

Dear Colleagues,

The Consumer Financial Protection Bureau (CFPB) announced that it will give industry extra time to provide certain new disclosures required under the Dodd-Frank Wall Street Reform and Consumer Protection Act in order to allow a more seamless integration with other mortgage disclosures that have been proposed by the Bureau. Per today's announcement, industry will not be required to provide those disclosures until after the Bureau's previously proposed mortgage disclosure rules are finalized. Please read below for more information.

Regards,
Bart



CONSUMER FINANCIAL PROTECTION BUREAU EXTENDS EFFECTIVE DATE FOR NEW MORTGAGE DISCLOSURES

Disclosure Requirements Will Be Integrated into CFPB's Final Mortgage Disclosure Forms Instead of Taking Automatic Effect in January

WASHINGTON, D.C. - The Consumer Financial Protection Bureau (CFPB) announced that it will give industry extra time to provide certain new disclosures required under the Dodd-Frank Wall Street Reform and Consumer Protection Act in order to allow a more seamless integration with other mortgage disclosures that have been proposed by the Bureau. Per today's announcement, industry will not be required to provide those disclosures until after the Bureau's previously proposed mortgage disclosure rules are finalized.

"Considering these disclosures on the same timeline will ensure that consumers receive clear, concise, and consistent information," said CFPB Director Richard Cordray. "By seeking public comment and conducting consumer-testing for these disclosures together, we can avoid the duplication and inefficiency that existed in the past."

The Dodd-Frank Act required that the CFPB integrate certain disclosures from the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA). For decades, TILA and RESPA have required lenders and settlement agents to give borrowers different but overlapping disclosure forms in connection with applying for and closing most mortgages loans. This duplication has long been recognized as inefficient and confusing for consumers and industry. In July, the CFPB proposed new Loan Estimate and Closing Disclosure forms after months of qualitative testing and the Bureau's *Know Before You Owe* mortgage initiative.

In addition to requiring the integration of TILA-RESPA disclosures, the Dodd-Frank Act also establishes additional new mortgage disclosure requirements, which would automatically take effect on Jan. 21, 2013 unless other action was taken. These new requirements include disclosures on cancellation of escrow accounts, on a consumers' liability for debt payment after foreclosure, and on the creditor's policy for accepting partial payment. The CFPB integrated many of these new requirements into the Bureau's proposed forms that were released in July 2012.

The Bureau's July TILA-RESPA integration proposal requested comment on granting more time for companies to provide many of the additional disclosures so that the entire TILA-RESPA disclosure regime could take effect together. Commenters overwhelmingly supported providing this extra time so that all of the disclosures take effect together.

Through a final rule issued today, the Bureau is allowing more time to provide the new disclosures by giving a temporary exemption from the requirements, so that the entire TILA-RESPA disclosure integration regime can go into effect at once. Without this extra time, industry would have to implement these new disclosures twice—once on January 21, 2013, and once again when the Bureau finalizes the integrated TILA-RESPA disclosure regime. Consumers will benefit from a comprehensive disclosure rule because the Bureau plans to use consumer-tested, easily understood language in all disclosures.

Though no deadline was mandated for finalizing the TILA-RESPA integrated proposal, the Bureau anticipates that the final rules will be published next year.

The final rule providing this temporary exemption for certain Dodd-Frank disclosures can be found at: http://files.consumerfinance.gov/f/201211_cfpb_final-rule_title-XIV-disclosures-extension.pdf

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit www.ConsumerFinance.gov.