Congress of the United States
Washington, DC 20515

March 27, 2015

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

Dear Director Cordray:

We write regarding final implementation of the TILA-RESPA Integrated Disclosure rule (TRID). There is little doubt in anyone's mind that reform of TILA and RESPA is needed. Meaningful changes have long been advocated by consumers, industry, the Executive Branch, and Congress alike, and we appreciate your efforts on the issue. At the same time, we are concerned by the timetable established for TRID by the Consumer Financial Protection Bureau (CFPB), specifically the August 1st implementation date.

August is one of the busiest months for home closings, as many homebuyers look to move into their new homes before the start of the school year. Ten of the twenty-five busiest days for existing home sales closings in 2014 fell in or after the month of August. The date of August 29th was the third busiest day of the year for home closings. Conversely, nineteen of the slowest days for home closings in 2014 took place in January or February.

The current closing process is unnecessarily complex and burdensome. Many of the forms are duplicative or overlapping, creating confusion for even the savviest of consumers. It remains unclear, however, why the CFPB has selected the busiest time of the year to make fundamental changes to the home closing process. This move will likely subject homebuyers and sellers to delays and real estate professionals, lenders, and other parties to liability. Furthermore, while some institutions have worked to prepare for the changes required by TRID, we continue to hear that many lenders, realtors, title insurance companies, their software vendors and others in the housing industry are not fully prepared for implementation of TRID. This is particularly true of smaller businesses with fewer resources.

We strongly encourage you to make the August 1, 2015 to December 31, 2015 timeframe a "hold harmless" period of restrained enforcement and liability. This would allow all parties to better understand the changes associated with TRID and help ensure consumer confidence and stability in the nation's housing market. Furthermore, a period with protection against liability would allow the CFPB to evaluate any unforeseen issues stemming from TRID.

It is widely known that, in 2010, the Department of Housing and Urban Development instituted a similar policy after revisions were made to RESPA. Furthermore, as has been made clear in recent hearings in the Financial Services Committee, many in the financial services sector are buckling not only under the weight of a growing number of regulations, but also because of extraordinarily strict enforcement and supervision. There remain significant questions on liability under TRID; to immediately subject parties to liability would be improper and ultimately impact consumers.

These dramatic changes to the home-buying process will impact millions of Americans; we owe it to consumers to ensure that the process you put in place functions properly. You have heard from Financial

PRINTED ON RECYCLED PAPER

Services Committee members in the past, and we appreciate that the CFPB has allowed for consumer and industry input; yet we have little information about steps taken by the CFPB to ensure a seamless transition to TRID. We believe it important that, before finalization of the rule, the CFPB examines and reports to us on the magnitude of possible problems stemming from implementation. We also request an outline of the CFPB's contingency plan to respond to uncertainty or questions about TRID compliance following the August 1st implementation. Thank you for your consideration of our requests. We look forward to your response by April 17, 2015.

Sincerely,

Blaine Luetkemeyer
Chairman
Subcommittee on Housing and Insurance
House Financial Services Committee

Randy Neugebauer
Chairman
Subcommittee on Financial Institutions and Consumer Credit
House Financial Services Committee