



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

October 15, 2009

Mr. John Courson  
President and CEO  
Mortgage Bankers Association  
1331 L. Street, N.W.  
Washington, D.C. 20005

Mr. Edward Yingling  
President and CEO  
American Bankers Association  
1120 Connecticut Avenue, N.W.  
Washington, D.C. 20036

Mr. Paul M. Leonard  
Vice President of Government Affairs  
The Financial Services Roundtable  
Housing Policy Council  
1001 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

Ms. Anne C. Canfield  
Executive Director  
Consumer Mortgage Coalition  
101 Constitution Avenue, N.W.  
Washington, D.C. 20001

Mr. Chris Stinebert  
President and CEO  
American Financial Services Association  
919 18<sup>th</sup> Street, N.W.  
Washington, D.C. 20006

Ms. Julie Best  
President  
American Escrow Association  
211 N. Union Street  
Alexandria, VA 22314

Dear Industry Representatives:

Thank you for your letter of October 12, 2009, advising HUD of the concerns that you have regarding HUD's guidance to ease implementation of the new RESPA requirements that will become fully operational on January 1, 2010, and your additional concern that your members' systems will not be fully operational by that date. Having considered the points addressed in your letter and for the reasons explained below, we believe the better course is to implement the new RESPA requirements without any further delay.

HUD, particularly the Office of Housing, is acutely aware of the procedural concerns, timing constraints and ancillary costs attributable to the implementation of these new regulatory requirements and the issues they raise for your members. That is why, since the publication of the final RESPA rule on November 17, 2008, and indeed during the entire rulemaking process, HUD has reached out to members of industry, consumer groups, trade associations, state and federal regulators and members of Congress in an on-going effort to ensure as smooth a transition as possible to these new levels of consumer protection.

You may recall that as far back as 2005, HUD hosted a series of roundtables to encourage the free flow of ideas in anticipation of this rulemaking. Members of industry, large and small, attended. Lenders, mortgage brokers, title underwriters, escrow agents, real estate brokers and others had an opportunity to air their views, as did consumer advocates and regulators. During the 90 day comment period of the proposed rule, industry groups and consumer representatives met with HUD staff to understand the proposal and to submit informative written comments about it. Moreover, while the final rule was undergoing OMB review and clearance, many industry and consumer representatives met with OMB principals and staff to express their concerns and opinions. The rule became final 11 months ago, and we are all aware that industry needs sound guidance to assure prompt and efficient implementation of new systems and training of employees. That is why the rule provided a period of 14 months for implementation.

Providing the industry with complete and accurate guidance is a critical priority of mine, and I appreciate the input of all stakeholders in this matter. The RESPA guidance working group has produced a series of informational FAQs as quickly and thoroughly as possible. This has resulted in the posting of 216 FAQs, with another group of about two dozen follow up questions being developed for posting. To the extent that your letter raises questions that have not yet been answered, we will respond to them expeditiously and add those responses to the FAQs.

I hope you appreciate that the FAQs are an on-going process, and the working group is working faster and more comprehensively. Please be mindful too that the FAQs are by no means the only process that the Office of Housing has been using to convey guidance to stakeholders to smooth implementation of the RESPA rule. PowerPoint presentations have been prepared for speaking engagements and web posting; over 200 individual inquiries received in email and by telephone from lenders and lender-focused software developers have been addressed; and the RESPA staff has held over 40 speaking engagements for industry groups, trade associations and regulators which have been held across the country (and on webinars), with at least 15 more programs currently scheduled and others being planned further into 2010.

Your members and the industry as a whole are keenly aware that now is a critical time for the United States housing and housing finance markets. Restoring consumer confidence in the marketplace is essential to moving the economy forward and to accomplish that goal we must provide increasingly firm consumer protection. Toward that end it is imperative that this rule be fully operational on schedule. Such diverse groups as the National Association of Realtors, the American Land Title Association and the Laborers' International Union, North America understand the importance of this new rule and support its implementation on January 1, 2010.

In closing, I can tell you that the Secretary and I appreciate your leadership, partnership and coordination as we get this new process underway together. Let me reassure you and your membership that all comments, questions and concerns directed to HUD have been thoroughly reviewed and taken into consideration. We look forward to continue working with you to ensure that implementation will be as smooth as possible.

Thank you for your letter and please feel free to submit any additional questions that you may have as well as continue to schedule conference calls regarding implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "D. H. Stevens", with a long horizontal flourish extending to the right.

David H. Stevens  
Assistant Secretary for Housing –  
Federal Housing Commissioner

cc: The Honorable Ben S. Bernanke  
The Honorable Timothy F. Geithner

The Honorable Christopher J. Dodd  
The Honorable Richard C. Shelby

The Honorable Barney Frank  
The Honorable Spencer Bachus