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B. Dan Berger
President & Chief Executive Officer

National Association of Federal Credit Unions | www.nafcu.org

March 6, 2015

The Honorable Debbie Matz, Chairman
The Honorable Richard Metsger, Vice Chairman
The Honorable Mark McWatters, Board Member
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Examination for TILA/RESPA Compliance

Dear Chairman Matz, Vice Chairman Mestger, and Board Member McWatters:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I am writing to you regarding examinations conducted by the National Credit Union Administration (NCUA) related to the new integrated mortgage disclosure forms promulgated by the Consumer Financial Protection Bureau (CFPB) under the *Truth and Lending Act* and the *Real Estate Settlements Procedures Act* (TILA/RESPA).

As you are aware, the CFPB issued a new TILA/RESPA rule that combines the Good Faith Estimate and the initial Truth-in-Lending disclosure into the new Loan Estimate form. Among other things, the rule requires credit unions to completely restructure their technology systems and business processes in order to comply with a host of new disclosure and timing requirements.

NAFCU's member credit unions have been working tirelessly with their staffs and their vendors to navigate through the complex and voluminous TILA/RESPA rule. While NAFCU firmly believes that our members have taken the steps necessary to be in compliance as of the August 1, 2015 effective date, we are concerned that credit unions have been restricted in their ability to conclusively test their new platforms for strict compliance with the TILA/RESPA rule.

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Because the CFPB has prohibited early compliance with the TILA/RESPA rule, credit unions are unable to efficiently and thoroughly test their new systems today. Instead, they are forced to operate two platforms - one that supports the current Good Faith Estimate and the initial Truth-in-Lending disclosure, and one that supports the new Loan Estimate form.

Under these circumstances, we ask that the agency consider credit unions' "good faith efforts toward substantial compliance" with the new TILA/RESPA rule. NCUA, along with CFPB, implemented this approach in 2014 as it examined credit unions' initial compliance with the ability-to-repay, qualified mortgage, and mortgage servicing rules. NAFCU believes implementing this approach in 2014 resulted in a smoother transition for the mortgage-reform regulations, and we ask that NCUA implement it again for the new integrated mortgage disclosure forms.

I appreciate your attention to our request. Should you have any questions or would like to discuss these issues further, please contact me by telephone at (703) 842-2215, or Alicia Nealon, NAFCU's Director of Regulatory Affairs, at (703) 842-2266 or anealon@nafcu.org.

Sincerely,



B. Dan Berger
President and CEO

cc: The Honorable Richard Cordray, Director, Consumer Financial Protection Bureau
Gail Laster, Director of the Office of Consumer Protection
Larry Fazio, Director of the Office of Examination and Insurance