

## CFPB Issues Interim Final Rule To Help Mortgage Servicers Communicate With Certain Borrowers At Risk Of Foreclosure

Bureau Also Seeks Comment on Separate Proposed Rule Modifying Timing Requirements for Bankruptcy Periodic Statements

OCT 04, 2017

**Washington, D.C.** - The Consumer Financial Protection Bureau (CFPB) today issued an interim final rule and a proposed rule to provide mortgage servicers more flexibility and certainty around requirements to communicate with certain borrowers under the Bureau's 2016 mortgage servicing amendments. The interim final rule gives servicers more flexibility regarding when to communicate about foreclosure prevention options with borrowers who have requested a cease in communication under federal debt collection law. The proposed rule would provide more certainty for mortgage servicers about when to provide periodic statements to consumers in connection with their bankruptcy case.

"Today's action should make it easier for mortgage borrowers to receive timely information from their mortgage servicers about available options for saving their home, even if they have submitted a request to cease communication," said CFPB Director Richard Cordray. "In addition, we are proposing changes to clear up confusion about when to provide periodic statements with important loan information to borrowers in bankruptcy."

In 2016, the Bureau made changes to the mortgage servicing rules to require mortgage servicers to send written notices, referred to as early intervention notices, to certain consumers at risk of foreclosure who have requested a cease in communication under the Fair Debt Collection Practices Act. Under this law, consumers have the option to request that companies stop contacting them except for limited purposes. Once these borrowers become delinquent, the Bureau's 2016 amendments generally require that mortgage servicers send notices to these consumers every 45 days to inform them of available foreclosure prevention options but prohibit servicers from sending the notices more than once in a 180-day period. The Bureau has heard concerns that once a servicer sends a notice to one of these borrowers, the rule requires servicers to provide the next notice exactly on the 180th day after the prior one, regardless of whether it is a weekend or a holiday.

To alleviate these concerns, the interim final rule issued today gives servicers a longer, 10-day window to provide the modified notices. The Bureau believes that this change offers greater certainty for servicers' ability to comply with the rule, without undermining important borrower protections. The interim final rule becomes effective on Oct. 19, 2017, the same date that the related 2016 rule provisions become effective. The Bureau is seeking comment on this rule and will consider whether to revisit it in the future.

The Bureau has also learned that certain technical aspects of the 2016 amendments regarding the timing for servicers to provide periodic statements in connection with a borrower's bankruptcy case may create unintended challenges and be subject to different legal interpretations. Thus, the Bureau is also seeking public comment on a proposed rule that would provide greater certainty for mortgage servicers regarding the timing for providing periodic statements in those circumstances. The proposed effective date for the proposed rule is April 19, 2018, the same date that the sections of the 2016 rule that the proposal would amend become effective.

The comment period on both the interim final rule and the proposed rule will close 30 days after publication in the Federal Register.

**The interim final rule on mortgage servicer communication flexibility is available at:**  
[http://files.consumerfinance.gov/f/documents/201710\\_cfpb\\_amendments-to-2016-Servicing-Rule\\_interim-final-rule.pdf](http://files.consumerfinance.gov/f/documents/201710_cfpb_amendments-to-2016-Servicing-Rule_interim-final-rule.pdf)

**The proposed rule on periodic statements is available at:**  
[http://files.consumerfinance.gov/f/documents/201710\\_cfpb\\_amendments-to-2016-Servicing-Rule\\_NPRM.pdf](http://files.consumerfinance.gov/f/documents/201710_cfpb_amendments-to-2016-Servicing-Rule_NPRM.pdf)

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