



March 24, 2009

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington DC 20515

The Honorable Spencer Bachus
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington DC 20515

Dear Chairman Frank and Ranking Member Bachus:

As Congress tackles the difficult task of bringing needed reform to mortgage industry regulation, the Mortgage Bankers Association (MBA) is pleased to share with you its proposal for reforming lending and servicing practices and streamlining and improving consumer protection.

MBA's proposal – the “Mortgage Improvement and Regulation Act” (MIRA) – would establish a new, comprehensive framework for national regulation of mortgage lending to protect borrowers and improve the mortgage process nationwide. Some of the key areas of reform include:

New, Federal Regulation. Any new regulatory framework must begin with the creation of a strong federal regulator to set lending and servicing standards. The new regulator would be charged with regulating independent mortgage bankers and brokers and assuring that these entities meet tough national licensing and registration standards as well as increased net worth and bonding requirements. The new regulator also will work with federal and state regulators to enforce lending standards for their regulated entities. Additionally, to better protect consumers, MIRA will require enhanced consumer disclosures, mandate pre-purchase counseling and expand financial literacy programs.

A Strong Consumer Protection Standard for Everyone, Regardless of Who Sells the Mortgage Or Where They Live. MIRA will replace the current patchwork of state and federal laws with a new uniform lending standard, incorporating in statute many of the rules promulgated by the Federal Reserve Board to address higher priced mortgage loans and deceptive advertising. It will then build on that framework by merging in many of the provisions passed by the House of Representatives in 2007 as part of H.R. 3915, as well as new, enhanced protections designed by MBA.

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A Partnership with State Regulators. While MIRA would preempt contrary state and local laws, it would establish a partnership of state and federal regulators to make necessary changes to the national mortgage standards. State regulators would also examine, review and enforce the new uniform lending standard and receive additional resources, funded by assessments on regulated entities, to carry out their responsibilities.

For more complete and detailed information about MIRA, please see the attached summary.

On behalf of our 2,400 members, MBA stands ready to work with Congress on legislation that achieves these goals. Reform of mortgage industry regulation is urgently needed and must be a key component of our nation's economic recovery. With MIRA, we believe we have a comprehensive proposal that is truly national in scope – one that will lead to a more competitive primary mortgage market with increased transparency and much greater protection for consumers.

Sincerely,



John A. Courson
President and Chief Executive Officer



David G. Kittle, CMB
Chairman

cc: Members of the House Committee on Financial Services.

Attachment: MBA's MIRA Proposal