

PUBLICATION

Thoughts on the Remarks of CFPB Deputy Director Antonakes at the MBA Servicing Conference

February 26, 2014

As I sat in an Orlando convention center ballroom last week, I noted that the sense of anticipation for the remarks of CFPB Deputy Director Steven Antonakes seemed to range from "not that interested" to "just trying to get a sense of what's next from the Bureau." As Mr. Antonakes took the stage, attendees were still streaming in following the warm remarks of Bill Cosgrove, 2014 Chairman-Elect of Mortgage Bankers Association, and David H. Stevens, President and Chief Executive Officer of Mortgage Bankers Association. It was soon evident that many of the attendees had not expected to be on the receiving end of the candidly harsh tone Antonakes employed during his speech. "Nearly eight years have passed and I remain deeply disappointed by the lack of progress the mortgage servicing industry has made," Antonakes said. Citing the number of foreclosures and homeowners still under water with their mortgages, Antonakes did not shy away from pointing the finger directly at the servicers filling the audience before him. "This kind of continued sloppiness is difficult to comprehend and not acceptable. It is time for the paper chase to end," said Mr. Antonakes. Noting that he did not expect a standing ovation from the crowd, Mr. Antonakes certainly did not receive one.

Fortunately, for those in attendance willing to seek it out, commentary at other sessions of the conference appeared to demonstrate that the CFPB was willing to work with servicers going forward rather than simply laying the blame on them for problems in the past. Kelly Cochran, CFPB Assistant Director for Regulations, emphasized that the Bureau was indeed in a transition period from implementing new rules to monitoring and refinement of those rules. She noted that rulemaking was continuing and that the expectation was for debt collection in general to be an ongoing focus of the Bureau. CFPB Program Manager for Mortgage Servicing, Allison Brown, served on the panel for a session entitled "Lessons from the Industry on CFPB Servicing Exams." Ms. Brown stated that a high number of consumer complaints received by the Bureau still related to mortgage servicing and that the Bureau's 320 examiners were continuing to find serious problems. She discussed an ongoing issue with the transfer of servicing rights for loans with an approved loan modification in place and subsequent issues with the new servicer honoring the terms of the modification. Despite her concerns, Ms. Brown urged attendees to work with the CFPB in crafting or modifying regulations, and she seemed to express a genuine willingness to work with servicers.

Mr. Antonakes' comments have been circulated far and wide in the industry. There is still much uncertainty as the CFPB moves into enforcement mode. The message at the MBA Servicing Conference seemed to be that the time is now for servicers to refine their compliance management, and they should not expect the scrutiny to fade anytime soon.