

## United States Senate

COMMITTEES:  
BANKING, HOUSING,  
AND URBAN AFFAIRS  
BUDGET  
FOREIGN RELATIONS  
SPECIAL COMMITTEE ON AGING

March 11, 2016

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

Dear Director Cordray:

I write today to express my concerns with the Consumer Financial Protection Bureau's (CFPB) implementation of the Truth in Lending Act-Real Estate Settlement Procedures Act (TILA-RESPA) Integrated Disclosure (TRID) rule. According to the CFPB, some of the stated benefits of the rule include reducing "consumer confusion" and "highlighting the information that has proven to be most important to consumers."<sup>1</sup> However, according to recent reports, implementation issues are compounding rather than lessening confusion on the part of consumers and those institutions needing to comply.

For instance, in a number of states including Tennessee, the actual amount consumers will pay for title fees is prohibited from being disclosed under the Bureau's rule. This has led to consumer confusion and has required additional disclosures to be provided to clarify the actual amount consumers will have to pay.

Further, the basic foundation of the TRID regulation is that the lender is responsible for the accuracy of the charges. However, it appears some lenders are attempting to transfer liability to a third party, such as a settlement agent or an attorney, through the loan closing instructions. This seems to directly contradict the underlying intent of the rule.

Lastly, there appears to be an overarching concern that the rule's lack of specificity and clarity has created challenges for a number of market participants, from originators to rating agencies, to secondary market aggregators and investors. Specifically, the lack of clarity around what constitutes a technical error and the curability of those errors by the CFPB has led to confusion throughout the market. While the CFPB has taken informal steps to address this issue, based on market reactions, these steps are proving insufficient. Given the potential impact to investor

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<sup>1</sup> CFPB "What the new simplified mortgage disclosures mean for consumers" (November 20, 2013) Available at: [http://files.consumerfinance.gov/f/201311\\_cfpb\\_tila-respa\\_what-it-means-for-consumers.pdf](http://files.consumerfinance.gov/f/201311_cfpb_tila-respa_what-it-means-for-consumers.pdf)

appetite and access to credit for consumers, it is critical to ensure rules are implemented as effectively and clearly as possible.

With this in mind, I would like to ask the following questions:

1. What is the CFPB doing to address the borrower confusion due to the discrepancies between federal and state laws regarding the disclosure of title insurance premiums?
2. What steps is the CFPB taking to prevent lenders from shifting liability to settlement agents?
3. Will the CFPB consider forming an internal task force to identify and address issues arising from the implementation of the TRID rule?
4. Will the CFPB release official guidance regarding what constitutes a technical error and potential remediation methods?

Thank you for your attention to this matter and we look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Corker", followed by a horizontal line.

Bob Corker  
United States Senator