

October 28, 2014

Submitted via email to: [FederalRegisterComments@cfpb.gov](mailto:FederalRegisterComments@cfpb.gov)

Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552.

Re: Home Mortgage Disclosure Act (Regulation C) Proposed Rule, Docket No. CFPB–2014– 0019

Dear Sir or Madam:

On behalf of the undersigned organizations, please find our comments on the above-referenced proposed rule on Home Mortgage Disclosure (Regulation C), which proposes to amend Regulation C to implement amendments to the Home Mortgage Disclosure Act (HMDA) made by section 1094 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The Consumer Financial Protection Bureau (CFPB) proposes to add several new reporting requirements and to clarify several existing requirements. CFPB also proposes changes to institutional and transactional coverage under Regulation C. The CFPB proposed the new rule in August 2014 that would expressly extend Home Mortgage Disclosure Act (HMDA) reporting to multifamily mortgages and would apply to depository and non-depository lenders covering loans and applications for which the lender is the decision maker.

Our organizations represent thousands of firms involved in the multifamily rental housing and housing cooperatives industry, including the building, finance, operation, ownership and management of affordable rental properties. Several of our organizations are also affiliated with local organizations as well. This letter focuses on the proposed changes with regard to application of the proposed rule to multifamily mortgages and corporate borrowers. We do not believe that the new HMDA reporting requirements should apply to multifamily lenders and corporate borrowers in the non-consumer facing multifamily real estate market.

Loans on multifamily real estate are typically business-to-business commercial real estate financial transactions generally between sophisticated corporate borrowers and lenders. Multifamily real estate lending, like other commercial real estate lending, is based on the business of managing an income-producing property, the value of the underlying property, and certainty of operating cash flow from the property as an income-producing asset. The data evaluated for multifamily loans is very different than that evaluated for single family mortgages and includes income and expense analysis, rent rolls, operational capability of the owners, market analysis as to trends in rental rates and absorption of new units, an examination of capitalization rates, market economics and competition. By contrast, single-family mortgage lending is consumer facing and relies upon the credit score, credit scoring models, personal income and other characteristics unique to individual borrowers.

We, therefore, do not believe that multifamily loans should be subject to reporting under HMDA. Indeed, many of the data fields required and newly proposed under HMDA would be inapplicable or create significant confusion in light of the fundamentally different characteristics of the multifamily

commercial real estate market. We do not believe that the single-family oriented HMDA data collection process recognizes the unique characteristics of multifamily mortgages or corporate borrowers.

For the reasons described above, we urge CFPB to exclude multifamily commercial real estate loans from HMDA reporting. Multifamily real estate finance is qualitatively different from consumer-facing single-family home purchase or refinance transactions, and should not be incorporated in this proposed HMDA regulation.

Please contact Eileen Grey at 202-557-2747 with any questions or comments.

Sincerely,

Council for Affordable and Rural Housing  
Institute of Real Estate Management  
Mortgage Bankers Association  
National Apartment Association  
National Association of Housing Cooperatives  
National Leased Housing Association  
National Multifamily Housing Council