



**STATEMENT FROM THE COMMUNITY MORTGAGE LENDERS OF AMERICA**

JULY 18, 2014. Washington, D.C. The FHFA Inspector General yesterday released a report on trends in GSE mortgage purchases, which shows a purchase increase from nonbank lenders. The biases and unsupported speculation regarding nonbank lenders is extremely disappointing – one would and should expect higher quality analysis from regulators.

Equally disturbing, the report exhibited a bias towards large, too-big-to-fail banks, largely ignoring the failure of a number of large banks during the financial crisis that were major loans sellers to the GSEs. In contrast, numerous non-bank, community-based lenders honored their obligations to the GSEs and repurchased loans where mistakes were made, utilizing their own financial resources. In addition, these community lenders did so without receiving a dime of TARP money.

CMLA supports the enhanced risk management controls referenced in the report, which have been put in place by the GSEs. These controls serve to strengthen loan quality at the point of origination by the lender that is dealing directly with the consumer, a far more effective method than relying solely on after-the-fact controls.

The CMLA will work with the FHFA and GSEs to ensure their responses to this report will continue to permit well-managed, well-capitalized community-based lenders to fulfill their vital role in meeting the home financing needs of consumers

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