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MORTGAGE BANKERS ASSOCIATION

July 16, 2020

The Honorable Benjamin S. Carson Sr., M.D.  
Secretary  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, S.W.  
Washington, DC 20410-0002

Dear Secretary Carson:

The Mortgage Bankers Association strongly supports the efforts of industry members and federal regulators to ensure that our housing and mortgage markets are free of discrimination. We commend HUD's mission to combat housing discrimination and appreciate recent efforts to align its fair lending rules with recent Supreme Court precedent on disparate impact under the Fair Housing Act.

While we appreciate that the proposed disparate impact rule was intended to provide guidance that appropriately aligns prior HUD rules with subsequent Supreme Court precedent, we recognize that many have expressed legitimate concerns that the rule erodes protections needed to combat housing discrimination and systemic inequality. At a time when we as a nation are having important and too-long-ignored conversations about racial inequality, we believe it is appropriate to withhold publication of the final disparate impact rule.

Instead, we call on HUD to bring the housing, lending, and civil rights communities together for renewed discussions about how to address the stubbornly wide housing and wealth gaps faced by communities of color that still exist – and by some measures have grown worse – more than 50 years after the passage of the Fair Housing Act. Effective fair lending enforcement is an important piece of this discussion. However, history has also made clear that enforcement by itself is not enough to address the structural issues that have put homeownership and generational wealth-building beyond the reach of too many minority families and communities.

Recent events have made clear that it is past time for our nation to address the persistence of systemic racism and the structural barriers to progress and equal opportunity for people of color. We also must acknowledge the historical fact that past policies of both industry and government have contributed to the wide gaps in wealth and homeownership experienced by minority households. As we move forward, we must be thoughtful and intentional in our approach to remedy past inequities and injustices.

RE: Disparate Impact Rule  
July 16, 2020  
Page 2 of 2

This is a pivotal moment in our history to reexamine the policies and programs that have so far failed to fully deliver on the promise of decent, affordable housing accessible to all Americans and all communities. Now is the time to scrutinize existing programs to expand those that work and fix or discard those that do not. Now is the time to work together to develop new approaches that leverage technology and creativity to close the minority homeownership and wealth gaps.

We respectfully urge HUD to refrain from publishing the final disparate impact rule at this time and instead call on you to leverage this opportunity for a broader conversation about reforming structural barriers to housing and homeownership faced by communities of color. We appreciate your consideration on this very important matter, at this very important time.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Broeksmit", with a stylized flourish at the end.

Robert D. Broeksmit, CMB  
President and Chief Executive Officer  
Mortgage Bankers Association