

July 17, 2024

The Honorable Rohit Chopra
Director Consumer Finance Protection Bureau (CFPB)
1700 G Street NW, Washington, DC 20552

Re: Request for Extension of Deadline for CFPB's Proposed Amendments to Regulation X
(Docket No. CFPB-2024-0024)

Dear Director Chopra,

The undersigned associations and organizations submit this joint letter to seek an extension of the deadline for submission of comments on the Bureau's proposed amendments to Regulation X.

The Bureau's goal with this new rulemaking is "to make it easier for homeowners to get help when they are struggling to pay their mortgage." The Bureau also asserts the rule would "make it simpler for servicers to offer assistance by reducing paperwork requirements, improve communication with borrowers, and ensure critical information is provided in languages borrowers understand." Comment on the proposed rule is due on September 9, 2024, 60 days after the publication of the proposed rule on the Bureau's website.

Updates to the Bureau's servicing regulations are needed. For years now, the industry and consumer groups have been requesting that the Bureau adopt sensible revisions to Regulation X, to align the rules with government agency and GSE loss mitigation program improvements. Thus, we welcome the CFPB's recognition that it is time for the Bureau's Regulation X to match and reinforce these efforts, so that the Bureau's servicing rules support the successful foreclosure prevention work performed by servicers.

However, we respectfully submit that a 60-day comment period does not provide sufficient time to meaningfully address the significant and potentially complex issues, like the new procedural review period, that are covered by the rulemaking. In addition, the servicing industry is still in the process of undergoing massive program transformation, as a result of policy changes made over the course of the pandemic. To be precise, servicers are currently working to execute servicing program changes for all four of the Ginnie Mae government programs as well as for Fannie Mae and Freddie Mac. Some of the most significant changes include the following:

- The VA's new loss mitigation program, VASP, must be implemented by October 1st;
- The FHA's new payment supplement program must be implemented by January 1st;
- FHA has requested feedback on their servicer defect taxonomy by August 26th; and
- Fannie Mae and Freddie Mac's changes to the Flex modification must be implemented by December 1st.

The same group of subject matter experts that need to consider and provide input on your proposal are actively engaged on these other workstreams.

With the goal of developing thoughtful comments on each issue in the rulemaking that will help the Bureau achieve its stated objectives and given the extensive set of policy changes that servicing stakeholders are now confronting, stakeholders need more time than has been allotted. We are aware that the CFPB is not constrained from granting such an extension by any statutory deadline or other federal mandate that requires a 60-day comment period.

We believe that consideration of how Regulation X might be changed or clarified to “make it simpler for servicers to offer assistance” should be done through a process that affords ample opportunity for thoughtful public participation. Therefore, we respectfully request that the CFPB extend the public comment period by at least an additional 30 days.

Thank you for your consideration of this request.

American Bankers Association
Community Home Lenders of America
Housing Policy Council
Independent Community Bankers of America
Mortgage Bankers Association
National Mortgage Servicing Association
Structured Finance Association
U.S. Mortgage Insurers