Bill Cheney President & CEO 601 Pennsylvania Ave., NW South Building, Suite 600 Washington D.C 20004-2601 Phone: 202-508-6745 Fax: 202-638-7734 bcheney@cuna.coop

December 4, 2013

The Honorable Tim Johnson Chairman Committee on Banking, Housing and Urban Affairs United States Senate Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Committee on Banking Housing and Urban
Affairs
United States Senate
Washington, DC 20510

The Honorable Jeb Hensarling Chairman Committee on Financial Services United States House of Representatives Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of
Representatives
Washington, DC 20515

Dear Chairman Johnson, Chairman Hensarling, Ranking Member Crapo and Ranking Member Waters:

On behalf of the Credit Union National Association (CUNA), I am writing to encourage you to move legislation to delay the private right of action associated with the mortgage rules recently finalized by the Consumer Financial Protection Bureau (CFPB). CUNA is the largest credit union advocacy organization in the United States, representing America's 6,700 state and federally chartered credit unions and their 98 million members.

The Dodd-Frank Act requires the CFPB to implement numerous regulations related to mortgage lending. After an extensive comment period during which the CFPB took many of our concerns under consideration, the Bureau finalized many of these rules in October but was required by statute to establish a compliance date of January 2014. Given the complexity of these rules, many credit unions and the vendors on which they rely have expressed concern that they will not be in compliance within this timeframe.

There are eight rules scheduled to go into effect next month.

Finalization Dates for Mortgage Rules Effective January 2014			
Rule Name	Date First Finalized	Date Last Amended	Number of Amendments/ Clarifications
Ability to Repay/Qualified Mortgage	January 10, 2013	October 1, 2013	4
2013 HOEPA Rule	January 10, 2013	October 23, 2013	5
Loan Originator Compensation	January 20, 2013	October 1, 2013	2
ECOA Valuations	January 18, 2013	October 1, 2013	1
TILA HPML Appraisals	January 18, 2013	N/A	0
TILA HPML Escrows	January 18, 2013	October 1, 2013	3
Servicing TILA	January 17, 2013	October 23, 2013	3
Servicing RESPA	January 17, 2013	October 23, 2013	3

Together, these new rules, and the commentary that accompanies them, weigh in at approximately 5,000 pages of new regulations. While we appreciate that some of the CFPB's timetable resulted from its efforts to be responsive to our and others' comments and concerns, the fact remains that it is unreasonable and unduly burdensome for Congress and the CFPB to expect credit unions to be in compliance with these rules less than 90 days after many of them were finalized.

The CFPB and many of the prudential regulators have indicated that they plan to issue instructions to their examiners not to cite credit unions for noncompliance if the institutions are working in "good faith" to comply. CUNA appreciates this accommodation. Nevertheless, the laws under which these rules have been promulgated carry a private right of action that only Congress can delay. Without this delay, this means attorneys may be able to sue credit unions for any violations no matter how minor, under both the Truth in Lending Act and the Real Estate Settlement Procedures Act for any loan that does not comply with the implementing Regulations, Regulation Z and Regulation X, respectively.

If Congress does not take action, credit unions that are working with their vendors to comply with the new rules could be sued for noncompliance. The threat of litigation has many credit unions considering whether to suspend mortgage lending either entirely, or limit the offerings of certain mortgage loan products until they are certain that they are in compliance. We hope Congress would agree that having small lenders exit mortgage lending, even temporarily, during the fragile housing recovery we are experiencing would be bad for borrowers, communities and the economy.

December 4, 2013 Page Three

We strongly encourage Congress to enact legislation that delays the private right of action associated with these rules for those mortgage loans originated from January 1, 2014 until October 1, 2014. This would give credit unions and their vendors a full year to come into compliance with these significant regulations which have been changing continually up until October.

On behalf of Americas credit unions and their 98 million members, thank you for your consideration of our views.

Best regards,

Bill Cheney

President & CEO