



United States Senate
WASHINGTON, DC 20510-0905

December 11, 2019

The Honorable Mark A. Calabria
Office of the Director
Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20219

Dear Director Calabria,

We write to express our concern over the Federal Housing Finance Agency's (FHFA) decision to move the Military Service question on the redesigned Uniform Residential Loan Application (URLA). We ask you to reconsider your decision and return the Military Service question to Section 1a of the URLA so that borrowers will have the opportunity to self-identify as servicemembers or veterans before completing the loan application and signing the final acknowledgments and agreements.

In August 2016, the FHFA decided to create a Military Service question as part of its URLA redesign. As you know, this question was placed on the first page of the form under Section 1a, personal information. Anecdotal evidence from the Veterans Association of Real Estate Professionals indicates that veteran and servicemember applicants are significantly less likely to explore VA loans if they do not have the opportunity to self-identify during the loan process. Thus, including the Military Service question and locating it at the beginning of the form were purposeful decisions aimed at ensuring veterans would self-identify early on and be given the opportunity to utilize their earned benefit.

In August 2019, the FHFA announced new changes to the URLA redesign, including moving the Military Service question from Section 1a to Section 7. As you also know, Section 7 follows Section 6, the Acknowledgments and Agreements section, where borrowers sign and attest to having read and agreed to the form's terms and obligations. It is our view that Section 6 appears to effectively end the borrowers participation, and it is likely that the Military Service question in Section 7 would go unacknowledged by the borrower or be presumed to be the lender's responsibility.

For years, industry participants have advocated for military servicemember identification on the URLA in order to help veterans and servicemembers make informed decisions based on all of their mortgage loan options. While we are pleased to see the inclusion of the Military Service question in the URLA, its proposed placement in Section 7 will not only lead applicants to consent to an incomplete form but is counterproductive to our shared goal of ensuring all veterans and servicemembers know their options when seeking to purchase a home.

Therefore, we ask the FHFA to respond in writing to the following questions by January 3, 2020 before the release of the updated form on February 1, 2020.

1. What was the rationale behind moving the Military Service question from Section 1a to Section 7?
2. On Fannie Mae's website, it states that the form has been reorganized so that "the information a borrower must provide, acknowledge, and agree to, has been separated from the information the lender collects and verifies during the processing and underwriting of the loan. Usability testing results highlighted definite improvements to the accuracy and speed of the data collection process fostered by this change."
 - a. How does placing the Military Service question in Section 7 ensure the borrower will acknowledge their service?
 - b. Does the lender not collect and verify all information provided in the first six sections of the form when processing and underwriting a loan?
 - c. Can you provide the usability testing results referenced above?
3. Do you acknowledge that self-identification during the loan process allows more veterans and servicemembers to explore VA loan benefits?
4. Do you have a timeline for mandatory use of the redesigned form?

The Military Service question is critical to helping the millions of homebuyers currently unaware of their VA benefit. The FHFA has once again delayed the mandatory use period of the redesigned URLA to allow for industry feedback. We respectfully urge you to then take this feedback into consideration and reassess your decision to relocate the Military Service question to Section 7.

We look forward to your prompt response. Thank you for your attention to this matter.

Sincerely,



Kyrsten Sinema
U.S. Senator



Kevin Cramer
U.S. Senator



Sherrod Brown
U.S. Senator



Thom Tillis
U.S. Senator



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U.S. Senator



Brian Schatz
U.S. Senator



John Hoeven
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Jacky Rosen
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Richard Blumenthal
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Catherine Cortez Masto
U.S. Senator



Amy Klobuchar
U.S. Senator



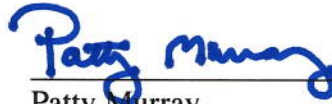
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Patty Murray
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