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## **NCLC Statement on CFPB's Second Crack at Proposed Mortgage Servicing Rules**

(WASHINGTON, D.C.) “Today, by issuing proposed revisions to mortgage servicing rules, the CFPB took an important step toward improving protections for distressed borrowers,” said Alys Cohen, staff attorney at the National Consumer Law Center’s Washington office. “The CFPB’s proposal addresses several top-line problems for homeowners seeking help from their mortgage companies,” said Cohen. “We were pleased to see that the proposal seeks to provide better protections for widows, heirs, and homeowners going through divorce. These homeowners often face special challenges in communicating with a mortgage company and in obtaining assistance that allows them to keep their home. Homeowners whose loans are transferred to another company face huge hurdles in obtaining responses to their requests for assistance and the proposal takes on that problem. The CFPB proposal also offers borrowers in bankruptcy more information from servicers,” Cohen said. In connection with how often the CFPB’s servicing protections apply, Cohen added, “We are pleased that homeowners who face changed circumstances will not be shut out of the foreclosure protections that applied the first time they sought assistance.”

While the CFPB’s proposed rule is detailed and will require extensive analysis, some problems faced by homeowners were not addressed. “Homeowners must have clear guidance on what they need to submit in order to have their request for assistance reviewed. Because key protections only apply once a complete application has been submitted, homeowners continue to face skyrocketing fees and piled-on interest from foreclosures while they try to complete their applications,” said Cohen. “In addition, borrowers who do not speak English as their native language continue to face significant problems communicating with mortgage companies, obtaining information from them, and submitting needed paperwork. Homeowners should be able to talk to their servicers as well as submit and receive documents in their native language. We hope the CFPB will take another look at addressing these important issues in their final rule,” concluded Cohen.

The public has 90 days to comment on the proposed rule which is available at:  
[http://files.consumerfinance.gov/f/201411\\_cfpb\\_proposed-rule\\_mortgage-servicing.pdf](http://files.consumerfinance.gov/f/201411_cfpb_proposed-rule_mortgage-servicing.pdf)

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