

# United States Senate

WASHINGTON, DC 20510

May 22, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Kathleen L. Kraninger  
Director  
Consumer Financial Protection Bureau  
700 G Street, NW  
Washington, DC 20552

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

Dear Secretary Mnuchin, Director Calabria and Director Kraninger:

As the American economy looks toward a post-COVID-19 future, we must ensure that the infrastructure that makes our financial system the envy of the world remains foundationally strong. Many of the legislative and regulatory actions taken thus far, including Congress' recent replenishment of the Paycheck Protection Program and other positive actions taken by your agencies to protect Americans during this difficult time, will help put us on the pathway to a strong economic recovery. We applaud the steps taken by Treasury, FHFA and the CFPB to help Americans and businesses cope with the financial damage caused by COVID-19.

Unfortunately, as a result of COVID-19, many Americans are currently facing significant challenges to their personal financial security. Layoffs and the economic harm caused by the pandemic have left millions unable to meet their obligations under new and unforeseen circumstances. The country's economic recovery will be inextricably linked to the availability of needed credit products and flexible payment accommodations from their lenders. It is important that as policy responses are weighed, we do not disrupt Americans ability to access credit or dislocate the consumer credit reporting ecosystem that underpins lending markets.

To preserve the availability and viability of consumer credit for the future, Congress passed the CARES Act to support American borrowers by providing them with forbearance relief and eviction moratoriums to help alleviate some of their immediate financial strains. We are pleased to see that your organizations have issued guidance to your respective regulated entities pursuant to the CARES Act concerning how they should be working with their affected customers and encouraging them to grant uniform relief where appropriate. In particular, we applaud the statement issued by the FHFA this week that affirms Fannie Mae and Freddie Mac mortgages

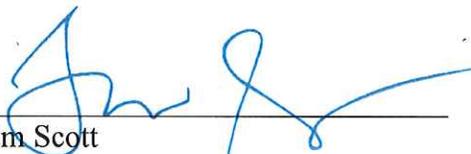
will not require a lump sum forbearance payment, and further encourages all mortgage servicers to defer forbearance payments to the end of the loan term.

Borrowers need this kind of regulatory leadership right now. Without this flexibility, borrowers may find themselves in a situation where delinquency or default is all but unavoidable, thus further imperiling critical segments of consumer lending markets. Strong oversight and guidance by financial regulators to ensure lenders are appropriately providing forbearance relief and other accommodations for affected consumers is consistent with the spirit of the CARES Act and will create a level playing field from which recovery can begin in earnest.

Some have called for more extensive and potentially erosive measures that go beyond what Congress outlined in the CARES Act and what your organizations have directed. These proposals include suppressing or deleting credit data. Americans borrowers have enough to worry about during this crisis without lawmakers sowing the seeds of the next credit contraction by eliminating critical risk management information that is necessary to ensuring access to credit. Altering credit data will harm the most vulnerable consumers, making credit less available and more expensive for consumers affected by the pandemic. Bad policies put in place, even with the best intentions, threaten to harm the stability of the entire financial system. It is paramount for America's economic and consumer recovery that we do not destroy our consumer credit markets that could well save consumers' financial futures.

We appreciate your continued efforts to protect consumers and encourage you to use your vast collective authorities to ensure consumer credit market participants are adhering to the spirit of the CARES Act and the regulatory guidance issued by your organizations.

Sincerely,



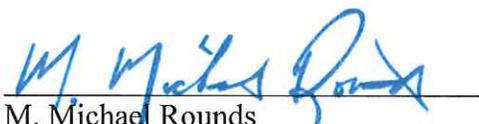
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Tim Scott  
United States Senator



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Mike Crapo  
United States Senator



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M. Michael Rounds  
United States Senator



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Thom Tillis  
United States Senator



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Richard Shelby  
United States Senator



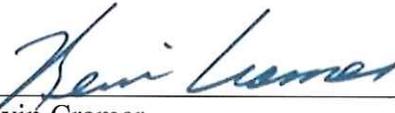
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Jerry Moran  
United States Senator



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Pat Toomey  
United States Senator



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Kevin Cramer  
United States Senator



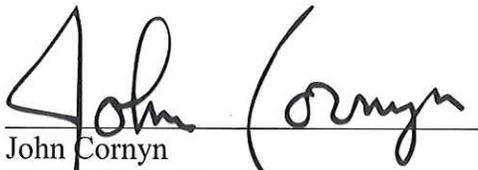
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David Perdue  
United States Senator



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Kelly Loeffler  
United States Senator



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John Cornyn  
United States Senator