

InfoSight Newsletter

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League InfoSight Highlight

Special Announcement! **Fraud Symposium Videos are now available!**

The Fraud Symposium Videos are now available through [InfoSight](#) in the newly created Fraud Channel. Please consider [filling out our survey](#) to provide feedback on the Symposium. We want to ensure we are providing the best experience for events in the future.

CFPB Proposal Looks to Greatly Expand Mortgage Servicing Protections for Delinquent Borrowers

On July 10, 2024, the Consumer Financial Protection Bureau (CFPB) issued a proposed rule that would make several changes to the mortgage servicing requirements found in Regulation X specific to borrowers experiencing payment difficulties. The changes, if enacted as proposed, promise to be a very heavy lift, especially for large servicers (those credit unions not eligible for the small servicer exemption).

Early Intervention Requirements

Currently under 12 CFR 1024.39, a large servicer must make a good faith attempt to make live contact with a delinquent borrower within 36 days of his/her delinquency. Furthermore, a large servicer must send a written notice of delinquency within 45 days of the borrower's delinquency.

Under the proposed rule, a large servicer would need to add the following information to its written notice of delinquency:

- The name of the secondary market investor for the borrower's loan (if applicable) and a description of loss mitigation options generally available from that investor,

- A website and telephone number from which the borrower can obtain a list of all loss mitigation options available from both the servicer (and investor, if applicable), and
- Information about how the borrower can make a request for loss mitigation assistance.

Also under the proposed rule, for those borrowers currently performing pursuant to a forbearance agreement, at least 30 days before the scheduled end of the forbearance, a large servicer must:

- Make a good faith attempt to establish live contact with the borrower to inform them of the scheduled forbearance end date, and
- Send a written notice to the borrower that identifies the scheduled forbearance end date and discusses the availability of other loss mitigation options.

Loss Mitigation Rules

The proposed rule also contemplates several changes to the loss mitigation rules found in 12 CFR 1024.41.

First, once a loss mitigation review cycle begins, a large servicer must ensure that one of the following procedural safeguards has been met before it can begin or advance the foreclosure process:

- The borrower has already been reviewed for all possible loss mitigation options and no options are available, or
- The borrower has not communicated with the credit union for at least 90 days. A loss mitigation review cycle begins on the date the borrower makes a request for loss mitigation assistance and ends on either the date the borrower becomes current or the date the procedural safeguards identified above have been exhausted. No late fees may be assessed against the borrower during a loss mitigation review cycle.

Second, under the proposed rule, no formal loss mitigation application need be submitted by the borrower. In other words, he/she can make an informal oral or written request for loss mitigation assistance through any usual or customary channel (the hand raise provision). Upon determining a borrower's eligibility for loss mitigation assistance, a large servicer is required to provide a loss mitigation determination notice that meets very prescriptive content requirements.

New Language Access Requirements

Finally, the proposed rule would require servicers to provide all written communications in both English and Spanish. In addition, written communications must also be made available in other servicer-selected

languages that cover at least a significant majority of their non-English speaking customers.

The rule would also require a servicer, upon the borrower's request, to make interpretation services available for all oral communications covered by the rule (e.g., 36-day early intervention live contact requirement).

[Click here to access the proposed rule.](#) Comments will be accepted by the CFPB until September 9th.

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Recent News and Alerts!

CFPB Takes Action Against Fay Servicing for Illegal Foreclosure Actions and Violating Law Enforcement Order

The Consumer Financial Protection Bureau (CFPB) ordered Fay Servicing to pay a \$2 million penalty for violations of mortgage servicing laws, as well as for violations of a 2017 agency order that addressed its illegal foreclosure practices.

[Read More](#)

CFPB Releases Beta for Small Business Lending Data Filing Platform

The CFPB has announced the availability of the beta platform for the small business lending data collection rule pursuant to section 1071 of the Dodd-Frank Act. Financial institutions and their technology partners are invited to test the beta platform and provide feedback on their experience. Feedback on the beta platform testing is encouraged and any questions regarding the platform should be sent to SBLHelp@cfpb.gov.

[Read More](#)

FinCEN Reminds Financial Institutions to Remain Vigilant to Suspicious Transactions Associated with Synthetic Opioids

During Overdose Awareness Week as the nation honors and remembers loved ones lost to the drug overdose epidemic, the Financial Crimes Enforcement Network (FinCEN) reminds financial institutions to monitor for and report

suspicious transactional activity related to the illicit fentanyl supply chain and the trafficking of illicit fentanyl and other synthetic opioids.

[Read More](#)

CFPB Report Finds Large Retail Chains Charging Cash-back Fees to Customers Using Debit and Prepaid Cards

The Consumer Financial Protection Bureau (CFPB) published a new report finding Americans are paying tens of millions of dollars in fees to access their own money when getting “cash back” at large retail stores when making a purchase with a debit or prepaid card.

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**The sun is setting on
Summer.**



And as we “gear up” for chillier
weather, don’t forget **RecoveryPro** ✓.

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