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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

GREGG RICHARD, STAFF DIRECTOR  
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May 27, 2020

The Honorable Kathleen Kraninger  
Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20503

The Honorable Mark Calabria  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street SW  
Washington, DC 20024

Dear Director Kraninger and Director Calabria:

We are writing regarding the Consumer Financial Protection Bureau (CFPB) and the Federal Housing Finance Agency's (FHFA) joint announcement of the Borrower Protection Program. The announcement states that the CFPB will share consumer complaint data and analytics with FHFA, and FHFA will provide the CFPB with its internal data on mortgage forbearances, modifications, and other loss mitigation.

Sharing information between your agencies is an important first step to ensure that homeowners are getting the help they need. The CFPB's supervisory, research, and market monitoring tools and consumer-oriented perspective coupled with FHFA's loan-level data could provide unique insights into borrowers' experiences.

But information sharing alone will not protect borrowers. Once information is shared, the CFPB and FHFA must also have plans to use their respective tools and authorities to immediately address trends that indicate borrowers are receiving inaccurate information or unequal treatment, or that servicers are not complying with the law. Timeliness of the CFPB and FHFA's oversight is critical to avoid unnecessary borrower defaults and foreclosures. Just a few weeks of delay could have disastrous outcomes for consumers who may lose the ability to access an affordable modification after just two months or face foreclosure after four months.

To help us better understand what steps your agencies will take to protect homeowners through the Borrower Protection Program, please respond to the following questions:

1. It has been more than nine weeks since the COVID-19 national emergency declaration, and borrowers may already have experienced weeks of financial hardship.
  - a. When will the CFPB and FHFA first share data under the Borrower Protection Program?
  - b. What specific actions will the CFPB and FHFA take, respectively, if either agency identifies noncompliance or consumer harm both to get consumers accurate information and to address noncompliance? Please list all tools that could be used by each agency.

2. Consumer complaint data is an important source of information, but it is not the CFPB's only tool to monitor consumer harm. In addition to consumer complaint data, what other information will the FHFA receive from the CFPB?
3. The CFPB has regulatory and supervisory authority over many of the largest mortgage servicers, including depositories with more than \$10 billion in assets and nonbank mortgage servicers.
  - a. Will the information examined under the Borrower Protection Program show data by loan servicer? If so, how will the CFPB use any servicer-specific data to inform its supervisory activities?
  - b. Will any servicer-specific data distinguish between loans in forbearance and delinquent loans? If so, how will the CFPB or FHFA monitor and address disparities in delinquency rates amongst servicers to ensure that those borrowers who are facing a financial hardship and eligible for forbearance can receive it?
  - c. To the extent that the CFPB or FHFA receives information or identifies trends among mortgage servicers that do not fall within the CFPB's supervisory authority, will the CFPB or FHFA communicate those findings to the appropriate regulator to ensure compliance with servicing laws and policies? If not, why not?
4. Will information provided to the CFPB include borrower demographic information when available, including race, ethnicity, English proficiency, age, or other protected classes under the Fair Housing Act to facilitate fair lending oversight?
  - a. How will the CFPB use any available information to ensure that mortgage servicing policies and practices result in equal treatment for all borrowers? Will the CFPB monitor forbearance rates, delinquency rates, loan modifications, non-retention loss mitigation options, and foreclosures by protected class?
  - b. What tools will the CFPB and FHFA use to address any disparate outcomes?
5. Will any information provided to either agency include a borrower's servicemember status, when available, to monitor compliance with the Servicemembers Civil Relief Act (SCRA)? If possible violations of the SCRA are identified, which agency will address those violations?
6. Many mortgage servicers service not just Fannie Mae and Freddie Mac loans, but also FHA, VA, USDA, and HUD Section 184 loans, as well as loans in private-label securities.
  - a. Will the CFPB enter into agreements with the other federal agencies, which collectively insure or guarantee more than 25 percent of loans, to share data and inform those agencies' supervision of their servicers? If not, why not?
  - b. Borrowers whose loans are not guaranteed by Fannie Mae or Freddie Mac or insured or guaranteed through a federal program are not assured to receive forbearance or other relief if they face a hardship, and information about outcomes for these borrowers will be limited. How will the Borrower Protection Program protect borrowers whose loans are not guaranteed by Fannie Mae or Freddie Mac or insured or guaranteed through a federal program?
7. Will the CFPB and FHFA publish regular, public updates on the Borrower Protection Program to share findings and actions? If not, why not?

It is critical that the CFPB and FHFA act quickly to ensure homeowners across the country can access the relief they need during this national emergency. Any delay could result in unnecessary delinquencies and foreclosures that will set consumers back, rather than helping them recover.

Thank you for your prompt attention to this request.

Sincerely,

/s/ Sherrod Brown  
Sherrod Brown  
United States Senator

/s/ Jack Reed  
Jack Reed  
United States Senator

/s/ Mark R. Warner  
Mark R. Warner  
United States Senator

/s/ Elizabeth Warren  
Elizabeth Warren  
United States Senator

/s/ Brian Schatz  
Brian Schatz  
United States Senator

/s/ Chris Van Hollen  
Chris Van Hollen  
United States Senator

/s/ Catherine Cortez Masto  
Catherine Cortez Masto  
United States Senator

/s/ Tina Smith  
Tina Smith  
United States Senator