TO THIS IMPORTANT MATTER!!!

If you have any questions, call Hilary Shelton at the Washington Bureau at (202) 463-2940.

MEMBERSHIP IS POWER! JOIN THE NAACP TODAY.

To become an NAACP member or to sign up for e-mail legislative and press updates, visit www.naacp.org

Sample Letter

(date)

The Honorable _____
United States Senate
Washington, D.C. 20510

**RE: SUPPORT FOR AN EXPANSIVE HOME MORTGAGE DISCLOSURE ACT (HMDA)
SUPPORT FOR SENATOR CORTEZ MASTRO'S AMENDMENT TO S. 2155**

Dear Senator _____;

As your constituent, I strongly urge you to support and vote in favor of amendment #2157 to be offered by Senator Catherine Cortez Mastro (NV) to S. 2155, the mis-named *Economic Growth, Regulatory Relief, and Consumer Protection Act*. Senator Cortez Mastro's amendment would strike section 104 of the legislation, thereby leaving the Home Mortgage Disclosure Act (HMDA) unscathed by S. 2155. S. 2155 is a bad bill; it would demonstrably erode protections and information available to consumers and policymakers regarding financial services. By striking Section 104, the section which would exempt 85% of depository institutions from full reporting of loan data under HMDA, Senator Cortez Mastro's amendment would mitigate some of the most egregious damage done by the bill in our attempts to ensure that banks and mortgage lenders are serving all Americans fairly and without discrimination.

Without the crucial data which is currently required, regulators and other groups like the NAACP would once again be left without the information we need to see patterns in loan terms and loan amounts. These patterns are crucial not only in identifying discriminatory practices, but they could help us to determine if certain areas or businesses are facing increased costs and therefore a greater risk of foreclosure. If Section 104 is ultimately enacted, it is estimated that 5,400, or 85% of depositories would not have to update reporting on their mortgages. This higher threshold would sacrifice key data about lending in underserved communities that would help to ensure the flow of credit to qualified borrowers, stimulate the economy, and prevent future mortgage crises.

I firmly adhere to the adage that "to truly understand a problem, we must first accurately and fully measure it." If we as a nation learned anything from the 2008 financial crisis, it is that American consumers need more information and protection, not less. The stark disparities in access to mortgage credit and the continued struggle for economic recovery in the communities hit hardest by the financial crisis of 2008 that still exist call for a strengthening of our nation's fair lending laws, specifically HMDA, not a weakening of them. I thus urge you in the strongest terms possible to support Senator Cortez Mastro in her efforts and her amendment # 2157 to strike section 104 of S. 2155.

Thank you,

(sign and print your name and
remember to include your address)

***Remember to contact
BOTH your Senators.***