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## HUD capitulates: RESPA comment period extended

*The industry will get an additional 30 days to file comments on the new RESPA rule, after HUD announced that it will grant an extension requested by 149 members of Congress and dozens of industry trade groups. Read on to learn what straw broke HUD's back.*

By Robin Wardzala

On May 7, HUD announced that it will extend the public comment period on the new RESPA reform rule. The comment period was scheduled to close on May 13, but will be extended for 30 days until June 12, 2008.

"This critical rule will improve the complicated homebuying process and save families money at the settlement table. In light of Congressional and industry requests to extend the comment period for the rule, and our desire to develop the best possible rule, we are allowing additional time. However, we remain committed to finalizing a rule before the end of the Administration," said HUD Deputy Secretary **Roy A. Bernardi**.

HUD added that the additional 30 days will "allow for more thoughtful comment on the Good Faith Estimate."

This announcement came just days after 149 members of Congress signed a letter circulated by Reps. **Ruben Hinojosa** and **Judy Biggert** asking Bernardi to extend the comment period by an additional 60 days.

The letter, sent to Bernardi on May 5, stated, "With its appendices and Regulatory Impact Analysis, the proposed rule is several hundred pages in length and covers a number of subjects that are beyond disclosures and have not previously been the subject of public comment. In addition, it is important to analyze the proposed rule's interaction with state laws and with other federal laws and regulations, including the Federal Reserve Board's proposal to amend its Truth in Lending Act (TILA) regulations. Given the potentially far-reaching impact of RESPA regulatory changes that have been made so apparent in rulemaking proceedings over the past several years, we believe it is reasonable for us to request that the public has an additional 60 days to comment."

Signatories included Reps. **Maxine Waters**, **Shelley Moore Capito**, **Carolyn Maloney**, **Paul Kanjorski**, **Randy Neugebauer**, **Jeb Hensarling**, **Brad Miller**, and **Don Manzullo**.

The letter also had the support of numerous industry trade groups, several of which sent a joint letter to HUD on March 13, just one day prior to the release of the new reform rule, asking for the comment period to be extended.

Up until today, HUD had declined to make such a concession, and as late as May 5, HUD was still stating that it would hold firm to the original deadline.

HUD previously told the mortgage industry in no uncertain terms, "The time for reform is now. It is no longer acceptable to stand in the way of millions of American who are crying out for clarity when it comes to the biggest purchase of their lives."

Further, during an audio seminar discussing the new RESPA rule, **Ivy Jackson**, director of HUD's RESPA Office, said that HUD felt the 60 days was "adequate" and that they had no intention of granting an

extension.

But the industry was undeterred, and several trade groups actively campaigned to get Congressional representatives to sign on to the letter.

Groups supporting the request included the American Land Title Association (ALTA), the National Association of Federal Credit Unions (NAFCU), the Mortgage Bankers Association (MBA), the National Association of Realtors (NAR), the American Bankers Association (ABA), the Credit Union National Association (CUNA), the American Financial Services Association (AFSA), the Consumer Bankers Association (CBA), the Consumer Mortgage Coalition (CMC), the Housing Policy Council of the Financial Services Roundtable, the Independent Community Bankers of America (ICBA), the Real Estate Services Providers Council, Inc. (RESPRO), the National Community Reinvestment Coalition (NCRC), the National Consumer Law Center (NCLC), the National Association of Hispanic Real Estate Professionals (NAHREP), the National Association of Home Builders (NAHB), and the Independent Bankers Association of Texas (IBAT).

ALTA, for one, reported that its members had generated 3,000 letters to members of Congress seeking support for the request.

NAR likewise told *RESPAnews*, "NAR lobbyists led the way contacting hundreds of members of Congress. We worked hard with other trades lining up 150 members of Congress on a letter to HUD."

This effort was reminiscent of a March 2004 letter-writing campaign also initiated by Biggert and Hinojosa, soliciting their colleagues to sign onto a letter to the Office of Management and Budget (OMB) attempting to block the first RESPA reform rule from being finalized. That campaign was successful and had a similar result: 166 members of the House of Representatives signed that letter.

In announcing the extension, HUD added that over the past few years, it "has aggressively reached out to interested consumer and industry groups to accept and give careful consideration to their thoughtful views and proposals to reform RESPA."

Comments on the rule can be submitted at the Federal e-Rulemaking portal [here](#).