



May 10, 2021

Office of Regulations  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20052

Re: Protections for Borrowers Affected by the COVID-19 Emergency Under the Real Estate Settlement Procedures Act (RESPA), Regulation X (Docket No. CFPB-2021-0006 / RIN 3170-AB07)

Dear Sir or Madam:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the proposed rule relating to Protections for Borrowers Affected by the COVID-19 Emergency Under the Real Estate Settlement Procedures Act (RESPA), Regulation X. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.7 million consumers.

The ICUL supports the Bureau's proposed amendments that aim to assist borrowers transitioning from forbearance to paying status. We also generally support the amendments concerning "live contract" and reasonable diligence. We have some suggestions to make it more practical. However, we object to the Bureau's proposed moratorium on foreclosures until 2022. We believe it is unnecessary based on the state of the economy and the potential impact it could have on credit unions and their members.

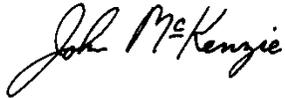
During the pandemic, credit unions have steadfastly worked with their members. Indiana credit unions have provided loan modifications, forbearance, and waived fees proactively. With some exceptions, we support the Bureau's efforts to provide flexibility to borrowers who have been affected by the COVID-19 crisis. We do not support the creation of a "special pre-foreclosure review" until December 31, 2021. It is synonymous to a foreclosure moratorium and it is not necessary. The Bureau believes that when a massive number of borrowers end their forbearance period at the same time, mortgage servicers will struggle to comply with the current regulatory obligations under RESPA and Regulation X, resulting in regulatory violations and abominable foreclosures. The ICUL believes that based on the latest economic trends and credit union's most recent financials, such reviews are not necessary because credit unions are confident in their servicing capacity and are expecting many loans will return to paying status quickly. The Bureau should grant the freedom for credit unions to work directly with borrowers in assessing when foreclosure is appropriate based on their situation and rely on the guidance available from the FHA, Fannie Mae, Freddie Mac, the VA and USDA.

The ICUL supports the proposed provision that temporarily permits certain streamlined loan modifications based on an incomplete loss-mitigation application. This proposal would allow credit unions to use streamlined loan modification options for borrowers with COVID-19-related hardships based on factors agreed upon in an incomplete application. These types of reliefs directly benefit borrowers and credit unions. The proposal also would ensure borrowers can transition to a paying status, while protecting their credit scores and ensuring their financial security.

Regarding the proposed moratorium on foreclosures, we believe the proposal is unnecessary and adds complexity at time when the current provisions are sufficient. Federal government agencies and the GSEs have already issued a foreclosure moratorium that have been extended based upon pandemic and economic conditions.

The ICUL appreciates the opportunity to comment on this Proposed Rule. While we support efforts aimed to assist borrowers affected by the COVID-19 pandemic, we recommend that the Bureau takes our comments into consideration and not impose additional servicing requirements nor a foreclosure moratorium. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

A handwritten signature in black ink that reads "John McKenzie". The signature is written in a cursive style with a large, stylized initial "J".

John McKenzie  
President, Indiana Credit Union League