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To: Clients and Friends

From: David F. Dulock

Subject: CFPB Bulletin 2013-01 - Mortgage Servicing Transfers

On February 11, 2013, the CFPB issued the above referenced bulletin providing guidance to residential mortgage servicers and subservicers to address potential risks to consumers that may arise in connection with transfers of servicing. A related CFPB press release states, "the CFPB will make servicing transfer-related problems a focus of its supervisory activities. If servicers are not fulfilling their obligations under the law, the CFPB will take appropriate actions to address these violations and seek all appropriate corrective measures, including remediation of harm to consumers."

While we recommend that you read the bulletin ([click here](#)), the following are brief highlights from the bulletin:

- If the CFPB determines that a servicer has engaged in any acts or practices that are unfair, deceptive, or abusive, or that otherwise violate Federal consumer financial laws and regulations, it will take appropriate supervisory and enforcement actions to address violations and seek all appropriate corrective measures, including remediation of harm to consumers.
- CFPB examiners will direct particular attention to the following areas in connection with servicing transfers:
 1. How a transferor servicer has prepared for the transfer of servicing rights and/or responsibilities, listing three review items.
 2. How a transferee servicer handles the files transferred to it, listing five review items.
 3. For loans with loss mitigation in process (e.g., pending loss mitigation applications, trial modifications, forbearance plans, or short sale/deed-in-lieu agreements), what policies and procedures the transferor and transferee implemented and adopted, listing six review items
- The CFPB will, in appropriate cases, require servicers engaged in significant servicing transfers to prepare and submit written plans to the CFPB detailing how they will be managing the related consumer risks. The bulletin states that the information to be included in the plan will depend on the circumstances of the particular transfer, but outlines seven items of information that should be included.

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