



3138 10th Street North
Arlington, VA 22201-2149
P: 703.842.2234
F: 703.522.0594
chunt@nafcu.org

Carrie R. Hunt
Executive Vice President of Government Affairs
and General Counsel

National Association of Federal Credit Unions | nafcu.org

March 16, 2016

The Honorable Debbie Matz, Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Request for NCUA to Reaffirm its Commitment to Considering Credit Unions' 'Good Faith Efforts' with Integrated Disclosures under Truth in Lending Act and Real Estate Settlement Procedures Act Amendments

Dear Chairman Matz:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to ask you to reaffirm the agency's commitment to considering a credit union's "good faith efforts" to comply with the *Truth in Lending Act* (TILA) and *Real Estate Settlement Procedures Act* (RESPA) Integrated Disclosure (TRID) Rule during examinations. In light of Director Cordray's remarks to the House Financial Services Committee earlier today, restating the bureau's commitment to its "hold-harmless" policy, NAFCU believes the agency's reaffirmation would help alleviate our members' concerns.

Recommitment to Consideration of 'Good Faith Efforts'

NAFCU appreciated that on June 25, 2015, you commented that the agency was committed to considering credit unions' good-faith efforts toward compliance with the new TRID Rule. Specifically, you stated, "[w]hen the rule becomes effective, NCUA examiners will look for reasonable and good-faith efforts by credit unions towards substantial compliance with the final rule." In determining a credit union's reasonable and good faith efforts, the agency explained that examiners would review a credit union's implementation plan, its training of appropriate staff, and its handling of early technical problems in order to assess whether a credit union attempted in good faith to comply with TRID.

In the five months since the rule has become effective, NAFCU's member credit unions have been working tirelessly with their staffs and their vendors to navigate through the complex and voluminous TRID rule. However, through no fault of their own, many of our member credit unions continue to not be 100 percent compliant with the new rule. NAFCU has heard from many credit unions that despite best efforts, their third-party vendors continue to struggle with all the components of the complex rule.

Earlier today, Director Cordray remarked during a House Financial Services Committee hearing that TRID implementation has been more difficult than expected. Accordingly, the bureau will continue to hold harmless financial institutions that show good faith efforts at compliance with

NCUA

March 16, 2016

Page 2 of 2

TRID. Importantly, Director Cordray remarked that this 'hold harmless' period will remain open-ended.

Taking into consideration these well-known challenges and Director Cordray's reaffirmation to hold harmless good faith efforts toward compliance, NAFCU requests that NCUA also restate its earlier commitment to consider credit unions' good-faith efforts in complying with TRID for an open-ended period of time. Reconfirming this position would do much to alleviate the uncertainty that still surrounds credit unions' hard work in complying with TRID.

Conclusion

NAFCU appreciates the agency's policy on this matter as it recognizes that credit unions should not be penalized for minor errors so long as credit unions are acting in good faith to comply with this rule. We appreciate the opportunity to share our thoughts on this matter. Should you have any questions or concerns, or if you would like to discuss this issue further, please feel free to contact me at chunt@nafcu.org or (703) 842-2234, or Senior Regulatory Affairs Counsel Michael Emancipator at memancipator@nafcu.org or (703) 842-2249.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carrie Hunt".

Carrie Hunt