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Subject: Just Released: CFPB's Mortgage Servicing Rules

Dear Colleagues,

Great news. Yesterday, the Consumer Financial Protection Bureau (CFPB) released our newly amended mortgage servicing rules, which provide an array of stronger protections for homeowners.

As you may know, in 2013 the CFPB issued mortgage servicing rules that provided protections to struggling homeowners. We heard from older consumers and advocates like you that older consumers, among others, were still struggling to protect their homes. Because of this and other information we received, we amended the 2013 mortgage servicing rules to include new protections and clarify already existing protections, among other things.

One thing we heard from older consumers is that they are worried about losing their homes to foreclosure when the mortgage servicer refuses to talk to them as the surviving family member after a borrower dies. Specifically, mortgage servicers sometimes denied these consumers' requests for information about the mortgage debt, possible arrears, and potential impending foreclosure. Among other things, the Bureau's amended rules do the following:

- **Provide Confirmed Successors in Interest Foreclosure Protections.** The amended rules require servicers, upon confirmation of the successor in interest's identity and ownership interest in the property, to extend the same foreclosure protections to the confirmed successor in interest that are afforded to the original borrower under the Bureau's mortgage servicing rules.
- **Require Confirmation of Successors in Interest's Status.** Successors in interest complained that they were often left in limbo because they were unsure if or when the servicer confirmed their ownership status in the property. Consequently, the amended rules now require a mortgage servicer among other things, to maintain policies and procedures reasonably designed to

- ensure that they can promptly (a) identify and facilitate communication with a potential or confirmed successor in interest, (b) provide the potential successor in interest with a description of the documents the successor in interest must provide to establish their identity and ownership interest in the property, and (c) upon receiving those documents notify the person of his or her status as a successor in interest.

- **Broaden the Definition of Successor in Interest.** The Bureau's current mortgage servicing rules impose certain requirements on servicers regarding successors in interest of deceased borrowers. The amended rules include a new definition of who is a successor in interest for purposes of the Bureau's mortgage servicing rules. The new definition includes relatives who receive an ownership interest in the property upon the death of the borrower and also persons who receive an ownership interest in the property through divorce or through certain other transfers.

The successors in interest provisions and some of the other new changes become effective 18 months after the rule is published, and other aspects of the new rules become effective 12 months after the publication date. We will be sending out more in depth information about the amended rules as we approach the various effective dates.

To broadly learn more about the amended mortgage servicing rules, please click the link below.

http://www.consumerfinance.gov/about-us/blog/weve-updated-our-mortgage-servicing-rules-provide-greater-protections-mortgage-borrowers-and-other-homeowners/?utm_source=CFPB&utm_medium=Email&utm_campaign=CFPB

Please stay tuned! In the meantime, if you would like more information, please click the link below.

http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/mortserv/?utm_source=CFPB&utm_medium=Email&utm_campaign=CFPB

Sincerely,

Nora Dowd Eisenhower

Office for Older Americans
Consumer Financial Protection Bureau

About the CFPB

The CFPB is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

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