Statement of David H. Stevens, president & CEO of the Mortgage Bankers Association--June 4, 2015

"The Consumer Financial Protection Bureau's latest enforcement announcement is emblematic of a larger concern -- the Bureau's pattern of issuing dense and complicated rules and then declining to provide written supervisory guidance to clarify issues of common concern in the industry."

"The rule at play here - the Loan Originator Compensation rule - was originally issued by the Fed in 2010 and then taken over by the CFPB in the wake of Dodd Frank. The rule has long been a subject of industry confusion because of its broad and prescriptive reach into the smallest details of lender compensation plans and the lack of clear guidance on how to comply."

"In fact, MBA repeatedly asked for clarification from the Fed, and later the CFPB, on some of the very same issues that are the subject of this complaint. Eventually, in 2014, the CFPB amended the rule and provided some additional guidance. However, the Bureau appears now to be applying those amendments retroactively."

"It should be no surprise, therefore, that this 'regulate by enforcement' approach has created tight credit conditions, as fearful lenders avoid even prudent risk-taking activities. The repetition of this misguided approach across a variety of new mortgage-related rules is increasing the costs and restricting the availability of credit for qualified borrowers. It is time for the Bureau to end this approach and begin providing meaningful guidance where it is needed and sought by stakeholders. The CFPB should reserve aggressive enforcement actions and punitive monetary penalties for egregious violations that result in proven consumer harm."