



strength in members.

July 1, 2015

Monica Jackson, Office of the Executive Secretary,  
Consumer Financial Protection Bureau,  
1700 G Street NW.,  
Washington, DC 20552.

Dear Ms. Jackson,

On behalf of the New York Credit Union Association, I am writing this letter to comment on the CFPB's proposal to change the effective date of the Integrated Mortgage Disclosures Rule from August 1, 2015 to October 3, 2015. While a two month extension of this regulation is helpful, the Association believes that an effective date of January 1, 2016 better reflects industry needs.

The Integrated Disclosure regulations pose many unique operational and compliance challenges for credit unions. For example, staff has to be re-trained in completing closing disclosures and good faith estimates, and third parties—such as lawyers and closing agents—need to be better integrated into a credit union's closing processes.

To its credit, the CFPB has responded to concerns expressed by both lenders and legislators by stressing that examiners expect nothing more than a good faith effort to comply with these requirements when they first become effective. Rather than force lenders to deal in the gray area of "good faith," a bright line rule (mandating compliance on January 1) would give credit unions the additional time they need to get ready for their compliance obligations.

We also urge the CFPB to take this opportunity to amend and clarify a crucial aspect of the regulation. Specifically, the regulations require that closing disclosures be received by borrowers at least three business days before a loan is consummated. This is a significant change from existing regulations which mandate that the HUD-1 Settlement Statement be made available "at the time of inspection, during the business day immediately preceding settlement" (12 C.F.R. § 1024.10). Consummation is defined by state law, and New York does not have a statutory definition of consummation. Federal case law (*Murphy v. Empire of Am., FSA*, 746 F.2d 931, 934 [2d Cir. 1984]) suggests that consummation is defined as the day that a borrower receives a signed mortgage commitment letter from a lender.



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If a mortgagee's commitment letter triggers the closing disclosure clock, it will make compliance with the CFPB's closing disclosure documents virtually impossible for New York lenders and lenders in other states that may have a similar predicament. For example, it would mean that closing disclosures would have to be provided weeks before a member goes to close on a home purchase. It also means that borrowers would receive numerous amended closing statements even after they have taken possession of their property. Clearly this type of confusion is not consistent with the goals of the Dodd Frank Act or the regulations promulgated by the CFPB. Rather, it will only add to member confusion, make compliance more difficult for lenders and prolong the closing process.

Against this backdrop, I urge the CFPB to amend its regulation to clarify that closing documents must be received three business days before consummation or settlement, whichever date is later.

Upon review of this letter, if you have any questions, please feel free to contact me at the New York Credit Union Association.

Sincerely,

A handwritten signature in black ink, appearing to read "W J Mellin". The signature is fluid and cursive, written in a professional style.

William J. Mellin  
President/CEO  
New York Credit Union Association