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Maine Association of Mortgage Professionals

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August 7, 2026

Comment Intake—Mortgage Disclosures and Rescission RFI
c/o Legal Division Docket Manager
Consumer Financial Protection Bureau
445 12th St. SW
Washington, DC 20024-2101
re: Docket No. CFPB-2026-0018

Dear Director and Members of the Consumer Financial Protection Bureau:

On behalf of the Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA), we appreciate the opportunity to provide comments in response to the Consumer Financial Protection Bureau's (Bureau) Request for Information Regarding Promoting Access to Mortgage Credit. The MMBA, CMBA, MAMP, MBAA-NH, NYMBA, RIMBA and VMBA represent mortgage lenders and industry participants throughout New England, including depository institutions, independent mortgage bankers, mortgage brokers, and other organizations involved in the residential mortgage lending process. Our members share the Bureau's commitment to ensuring that consumers receive clear, accurate, and meaningful information when making one of the most significant financial decisions of their lives.

The mortgage industry has undergone significant transformation since the implementation of the TILA-RESPA Integrated Disclosure (TRID) rule. While TRID has provided consumers with enhanced information and important protections, the experience of implementing the rule has also highlighted opportunities to improve the disclosure process. We believe that the goal of mortgage disclosures should be to provide consumers with information that is understandable, timely, and actionable—not simply to provide additional disclosures or repeated versions of information that consumers may find difficult to distinguish.

As the Bureau evaluates potential improvements to TRID, the collective state associations encourage a balanced approach that preserves meaningful consumer protections while reducing unnecessary complexity, compliance burdens, and costs that may ultimately impact consumers' access to mortgage credit. We believe that a modernized disclosure framework should focus on providing consumers with fewer, more meaningful disclosures that clearly identify material information and changes to their transaction.

Throughout this response, the state associations recommend several areas where targeted improvements could enhance both consumer understanding and operational efficiency, including:

- Reducing unnecessary Loan Estimate and Closing Disclosure revisions when changes are not material to the consumer's decision-making process;
- Providing greater flexibility where costs are outside the creditor's control, including adjustments to tolerance requirements and changed circumstance guidance;
- Improving disclosure requirements so that consumers receive information that is accurate and meaningful rather than repeated technical updates;
- Modernizing certain requirements, including rescission provisions, to reflect the extensive consumer protections and underwriting standards that exist today;
- Maintaining consistent consumer disclosure requirements while considering appropriate regulatory relief for smaller institutions where such relief does not create different consumer experiences or disclosure obligations.

The comments that follow reflect the collective experience of association members across different segments of the mortgage industry. While our members recognize the importance of transparency and consumer protection, we believe that modernization of the mortgage disclosure framework should account for operational realities, technological advancements, and the significant consumer protections that have been implemented since many of these requirements were first established.

We appreciate the Bureau's efforts to evaluate opportunities to promote access to mortgage credit and looks forward to working collaboratively with the Bureau to develop policies that support consumers, lenders, and the broader housing market.

Question 3: Are there certain transaction types or specific scenarios that are inhibited or complicated by the timing requirements?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA), believe that certain routine adjustments that occur throughout the mortgage origination process can be unnecessarily complicated by the current TRID timing requirements. The challenge is not that creditors are unable or unwilling to provide timely disclosures, but rather that mortgage transactions often involve legitimate changes and refinements as additional information becomes available.

Mortgage transactions are dynamic. Throughout the origination process, changes may occur due to updated borrower information, underwriting decisions, negotiations between buyers and sellers, changes to settlement services, property-related information, and other circumstances outside the creditor's control. When these routine adjustments occur, the current timing requirements can create operational challenges, require multiple redisclosures, and potentially contribute to closing delays.

Examples of common scenarios that may be complicated by the current timing requirements include changes to seller-paid costs, adjustments to settlement service fees, finalization of title-related charges, changes to fees that were not available at application, and other closing details that become known as the transaction progresses. While these changes are often necessary to accurately reflect the final terms of the transaction, the existing timing requirements do not always provide sufficient flexibility to accommodate the realities of the mortgage origination process.

We also encourages the Bureau to simplify the TRID timing framework by adopting a more consistent definition of **"business day"** where practical. The current rule applies different definitions depending on whether the disclosure is a Loan Estimate or a Closing Disclosure, creating unnecessary complexity and compliance risk. A uniform definition would improve operational consistency, reduce ambiguity regarding disclosure timing, and simplify implementation without diminishing consumer protections.

The state associations and our members believe the Bureau should consider whether the current timing framework provides sufficient flexibility to accommodate routine changes that occur during the normal course of loan origination while continuing to ensure that consumers receive timely notice of changes that meaningfully affect the terms or costs of their transaction. Consumers benefit from disclosures that are accurate, understandable, and focused on information that is important to their decision-making process. Repeated redisclosures for routine or technical adjustments may contribute to information overload without providing a corresponding consumer benefit.

We provide additional discussion and recommendations regarding specific timing challenges, including revised Loan Estimates, Closing Disclosure timing, tolerance requirements, and changed circumstances, in its responses to Questions 5, 6, 10, and 11. Those responses identify specific opportunities to improve operational flexibility while preserving the consumer protections that TRID was designed to provide.

Providing targeted flexibility in these areas would allow creditors to deliver more meaningful disclosures, reduce unnecessary administrative burden, improve operational efficiency, and help avoid avoidable closing delays while continuing to ensure consumers receive the information necessary to make informed decisions about their mortgage transaction.

Question 5: **Are there ways to reduce the incidence of revised disclosures being issued while providing consumers with timely updates to settlement costs and avoiding closing delays?**

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA), believe there are meaningful opportunities to reduce the number of revised Loan Estimates (LEs) that consumers receive while continuing to provide timely and accurate information regarding settlement costs. Reducing unnecessary redisclosures would lessen consumer confusion, improve operational efficiency, reduce compliance costs, and help avoid unnecessary closing delays, all of which support the CFPB's stated objective of reducing regulatory burden while expanding access to sustainable mortgage credit.

One of the primary reasons revised Loan Estimates are issued is that many fees included on the initial LE are necessarily estimates. At the time the initial disclosure is provided, creditors often do not yet have final information from settlement service providers, municipalities, insurance companies, or other third parties. In addition, creditors may not have sufficient information regarding the consumer's specific transaction, loan preferences, or property characteristics to prepare the most accurate estimate possible. As actual fees and transaction details become known throughout the origination process, lenders are frequently required to issue revised disclosures, even when the changes are routine and do not significantly affect the consumer's understanding of the transaction.

We encourage the Bureau to consider whether creditors should have greater flexibility to obtain additional information necessary to improve the accuracy of the initial Loan Estimate. The current application framework requires creditors to provide an LE after receiving only the limited information necessary to constitute an application. While this approach ensures consumers receive timely information, it may also require creditors to prepare estimates before receiving additional details that could materially improve the accuracy of the disclosure.

Allowing creditors to obtain additional relevant information before finalizing the initial LE—such as information regarding loan purpose, property type, occupancy, loan structure, and other transaction-specific details—could result in more accurate initial disclosures, fewer revised Loan Estimates, and a more meaningful disclosure experience for consumers. The objective should not be to delay disclosures, but rather to ensure that the initial disclosure is based on sufficient information to provide consumers with a more reliable understanding of their anticipated costs.

The CFPB has previously recognized the risk of "information overload," noting that excessive or overly complex disclosures can detract from consumer decision-making. Likewise, in the original TRID rulemaking, the Bureau observed that one of the most common frustrations expressed by consumers during the mortgage process was the volume of paperwork they received. The current redisclosure requirements often contribute to this problem by requiring consumers to review multiple versions of the same disclosure that differ only by minor adjustments to estimated fees. Rather than improving transparency, these repeated disclosures can make it more difficult for consumers to identify meaningful changes and understand their actual costs.

The state associations also believe current industry practices have evolved in a way that was not intended by the rule. Many lenders devote significant time and resources attempting to make every individual fee on the initial Loan Estimate match the Closing Disclosure as closely as possible, despite the fact that TRID's tolerance provisions generally evaluate costs within tolerance categories rather than by individual line item. This conservative approach is driven by compliance concerns, not consumer benefit, and results in unnecessary redisclosures, additional operational expense, and delays that ultimately increase the cost of originating mortgage loans.

To address these concerns, we encourage the CFPB to consider evaluating tolerance compliance based on the applicable tolerance categories, or "buckets," rather than requiring redisclosures when individual fees within those categories change. This approach would more closely align disclosure requirements with the existing tolerance framework while reducing the number of revised Loan Estimates issued for routine adjustments that do not meaningfully affect the consumer's costs or financial decisions.

We also recommend revisiting the timing requirements for both the initial Loan Estimate and subsequent redisclosures. Rather than requiring the initial LE to be issued within three business days of application, creditors should be permitted reasonable flexibility to provide the disclosure once sufficient information has been obtained to prepare a more accurate estimate. Likewise, the Bureau should reconsider the rigid deadlines for issuing revised Loan Estimates following changed circumstances and instead permit creditors to provide updated disclosures at points in the process that are more meaningful to consumers and less disruptive to loan origination.

These changes would preserve the consumer protections established by TRID while reducing unnecessary paperwork, lowering compliance costs, and improving the overall mortgage experience. Consumers would receive fewer, more meaningful disclosures that better highlight important changes to their transaction, while lenders could devote more resources to serving borrowers rather than producing multiple versions of substantially similar forms. By modernizing these requirements, the CFPB can advance its goal of reducing unnecessary regulatory burden without compromising transparency or informed consumer decision-making, ultimately supporting greater efficiency and improved access to mortgage credit.

The state associations also refer the Bureau to response to Question 13, which further discusses recommended changes to the timing requirements for issuing revised Loan Estimates.

Question 6: Are there opportunities to provide Closing Disclosures earlier in the mortgage origination process to meet the statutorily required waiting periods while allowing consumers time to understand loan costs, prepare for loan consummation, and avoid closing delays?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe that the current framework already provides creditors with the flexibility to issue the Closing Disclosure (CD) earlier in the mortgage origination process when doing so benefits the transaction. Many lenders already provide the CD well in advance of consummation whenever the loan terms are sufficiently finalized to do so.

While there may be additional opportunities for some creditors to issue the CD earlier, we do not believe that earlier delivery, by itself, would provide a meaningful benefit to most consumers. The principal challenge is that, during much of the origination process, key loan terms and settlement costs continue to evolve as underwriting is completed, third-party information is received, and closing logistics are finalized. Issuing the CD prematurely may simply result in additional revised disclosures, increasing paperwork without improving consumer understanding.

The purpose of the Closing Disclosure is to present consumers with the final terms of their mortgage transaction shortly before consummation, when the information is substantially complete and consumers are in the best position to review the costs associated with their loan. Requiring or encouraging significantly earlier delivery could undermine this purpose if consumers are required to review multiple versions of the same disclosure before closing.

The state associations believe the Bureau's focus should remain on ensuring that consumers receive accurate, meaningful, and reliable information rather than simply earlier information. Consumers benefit most from disclosures that reflect the final terms of the transaction and clearly identify any material changes requiring their attention.

Rather than modifying the timing requirements for the Closing Disclosure, we recommend that the Bureau focus on reducing unnecessary revisions to both the Loan Estimate and the Closing Disclosure. Providing creditors with greater flexibility to minimize redisclosures, while preserving the statutory waiting periods and consumer protections established by TRID, would better advance the Bureau's goals of improving consumer understanding, reducing operational burden, lowering compliance costs, and expanding access to mortgage credit.

For these reasons, the state associations do not believe that encouraging earlier delivery of the Closing Disclosure, standing alone, would materially improve the consumer experience or reduce closing delays. Instead, efforts should focus on ensuring that consumers receive fewer, more accurate disclosures at the point in the transaction when the information is most meaningful and actionable.

Question 7: What additional guidance or model forms could the CFPB issue to better facilitate consumers' decision to waive the statutorily required waiting periods for a bona fide personal financial emergency?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA), believe the Bureau should provide clearer and more objective guidance regarding when consumers may waive the statutory waiting periods due to a bona fide personal financial emergency. The current standard is highly subjective and creates significant uncertainty for creditors, resulting in the waiver being used only in the rarest of circumstances.

Although TRID permits consumers to waive the applicable waiting periods, creditors are understandably reluctant to rely on the exception because the rule provides limited guidance regarding what circumstances satisfy the "bona fide personal financial emergency" standard. In the absence of clear regulatory guidance, creditors face the risk that an examiner, investor, or other secondary-market participant may later disagree with the determination, even when the creditor acted in good faith based on the facts presented by the consumer.

The Bureau could significantly improve consistency by providing more definitive guidance, including examples of circumstances that qualify—and those that do not qualify—for the exception. The current commentary provides limited examples of a bona fide personal financial emergency, which has resulted in some stakeholders interpreting the exception narrowly. More detailed, scenario-based guidance, model language, or a safe harbor for specified situations would promote more uniform application across the industry while ensuring that the exception remains limited to genuine consumer circumstances.

We also believe consumers should have greater flexibility to waive certain waiting periods when they have received sufficient information to make an informed decision. As the Bureau recognized when adopting the original TRID rule, the enhanced pre-consummation disclosure requirements were intended to ensure consumers had adequate time to review both the Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA) disclosures before closing. However, by the time the Closing Disclosure is issued, consumers have already received numerous disclosures throughout the mortgage origination process, including the initial Loan Estimate and other federally required disclosures describing the terms and costs of the transaction.

Accordingly, the Bureau should consider allowing consumers, with informed written consent and appropriate documentation, to waive the applicable waiting periods when a legitimate need exists and the consumer has demonstrated an understanding of the transaction. This flexibility would better accommodate circumstances such as imminent contractual deadlines, rate lock expiration concerns, or other significant financial consequences associated with delayed consummation, while preserving the consumer protections established by TRID.

The state associations also encourage the Bureau to consider whether certain waiting periods continue to provide meaningful consumer benefit in situations where the consumer has already received and reviewed the required disclosures and affirmatively wishes to proceed. Mandatory waiting periods can result in increased costs for consumers, including rate lock extension fees, delayed access to funds, missed closing deadlines, and other transaction-related expenses. Any additional flexibility should be structured to ensure that consumers make informed decisions and that creditors maintain appropriate documentation of the consumer's request and understanding.

Finally, we note that this question concerns the pre-consummation waiting periods established under TRID and should not be confused with the right of rescission provided under the Truth in Lending Act for certain refinance and home equity transactions. The consumer protections and policy considerations underlying these separate requirements are distinct and should be evaluated independently.

Our recommendations are intended to provide consumers and creditors with greater clarity and flexibility while preserving the fundamental purpose of TRID: ensuring that consumers have meaningful information and sufficient opportunity to understand the terms and costs of their mortgage transaction.

Question 8: Are there any materiality- based standards that could replace or supplement timing rules, recognizing TILA's timing requirements for delivery of disclosures after application and before consummation—including issuance of a revised disclosure upon a change in APR above the prescribed tolerance? If so, how should CFPB consider defining and structuring these standards (e.g., as an optional supplement to TILA's timing requirements or a complete substitution for them)? Would these materiality-based standards result in improved administrative efficiencies while preserving or improving consumer clarity and reducing closing delays?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA), and the Vermont Mortgage Bankers Association (VMBA) believe TRID timing standards are burdensome, creating delays in the mortgage origination process (e.g., fee tolerance increases requiring a new 3 day waiting period)—but the industry understands them well, and the framework creates predictable, consistent outcomes. Secondary-market liquidity depends on that predictability. Investors often require not merely technical TRID compliance, but compliance that fits established, uniform closing practices; loans that depart from those expectations can become difficult to sell even where the lender has a defensible legal position. For example, while the Bureau has consistently permitted a Loan Estimate to disclose a "TBD" property address if a ZIP code is disclosed, some investors will not accept that approach even after legal explanation. That is only one example. Investor overlays regularly narrow the practical range of choices lenders have when applying TRID, and they make subjective, lender-by-lender flexibility far less useful in the real market than it may appear in theory.

That example illustrates the central problem with any materiality-based TRID timing standard: it would require lenders to make loan-by-loan, subjective judgment calls under closing-pressure conditions. That would increase operational and administrative costs at the loan level, while producing inconsistent outcomes across portfolios with similar facts. In the secondary market, the likely result is not meaningful flexibility. Lenders would either spend more time defending individual decisions to investors, or investors would impose objective, bright-line overlays that replace the flexibility the rule was intended to create.

The costs would not be limited to individual loan files. Lenders would also incur near-term operational expenses to retrain staff, revise procedures, update controls, and recalibrate quality-control and secondary-market review processes.

The consumer benefit from such a change appears limited. The primary beneficiaries would likely be the narrow group of consumers who believe they are facing an emergency and view the TRID timing or waiting periods as financially harmful. But a subjective materiality standard would also create real consumer-protection risk. Unscrupulous lenders could classify late-process changes as "not material" to avoid redisclosure or waiting-period consequences. Even responsible lenders would reach different conclusions on similar facts, undermining the consistency and transparency TRID was designed to produce. That instability could harm consumers by impairing comparison shopping and reducing the clarity needed to make informed credit decisions. These are the same risks TRID was adopted to address. Rather than replacing predictable timing rules with subjective materiality determinations, the Bureau would be better served by issuing clear, usable guidance on when a bona fide financial emergency exists for purposes of waiving timing requirements, or by considering targeted relief from duplicative waiting periods in TRID rescindable transactions.

Recommended Actions

Ultimately, the expected costs and consumer-protection risks outweigh the likely benefits, particularly where the same objectives can be achieved through clearer guidance and targeted relief. If the Bureau nevertheless adopts a materiality-based standard, that standard should be:

- supported by detailed, scenario-based guidance that gives lenders practical confidence both in making the initial decision and in defending that decision to investors.
- paired with meaningful offsetting relief, such as reduced tolerance-cure exposure or another practical benefit that justifies the added compliance uncertainty; Including safe harbors wherever practical.
- narrowly tailored to a clearly identified benefit for both lenders and consumers.

Instead of adopting materiality-based timing standards, the Bureau should focus on targeted changes that preserve certainty while reducing unnecessary delay. Those changes could include clarifying the criteria that trigger a new three-business-day waiting period, reducing duplicative timing burdens for TRID rescindable loans, allowing more time to disclose a valid change of circumstance, increasing the threshold at which fee-related APR increases require a new waiting period, issuing practical guidance on bona fide financial emergencies, and reducing tolerance burden for selected zero-tolerance fees, such as transfer taxes.

Note on Other TRID Timings—Right of Rescission Included.

Consider a borrower who is approved for a cash-out refinance and is clear to close. The borrower must receive the initial Closing Disclosure at least three business days before closing. At that point, the borrower has the final loan terms and costs needed to evaluate the transaction. The loan then closes, but the borrower must wait an additional three business days for the rescission period to expire before receiving proceeds. In practical terms, a borrower who has been approved, reviewed the final disclosures, and executed the loan documents may still wait roughly a week for access to funds. If that borrower is experiencing financial hardship, and the lender is unwilling or unable to treat the circumstances as a bona fide financial emergency, the question is whether the combined waiting periods remain necessary or beneficial. The Bureau should consider whether the pre-closing TRID Closing Disclosure waiting period already provides sufficient consumer protection in this context, such that the additional rescission delay may be reduced or eliminated for appropriate refinance transactions.

A significant gap in this analysis is the absence of reliable data on actual rescission events. The Bureau should develop a framework to capture statistical data on rescission activity, because there does not appear to be a comprehensive source that would support calibrated guidance or rulemaking. Anecdotally, lenders appear to experience very few rescission events in a calendar year, but policy decisions in this area should be grounded in data rather than assumption.

Question 9: Does the three-business- day post-consummation rescission waiting period, coupled with the three- business-day pre-consummation TRID waiting period, unduly delay loan funding for refinance transactions? If so, how could the CFPB adjust the right of rescission or TRID waiting periods?

believe this question should focus primarily on the statutory right of rescission rather than the pre-consummation waiting periods established under TRID. While the pre-closing disclosure requirements serve an important purpose by ensuring consumers have adequate time to review the final terms of their loan before consummation, the additional three-business-day post-consummation rescission period can delay loan funding without providing a commensurate consumer benefit for many modern mortgage transactions.

The right of rescission has been a cornerstone of the Truth in Lending Act (TILA) since its enactment in 1968. At that time, consumers received significantly fewer disclosures and had less opportunity to evaluate the terms of a mortgage transaction before closing. Since then, Congress and the CFPB have implemented numerous consumer protections, including integrated TRID disclosures, enhanced underwriting standards, Ability-to-Repay requirements, Qualified Mortgage (QM) standards, appraisal requirements, and expanded consumer education throughout the mortgage process.

As a result, consumers today receive substantially more information and protections before consummation than they did when the rescission requirement was first enacted. For many refinance transactions, consumers receive the Closing Disclosure at least three business days before consummation, providing an opportunity to review final loan terms, costs, and payment information before signing the loan documents. In these circumstances, the additional post-consummation rescission period may provide limited incremental consumer benefit while delaying access to loan proceeds and increasing costs associated with the transaction.

The state associations believe the Bureau should consider whether the right of rescission should be tailored based on transaction type and product characteristics. Specifically, refinance transactions that are subject to TRID and qualify for sale to the Government-Sponsored Enterprises (GSEs), are insured or guaranteed by the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), or other federal housing programs, or otherwise satisfy the Qualified Mortgage (QM) requirements are already subject to robust underwriting and consumer protection standards. For these transactions, the Bureau should consider whether the existing pre-consummation disclosure and waiting period provides sufficient consumer protection without requiring an additional post-consummation rescission period.

The combined effect of the pre-consummation Closing Disclosure waiting period and the post-consummation rescission period can create meaningful delays for consumers. These delays may result in additional costs, including rate lock extension fees, delayed access to cash-out proceeds, additional interest expense, and complications with time-sensitive financial needs. These impacts should be weighed against the incremental consumer protection provided by maintaining both waiting periods for transactions where significant disclosures and review opportunities have already occurred.

Conversely, we believe the right of rescission continues to serve an important consumer protection function for loan products that present greater complexity or risk, including non-Qualified Mortgages (non-QM) and Home Equity Lines of Credit (HELOCs). Retaining rescission rights for these transactions appropriately balances consumer protection with regulatory efficiency by focusing the requirement where it is most likely to benefit consumers.

Our members do not believe expanding or encouraging the use of rescission waivers is the preferred solution. Even with additional guidance, waiver requests would continue to require subjective determinations regarding whether a bona fide emergency exists. This uncertainty could result in inconsistent application across the industry and increase examination risk for creditors. Over time, broader waiver standards could also diminish the exceptional nature of the rescission waiver and lead to its routine use.

Instead, the Bureau should consider a more targeted approach by recommending that Congress modernize the statutory rescission requirements to reflect today's mortgage market and the extensive consumer protections that now exist prior to consummation. Tailoring the right of rescission based on transaction type and product risk would preserve important consumer safeguards where they are most valuable while reducing unnecessary delays, lowering compliance costs, and supporting the Bureau's goal of improving efficiency and expanding access to responsible mortgage credit.

Question 10: Are there adjustments to the tolerance thresholds that could improve loan execution and result in improved credit access and lower consumer costs? For example, are there instances where the CFPB should consider adjusting tolerances for transfer taxes because transfer taxes cannot be determined within three business days of application? lotter on DSK8BHNXB4PROD with PROPOSALS1

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe the CFPB should reevaluate the allocation of fees within the TRID tolerance categories to ensure that the tolerance framework appropriately reflects the degree of control a creditor has over a particular cost. The current zero-tolerance category should be reserved for fees that are established, controlled, or directly influenced by the creditor. Costs that are determined by government authorities, third parties, or contractual negotiations outside the creditor's control should not be subject to the same zero-tolerance standard.

Transfer taxes are a clear example of a fee that should be moved from the zero-tolerance category to the 10 percent cumulative tolerance category. We are **not** suggesting that transfer taxes should be excluded from the Loan Estimate or Closing Disclosure, nor does the Association believe consumers should receive less information about these costs. Consumers should receive clear and accurate information regarding applicable transfer taxes and who is responsible for paying them.

The issue is who should bear the compliance risk when the amount or allocation of the transfer tax changes. A transfer tax is established by public law and is not determined by the creditor. The lender does not negotiate the amount of the tax, does not control the tax rate, does not determine whether the buyer or seller is responsible for the tax when that responsibility is established through the purchase and sale agreement, and does not receive or benefit from the tax. In many transactions, the lender may not have sufficient information within the three-business-day period for issuing the initial Loan Estimate to determine precisely how the tax will be allocated between the parties.

Because the transfer tax is a publicly established charge, moving it to a more appropriate tolerance category would not diminish consumer protection. A consumer cannot be overcharged for the applicable public tax merely because the lender is permitted additional flexibility to update the disclosed amount as the transaction develops. The actual tax remains governed by applicable law and is ultimately reflected in the closing documents.

The state associations and our members believe it is inappropriate for a lender to incur a tolerance violation, cure obligation, or other financial penalty when the amount of a transfer tax changes based on information that was not available to the lender at the time of the initial disclosure and over which the lender has no control. The lender should be permitted to update the disclosure when the applicable tax or the responsibility for paying the tax becomes known, without incurring a penalty solely because the original estimate was different.

The current treatment can create an unintended result: a lender may be financially responsible for a government-imposed charge that it neither controls nor receives, even when the lender made a reasonable and good-faith estimate based on the information available at the time. This does not advance the consumer protection purposes of TRID. Instead, it shifts the financial responsibility for an unavoidable change in a third-party or government-imposed cost to the party least able to control it.

We recommend moving transfer taxes from the zero-tolerance category to the 10 percent cumulative tolerance category. This approach would preserve full disclosure to consumers while recognizing the practical realities of mortgage lending and appropriately allocating compliance responsibility based on the creditor's ability to control the fee.

More broadly, the Bureau should evaluate whether TRID tolerance categories continue to reflect the realities of today's mortgage origination process. Tolerances should be based, at least in part, on the creditor's ability to control or reasonably estimate a fee at the time the Loan Estimate is issued. Aligning the tolerance framework with that principle would reduce unnecessary compliance costs and improve loan execution without diminishing meaningful consumer protections.

Question 11: Is there additional guidance that CFPB should provide around changed circumstances, which result in the issuance of revised estimates? For example, should the CFPB consider providing additional guidance around changed circumstances in cases where a purchaser continues to negotiate with the seller for payment of charges customarily paid by the borrower?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe the CFPB should provide additional guidance regarding changed circumstances that require revised Loan Estimates. Greater clarity would promote more consistent implementation across the industry, reduce unnecessary redisclosures, improve examination consistency, and allow creditors to focus compliance resources on changes that meaningfully affect consumers.

The Bureau's example regarding continued negotiations between buyers and sellers illustrates the practical challenges lenders face. It is common for purchase agreements to evolve throughout the transaction, including changes to seller-paid closing costs, transfer taxes, and other negotiated expenses. Creditors often have little control over these negotiations and may not receive timely notice of changes. Additional guidance regarding when these negotiations constitute a changed circumstance requiring redisclosure would provide greater certainty and reduce unnecessary compliance risk.

The state associations and our members also encourage the Bureau to reconsider the current three-business-day timeframe for issuing revised Loan Estimates following a changed circumstance. In many cases, multiple changes occur during the same period of the origination process. Allowing creditors additional flexibility to consolidate related changes into a single revised Loan Estimate would provide consumers with a more complete and meaningful update while reducing the number of disclosures issued throughout the transaction.

We further recommends that the Bureau provide clearer guidance distinguishing changes that meaningfully affect the consumer's loan terms, obligations, payment amounts, or overall transaction costs from administrative or technical changes that do not impact the consumer's understanding of the transaction. Changes that do not provide a meaningful consumer benefit should not unnecessarily trigger additional disclosure requirements, waiting periods, or compliance risk.

The state associations and our members also recommend that the Bureau establish a safe harbor for equivalent settlement services that are described differently on the Loan Estimate and the Closing Disclosure.

Today, creditors may face compliance concerns when the same underlying service appears under a different description or title, even though the service itself has not changed.

For example, the individual responsible for conducting a real estate closing may be identified as a "settlement agent," "closing agent," or "closing attorney," depending on state law, local custom, or the terminology used by the settlement service provider. Likewise, the same settlement service may appear under different fee descriptions even though the nature of the service and the associated cost remain substantially the same. These differences are often driven by state-specific legal requirements or vendor naming conventions rather than any substantive change to the transaction.

We believe that a change in the title or description of a settlement service, standing alone, should not result in a determination that a previously disclosed service was omitted from the Loan Estimate or that a new, undisclosed service was added at closing. Instead, the Bureau should adopt a safe harbor recognizing that equivalent services with different names satisfy the disclosure requirements, provided the service performed is substantially the same and the consumer is not materially disadvantaged.

The state associations and our members also encourage the Bureau to clarify when a change constitutes a new loan product requiring additional waiting periods under TRID. Certain operational adjustments may result in a perceived product change even when the fundamental characteristics of the loan remain unchanged. For example, minor variations in the length of an introductory fixed-rate period for an adjustable-rate mortgage caused solely by closing timing or operational requirements should not be treated as a product change when the loan structure, pricing, underwriting, and consumer expectations remain the same.

Providing additional clarity in these areas would better reflect the realities of mortgage lending across different jurisdictions, reduce unnecessary redisclosures and post-closing cures, and allow both creditors and examiners to focus on substantive consumer protection issues rather than technical differences in terminology or administrative adjustments.

Overall, we encourages the CFPB to continue refining changed circumstance guidance by focusing on substantive changes that meaningfully affect the consumer's transaction, while providing appropriate flexibility for routine adjustments and technical differences that do not impact the consumer's understanding of the loan or settlement costs. Doing so would further the Bureau's objectives of reducing unnecessary regulatory burden while preserving meaningful consumer protections.

Question 12: Should the TRID disclosure forms be modified in a way that would improve clarity for consumers and loan execution for mortgage brokers or creditors?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe there are opportunities to improve both consumer understanding and operational efficiency by reconsidering how information is presented during the early stages of the mortgage origination process.

One of the challenges under the current TRID framework is that the initial Loan Estimate must often be provided before creditors have sufficient information to accurately estimate many third-party settlement costs. While the disclosure is intended to provide consumers with an early understanding of the transaction, many of the figures are necessarily estimates that will change as additional information becomes available. This frequently results in revised Loan Estimates that increase paperwork and may contribute to consumer confusion rather than greater transparency.

The state associations and our members encourage the Bureau to consider whether the current Loan Estimate process could be modified to provide consumers with meaningful early information while avoiding the need for repeated revisions. One potential approach would be a preliminary disclosure that distinguishes between costs known with reasonable certainty at the time of application and costs that remain dependent upon third-party information or contractual negotiations.

For example, the Bureau could consider a preliminary disclosure that includes:

- Loan terms, interest rate, and lender-controlled fees that are known with reasonable certainty.
- Estimated ranges, rather than binding estimates, for third-party settlement costs that cannot reasonably be determined during the first few days after application.
- Clear explanatory language informing consumers that these third-party costs are preliminary and will be finalized as additional information becomes available.

Such an approach would provide consumers with a more realistic understanding of which costs are fixed and which remain subject to change, while reducing the need for multiple revised Loan Estimates as routine settlement information becomes available.

If the Bureau determines that creating a new preliminary disclosure is not appropriate, we encourage consideration of revisions to the existing Loan Estimate that more clearly distinguish lender-controlled costs from third-party estimates. Providing consumers with greater context regarding why certain fees may change would improve understanding without sacrificing the transparency that TRID was designed to achieve.

The state associations and our members also encourage the Bureau to review other areas of the TRID forms where disclosure requirements may create complexity without improving consumer understanding. For example, the current disclosure treatment of simultaneous issuance title insurance premiums can result in amounts shown on the disclosure that do not always reflect the actual premiums charged to the consumer. This can create confusion for consumers and operational challenges for creditors and settlement agents. Simplifying these requirements would improve transparency, reduce disputes among transaction participants, and help prevent avoidable closing delays.

Any modifications to the disclosure forms should seek to simplify—not complicate—the mortgage process. We encourage the Bureau to focus on disclosures that provide consumers with meaningful, actionable information while reducing unnecessary redisclosures and operational burden. These improvements would support the Bureau's goals of enhancing consumer understanding, lowering compliance costs, and expanding access to affordable mortgage credit.

Question 14: Are there changes or clarifications to requirements specific to construction loans that would provide consumer clarity, reduce costs, or otherwise promote access to credit for the construction of residential housing? For example, should the CFPB waive certain requirements as the CFPB did when it issued a ''Trial Disclosure Program Waiver Template'' to the Independent Community Bankers of America (ICBA) covering the ICBA's alterative versions of the Loan Estimate and Closing Disclosure tailored to construction loans?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe there are opportunities to improve TRID disclosures for construction loans by better aligning the required disclosures with the unique characteristics of these transactions.

Unlike traditional mortgage loans, construction loans involve phased disbursements over the course of the construction period. At the time of consummation, the amount that will actually be advanced throughout construction is often uncertain and depends upon the timing of construction draws, inspections, and project progress. As a result, certain TRID disclosure assumptions do not accurately reflect how construction loans function in practice.

One example is the calculation of the interest-only payment disclosed in the Projected Payments table on both the Loan Estimate and the Closing Disclosure. Under the current methodology, the interest-only payment during the construction period is generally calculated using one-half of the total loan amount. While this standardized assumption was intended to provide consistency, it can create confusion because it does not necessarily reflect either the amount initially advanced at closing or the maximum interest-only payment the consumer may ultimately be required to make as construction progresses.

The state associations and our members recommend permitting creditors to calculate the disclosed interest-only payment using the full committed loan amount rather than one-half of the loan amount. This approach would provide consumers with a clearer understanding of their maximum potential payment obligation during the construction period, establish greater consistency with disclosures provided for other mortgage products, and reduce confusion when actual monthly interest payments increase as additional construction draws are funded.

Using the full loan amount would also simplify compliance by eliminating the need to explain why the disclosed payment may differ significantly from payments made during various stages of construction. Consumers generally benefit from understanding the highest payment they may be required to make rather than relying on an assumed amount that may not accurately reflect their individual transaction.

More broadly, we encourage the Bureau to continue evaluating whether certain TRID requirements developed primarily for traditional mortgage transactions should be adapted to better reflect the operational realities of construction lending. Tailoring disclosures where appropriate would improve consumer understanding, reduce unnecessary complexity, and support greater access to construction financing without diminishing the consumer protections established by TRID.

Question 15: Are there other changes to the TRID Rule that CFPB should consider to facilitate compliance with the disclosure requirements of TILA and RESPA and to aid the consumer in understanding the transaction?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) appreciate the Bureau's consideration of additional changes to the TRID Rule that could improve compliance, enhance consumer understanding, and reduce unnecessary operational burden. In addition to the recommendations discussed in our responses to the preceding questions, the Bureau should consider several targeted revisions to improve clarity, consistency, and the overall effectiveness of the disclosure process.

We encourage the Bureau to provide greater flexibility in addressing technical timing errors where consumers have ultimately received all required disclosures with sufficient time to understand and evaluate their transaction. Under the current framework, a creditor may face significant consequences for an inadvertent timing error even when the consumer subsequently receives complete and accurate disclosures before consummation and is not harmed by the technical violation. The Bureau should consider whether subsequent timely disclosures, combined with evidence that the consumer had adequate opportunity to review the transaction, should provide a mechanism to address isolated technical timing errors.

The state associations and our members also encourage the Bureau to provide additional guidance regarding the application of TRID requirements to wholesale and brokered transactions. The structure of brokered transactions differs from traditional creditor-originated transactions, with mortgage brokers serving as intermediaries between consumers and multiple creditors. Additional clarity regarding the responsibilities of brokers and creditors, including the timing requirements for delivery of the Loan Estimate and the allocation of responsibility for disclosure errors, would promote greater consistency and reduce uncertainty throughout the industry.

We further recommend that the Bureau evaluate whether the delayed-settlement provisions should be expanded beyond new construction transactions to provide additional flexibility for purchase transactions where significant information may not be finalized until closer to closing. In many purchase transactions, final settlement costs, provider selections, property tax information, insurance terms, and other transaction details may not be available early in the process. Requiring multiple revised Loan Estimates before these details are finalized can create disclosure fatigue without necessarily improving consumer understanding. A more flexible, transaction-based approach could allow the most meaningful disclosures to be provided closer to consummation when information is more complete and actionable for consumers.

We also encourage the Bureau to simplify certain aspects of the rescission process that have become unnecessarily complex. For example, additional clarity regarding disclosure obligations for individuals who have rescission rights but are not borrowers on the loan would promote consistent application of the requirements. The Bureau should also continue evaluating whether consumers who are fully informed and wish to proceed should have additional flexibility to waive rescission-related timing requirements in appropriate circumstances.

The Bureau should also consider simplifying certain model forms and disclosure requirements where complexity does not provide a corresponding consumer benefit. For example, variations in rescission notice requirements based on transaction type can create significant compliance risk for creditors while providing limited additional value to consumers. A more uniform rescission notice approach could improve consistency and reduce unnecessary compliance challenges.

Finally, we encourage the Bureau to continue evaluating whether the current volume and presentation of required disclosures support or undermines consumer understanding. The Bureau has previously recognized the risk of information overload, and certain disclosure requirements may benefit from simplification. The Bureau should consider whether related fees may be grouped into broader categories where appropriate while maintaining the distinctions necessary for finance charge and other regulatory requirements. Additionally, greater consistency in fee naming conventions across federal housing programs would reduce confusion for consumers and operational challenges for industry participants.

The state associations and our members believe the goal of any TRID modernization should be to ensure consumers receive clear, meaningful, and timely information while reducing unnecessary technical complexity. Targeted improvements that promote consistency, reduce avoidable redisclosures, and focus compliance efforts on issues that materially affect consumers will strengthen the effectiveness of the TRID framework while supporting a more efficient mortgage lending process.

Question 16: For any potential changes recommended regarding TRID requirements, are there any considerations for pricing or secondary market participants that CFPB should consider, such as concerns around acceptance of materiality-based standards in lieu of timing standards? For example, how would

potential changes impact the pricing, liquidity, or demand for mortgages, mortgage backed securities, mortgage servicing rights, or other mortgage backed capital markets instruments?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe that any modifications to the TRID framework should be evaluated not only from the perspective of consumer disclosures and loan origination, but also for their impact on the secondary mortgage market. The ability to readily sell mortgage loans into the secondary market is essential to maintaining liquidity, reducing borrowing costs, and ensuring continued access to mortgage credit.

As discussed in our response to **Question 8**, predictable and consistently applied disclosure requirements are fundamental to secondary-market acceptance. Investors, warehouse lenders, mortgage insurers, and other market participants rely on standardized underwriting and compliance expectations when evaluating loans for purchase. Even where the Bureau provides flexibility through guidance or regulation, investors frequently establish more conservative overlays to ensure consistency across loan portfolios.

Accordingly, we believe that any revisions to TRID should be accompanied by clear, objective standards and practical implementation guidance. Regulatory flexibility that relies heavily on subjective lender judgment may not produce the intended operational benefits if secondary-market participants are unwilling to accept varying interpretations of compliance. In practice, investors often respond to regulatory flexibility by adopting their own bright-line requirements, effectively eliminating the flexibility the rule was intended to create.

The Bureau should also recognize that seemingly minor technical disclosure issues can have significant downstream consequences in the secondary market. Loans may become more difficult to sell or may require additional documentation, investor review, or post-closing remediation even when the issue has no meaningful impact on the consumer's understanding of the transaction. These additional costs ultimately reduce efficiency, increase the cost of originating mortgage loans, and may affect the availability or pricing of mortgage credit.

To maximize the effectiveness of any future TRID revisions, we encourage the Bureau to coordinate, where appropriate, with key secondary-market stakeholders—including the Government-Sponsored Enterprises (GSEs), federal housing agencies, investors, warehouse lenders, and industry trade organizations—to promote consistent implementation of revised requirements. Regulatory changes intended to simplify compliance or improve operational efficiency should not be undermined by inconsistent investor overlays or varying interpretations of immaterial technical issues.

The state associations and our members also encourage the Bureau to continue focusing its modernization efforts on areas where there is broad industry consensus that consumer protections can be preserved while unnecessary operational burden is reduced. As discussed throughout these comments, opportunities such as reducing unnecessary redisclosures, clarifying changed-circumstance requirements, modernizing tolerance provisions, and refining waiting-period requirements can improve efficiency without creating uncertainty in the secondary market.

Ultimately, the Bureau should strive for a regulatory framework that provides certainty for consumers, creditors, and secondary-market participants alike. Clear, objective, and consistently applied standards will better promote liquidity, operational efficiency, and consumer confidence than requirements that depend upon subjective determinations or are susceptible to differing interpretations throughout the mortgage finance system.

Questions 17 and 18 answered collectively

- **Question 17**: **Are there unique aspects of the loan origination process performed by small banks and credit unions for which the CFPB should consider changes to the TRID Rule specifically tailored for small banks and credit unions? If so, how should CFPB consider structuring these tailored changes (e.g., exemptions or alternative requirements)?**

- **Question 18**: **Would changes exclusive to small banks and credit unions lower costs for originators, creditors, or consumers?**

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe these questions should be considered together. While we recognize that smaller financial institutions may face unique operational challenges and resource constraints, the Associations do not support creating separate TRID disclosure requirements based solely on the size or type of creditor.

The purpose of the TRID Rule is to provide consumers with clear, consistent, and understandable information about the costs and terms of their mortgage transaction. Consumers should receive the same quality and level of disclosure regardless of whether they obtain a mortgage from a large financial institution, a community bank, a credit union, an independent mortgage lender, or another type of mortgage creditor.

The state associations and our members acknowledge that regulatory relief may be appropriate in certain circumstances for smaller institutions, particularly where compliance requirements create disproportionate operational burdens relative to the size and resources of the institution. However, any such relief should be carefully structured so that it does not result in different consumer disclosure requirements based solely on lender size or charter type. Regulatory efficiencies, streamlined processes, or targeted compliance flexibility may provide meaningful relief to smaller creditors while preserving a consistent consumer experience.

We also believe that improvements intended to reduce unnecessary TRID burden should generally be evaluated for applicability across the mortgage industry. Limiting meaningful reforms solely to smaller banks and credit unions would narrow the potential benefits for consumers, creditors, and the broader mortgage market. Consumers should benefit from improved disclosure processes regardless of the type or size of institution from which they obtain their mortgage.

Creating different TRID disclosure requirements based on lender size or type could introduce unnecessary complexity into the mortgage process. Settlement agents, closing attorneys, and other third-party service providers would be required to determine which creditors qualify for different treatment, potentially creating operational challenges and increasing the risk of inconsistent application. A consumer should not experience a different disclosure process simply because of the type or size of the institution providing their mortgage.

Additionally, the mortgage industry has already made significant investments in technology, compliance systems, training, and operational processes to implement TRID. Creating separate requirements for certain categories of creditors would require additional system changes and implementation costs, potentially creating a new financial burden for institutions that have already invested substantial resources in compliance.

Our members believe that any regulatory changes intended to reduce costs or improve efficiency should be evaluated based on whether they enhance the overall mortgage process rather than whether they benefit a particular category of lender. Streamlining unnecessary requirements, improving guidance, and reducing avoidable complexity within TRID would benefit all creditors, settlement service providers, and consumers.

We encourage the Bureau to pursue improvements to TRID that apply consistently across the mortgage industry while considering appropriate forms of regulatory relief for smaller institutions where such relief does not compromise consumer understanding or create inconsistent disclosure obligations. A uniform disclosure framework promotes transparency, operational efficiency, and a level playing field while allowing lenders of all sizes to compete based on service, products, and access to credit.

Ultimately, the quality and clarity of mortgage disclosures should not depend on the size or type of lender. All consumers deserve the same meaningful, accurate, and understandable information when making one of the most significant financial decisions of their lives.

Reverse Mortgages

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) recognize that reverse mortgages are fundamentally different from traditional forward mortgage products and believes the disclosure framework should appropriately reflect those differences. Reverse mortgages have unique features, including the absence of required monthly principal and interest payments, the potential for the loan balance to increase over time, and repayment generally occurring upon a maturity event such as the borrower no longer occupying the home or another qualifying event.

Because of these differences, disclosures designed primarily around traditional forward mortgage products may not always provide reverse mortgage borrowers with the clearest or most meaningful information about their transaction. Forward mortgage disclosures often rely on concepts such as scheduled repayment terms, monthly principal and interest payments, and traditional amortization, which may not accurately reflect the experience of a reverse mortgage borrower. We encourage the CFPB to evaluate whether reverse mortgage disclosures can be further tailored and simplified to better explain the unique features, costs, obligations, and long-term implications of these products.

We also recognize the important consumer protection role of HUD-approved counseling required for reverse mortgage borrowers. This counseling provides consumers with an opportunity to discuss the features, responsibilities, and potential risks of a reverse mortgage with an independent, qualified counselor before proceeding with the transaction. However, counseling and disclosures serve different purposes. Counseling provides individualized education and guidance, while required loan disclosures should provide clear, accurate, and understandable information about the specific transaction. Strengthening the connection between product-specific disclosures and consumer education would better support informed decision-making.

Our members who offer reverse mortgage products believe that the goal should not be to reduce consumer protections, but rather to ensure that required disclosures provide meaningful information that consumers can understand and use when evaluating a reverse mortgage. Tailored disclosures, clearer explanations, and improved presentation of costs and long-term impacts would complement existing counseling requirements while helping consumers make informed decisions about these products.

Question 19: The CFPB is aware that the reverse mortgage industry faces significant difficulties applying the disclosure requirements of TILA and RESPA to reverse mortgages, in light of those transactions' unusual terms and features. Would integrated and tailored reverse mortgage disclosures enable consumers to make more informed decisions?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe that tailored reverse mortgage disclosures have the potential to improve consumer understanding by presenting information in a manner that more closely aligns with how these products operate.

Current disclosure requirements often rely on terminology and concepts developed for traditional mortgage products, including repayment structures based on monthly principal and interest payments and fixed repayment periods. These concepts may not accurately reflect the experience of a reverse mortgage borrower and may require additional explanation by creditors and counselors.

A reverse mortgage-specific disclosure package could provide consumers with clearer information regarding how proceeds are received, borrower obligations, how loan balances may change over time, repayment triggers, occupancy requirements, and protections available to borrowers and heirs. Presenting this information in plain language and in a format designed specifically for reverse mortgage transactions would better support informed consumer decision-making.

We encourage the CFPB to consider whether existing forward mortgage disclosure requirements and educational materials should be modified, replaced, or supplemented where they do not provide meaningful information for reverse mortgage borrowers.

Question 20: Would a different set of scenario assumptions in the calculation of total annual loan cost rates in the TALC table give consumers more reasonable and accurate likely cost estimates of reverse mortgages?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) recognize that the Total Annual Loan Cost (TALC) disclosure serves an important purpose in helping consumers understand the potential costs of a reverse mortgage, particularly given the unique structure of these products. Unlike traditional mortgage transactions, reverse mortgages generally do not have a fixed repayment term or scheduled monthly principal and interest payments, which creates challenges in applying traditional annual percentage rate concepts.

However, we believe the CFPB should evaluate whether the current TALC disclosure format provides consumers with the clearest and most meaningful information. While the TALC calculation provides useful information regarding the potential cost of the transaction under different scenarios, presenting costs primarily as an annualized percentage may be difficult for consumers to interpret without additional context. The CFPB should consider simplifying the TALC disclosure by providing clearer explanations of what the calculation represents and how consumers should interpret the information. A concise narrative explaining that the TALC reflects the estimated annual cost of credit under different repayment scenarios would help consumers better understand the purpose of the disclosure.

The CFPB should also consider whether the assumptions and scenarios used in the TALC calculation continue to reflect the realities of today's reverse mortgage market. The disclosure should help consumers understand how the length of time they maintain the loan may affect the overall cost of the transaction, including how initial costs may represent a larger percentage of the loan amount in earlier years and may decline over time as the loan remains outstanding.

Additionally, the state associations and out members believe the CFPB should consider providing clearer explanations regarding program-specific costs associated with federally insured Home Equity Conversion Mortgages (HECMs), including upfront and ongoing FHA Mortgage Insurance Premiums (MIP). These costs are sometimes misunderstood by consumers as excessive charges imposed by lenders rather than as costs associated with the federal insurance program that provides important protections to borrowers, lenders, and the broader mortgage market.

A more transparent explanation of FHA mortgage insurance and the protections it provides would help consumers better evaluate the overall value and purpose of these costs when considering whether a HECM reverse mortgage is appropriate for their individual circumstances. Ensuring consumers understand both the costs and the benefits associated with the program is an important component of meaningful disclosure.

We believe that improving the clarity and usability of the TALC disclosure, including better explanations of key program features and costs, rather than eliminating the disclosure, would better support informed consumer decision-making while preserving important consumer protections.

Question 21: Would a table that demonstrates how the reverse mortgage balance grows over time, using dollar amounts rather than annualized loan cost rates in the current TALC table, help consumers to better understand and evaluate the costs and the benefits of the reverse mortgage? If so, what are the important features of such a chart?

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) believe that consumers may benefit from additional tools that help explain the long-term financial impact of a reverse mortgage; however, any such illustration should be carefully designed to provide balanced and meaningful information.

Reverse mortgages have unique features and objectives that distinguish them from traditional mortgage products. The impact of a reverse mortgage depends on multiple factors, including the borrower's circumstances, how proceeds are received and used, interest rates, home value changes, length of time the loan remains outstanding, and applicable borrower obligations. Because of these variables, a presentation focused solely on projected loan balance growth or costs could create confusion or lead consumers to draw conclusions without understanding the broader context of the product.

We encourage the CFPB to consider whether a well-designed narrative explanation, potentially supplemented by visual illustrations, would provide consumers with a more meaningful understanding of both the costs and benefits of a reverse mortgage. Any illustration should clearly explain the assumptions being used and should present information in a balanced manner, including the purpose of the loan, how borrowers may access funds, the protections available to borrowers, and how the transaction may affect home equity over time.

If the CFPB develops additional standardized illustrations, those materials should avoid presenting costs in isolation. A meaningful disclosure should help consumers understand not only how the loan balance may change, but also the value and benefits provided by the product when it is appropriate for the borrower's individual circumstances.

The state associations support efforts to improve reverse mortgage disclosures so that consumers receive information that is clear, accurate, and relevant to the unique characteristics of these products. The objective should be to improve consumer understanding and decision-making rather than simply provide additional calculations or data points that may not reflect the full nature of the transaction.

Question 22: Would consumers benefit from a tailored disclosure informing consumers about how reverse mortgages work and about terms and risks that are important to consumers when selecting a reverse mortgage, instead of the generic brochures and booklets? If so, please provide any research or analysis of material that would be beneficial.

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA, believe consumers would benefit from educational materials specifically designed for reverse mortgage transactions. Because reverse mortgages differ significantly from traditional mortgage products, educational resources developed primarily for forward mortgages may not fully address the questions, considerations, and decision-making factors most relevant to reverse mortgage borrowers.

We recognize the important role of HUD-approved counseling as a consumer protection measure for reverse mortgage borrowers. Counseling provides consumers with an opportunity to discuss the features, responsibilities, potential risks, and alternatives associated with a reverse mortgage with an independent, qualified counselor. However, educational materials and loan disclosures serve a separate and complementary purpose. Consumers benefit when the information provided throughout the process is consistent, product-specific, and designed to reinforce understanding.

The CFPB should consider developing or updating educational resources that clearly explain how reverse mortgages work, including how borrowers receive proceeds, ongoing borrower responsibilities, how loan balances may change over time, repayment circumstances, the impact on home equity, and protections available to borrowers and heirs.

Educational materials should also provide balanced explanations of both the costs and benefits associated with reverse mortgage products. For example, in the case of federally insured Home Equity Conversion Mortgages (HECMs), consumers should receive clear information regarding FHA Mortgage Insurance Premiums (MIP), including the purpose of the insurance and the protections it provides to borrowers, lenders, and the mortgage insurance program. Providing appropriate context around these costs would help prevent misunderstandings and allow consumers to better evaluate the overall value and suitability of the product.

We encourage the CFPB to evaluate existing educational materials, including materials developed for traditional forward mortgage products, to determine whether they provide meaningful value for reverse mortgage borrowers or whether more tailored resources would better serve consumers. Reverse mortgage education should be presented in clear, accessible language and should help consumers understand both the unique features of the product and the circumstances under which it may or may not be appropriate.

Ultimately, the goal of reverse mortgage education should be to provide consumers with the information necessary to make informed decisions. Tailored educational resources, combined with HUD-approved counseling and clear product-specific disclosures, would strengthen consumer understanding while maintaining the important protections already built into the reverse mortgage process.

Conclusion:

The Massachusetts Mortgage Bankers Association (MMBA), the Connecticut Mortgage Bankers Association (CMBA), the Maine Association of Mortgage Professionals (MAMP), the Mortgage Bankers & Brokers Association of New Hampshire (MBBA-NH), the New York Mortgage Bankers Association (NYMBA), the Rhode Island Mortgage Bankers Association (RIMBA) and the Vermont Mortgage Bankers Association (VMBA) appreciate the Bureau's willingness to seek input from stakeholders regarding opportunities to improve the mortgage origination process and promote greater access to mortgage credit. The recommendations outlined in this letter are intended to support the Bureau's objectives by reducing unnecessary regulatory complexity, improving operational efficiency, and maintaining the consumer protections that are essential to a transparent and well-functioning mortgage market.

Our members believe consumers are best served when they receive disclosures that are accurate, understandable, and focused on information that is meaningful to their decision-making process. A regulatory framework that emphasizes the quality and clarity of disclosures, rather than the volume of disclosures provided, will better serve consumers while allowing lenders to dedicate resources to responsible lending and expanding access to sustainable homeownership opportunities.

The mortgage market has evolved significantly since many of the existing disclosure requirements were established. Advances in technology, enhanced underwriting standards, expanded consumer protections, and increased transparency throughout the origination process provide an opportunity to modernize existing requirements while preserving the fundamental protections on which consumers rely.

As mortgage lenders and professionals serving consumers across six states, our associations see firsthand both the value of TRID's consumer protections and the operational challenges created by requirements that may no longer reflect the realities of today's mortgage market. We encourage the Bureau to consider targeted, practical changes that preserve meaningful consumer protections while reducing unnecessary complexity, delays, and compliance costs. Improvements that provide greater clarity and flexibility can benefit consumers, lenders, settlement service providers, and the broader housing market.

The participating state associations welcome continued dialogue with the Bureau as it considers potential improvements to TRID and related mortgage regulations. We remain committed to working collaboratively with policymakers, regulators, and industry stakeholders to develop solutions that promote responsible lending, protect consumers, reduce unnecessary regulatory burdens, and support access to affordable mortgage credit.

Thank you for the opportunity to provide our perspectives and recommendations. We appreciate the Bureau's consideration of these comments and welcome the opportunity to discuss any of the issues raised in this letter in greater detail. The contact information for each participating association is provided below, and we encourage the Bureau to contact any of us with questions or requests for additional information.

Sincerely,

Deborah J Sousa

Deborah J Sousa
Executive Director

Massachusetts Mortgage Bankers Association

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