



Written Guidance for Compliance with CFPB Regulations

Summary

One of the main reasons the cost of creating a mortgage is approaching \$7500 is the fact that legal and compliance burdens are pushing lenders to take the most risk-averse position on interpreting regulations coming from the Consumer Financial Protection Bureau (CFPB). The main reason these legal positions are being taken is the fact that the CFPB refuses to issue written guidance on their regulations. This places unreasonable legal risk burdens on all industries under the CFPB's authority - especially mortgages. Regulatory guidance by litigation fear and non-existent CFPB assistance in interpreting their regulations increases cost to borrowers. Regulatory Guidance

Other Agencies

Agencies such as the Internal Revenue Service issue revenue rulings, revenue procedures, Private Letter Rulings, and Technical Advice Memorandums. The EPA, SEC, HUD, and the Federal Reserve Board issue industry information concerning how to comply with regulations issued.

Solution

The mortgage industry needs regulatory guidance it can rely upon in order to operate efficiently and bring new products to the mortgage borrower. Congress should require any written interpretive or legislative rule, interim final rule, bulletin, statement of policy, letter, examination manual, frequently asked question, or other document issued by the Bureau regarding compliance with a Federal consumer financial law be accompanied with interpretive guidance within a set timeframe after publication. Compliance questions from industry should be answered in writing within a reasonable time. Industry should not be held liable by the CFPB or a court of law for violations provided industry participant followed the CFPB guidance.