

LENDERS UPDATE™

A MONTHLY SERVICE TO THE MORTGAGE LENDING INDUSTRY

AN ALT & ASSOCIATES NEWSLETTER

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NEW COMBINED GFE/TRUTH IN LENDING DISCLOSURES?

Federal Regulators have talked about it for decades, well maybe a decade and half, but the new Consumer Financial Protection Bureau (“CFPB”) announced today that they will begin testing two federally required mortgage disclosures, combined into a single “simpler” form. This is in an effort to make “the costs and risks of a loan clear and allows consumers to comparison shop for the best offer”. The CFPB has two alternate forms that are designed to be given the consumers who have just applied for a mortgage. The CFPB will then conduct one-on-one interviews with all parties, the borrower, the lender and the broker. These tests and interviews will help CFPB to formulate its proposal for the rule making process.

Obviously, these forms are the Federal Truth in Lending Act, Mortgage Disclosure and the Real Estate Settlement Procedures Act Good Faith Estimate.

CFPB is moving to fulfill the directions of the Dodd-Frank Wall Street Reform and Consumer Protection Act that was passed last year which directed the Bureau to propose a new integrated disclosure form. The Bureau indicates that it will evaluate these forms through September 2011 when it will select a draft disclosure to be refined. Interviews will be conducted in Albuquerque, Baltimore, Birmingham, Chicago, Los Angeles and Springfield.

If you wish further information and to view the proposed prototypes they can be found at www.consumerfinance.gov on the CFPB's Home Page under Press Center. Look for the May 18, 2011 release.

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ALT & ASSOCIATES provides regulatory, compliance, operational advice and transactional assistance, as well as litigation representation, to the financial services industry. Over the past two decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their operations. If you have any questions please contact:

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