



January 15, 2015

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, D.C. 20552

Dear Director Cordray,

Earlier this week, the Bureau posted a mortgage rate checker tool as part of its “Know Before You Owe” campaign. While MBA supports the goal of ensuring that consumers are adequately informed of rates and other costs when shopping for a mortgage, we do not believe that this tool in its current form serves that end. The site does not provide comprehensive information for borrowers and the process by which it was developed lacked stakeholder input. Considering the importance of this effort to consumers, MBA urges that the rate checker be taken down pending further review and stakeholder guidance.

As described, the tool uses a credit score, state property location, and a downpayment percentage to generate an estimate for a borrower of mortgage rates available. The website indicates rate information for the rate checker is provided by a private firm who collect data from “real” lenders and is updated every business day. When the imprimatur of the government is associated with particular data, the public assumes the data is complete and accurate. However, the lenders’ rates included in the tool are only “a mix of large banks, regional banks, and credit unions.” Current estimates are that independent mortgage bankers comprise approximately 36 percent of the mortgage market. Yet such lenders’ rates are not included in the data. Similarly, discount points, origination fees, and mortgage insurance are a significant part of the cost of mortgage finance and are critical for any website that purports to be a comprehensive borrower decision tool.

This tool was introduced with no apparent effort to obtain input from industry stakeholders to ensure the integrity of the project and usefulness to consumers. Clearly, there was no need to hastily provide a website. In today’s marketplace, websites and other tools provide information on community mortgage rates. It’s not clear this tool is any more reliable than others available on the internet today.

Currently, industry is expending tremendous effort to implement new disclosures under the TILA-RESPA Integrated Disclosure rule which requires that lenders disclose a host of fees and charges to consumers. At a minimum, this effort should be harmonized with the TILA-RESPA disclosures.

CFPB has also indicated that the rate checker tool is a “beta” version and that features may be added in the future. We believe that the Bureau must not only offer an opportunity for stakeholder input going forward, but that it must also lay out a clear vision of its objectives for future versions of the rate checker tool.

Given our concerns, MBA urges the Bureau to suspend the rate checker tool and meet with industry and other stakeholder representatives at the earliest date to ensure that that this project benefits the consumers we all seek to serve.

Sincerely,

A handwritten signature in black ink, appearing to read "D.H. Stevens". The signature is fluid and cursive, with a large initial "D" and "S".

David H Stevens  
President and Chief Executive Officer