



June 15, 2011

The New Consumer Financial Protection Bureau

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The Consumer Financial Protection Act of 2010 (Title X of the Dodd-Frank Act) ("the Act") established the Bureau of Consumer Financial Protection. On July 21, the rulemaking powers for most consumer financial protection laws will be consolidated and transferred from the following agencies to the Bureau:

- Board of Governors of the Federal Reserve
- Federal Deposit Insurance Corporation
- Office of the Comptroller of the Currency
- Office of Thrift Supervision
- National Credit Union Administration
- Federal Trade Commission
- Department of Housing and Urban Development

On May 31, 2011, the Consumer Financial Protection Bureau (CFPB) released a proposed list of rules it will enforce beginning on July 21, 2011.

This list is intended to be a convenient reference and does not impact the scope of the CFPB's enforcement authority or affect which parties are subject to its rules. Public comments regarding the proposed list must be received by June 30, 2011.

The following is the list of rules:

1. Federal Reserve Board:

- Equal Credit Opportunity Act (Regulation B)
- Home Mortgage Disclosure (Regulation C)
- Privacy of Consumer Financial Information (Regulation P)
- Fair Credit Reporting (Regulation V)
- Truth in Lending (Regulation Z)

2. Office of the Comptroller of the Currency:

- Adjustable Rate Mortgages

3. Office of Thrift Supervision:

- Adjustments to Home Loans
- Alternative Mortgage Transactions

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4. National Credit Union Administration:

- Loans and lines of credit to members

5. Federal Trade Commission:

- Mortgage Assistance Relief Services

6. HUD:

- RESPA

- Investigations in Consumer Regulatory Programs

- Civil Money Penalties: Certain Prohibited Conduct

In addition, the CFPB recently released first drafts of a combined RESPA and TILA disclosure. The goal is to eliminate the often confusing and overlapping content of the current RESPA and TILA disclosures and create one streamlined consumer disclosure. The CFPB believes the combined disclosure will provide more relevant information for borrowers as well as reduce the regulatory and system costs incurred by lenders.

The Mortgage Bankers Association strongly supports the idea of the combined disclosure and requests Congress and other agencies suspend the current differing modifications to TILA and RESPA disclosures until the CFPB has finalized the new form, so as to minimize the costs incurred by lenders to comply.

The CFPB understands that costs incurred by lenders in complying with these new disclosures are ultimately passed on to borrowers and that any changes must take this into account. The proposed disclosure attempts to provide all the relevant information to the borrower regarding the particular mortgage loan on one easily understandable and explainable form.

Key loan terms, cautions regarding the loan type and any changes that could occur, comparisons to other products, projected payments over the life of the loan, estimated closing costs, escrow and mortgage insurance information, as well as an explanation of the adjustable terms if applicable are all included on the sample forms. The forms also answer questions regarding future servicing of the loan as well as the borrower's right to a copy of the appraisal and the expiration date of the loan features and costs.

The CFPB invites consumers and industry professionals to vote on the two sample forms as well as give public comment in order to create a simplified and cost-effective disclosure that improves borrower comprehension of the loan product without significantly increasing lenders' implementation costs. The website to view the forms is:
<http://www.consumerfinance.gov/knowbeforeyouowe>.