November 15, 2013

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Dear Director Cordray:

The undersigned organizations represent thousands of community banks that provide mortgage loans in small towns and rural and exurban areas traditionally underserved by larger lenders. So our members can better serve the consumers in our communities, we strongly encourage the Consumer Financial Protection Bureau (CFPB) to extend the mandatory compliance deadline for the consumer mortgage rules scheduled to take effect in January 2014, and allow compliance to be optional for a reasonable, transitory period of 9-12 months.

We represent bankers who are increasingly concerned that compliance with the new mortgage requirements will be difficult to ensure with only a couple of months left before the mandatory deadline, especially given the frequent regulatory amendments that have been published these last few months. We understand the CFPB's urgency in finalizing these mortgage requirements given the past abuses that have occurred in the mortgage market leading to the financial crisis. Nevertheless, our members have provided safe and solid mortgage loans to consumers in their communities for decades and were not responsible for the abusive mortgage practices that led to these new requirements.

The CFPB's new mortgage regulations are not minor changes for the industry, rather they represent a complete overhaul of how mortgage loans will be underwritten, originated, and serviced. These new requirements demand significant changes to the mortgage business of community banks and the businesses of all the third-party participants in the chain from application to servicing, including software providers upon whom community banks are reliant. Even the smallest regulatory change can require many months of time to change systems, update policies and procedures, revise underwriting requirements, train staff, and perform quality control. These efforts can be particularly daunting for community banks that do not have massive legal and compliance resources and staff.

Community bankers care about providing the very best products and services to the consumers in their communities and want to ensure they are in full compliance with all of the ever-mounting regulatory requirements. By extending the mandatory compliance deadline for 9 – 12 months, the CFPB will better enable banks to fully comply with the requirements and avoid legal liability, while still providing customers with loan products that best satisfy their financial needs – everyone's ultimate objective.

Thank you for your time and attention to this matter.

Sincerely,

Independent Community Bankers of America
Alabama Bankers Association
Arkansas Community Bankers
California Independent Bankers
Independent Bankers of Colorado
Connecticut Community Bankers Association
Florida Bankers Association
Community Bankers Association of Georgia
Community Bankers of Iowa
Community Bankers Association of Illinois
Indiana Bankers Association
Heartland Community Bankers Association
Community Bankers Association of Kansas
Bluegrass Bankers Association
Louisiana Bankers Association
Massachusetts Bankers Association, Inc.
Maryland Bankers Association
Maine Bankers Association
Independent Community Bankers Association of Maine
Community Bankers of Michigan
Independent Community Bankers of Minnesota
Missouri Independent Bankers Association
Montana Independent Bankers
Independent Community Banks of North Dakota
Nebraska Independent Community Bankers
Community Bankers Association of New Jersey
Independent Community Bankers Association of New Mexico
Independent Bankers Association of New York State
Community Bankers Association of Ohio
Community Bankers Association of Oklahoma
Independent Community Bankers of Oregon
Pennsylvania Association of Community Bankers
Independent Banks of South Carolina
Independent Community Bankers of South Dakota
Tennessee Bankers Association
Independent Bankers Association of Texas
Virginia Association of Community Banks
Vermont Bankers Association
Community Bankers of Washington
Community Bankers of Wisconsin
Community Bankers of West Virginia
Wyoming Bankers Association