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March 16, 2015

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: RIN 3170-AA49, Docket No. CFPB-2014-0033
Amendments to the 2013 Mortgage Rules under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)

Dear Ms. Jackson:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to provide comments on the Consumer Financial Protection Bureau's (CFPB, Bureau) notice of proposed rulemaking regarding amendments to the 2013 Mortgage Rules under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z), herein described as the "mortgage servicing rules." The Bureau is proposing these amendments as a result of feedback from industry stakeholders including community banks as well as others. These proposed amendments cover nine primary topics: successors in interest, definition of delinquency, requests for information, forced-placed insurance, early intervention, loss mitigation, prompt payment crediting, periodic statements, and small servicer. ICBA's comments will focus on the small servicer and successors in interest provisions.

Small Servicer

ICBA applauds the Bureau's proposed amendment to the small servicer definition that will permit a small servicer to service, for a fee, mortgage loans that are seller-financed transactions subject to certain limitations. Many community banks perform servicing duties for certain bank customers that finance the sale of a home they own. In these

¹ The Independent Community Bankers of America®, the nation's voice for 6,400 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

ICBA members operate 24,000 locations nationwide, employ 300,000 Americans and hold \$1.4 trillion in assets, \$1.1 trillion in deposits, and \$900 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

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types of situations the bank merely accepts the borrower's monthly mortgage loan payment, and posts it to the seller's account, but does not act as a creditor or have ownership of the mortgage loan. Community banks charge a small fee for this service, and while it is not a major line of business, it is a part of the service that many community banks provide for their customers. Currently, a community bank that would otherwise qualify as a small servicer would lose that designation if the bank serviced just one of these seller-financed mortgages. The Bureau's proposed rule addresses the problem and should permit community banks which are small servicers to continue to serve their clients and be reasonably compensated for their efforts. We applaud this change.

Successors in Interest

The Bureau is proposing that all servicers provide a confirmed successor in interest any and all information regarding a mortgage loan, including providing all loss mitigation options that would be available to the borrower/obligator, even if the successor in interest does not assume the legal liability for the mortgage debt. ICBA is concerned that this raises a possible conflict with the Gramm-Leach-Bliley Act (GLBA) as well as certain Bank Secrecy Act provisions in the sharing of non-public personal information. Further, the tracking of successors in interest will require changes and possible additional system modifications, which are costly, especially on the heels of implementing the 2013 mortgage servicing rules and the upcoming implementation of the combined TILA/RESPA disclosures. As a result, ICBA requests that small servicers be exempted from complying with the prescriptive requirements of this provision and be permitted to continue handling these situations as they currently do. This approach would be consistent with the Bureau's approach to other general servicing requirements for small servicers. Additionally, ICBA urges the Bureau to provide explicit written guidance regarding who is a successor in interest, such as when a borrower or borrowers quit claim deed the property to a third party. Unfortunately, it is not uncommon for multiple parties to claim they are rightful successors when someone dies and there is no clear heir to their property. Written guidance from the Bureau would be very helpful for all servicers in this regard.

ICBA appreciates the opportunity to comment on these proposed amendments to the mortgage servicing rules. We continue to appreciate the Bureau's thoughtful outreach to community banks and look forward to working with the Bureau on these amendments. If you have any questions regarding this letter, please contact the undersigned at ron.haynie@icba.org.

Sincerely,

/s/

Ron Haynie
Senior Vice President- Mortgage Finance Policy
Independent Community Bankers of America

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