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HPC, Trade Groups Respond to CFPB's RFI on Mortgage Closing Costs

WASHINGTON, D.C. (May 30, 2024) – The American Bankers Association (ABA), Housing Policy Council (HPC), and Mortgage Bankers Association (MBA) issued the following statement in response to the Consumer Financial Protection Bureau's (CFPB) Request for Information (RFI) released today on mortgage closing costs:

“Given the significant home-price appreciation and swift inflation that consumers have encountered in recent years, a discussion about policies that address affordability burdens while maintaining healthy and competitive mortgage markets makes good sense.

“Mortgage lenders fully and transparently disclose costs to every borrower on forms developed and prescribed by Congress in the Dodd-Frank Act and implemented by the CFPB. Many of those disclosed costs, such as title, appraisal, and credit reports are required by federal statutes, safety and soundness guidelines, and the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), and Fannie Mae and Freddie Mac as a condition of buying and insuring a mortgage. Moreover, the services these fees cover mitigate risk for taxpayers and borrowers alike.

“The CFPB recently concluded a formal review and evaluation of its mortgage disclosure rules and praised them for improving borrower understanding and facilitating the ability to shop among lenders. The industry invested considerable resources to implement these new rules just a decade ago. If the CFPB is now modifying its previous position and is considering changing this complex regulatory disclosure regime, a rule-making process governed by the Administrative Procedure Act – and supported by a robust cost-benefit analysis – is the only appropriate vehicle to initiate that work. Such a rule-making process would allow for the proper level of engagement to produce changes that benefit consumers and do not add compliance costs and lead to negative unintended consequences.”

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The Housing Policy Council is a trade association comprised of the leading national mortgage lenders and servicers; mortgage, hazard, and title insurers; and technology and data companies. Our interest is in the safety and soundness of the housing finance system, the equitable and consistent regulatory treatment of all market participants, and the promotion of lending practices that create sustainable homeownership opportunities in support of vibrant communities and long-term wealth-building for families. For more information, visit www.housingpolicycouncil.org.

The American Bankers Association is the voice of the nation's \$23.4 trillion banking industry, which is composed of small, regional and large banks that together employ approximately 2.1 million people, safeguard \$18.6 trillion in deposits and extend \$12.3 trillion in loans.

The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.