



**National Association  
of Federal Credit Unions**

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NAFCU | Your Direct Connection to Education, Advocacy & Advancement

July 7, 2015

Ms. Monica Jackson  
Office of Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, D.C. 20552

RE: Integrated Disclosures Under Truth in Lending Act and Real Estate Settlement  
Procedures Act Amendments; Delay of Effective Date (RIN 3170-AA48)

Dear Ms. Jackson:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to you regarding the proposal by the Consumer Financial Protection Bureau (CFPB) to delay the effective date of the *Truth in Lending Act* (TILA) and *Real Estate Settlement Procedures Act* (RESPA) Integrated Disclosure (TRID) Rule. *See* 80 FR 36727 (June 26, 2015). NAFCU welcomes the proposal but believes the CFPB can do more to ease the regulatory burden of this highly complex transition.

### **Delay of Effective Date**

Under the CFPB's proposal, the effective date of the TRID Rule would move from August 1, 2015, to October 3, 2015. NAFCU supports delaying the effective date for the TRID Rule to October 3, 2015, and agrees that this extension will benefit both credit unions and consumers by providing for a smoother implementation of the new disclosures.

NAFCU, however, remains concerned that the proposal does not provide for an early compliance period. NAFCU's member credit unions have been working tirelessly with their staff and their vendors to navigate through the complex and voluminous TRID Rule. The Bureau has unnecessarily prevented them from testing their new platforms for strict compliance. Because the CFPB prohibited early compliance with the initial November 2013 TILA/RESPA Rule, and this proposal fails to address early compliance, NAFCU and our members believe that credit unions will still be unable to efficiently and thoroughly test their new systems. Instead, they will be

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forced to operate two platforms – one that supports the current Good Faith Estimate and the initial Truth-in-Lending disclosure, and another that supports the new Loan Estimate form.

NAFCU strongly urges the CFPB to explicitly authorize an early compliance period in the final rule. An early compliance period would give credit unions with valuable time to test their systems in a real-world setting prior to the effective date of the TRID Rule, thereby reducing the risk of process errors and consumer confusion. NAFCU urges the CFPB to reconsider its position and permit an early compliance period in the final rule.

### **Good-Faith Compliance**

NAFCU and our members also ask that the Bureau consider credit unions' "good faith efforts toward substantial compliance" with the new TRID Rule, in addition its proposed deadline extension. The CFPB, along with National Credit Union Administration (NCUA), implemented a similar approach in 2014 as it examined credit unions' initial compliance with the ability-to-repay, qualified mortgage, and mortgage servicing rules. This approach resulted in a smoother transition for the mortgage-reform regulations in 2014, and NAFCU asks that the CFPB implement it again for the new integrated mortgage disclosure forms.

On June 25, 2015, in response to the CFPB's proposal to extend the TRID Rule deadline, National Credit Union Administration (NCUA) Chairman Debbie Matz confirmed that the agency is still committed to considering credit unions' "good-faith efforts toward substantial compliance" with the new TRID Rule. Specifically, Matz stated, "[w]hen the rule becomes effective, NCUA examiners will look for reasonable and good-faith efforts by credit unions towards substantial compliance with the final rule." Earlier, in a letter to Congress dated June 3, 2015, CFPB Director Richard Cordray announced that the Bureau "will be sensitive to the progress made by those entities that have squarely focused on making good-faith efforts to come into compliance with the Rule on time."

The CFPB acknowledged in its proposal that this transition presents "unique implementation challenges for [the] industry, requiring major operational changes and close coordination among many different parties." From our correspondence with the CFPB, NAFCU understands that the Bureau understands these well-known challenges and intends to consider credit unions' "good faith efforts toward substantial compliance" with the new TRID Rule during the initial effective period. In the final rule, NAFCU requests that the CFPB take the opportunity to formally state its intention to consider good-faith efforts to comply with the TRID Rule in its examination procedures.

### **Clarification of Scope**

Since the publication of the proposal in the *Federal Register*, NAFCU has received a number of questions from its member credit unions asking whether the revised servicing transfer notice and the new escrow cancellation notice are included within the scope of the proposed extension. Both notices are scheduled to become effective on August 1, 2015, and the proposal makes no specific reference to these post-consummation notice requirements. NAFCU recommends that the CFPB include these post-consummation notices in the final extension to eliminate the confusion among

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credit unions. At minimum, NAFCU believes a formal statement from the CFPB defining the precise scope of the proposed delay is necessary to clarify for credit unions exactly what is required of them and when.

### **Conclusion**

NAFCU generally supports the CFPB's proposal to delay the effective date of the TRID Rule to October 3, 2015 from August 1, 2015, as the extension will benefit both credit unions and consumers. However, to ensure lenders are prepared for the eventual implementation date, NAFCU strongly urges the Bureau to authorize an early compliance period.

NAFCU appreciates the opportunity to share our thoughts on the CFPB's proposal to delay the effective date of the TRID Rule. Should you have any questions or concerns, or if you would like to discuss this issue further, please feel free to contact me at [anealon@nafcu.org](mailto:anealon@nafcu.org) or (703) 842-2266, or Regulatory Affairs Counsel Alexander Monterrubio at [amonterrubio@nafcu.org](mailto:amonterrubio@nafcu.org) or (703) 842-2244.

Sincerely,

A handwritten signature in cursive script that reads "Alicia Nealon".

Alicia Nealon  
Director of Regulatory Affairs