COMMENTS

to the

Consumer Financial Protection Bureau

regarding

12 CFR Parts 1024, 1026

Docket No. CFPB-2019-0055

Request for Information
Regarding the Integrated Mortgage Disclosures
Under the Real Estate Settlement Procedures Act
(Regulation X)
and the
Truth In Lending Act (Regulation Z) Rule Assessment

84 Fed. Reg. 64,436 (Nov. 22, 2019)

by the

National Consumer Law Center

(on behalf of its low-income clients),

Americans for Financial Reform Education Fund,

National Association of Consumer Advocates,

and the

National Fair Housing Alliance

January 21, 2020

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1. Introduction

We thank the Consumer Financial Protection Bureau (the Bureau or CFPB) for the opportunity to comment on its proposed assessment of the TILA-RESPA Integrated Disclosure Rule (TRID), which requires disclosure of the terms of consumer mortgage transactions. The National Consumer Law Center (NCLC) submits the following comments, on behalf of its low-income clients, along with the Americans for Financial Reform Education Fund, the National Association of Consumer Advocates, and the National Fair Housing Alliance.[1]

As the Bureau explains in its request for comment, 12 U.S.C. § 5512(d) requires the Bureau to "conduct an assessment of each significant rule or order adopted by the Bureau under Federal consumer financial law" by the rule's fifth anniversary. The TILA-RESPA Integrated Disclosure Rule (TRID) is soon due for its five-year assessment.

In assessing the TRID rule, the Bureau is required to address "the effectiveness of the rule or order in meeting the purposes and objectives of this title and the specific goals stated by the Bureau." The assessment must be based on "evidence and any data that the Bureau reasonably may collect." Before publishing the assessment, the Bureau is required to "invite public comment on recommendations for modifying, expanding, or eliminating" the rule.

In this case, the Bureau is first seeking comment on how to conduct the assessment. We compliment the Bureau on its willingness to do so. By hearing from the public on how to conduct the assessment, the Bureau will be better equipped with the data and other knowledge needed to ask appropriate questions and produce a useful report.

1.1 It is too early to draw any conclusions.

While we acknowledge that the Bureau is required to conduct the pending assessment, we believe the assessment is premature.

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[1] See the Appendix for descriptions of each organization.

The mortgage market has not fully recovered since the last foreclosure crisis.[2] And, the economy has been strong since the disclosures were introduced.[3] As a result, the disclosures have not been truly tested by the risky types of loans that led to the last crisis nor have most borrowers been subjected to the types of financial distress that could trigger widespread defaults.

Until the mortgage market returns to normal and the economy has experienced some downturns, we will not know whether the disclosures have adequately armed consumers with the knowledge they need to get affordable, sustainable loans. As a result, the Bureau should consider the pending assessment to be only a preliminary evaluation. It should not be considered proof of the need for any significant changes.

1.2 Importance of the integrated disclosures

The integrated disclosures provide important clarity to people shopping for a mortgage. Before they were introduced, consumers received completely separate disclosures under Regulation Z and Regulation X. There was no coordination between the two, which could leave consumers confused or with incomplete information. The old TILA disclosures also failed to adequately disclose important loan features, such as how the

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[2] For example, the Urban Institute's Housing Finance monthly chartbook for December 2019 states that "[n]on-agency securitizations continue to be tiny compared to pre-crisis levels;" the Housing Credit Availability Index remains substantially lower than pre-crisis levels; and for purchase loans "[a]ccess to credit remains tight, especially for lower FICO borrowers." Urban Inst. Housing Finance at a Glance at 12-15 (Dec. 2019), available at https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-december-2019/view/full_report.

[3] Lucia Mutikani, Reuters Strong U.S. job growth showcases economy's resilience (Dec. 6, 2019), available at https://www.reuters.com/article/us-usa-economy/strong-u-s-job-growth-showcases-economys-resilience-idUSKBN1YA1IL (noting unemployment is at lowest level in “nearly half a century,” “wage gains remained near their strongest in a decade,” and “The numbers suggest consumers will keep the longest economic expansion in history, now in its 11th year, chugging along into next year”).

payment on an ARM could change, the risk of negative amortization, and others.[4]

Unlike the original disclosures, the integrated disclosures were tested through consumer focus groups[5] and are based on studies of consumer decisionmaking[6] that were not available when the prior disclosures were created. As a result, both the appearance and the content of the disclosures have vastly improved.

Even more important are the timing and accuracy requirements that apply to the integrated disclosure forms. The new loan estimate form must be delivered or mailed no later than three days after the consumer's application. The term "application" is defined in a way that should cause the disclosure duty to arise earlier than it may have in the past.[7] Unlike the old good faith estimate, the loan estimate is binding and re-disclosure is allowed only in limited circumstances.[8] These requirements should give consumers a reasonable opportunity to comparison shop with multiple lenders and to understand whether any loans they are offered will be affordable.

The new closing disclosure must be provided no later than three business days before consummation.[9] This is a significant improvement over the old rule, which allowed the equivalent disclosure to be made at consummation—sometimes with drastic changes to the loan terms. But, as described below in our

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[4] *See generally* 84 Fed. Reg. 64436, 64,437-38 (Nov. 22, 2019).

[5] Kleimann Communications Grp., Inc., Know Before You Owe: Evolution of the Integrated TILA-RESPA Disclosures at 7 (July 9, 2012).

[6] *See, e.g*., Jeanne M. Hogarth and Ellen A. Merry, Fed. Res. Bulletin, Designing Disclosures to Inform Consumer Financial Decisionmaking: Lessons Learned from Consumer Testing (Aug. 2011).

[7] *See generally* 84 Fed. Reg. 64436, 64,437-38 (Nov. 22, 2019).

[8] National Consumer Law Center, Truth in Lending 4.4.7.3 (10th ed. 2019).

[9] National Consumer Law Center, Truth in Lending 4.4.7.4 (10th ed. 2019).

comments, there is still room to improve the TRID forms and rules.

2. Recommendations for the Bureau's assessment

2.1 The assessment must evaluate all impacts on consumers—even ones that cannot be assigned a monetary value.

The Bureau states that its assessment plan "is informed by a cost-benefit perspective."[10] We urge the Bureau to remember that a balanced assessment will consider all impacts on consumers, regardless of whether they can be assigned a monetary value. As an independent agency, the CFPB is not subject to Executive Order 12866 (regarding the conduct of a cost-benefit analysis)[11] but instead is governed by the agency specific requirements of section 1022 of the Dodd-Frank Act.[12]

As explained in the Bureau's notice, one of TRID's major goals is "to aid the borrower or lessee in understanding the transaction . . . ."[13] This goal is in addition to the CFPB's broader goals, which include exercising its authority to ensure that—

- Consumers receive "timely and understandable information to make responsible decisions about financial transactions;" and that

[10] 84 Fed. Reg. 64,436, 64,439 (Nov. 22, 2019).

[11] The FRB, the FCC, the FDIC, the FTC, and the OCC, along with the CFPB, are all excluded from OIRA review under Executive Order 12866 and the definition of independent regulatory agency contained in 44 U.S.C. § 3502(5).

[12] *See* 12 U.S.C. 5512(b)(2)(A) ("In prescribing a rule under the Federal consumer financial laws—(A) the Bureau shall consider—(i) the potential benefits and costs to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services resulting from such rule;").

[13] 84 Fed. Reg. 64,436, 64,439 (Nov. 22, 2019).

- "Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination."[14]

Therefore, the Bureau's assessment must consider more than the dollar value of the burden on industry and must not dismiss costs or benefits for consumers merely because it is difficult to assign a dollar value.

Some specific benefits to consumers that may be hard to quantify include:

- helping people comparison shop;
- reducing the cost of credit and related services and products through enhanced competition;
- promoting transparency by preventing or exposing kickbacks and other reverse incentives;
- facilitating a better understanding of the cost of credit so consumers can avoid unaffordable products and thereby make more responsible decisions;
- shedding daylight on risky or less desirable loan features that creditors may otherwise hide in the fine print of the loan contract;
- helping people better understand and fulfill their mortgage obligations; and
- giving consumers greater confidence in their decisions, making them more engaged market participants and thereby serving TILA's market-stabilization purpose.

We anticipate that mortgage industry participants will renew their concerns about legal liability for TRID violations.[15] So we encourage the Bureau to ask specific questions about the actual

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[14] *Id.*

[15] *See, e.g.*, 84 Fed. Reg. 64436, 64438, 64440 (Nov. 22, 2019).

number of lawsuits they have faced *involving the TRID rules*,[16] as well as the outcome of those lawsuits.

The Bureau should also consider that other costs or burdens cited by the lending industry likely create more significant, counter-balancing benefits to consumers and the overall economy. For example, the Bureau cites the concern of two trade groups "that creditors will need to either retain in portfolio or sell on the 'scratch and dent' secondary market at a steep discount loans containing TRID errors." While those commenters may be correct that this is a cost to lenders, it is also a benefit to the market overall because there must be consequences for misconduct. It encourages creditors to put in the resources necessary to ensure compliance with TRID's consumer protections. This is a form of self-regulation which reduces the need for regulatory enforcement.

In another example, a trade group commented that "many creditors have been hesitant to offer more complex mortgage products . . . ." But this too can also be considered a benefit to consumers and economic stability. Complex products were at the heart of the last crisis. So reduced complexity is a benefit. If creditors want to offer complex niche products for sophisticated borrowers, they can still do so but market forces will require them to hold those loans—and any associated risk—in portfolio.

Overall, these examples illustrate that some costs are justified and create benefits that, while difficult to quantify, are real and of sufficient magnitude to justify the burden on industry.

2.2 The Bureau should interview consumers and housing counselors in the same depth as industry representatives.

According to the Federal Register notice, the Bureau plans to assess how the TRID rule has affected consumers, industry firms,

[16] Because the disclosure rules have changed so much, and because this is an assessment of the TRID rule, lawsuits that predate the TRID's effective date should not be considered relevant to this assessment.

and the mortgage market.[17] But the Bureau's proposal appears to give firms and market participants a greater opportunity to communicate with Bureau staff. To determine the effect on consumers, the notice says the Bureau will use "internal Bureau data," the results of the consumer testing used to develop the TRID forms, and data from the National Survey of Mortgage Originations.[18] In contrast, to determine the effect on firms, the notice says the Bureau will interview creditors, settlement agents, quality control providers, and possibly other industry participants.[19]

The Bureau should also interview borrowers and housing counselors. Survey data and pre-TRID research will not be enough to properly assess how TRID has affected consumers. While we agree that interviewing industry participants will provide valuable information, that information will only be half the story. Consumers and housing counselors will have vital information about how the disclosures are received and used. The qualitative impact of the enhanced disclosures on consumers' decisionmaking, including any increased confidence or greater facility in managing mortgage credit, can only be assessed via in-person interviews. Interviewing only industry-side participants will produce an unbalanced assessment of the TRID rule, overly focused on the costs to industry without a proper recognition of the full range of benefits, both quantitative and qualitative to consumers.

2.3 The Bureau should investigate the following questions:

2.3.1 How often do lenders make loans with a rate discount for on-time payment?

Penalty rates are not uncommon in open-end credit contracts, particularly credit cards. But they are rare in closed-end

[17] 84 Fed. Reg. 64,436, 64,439-40 (Nov. 22, 2019).

[18] *Id.* at 64,439.

[19] *Id.* at 64,440.

mortgages. Perhaps for this reason, the TRID disclosures do not adequately disclose a deceptive way that creditors can include a penalty rate in mortgage contracts—a rate discount for timely payments. As part of its TRID assessment, the Bureau should ask creditors how often they make loans that provide this type of discount and for any data they have on the consumer experience with this type of loan.[20] The Bureau should also ask consumers and housing counselors about their experience with this type of loan.

Here is how creditors conceal a penalty rate in closed-end mortgage contracts: All mortgage loan contracts state an initial interest rate and require borrowers to make payments on time. But some further state that the creditor will reduce the interest rate if the borrower makes a certain number of payments on time. The trick is that the contract already requires the borrower to make payments on time, and TILA requires creditors to assume compliance with the contract when calculating the APR and other disclosures.

As a result, the TRID disclosures will show at least two payment streams: one based on the nominal contract rate (which will be in effect at consummation), and a second based on the discount rate. The APR and other disclosures will be calculated based on the assumption that the borrower will earn the reduced payment. But the disclosure will not explain that the reduced payment is contingent on timely payments and that paying late will make the monthly payment go up.

Disclosing this hidden penalty is important because most borrowers will make at least one late payment during the life of their loan. So the Bureau should determine how often creditors engage in this practice.

[20] For example, the rate of default, how often consumers get or lose the benefit of the discount, and any complaints or questions received.

2.3.2 How often do lenders make loans with closing costs paid through the interest rate ("no-cost" loans)?

The TRID rules substantially improve the disclosure of any closing costs associated with a loan. Most borrowers pay closing costs directly—in cash at the closing or by financing them as part of the amount borrowed. But some borrowers pay their closing costs through an increased interest rate. These loans are sometimes (inaccurately) dubbed "no-cost loans."

No-cost loans can have benefits for borrowers despite the higher interest rate. They may be preferable for borrowers with limited cash who do not want to finance the closing costs. And no-cost loans can save borrowers money by making loan shopping considerably easier.[21] Rather than comparing the interest rate plus a multiplicity of closing costs, the borrower need only compare the interest rate across loans (assuming they are all no-cost loans with fixed interest rates and the same maturities).

Also, because the lender in a no-cost loan bears the risk of markups and other deceptive settlement charges, paying all costs through the rate can reduce the risk of settlement service providers gouging the borrower. One analysis of FHA loans found that borrowers with no-cost loans saved $1,200 in origination fees compared to borrowers who paid closing costs in cash.[22] And overcharges based on race and income were far less likely to occur with no-cost loans.[23]

The disclosure rule for no-cost loans is somewhat counter-intuitive. Creditors must disclose all the closing costs as if the

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[21] *See* Susan E. Woodward & Robert E. Hall, Diagnosing Consumer Confusion and Sub-Optimal Shopping Effort: Theory and Mortgage-Market Evidence, 107 Am. Econ. Rev. 3249, 3275 (2012) (finding a "single-dimension shopping strategy based on the no-cost loan" to offer a "striking advantage" for borrowers).

[22] Susan E. Woodward, Urban Inst., A Study of Closing Costs for FHA Mortgages xi, 70 (May 2008) (finding "the terms on no-cost loans are substantially better than the terms on other loans"), available at www.urban.org.

[23] *Id.* at 70.

borrower were paying them directly—but with a counterbalancing credit from the creditor. This has been a source of confusion to some lenders.[24] And if it is confusing to lenders, it is probably even more confusing for consumers. The assessment may determine that consumers and industry could benefit from further research on the best way to disclose these loans.

2.3.3 How often do lenders make loans that are exempt from use of the TRID forms?

There are several important exemptions from the TRID form requirement:

- Home-secured open-end credit (HELOCs);[25]
- Certain manufactured homes;[26]
- Certain mortgages provided through housing assistance loan programs for low-income and moderate-income households.[27]

The Bureau should determine how many loans are made under these exemptions. If a significant number of exempt loans are made to any particular category of borrowers, it may be necessary to revisit the exemptions to ensure that those borrowers are adequately protected or to determine whether the exemptions are being abused.

[24] *See, e.g.*, JiJi Bahhur, NAFCU Compliance Blog (Apr. 15, 2015), available at https://nafcucomplianceblog.typepad.com/nafcu_weblog/2015/04/tila-respa-disclosing-no-cost-loan-transaction-on-loan-estimate-and-closing-disclosure-sibling-love.html

[25] Official Interpretations 12 C.F.R. § 1026.18-3; 78 Fed. Reg. 79,730, 79,730 (Dec. 31. 2013).

[26] *See* 78 Fed. Reg. 79730, 79,785 (Dec. 31, 2013).

[27] 12 C.F.R. § 1026.3(h); Official Interpretations § 1026.3(h).

2.3.4 How often do lenders provide non-binding or "for information only" disclosures before and after receiving an application?

2.3.4.1 Preliminary loan estimates

The current rules require creditors to provide consumers with a Loan Estimate once the creditor receives the six items of information defined to be a loan application. If the creditor provides the consumer with a written estimate of terms or costs *before* delivering the official Loan Estimate (which we call a "preliminary estimate" in these comments), this preliminary estimate must contain a statement that "Your actual rate, payment, and costs could be higher. Get an official Loan Estimate before choosing a loan." In addition, the preliminary estimate may not be made with headings, content, and format substantially similar to the official Loan Estimate form and must be in font size no smaller than twelve-point.[28]

The Bureau should ask creditors how often they issue preliminary estimates. The Bureau should do qualitative research on how consumers use preliminary estimates, whether consumers understand that they are non-binding and that they are entitled to get a binding Loan Estimate after receiving the preliminary estimate, and whether they have experienced any problems obtaining a binding loan estimate from creditors.

2.3.4.2 Loan estimates issued for informational purposes only

Sometimes the information creditors provided on the loan estimate will change after it has been issued. The current Official Interpretations allow a creditor to provide a revised Loan Estimate even in the absence of the circumstances listed in § 1026.19(e)(3)(iv).[29] The Bureau has described such a disclosure as being "for informational purposes only" so it does not affect the good-faith baseline for accuracy if the creditor issues it after

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[28] 12 C.F.R. § 1026.19(e)(2)(ii); Official Interpretations § 1026.19(e)(2)(ii)-1.

[29] Official Interpretations § 1026.19(e)(3)(iv)(A)-ii.

a change that is not among those listed in Regulation Z.[30] These "informational-only" disclosures have the potential to confuse consumers. We urge the Bureau to ask creditors how often they are issued. The Bureau should also collect qualitative research on how informational-only disclosures impact consumers.

2.3.5 Do the new forms encourage consumers to shop for credit any better than the old forms did?

Helping consumers shop for the best loan is one of the most important reasons Congress requires the TILA and RESPA disclosures. It was also a major consideration in designing the TRID forms. Therefore no assessment would be complete without a thorough examination of whether the TRID forms help consumers shop for credit. But the only way to effectively answer this question is to speak with consumers who have applied for mortgages and received the disclosures. Asking consumers in the abstract whether they might shop more or differently will not answer the question of whether the forms meet their goal. Survey data alone will also be insufficient because it will not allow the follow-up questions needed to fully understand how the forms were used and whether the consumer shopped for credit. Questions that must be explored include:

- How many applications did the consumer make?
- Did the consumer receive a loan estimate from each creditor they contacted?
- After receiving a loan estimate from a creditor, did the consumer apply to subsequent creditors?
- Did the consumer show the loan estimate from one creditor to any other creditors?
- Did the consumer ask any creditors to change the loan terms or costs disclosed on any of the loan estimates?

[30] 81 Fed. Reg. at 54,333, 54,349.

- Did the consumer change their mind about anything after receiving a loan estimate, such as the type of mortgage they wanted, how much they could afford, or anything else?

The Bureau should follow up on the answers to each question by asking "why?"

2.3.6 Would moving the APR disclosure to the first page, where the contract rate is currently located, improve consumers' ability to shop or understand the cost of credit?

Perhaps the most significant change between the old and new disclosures was the decision to move the APR from near the top of the first page to the back of the new multipage disclosure. We previously expressed concern that the Bureau did not properly consider alternative methods of disclosing the APR and that the method of testing consumer comprehension of the APR was deeply flawed.[31] The upcoming assessment is the appropriate time to revisit the decision to change the APR disclosure. For this question, we recommend that the Bureau consider a research paper that directly addresses how the APR is disclosed: Debra Pogrund Stark, Jessica M. Choplin, Mark Leboeuf, & Andrew Pizor, "Dodd-Frank 2.0: Creating Interactive Home-Loan Disclosures to Enable Shrewd Consumer Decision-Making," 27 Loy. Consumer L. Rev. 95 (2014).

This paper was not released until after the Bureau made its decision to change the APR. The same scholars are currently doing additional research on improving mortgage disclosures.

2.3.7 Does the level of detail and manner of presenting closing costs actually improve decision making?

Regulators and advocates have long assumed that disclosing a detailed and comprehensive list of closing costs will benefit

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[31] Comments of the National Consumer Law Center and others regarding the Know Before You Owe Proposed Mortgage Disclosures (filed Apr. 18, 2012), available at https://www.nclc.org/images/pdf/legislation/comments-tila-respa-forms-sbrefa.pdf

consumer decision making. But there are countervailing concerns about "information overload" and whether consumers actually use the closing cost disclosures to negotiate lower costs. We recommend that the Bureau perform qualitative research on how consumers use the closing cost disclosure and whether it actually helps consumers find a cheaper or better mortgage. Like much of the other qualitative research we recommend, it is important that the Bureau determine how consumers *actually* use these disclosures when shopping, rather than asking theoretical questions of people who have not closed on a loan using the TRID forms.

3. The Bureau should make a number of changes to improve the disclosures.

The Bureau's Federal Register notice seeks recommendations for changes to improve the disclosures.[32] In this section we list a number of changes that we have previously recommended along with links to the comments discussing those changes in further detail.

- Disclose the APR prominently on the first page of the disclosure, where the interest rate is currently located, with a concise explanation, such as "lower is better."[33]

[32] 84 Fed. Reg. 64,436, 64,441 (Nov. 22, 2019). *See also* 12 U.S.C. 5512(d)(3) ("Before publishing a report of its assessment, the Bureau shall invite public comment on recommendations for modifying, expanding, or eliminating the newly adopted significant rule or order.").

[33] Comments of the National Consumer Law Center and others regarding the Know Before You Owe Proposed Mortgage Disclosures at page 3 (filed Apr. 18, 2012), available at https://www.nclc.org/images/pdf/legislation/comments-tila-respa-forms-sbrefa.pdf; National Consumer Law Center, National Association of Consumer Advocates, Consumer Federation of America, Consumer Action, National Fair Housing Alliance, and Center for Responsible Lending, Comments to the Federal Reserve Board, Docket No. R-1366 (Dec. 2009), available at http://www.nclc.org/images/pdf/foreclosure_mortgage/predatory_mortgage_lending/r-1366-with-app-dec09.pdf

- Change Regulation Z to eliminate all exemptions from the finance charge definition (i.e. mandate an all-in finance charge).[34]
- Overhaul the Cash to Close and Calculating Cash to Close tables to enhance consumer understanding and ease lender compliance.[35]
- Ban the use of "for informational purposes only" disclosures.[36]
- Require the use of TRID forms for all transactions secured by a manufactured home by clarifying that RESPA applies to manufactured homes, at least whenever they are treated as real property under state law.[37]

[34] Comments of the National Consumer Law Center and others on Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z), 77 Fed. Reg. 51,116 (Aug. 23, 2012), Docket No. CFPB-2012-0028 at page 30 (filed Nov. 6, 2012), available at https://www.nclc.org/images/pdf/foreclosure_mortgage/predatory_mortgage_lending/comments-to-cfpb-tila-respa-integration.pdf

[35] Comments to the Consumer Financial Protection Bureau regarding Amendments to Federal Mortgage Disclosure Requirements Under the Truth in Lending Act (Regulation Z), 81 Fed. Reg. 54,317 at page 17 (Aug. 15, 2016) (notice of proposed rulemaking (filed Oct. 18, 2016), available at https://www.nclc.org/images/pdf/foreclosure_mortgage/predatory_mortgage_lending/comments-cfpb-81-FR-54317.pdf

[36] Comments to the Consumer Financial Protection Bureau regarding Amendments to Federal Mortgage Disclosure Requirements Under the Truth in Lending Act (Regulation Z), 81 Fed. Reg. 54,317 at page 30 (Aug. 15, 2016) (notice of proposed rulemaking (filed Oct. 18, 2016), available at https://www.nclc.org/images/pdf/foreclosure_mortgage/predatory_mortgage_lending/comments-cfpb-81-FR-54317.pdf

[37] Comments of the National Consumer Law Center and others on Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z), 77 Fed. Reg. 51,116 (Aug. 23, 2012), Docket No. CFPB-2012-0028 at page 43 (filed Nov. 6, 2012), available at https://www.nclc.org/images/pdf/foreclosure_mortgage/predatory_mortgage_lending/comments-to-cfpb-tila-respa-integration.pdf

4. Conclusion

The upcoming assessment is an important opportunity to determine whether the TRID rules as implemented meet not only the expectations and mandate of the Dodd-Frank Act, but also the original goals of TILA and RESPA. But the assessment will only succeed if it is based on adequate data. Quantitative data will be useful but qualitative data is necessary too. And most importantly, the data must come from the actual use of TRID forms by consumers who have shopped for and consummated mortgages. Anything less will be just speculation.

Like any other research project, it will also be important to gather data from a representative sample and environment. We believe it is too early to do so. The mortgage market is still under the influence of the last crisis. Many borrowers are still excluded from the mortgage market because lenders remain hyper-sensitized to credit risk. The private securitization market is still largely non-existent, and the Enterprises remain in conservatorship.

While we acknowledge that the Bureau is required by law to perform this assessment, the Bureau should not draw any final conclusions from it and should not make any changes without gathering further data after the mortgage market has stabilized at a "new normal."

Appendix

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness. These comments were written by Andrew Pizor, NCLC Staff Attorney.

Americans for Financial Reform Education Fund (AFREF) is a coalition of more than 200 consumer, investor, labor, civil rights, business, faith-based, and community groups that works through policy analysis, education, advocacy, and outreach to lay the foundation for a strong, stable, and ethical financial system. Formed in the wake of the 2008 financial crisis, AFREF works to protect and strengthen consumer protections for all people, including advocacy for greater protections against predatory lending, increased access to affordable and sustainable credit, and fairness and transparency in all financial transactions.

The National Association of Consumer Advocates (NACA) is a nonprofit association of more than 1,500 consumer advocates and attorney members who represent hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. As an organization fully committed to promoting justice for consumers, NACA's members and their clients are actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means.

The National Fair Housing Alliance (NFHA), founded in 1988, is a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights groups, and individuals from 37 states and the District of Columbia. Headquartered in Washington, DC, NFHA, through comprehensive education, advocacy and enforcement programs, provides equal access to housing for millions of people.