



## **On the CFPB's Request for Information Regarding Ability-to-Repay/Qualified Mortgage Rule Assessment**

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The Conference of State Bank Supervisors ("CSBS" or "state regulators") is the nationwide organization of state regulators from all 50 states, American Samoa, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. CSBS supports the state banking agencies by serving as a forum for policy and supervisory process development, and facilitates state implementation of policy through training, educational programs, and production of examiner tools and job aids. Each member state banking agency that CSBS represents has an in-depth, comprehensive understanding of the local economy and the firms that service that economy. In fact, states are the chartering authority and primary regulator for 78% of the nation's banks, a figure that represents 4,572 institutions with over \$5.3T in assets. State agencies are also the primary regulators of over 20,000 non-depository financial services providers, including: residential mortgage lenders and servicers, money service businesses and money transmitters, debt collectors, consumer and small dollar loan lenders, and emerging and established financial technology companies.

Like many federal regulatory standards, the Ability to Repay (ATR) and Qualified Mortgage (QM) Rule under the Truth in Lending Act (Regulation Z)<sup>1</sup>, has had effects on institutions that, because of their proximity to the local community, rely on more flexible underwriting and determination of ability to repay. State regulators continue to support the principles that drive the QM/ATR rule, but have several recommendations to better tailor the rule commensurate to the community bank business model. State regulator observations of the effects of the QM/ATR Rule and proposed solutions will be detailed below.

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