NASCUS
National Association of State Credit Union Supervisors

July 7, 2015

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street N.W.
Washington, DC 20552

Re: Docket No. CFPB-2015-0029; Integrated Mortgage Disclosures Rule under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) and Amendments

Dear Ms. Jackson:

The National Association of State Credit Union Supervisors (NASCUS)[1] appreciates the opportunity to comment on the Consumer Financial Protection Bureau's proposed rule to amend the effective date of the Integrated Mortgage Disclosure Rule and all corresponding amendments from August 1, 2015 until October 3, 2015.

NASCUS supports delaying the effective date of the Integrated Mortgage Disclosure Rule to no earlier than October 3, 2015. State credit union regulators continue to be concerned about the readiness of small financial institutions to switch to the new integrated disclosure, and believe the additional time is necessary to ensure a smooth transition. Although many credit unions are prepared to comply with the new rule, the depth and breadth of changes to technology, third-party contracts, and internal policies and procedures presents major challenges for even the most diligent and well-prepared institutions. Given the significant operational and compliance risks involved, NASCUS feels all credit unions could benefit from additional time to train their staff and test their systems.

Furthermore, NASCUS believes that a minor additional delay until January 1, 2016 is warranted and would be beneficial to both creditors and consumers. A January implementation date would provide for a first-of-the-month weekend implementation, and would minimize risk by moving the transition to a period of traditionally lower-volume lending. The additional time for training and testing should also minimize errors, which would reduce complications for borrowers, as well as potential liability for creditors.

If the Bureau proceeds with an October 3, 2015 effective date, NASCUS recommends adopting a "safe-harbor" period. A brief safe-harbor from legal liability recognizes the magnitude of the operational changes that will accompany this rule, and gives financial institutions a good-faith opportunity to manage their risk without disrupting their service to members.

[1] NASCUS is the professional association of the nation's 46 state and territorial credit union regulatory agencies.

NASCUS appreciates the opportunity to comment on this proposal and looks forward to continued collaboration between the Bureau and state regulators. If you have any questions, please feel free to contact me at 703-528-0669.

Sincerely,

- signature redacted for electronic publication -

Sabrina Bergen
NASCUS Regulatory & Public Policy Counsel