

# Client Alert

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May 2, 2016

## CFPB Signals Coming Amendments to TRID Rule

By **Donald C. Lampe** and **Ryan J. Richardson**

In an [April 28, 2016, letter](#) to mortgage industry trade groups,<sup>1</sup> the Director of the Consumer Financial Protection Bureau (“CFPB”), Richard Cordray, signaled that the agency plans to propose amendments to the TILA-RESPA Integrated Disclosure (“TRID”) rule, also known as the “Know Before You Owe” rule, this July.

“We recognize the implementation of the Know Before You Owe rule poses many operational challenges,” Director Cordray wrote, and “[w]e do recognize that incorporating some of the Bureau’s existing informal guidance, whether provided through webinar, compliance guide, or otherwise, into the regulation text and commentary would be helpful.” The letter continued, “We also believe that there are places in the regulation text and commentary where adjustments would be useful for greater certainty and clarity.” The letter goes on to announce that, to address these concerns, the CFPB plans to publish a notice of proposed rulemaking (“NPR”) on the TRID rule in late July.

The industry generally is positive about the announcement, because the CFPB’s guidance on the TRID rule to date (other than the original December 31, 2013, Federal Register issuance) has been presented as non-binding and informal. For example, since it released the TRID rule at the end of 2013, the CFPB has [published](#) and updated several user guides on the rule, including a small entity compliance guide, a real estate professionals’ guide, and a guide to the forms. The CFPB also has [hosted](#) (and published materials from) seven separate webinars during which CFPB legal and policy staff answered pre-selected TRID implementation questions. Each of these publications and presentations has included conspicuous disclaimers stating that their content is not binding on the CFPB. Despite numerous calls from [market participants](#) and [lawmakers](#) to resolve specific ambiguities in, and to alleviate unintended consequences of, the TRID rule, the CFPB declined to propose substantive amendments to the rule – until now.

Importantly, the letter sets out anticipated timeframes. The CFPB plans to meet with representatives of the industry trade associations by late May or early June, in advance of issuing the NPR. The letter also suggests a brief comment period, which would allow the CFPB to adopt a final, amendatory rule relatively promptly.

### Contact:

**Donald C. Lampe**  
(202) 887-1524  
[dlampe@mofo.com](mailto:dlampe@mofo.com)

**Ryan J. Richardson**  
(202) 887-8761  
[rrichardson@mofo.com](mailto:rrichardson@mofo.com)

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<sup>1</sup> The addressees of the letter are the American Bankers Association, Consumer Bankers Association, Credit Union National Association, Financial Services Roundtable - Housing Policy Council, Independent Community Bankers of America, Mortgage Bankers Association, National Association of Federal Credit Unions, Structured Finance Industry Group, and their members.

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## Financial Services Team

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### California

Michael J. Agolia	(415) 268-6057
Alexis A. Amezcua	(415) 268-6557
Elizabeth Balassone	(415) 268-7585
Roland E. Brandel	(415) 268-7093
Sarah Nicole Davis	(415) 268-7478
Henry M. Fields	(213) 892-5275
Joseph Gabai	(213) 892-5284
Angela E. Kleine	(415) 268-6214
Jim McCabe	(415) 268-7011
James R. McGuire	(415) 268-7013
Mark David McPherson	(212) 468-8263
Ben Patterson	(415) 268-6818
Sylvia Rivera	(213) 892-5734
Nicholas Alan Roethlisberger	(415) 268-7534
Grant C. Schrader	(415) 268-6635
William L. Stern	(415) 268-7637
Nancy R. Thomas	(213) 892-5561
Lauren Lynn Wroblewski	(415) 268-6458

### New York

James M. Bergin	(212) 468-8033
Tiffani B. Figueroa	(212) 336-4360
David J. Fioccola	(212) 336-4069
Marc-Alain Galeazzi	(212) 336-4153
Adam J. Hunt	(212) 336-4341
Jessica Kaufman	(212) 336-4257
Mark P. Ladner	(212) 468-8035
Jiang Liu	(212) 468-8008
David H. Medlar	(212) 336-4302
Barbara R. Mendelson	(212) 468-8118
Michael B. Miller	(212) 468-8009
Judy Man Ni Mok	(212) 336-4073
Jeffrey K. Rosenberg	(212) 336-4130
Mark R. Sobin	(212) 336-4222
Joan P. Warrington	(212) 506-7307

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### Washington, D.C.

Leonard N. Chanin	(202) 887-8790
Rick Fischer	(202) 887-1566
Adam J. Fleisher	(202) 887-8781
Natalie A. Fleming Nolen	(202) 887-1551
Julian E. Hammar	(202) 887-1679
Ashley R. Hutto-Schultz	(202) 887-1683
Oliver I. Ireland	(202) 778-1614
Steven M. Kaufmann	(202) 887-8794
Donald C. Lampe	(202) 887-1524

### Washington, D.C. (continued)

Jeremy R. Mandell	(202) 887-1505
Amanda J. Mollo	(202) 778-1609
Obrea O. Poindexter	(202) 887-8741
Ryan J. Richardson	(202) 887-8761
Joe Rodriguez	(202) 778-1610
Sean Ruff	(202) 887-1530
Trevor R. Salter	(202) 887-1527
Nathan D. Taylor	(202) 778-1644

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