



December 27, 2011

CFPB Interim Final Rule – Real Estate Settlement Procedures Act (Regulation X)

The Consumer Financial Protection Bureau (CFPB) has issued an interim final rule that replaces the Department of Housing and Urban Development's (HUD) Regulation X, which implements the Real Estate Settlement Procedures Act (RESPA). The interim final rule substantially duplicates HUD's Regulation X as the CFPB's new Regulation X, 12 C.F.R. Part 1024, making only certain non-substantive, technical, formatting, and stylistic changes, and the CFPB notes that "this interim final rule does not impose any new substantive obligations on persons subject to existing Regulation X, previously published by HUD."

To minimize any potential confusion, other than republishing HUD's rule (24 C.F.R. Part 3500) with the CFPB's part number, the CFPB is preserving where possible the past numbering of HUD's Regulation X. While the interim final rule generally incorporates HUD's existing regulatory text and appendices, (including standardized and model forms), the rule has been edited as necessary to reflect nomenclature and other technical amendments required by the Dodd-Frank Act. Importantly however, this interim final rule does not impose any new substantive obligations on regulated entities.

In addition to these technical changes, the CFPB is correcting a citation error in HUD's existing § 3500.17(l)(4). As adopted by HUD, § 3500.17(l)(4) contains a cross-reference to § 3500.21(f). The correct citation should be to § 3500.21(e). Accordingly, the CFPB is republishing § 3500.17(l)(4) as § 1024.17(l)(4) with the citation corrected to read § 1024.21(e). Additionally, the CFPB is clarifying permissible changes that covered persons may make to the special information booklet without the CFPB's written approval, as reflected in re-codified §§ 1024.6(d)(1)(i) and (ii) (formerly §§ 3500.6(d)(2) and (3)).

In future rulemakings the CFPB expects to amend Regulation X to implement certain other changes to RESPA made by the Dodd-Frank Act, such as preparing and distributing booklets “jointly addressing compliance with the requirements of the Truth in Lending Act (TILA) and RESPA, in order to help persons borrowing money to finance the purchase of residential real estate better to understand the nature and costs of real estate settlement services,” integrating certain disclosure requirements of TILA with certain disclosure requirements of RESPA, adopting regulations pertaining to the practices of mortgage servicers, and issuing regulations to carry out the consumer purposes of RESPA.

In connection with the integration of RESPA and TILA disclosures discussed above, the interim final rule states, “The Bureau expects the content and format of HUD’s existing HUD-1/1A and GFE forms to be significantly revised or replaced by such rulemaking.”

CUNA is reviewing this interim final rule to determine if there are any regulatory changes that could be made without having to statutorily amend RESPA. To the extent that we have such recommendations which could reduce the regulatory burden on credit unions, we will include these in our comment letter. CUNA plans to circulate a comment letter draft well in advance of the comment deadline stated below.

The interim final rule is effective on December 30, 2011 and can be accessed [here](#). **Please submit comments to CUNA by January 20, 2012.** Comments are due to the CFPB by February 21, 2012 and can be filed using <http://www.regulations.gov>. If commenting directly to the CFPB, commenters should refer to Docket No. CFPB-2011-0030 or RIN 3170-AA06 on the comment letter.

For more information about CFPB rulemaking, contact CUNA Deputy General Counsel Mary Dunn at Mdunn@cuna.coop or Regulatory Counsel Jared Ihrig at jihrig@cuna.coop.