

CFPB Empowers Fannie/Freddie to Overcome Lockdown Woes

By: Jann Swanson | Thu, Mar 26 2020, 12:50 PM

Flexibility seems to be the keyword as **government agencies try to adjust to a lot of new realities**. The Federal Housing Finance agency has already empowered the GSEs (Fannie Mae and Freddie Mac) to be flexible about obtaining appraisals, verifying borrower credit factors, and working with distressed borrowers. Now the Consumer Financial Protection Bureau (CFPB) says it is "providing needed flexibility to enable financial companies to work with customers in need as they respond to the COVID-19 pandemic."

"As consumers seek temporary relief from lenders, the pandemic is impacting the operations of financial companies that are eager to help their customers during this unprecedented time," said CFPB Director Kathleen L. Kraninger. "Our actions today are temporary and targeted to support consumers by **allowing financial companies to focus their resources on assisting consumers.**"

Kraninger said the Bureau had earlier released guidance urging financial institutions to help borrowers and other customers who are affected by the virus and expect to issue additional and updated guidance in the future. Thursday's announcement is concerned primarily with required reporting from financial institutions. Several of these required or anticipated reports are being postponed so as not to interfere with a focus on helping consumers in need or on adapting their operations to meet the current challenges.

She said that CFPB will not expect quarterly data submissions by certain mortgage lenders as required under the Home Mortgage Disclosure Act (HMDA) and Regulation C although the institutions should continue collecting and recording it in anticipation of their annual reports. There will be additional information forthcoming on the resumption of quarterly data submissions.

Also postponed is a survey seeking information from financial institutions on the cost of compliance in connection with pending rulemaking on Section 1071 of the Dodd-Frank Act and a survey of firms providing Property Assessed Clean Energy financing to consumers.

Other "flexibilities" concern **reporting of certain information related to credit card and prepaid accounts** under the Truth in Lending Act, Regulation Z, and Regulation E. These primarily involve credit card issuers and institutions of higher education.

To the extent that any of this information is required by law, CFPB said it is issuing policy statements confirming that the failure to submit it will not be cited in an examination nor will any enforcement action be taken. It will notify entities at a later date of when and how the information should be submitted and they should maintain sufficient data to do so.

The Bureau will also work with financial institutions to schedule examinations and other supervisory activities to minimize disruption and burden and will consider the circumstances that institutions faced as a result of the pandemic in those examinations with sensitivity toward to good-faith efforts designed to assist consumers.

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