



American
Bankers
Association®



February 7, 2014

Monica Jackson,
Office of the Executive Secretary
Consumer Financial Protection Bureau,
1700 G Street NW.,
Washington, DC 20552

Dear Ms. Jackson:

**Re: Bureau of Consumer Financial Protection Request for Information
Regarding the Mortgage Closing Process, Docket No.: CFPB-2013-0036**

The undersigned trade associations have consistently supported efforts to improve the mortgage process and welcome the opportunity to assist in any manner for that purpose. Nevertheless, we write to you today to strongly urge that the Consumer Financial Protection (CFPB) defer the next stage of its Know Before You Owe effort, which apparently includes the captioned request for information on the closing process.

We believe such deferral should last until after the RESPA-TILA integrated disclosure rule is implemented and its effects on the process can be fully appreciated. The new rule is intended to greatly simplify consumer disclosures, eliminate surprises at closing and broadly improve the consumer experience. We believe it makes more sense to wait until after the new rule is fully implemented before delving further into the closing process.

As you know, less than ten weeks ago the CFPB issued the RESPA-TILA rule which will dramatically change the closing process. The rule introduces a completely new disclosure regime accompanied by extensive rules, which include limits on closing cost increases, key changes to disclosure responsibilities and a new 3 day waiting period between closing disclosures and closing.

Moreover, considering that the rule is more than 1800 pages long and issued so recently, there has been little time so far to study it, let alone consider its implications. At the time the rule was issued, resources that could have been brought to bear to begin to consider the issues raised by it have been devoted exclusively to implementing the many new Dodd-Frank rules. These resources remain strained and now must implement RESPA-TILA's changes, with new risk retention and Home Mortgage Disclosure Act (HMDA) rules ahead.

Clearly, in view of the breadth of the RESPA-TILA rule and other demands, the one month comment period from January 3 to February 7, 2014 offered under the subject notice was insufficient as well as premature.

To the extent that the CFPB's outreach for information on the closing process identifies areas where consumers' understanding of the closing process could be enhanced, we suggest that these issues be addressed through revisions to the *Special Information Booklet* and by providing educational and counseling materials to consumers on the CFPB web site. Making such materials available could complement, rather than confuse the implementation of the RESPA-TILA rule.

While we greatly appreciate the Bureau's outreach for this important effort, we also believe rethinking the next stage of Know Before You Owe in light of the RESPA-TILA rule is essential to ensure a meaningful effort.

Thank you for your consideration of this request. We would welcome an opportunity to discuss our concerns further.

Sincerely,

American Bankers Association
Housing Policy Council of the Financial Services Roundtable
Mortgage Bankers Association