February 24, 2020

The Honorable Linda A. Lacewell
Superintendent of Financial Services
New York State Department of Financial Services
1 State Street
New York, New York 10004-1511

Dear Ms. Lacewell:

On behalf of the New York State Credit Union Association[1], the New York Mortgage Bankers Association[2], and the Mortgage Bankers Association[3] we are writing this letter to request an extension of time to comply with the extensive changes imposed on mortgage servicers by amendments to Sec 3NYCRR Part 419, finalized by the Department on December 18, 2019. Given the volume and complexity of these changes, both credit unions and mortgage bankers are concerned that they will not be able to comply within the 90 day timeframe provided by the Department. When CFPB promulgated its TRID regulations, impacted institutions were given almost two years to comply with the new framework. Given the fact that DFS is building on an existing regulatory framework, a two year delay is by no means necessary, but more than 90 days is required. Therefore, we respectfully request that DFS extend the date for Part 419 compliance by nine months.

In finalizing this regulation, the Department of Financial Services understood that many of the new requirements went beyond existing federal and state requirements, and servicers would

[1] The New York State Credit Union Association has for over 100 years represented the interests of both state and federally chartered credit unions, more than 100 of which provide mortgages to their members.
[2] The New York Mortgage Bankers Association, Inc. (NYMBA), is a 501(c)(6) not-for-profit statewide organization devoted exclusively to the field of real estate finance. NYMBA's rapidly growing membership is comprised of both bank and non-bank mortgage lenders and servicers, as well as a wide variety of mortgage industry-related firms. www.NYMBA.org
[3] The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, DC, the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership; and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

need time to comply with these mandates. Consequently, it provided servicers 90 days to comply with the new requirements. Over the past several weeks we have heard from the persons directly responsible for modifying existing procedures, training staff, working with vendors and interfacing with consumers. Based on these conversations, 90 days is not sufficient time to comply with these changes. Some examples will help put this request in context.

Among the new requirements to be imposed are changes to the timeline for sending out loss mitigation letters from 45 to 30 days; officially mandating that notices of delinquencies be sent 17 days following delinquency, replete with mandated consumer disclosures; a new full-year annual statement; new website disclosure requirements and arguably more specific staff training for responding to consumer complaints and borrower inquiries. These are all new procedures for which staff has to be trained, and new protocols tested and matured. Ultimately compliance and legal professionals will need adequate time to determine if the needed changes comply with these novel new requirements. Once these regulations take effect, they will not only create new regulatory requirements but provide a basis for defendants seeking to delay foreclosures and plaintiffs seeking to sue non-compliant institutions. Borrowers need more time to ensure that things are done in compliance with both state and federal law and regulations.

Thank you very much for your consideration.

For more information, please contact Bill Mellin (William.mellin@nycua.org or 518-437-8260), Henry Meier (henry.meier@nycua.org or 518-437-8144), Michael Galligan (mgalliga@capcomfcu.org or 518-458-2195) or Christina Wiley (cwiley@nymba.org or 518-963-0593).

Sincerely,

William Mellin
President/CEO
New York Credit Union Association, Inc.
& Affiliates

Christina Wiley
Executive Director
New York Mortgage Bankers Association

Pete Mills
Senior Vice President
Residential Policy and Member Engagement
Mortgage Bankers Association