


## Your comment was submitted successfully!

The **Department of Housing and Urban Development (HUD)** Proposed Rule: **FR 5707-P-01 Qualified Mortgage Definition for HUD Insured and Guaranteed Single Family Mortgages (with omitted language) 10.22.2013**

For related information, [Open Docket Folder](#) 

3

### Your Receipt

Your Comment Tracking  
Number: **1jx-88gi-cnxo**

*Your comment will be viewable on Regulations.gov after the agency has reviewed it, which may be an indefinite amount of time. Use your tracking number to find out the status of your comment.*

Your comment:

**Comment:**

Indiana Credit Union League Comment Letter.

**Uploaded File(s)** (Optional)

- ICUL Comment letter HUD Qualified Mortgage Definition 10-13.pdf:  
**success**

This information will appear on  
Regulations.gov:

*None of the information will be  
displayed on Regulations.gov*

This information will **not** appear on  
Regulations.gov:

**First Name:** John  
**ZIP/Postal Code:** 46250  
**Last Name:** McKenzie  
**Email Address:** johnm@icul.org  
**City:** Indianapolis  
**Organization**

Regulations Division, Office of General Counsel  
Department of Housing and Urban Development  
451 7th Street SW  
Room 10276  
Washington, DC 20410-0500

Re: Docket No. FR-5707-P-01  
Qualified Mortgage Definition for HUD Insured and Guaranteed Single Family  
Mortgages

Dear Agency Representative:

The Indiana Credit Union League (ICUL) appreciates the opportunity to comment on the Department of Housing and Urban Development's (HUD) proposed rule to define the term "Qualified Mortgage" (QM) for its insured and guaranteed single family mortgages. The ICUL member credit unions represent 98% of assets and members of Indiana's credit unions, with those memberships totaling more than two million consumers.

In general we support HUD's proposed QM definition, in particular the inclusion of all Title I, section 184 and section 184a loans as QMs. We also are in agreement with the proposed definition not including the 43% debt-to-income (DTI) ratio requirements, as we feel this will result in many qualified borrowers with higher DTIs not having as many options available for financing their homes.

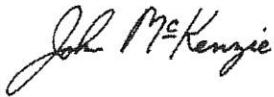
We do have concerns with the proposed method for calculating the Safe Harbor QM threshold. While we understand what the proposed approach is trying to accomplish, we believe that it could easily result in confusion and inadvertent non-compliance when other regulations addressing the same issue use a different method. We recommend that consideration be given to utilizing an approach that uses a single percentage point amount that still reflects the mortgage insurance premium. We would like to see consistency in the threshold calculation similar to the approach being taken by the Consumer Financial Protection Bureau. This would simplify the calculation and minimize the possibility of confusion.

Many lenders are in the process of updating their loan processing systems to meet the upcoming requirements of the various mortgage rules issued by the CFPB. We strongly believe that any regulations issued by multiple agencies related to similar activities such as real estate lending need to be as consistent as possible across agencies to minimize the possibilities for confusion resulting in inadvertent non-compliance by creditors. Those in the business of making loans to consumers should be able to rely on consistency in regulation to minimize the overall compliance burden. If systems have to be developed to meet differing requirements, this leads to increased expense, increased cost to the consumer and potentially fewer options for the consumer.

Another area of concern with the proposal is the potential inclusion of streamlined refinancings to the proposed QM definition. We would ask that HUD reconsider this. It is our belief that including streamlined refinancings in the proposed rule increases the compliance burden for all lenders, and may limit the ability or opportunity for lenders to refinance FHA loans. This would result in higher costs to the consumer, and potentially fewer options.

Thank you for the opportunity to comment on the proposal. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

A handwritten signature in cursive script that reads "John McKenzie".

John McKenzie  
President, Indiana Credit Union League