



September 21, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
2221 Rayburn House Office Building
Washington, D.C. 20515

Dear Speaker Pelosi, Minority Leader McCarthy, Chairwoman Waters and Ranking Member McHenry:

On behalf of the Mortgage Bankers Association (MBA), I am writing to express our views on H.R. 6934, legislation introduced by Representatives Madeleine Dean (D-PA), Maxine Waters (D-CA), and Andy Barr (R-KY) that will be considered by the full House of Representatives this week under suspension of the rules.

Subsection (a) of H.R. 6934 would amend the CARES Act by requiring uniform treatment of nationally recognized statistical rating organizations (“NRSROs”) under Section 13(3) facilities established by the Federal Reserve in response to the COVID-19 emergency. Subsection (a) also protects the Federal Reserve’s and Treasury Department’s discretion to exclude particular NRSROs the agencies deem unreliable or ill-suited for particular asset classes in consultation with the Securities and Exchange Commission. Finally, Subsection (b) of H.R. 6934 mandates a study from the U.S. Government Accountability Office on the quality of credit ratings among NRSROs, the effect of competition on credit ratings and capital market access, and the implementation of this bill.

MBA strongly supports Subsection (a) of this legislation. In developing broad-based facilities to support the economy during these extraordinary times, the Federal Reserve and the Treasury Department should not unnecessarily limit the scope of these facilities by excluding assets based on the NRSRO that provided their ratings. HR 6934 sets an appropriate baseline for these facilities by requiring acceptance of ratings by all SEC-registered NRSROs unless the Federal Reserve or the Treasury Department articulates a compelling rationale for excluding certain NRSROs. This reform will broaden the impact of the pandemic-related facilities, enabling them to provide more effective support for the economy.

Thank you for your consideration of the views expressed within this letter. We look forward to our continued work together to promote a more competitive and sustainable real estate finance market in the United States.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Killmer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bill Killmer
Senior Vice President, Legislative and Political Affairs

cc: All Members: U.S. House of Representatives