

PENNSYLVANIA HOUSING FINANCE AGENCY

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PHFA WELCOMES NEW CFPB MORTGAGE SERVICING RULES

On January 10, 2014, many new rules issued by the federal Consumer Financial Protection Bureau ("CFPB") become effective. These rules were mandated by Congress in response to the subprime mortgage crisis. The rules offer consumers many protections and help ensure that homeowners are treated fairly by creditors and servicers of mortgage loans.

The Pennsylvania Housing Finance Agency ("PHFA") applauds the CFPB's efforts to make credit transactions easier to understand while protecting consumers from unscrupulous practices. As a mission-driven organization, we hope these new protections benefit all consumers.

PHFA was created by the Commonwealth of Pennsylvania to serve Pennsylvanians by ensuring access to safe and affordable housing opportunities, serving the needs of low- and moderate-income Pennsylvanians, older Pennsylvanians, and other citizens of the Commonwealth who have specialized needs. In crafting the new Mortgage Servicing Rules, the CFPB recognized the unique role played by state Housing Finance Agencies like PHFA in providing affordable housing. Because we have limited resources to accomplish goals that usually align with consumer interests, Housing Finance Agencies have been exempted from many of the CFPB's new mortgage servicing rules. See 12 C.F.R. § 1024.30(b)(1); § 1026.41(e)(4)(B) (exempting Housing Finance Agencies from certain Regulation X and Regulation Z mortgage servicing rules).

Pennsylvanians, credit counseling agencies, legal services organizations, and other consumer advocates should be aware of the CFPB's new mortgage servicing rules and should take advantage of every protection offered by the new rules. While PHFA is not subject to many of these new rules, PHFA will continue to serve our borrowers with exceptional service; our goal is to ensure that as many Pennsylvanians as possible have a place to call home.

PHFA provides funding for credit counseling agencies and we encourage consumers to reach out to these entities for assistance. A list of these agencies is available online at www.phfa.org/hope/, and the CFPB also has a resource for finding housing counselors at www.consumerfinance.gov/find-a-housing-counselor/.

Additional information about the CFPB's new regulations is available at <http://www.consumerfinance.gov/mortgage-rules-at-a-glance/>. The Bureau of Consumer Protection of the Pennsylvania Office of the Attorney General may also be able to assist consumers online at attorneygeneral.gov/consumers.aspx or by phone at 1-800-441-255.

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