

July 16, 2015

The Honorable James M. Inhofe
Chairman
Senate Environment and Public
Works Committee
United States Senate
Washington, D.C. 20510

The Honorable Barbara Boxer
Ranking Member
Senate Environment and Public
Works Committee
United States Senate
Washington, D.C. 20510

Dear Chairman Inhofe and Ranking Member Boxer:

The undersigned financial services trade associations representing more than 14,000 financial institutions of all sizes and charter types and tens of millions of customers and members write in strong opposition to the inclusion of any revenue raising provisions in the Highway and Transportation Funding Act of 2015 (the Act) which would create new reporting mandates for mortgage lenders just as they struggle to adapt to a new and significantly more burdensome compliance environment. We strongly support the core provisions of the Act, which would help maintain and improve our national transportation infrastructure.

As you know, the House-passed Highway and Transportation Funding Act (H.R. 3038) contains new reporting mandates for all mortgage lenders to the IRS, including the date of origination of each mortgage, the amount of outstanding principal balance of the loan, and the property address. Mortgage lenders already report to the IRS on interest paid annually by the borrower, which helps ensure tax compliance. Mortgage lenders also report the data specified in Section 2003 to the Consumer Financial Protection Bureau in compliance with the Home Mortgage Disclosure Act. We strongly oppose duplication of this reporting for the IRS.

Community banks and credit unions did nothing to contribute to the recent financial crisis, but regulators continue to issue new rules which have reconstructed every aspect of the mortgage lending industry in recent years, with a disproportionate impact on the smallest institutions which have fewer staff assigned to compliance and a smaller asset base over which to minimize the impact of the cost. The compliance burden has increased sharply, changing the economics of the mortgage business and driving consolidation which will result in reduced consumer choice and less competitive rates and fees.

Together, banks and credit unions have engaged Congress with the common goal to provide meaningful, needed, and long-overdue regulatory relief. Thousands of bankers and credit unions have passionately advocated for relief from the regulatory burdens they face on a daily basis. To create yet another new reporting requirement – increasing rather than reducing regulatory burden and expense, especially for the smallest lenders – would be a step backwards and a jarring contrast of expectations for mortgage lenders and their customers.

We strongly urge you to not include any new mortgage reporting mandates in the Highway and Transportation Funding Act. Thank you for your consideration of our views.

Sincerely,

Credit Union National Association
Independent Community Bankers of America
National Association of Federal Credit Unions

cc: The Honorable Mitch McConnell
The Honorable Harry Reid
The Honorable Orrin Hatch
The Honorable Ron Wyden