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April 24, 2013

The Honorable Richard Cordray
Director
The Consumer Financial Protection Bureau
1700 G Street, NW
Washington, D.C. 20552

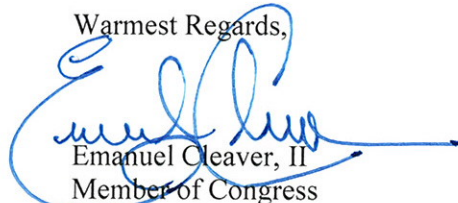
Dear Director Cordray:

I write to urge you to address a concern impacting rural communities throughout the country. Rural community bankers in my Congressional district (MO 05) have shared with me a concern with the Qualified Mortgage rule being issued by the Consumer Financial Protection Bureau (CFPB) as part of the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As you know, under this rule, "a creditor may assume that the loan has met the ability to repay the requirement if the loan is a qualified mortgage." Loans with balloon payments, relied upon by many rural lenders to do business, do not qualify under the criteria as a QM. While the CFPB provided for an exception for rural lenders, this definition is far too narrow.

In crafting this rule, the CFPB relied upon the United States Department of Agriculture's (USDA) Urban Influence Code formula. Certain counties within my Congressional District, which by all distinctions should be classified as rural communities, are excluded from this definition. These counties, with populations of less than 35,000, do not meet the rural criteria because of their proximity to Kansas City.

As we move forward from the economic crisis that has paralyzed us for the last five years, it is essential that lenders are still able to continue to serve the communities that depend on them. I am hopeful that you will re-evaluate and propose a more expansive definition of rural. If the definition stands as it is, rural bankers will face great difficulties in lending, and rural consumers will face great difficulties in securing capital. I thank you for your attention to this matter, and look forward to hearing your thoughts on how best to address this concern, which directly affects rural community banking in my Congressional district, and throughout the country.

Warmest Regards,



Emanuel Cleaver, II
Member of Congress