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Via [regulations.gov](https://www.regulations.gov)

The Honorable Rohit Chopra, Director  
Consumer Financial Protection Bureau

**Re: The Consumer Financial Protection Bureau's Proposed Rule on Regulation X  
[Docket no. CFPB-2024-0024]**

Dear Director Chopra,

On behalf of UnidosUS, we write in support of the Consumer Financial Protection Bureau's (CFPB) proposal to amend Regulation X to require servicers to provide certain communications in languages other than English, expand loss mitigation protections, and increase safeguards against early foreclosure.

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an Affiliate network of over 300 community-based organizations across the United States and Puerto Rico.

UnidosUS has extensive housing experience through its Wealth and Housing Alliance (UWHA) (formerly the National Homeownership Network, or NHN) which is the nation's largest network of community-based organizations working to empower Latino wealth-building through homeownership. The UWHA network is a HUD-approved housing counseling intermediary and trains hundreds of housing counselors to emphasize culturally competent counseling. Established in 1997, it includes 50 independent community-based organizations that support more than 60,000 families a year.

UnidosUS publishes reports, launches campaigns, provides testimony, and advocates for policies that promote homeownership opportunities and housing security for the Hispanic community. In 2023, UnidosUS launched the Home Ownership Means Equity ([HOME Initiative](#)), a major multi-year institutional effort to advance the federal, state, and local policies needed to create four million new Latino homeowners by 2030. Homeownership is a foundation of financial security, housing stability, and economic mobility for communities across the nation. For Latino communities, it is not only a source of financial and household stability but also the main avenue to build and transfer wealth from one generation to the next.

Our comments outline our support and suggest additional improvements to better meet the needs of the Latino community. Our suggestions focus on two critical areas for Latino homeowners: language access and loss mitigation practices.

Regarding language access, we appreciate the Bureau's mandate for comprehensive language services. To build on this positive step, we recommend the Bureau accompany its mandate with clear guidelines, including clarity around any exceptions for servicers.

On the topics of loss mitigation and dual tracking, we respectfully propose that CFPB clarify that any expression of interest in loss mitigation qualifies as a formal request, requiring servicers to confirm receipt and provide clear information, while also ensuring that foreclosure protections end only after a borrower fails to respond to clear requests.

**The Bureau's proposed rule will strengthen language access at crucial points in the homeownership journey.**

Language barriers impede many Latino consumers from understanding complex mortgage documents, negotiating loan terms, and communicating with their mortgage servicer if they face foreclosure. Limited English proficiency (LEP) makes it undeniably harder for borrowers to enter the homeownership process on equal terms to their English-proficient counterparts.

The Bureau's proposed rule is a step towards building and preserving the [gains that Latinos have seen in homeownership rates](#). To maintain these gains, expanded language access provisions must be required throughout the entire homeownership journey, and they are especially critical for homeowners at risk of losing their home.

The availability of language access services can vary significantly depending on the lender, and there can be inconsistent practices even within the same institutions. Some institutions may offer language access through bilingual staff, while others use third-party translators. Some institutions may offer in-language servicing for specific product lines, while others have reservations in offering expanded services in the consumer's preferred language.

This inconsistency in access across servicers can be devastating for homeowners with LEP: unprotected homeowners who are delinquent in their loans and unable to access forbearance can experience [lower credit scores by almost 200 points](#) than borrowers who are either in forbearance or are current in their mortgage payments.

Language barriers limit the ability of approximately [26 million consumers with limited English proficiency \(LEP\)](#)—of whom 60% primarily speak Spanish—to obtain responsible financial products and their ability to understand the terms of contracts they enter. Thus, the Bureau’s requirement for mortgage servicers to provide critical early intervention notices and other written notices in Spanish to **all** borrowers can be an effective way to ensure that a large majority of people with LEP are afforded an opportunity to access essential information about their mortgages and potential loss mitigation options.

Because many Latinos only receive information about avoiding foreclosure in English, they cannot fully participate or engage in the loss mitigation process. Without in-language paperwork and notices regarding their options and rights, LEP homeowners, including many Latino homeowners, are highly likely to lack the most basic information that anyone would need to pursue (or choose among) foreclosure-related alternatives.

**The Bureau should mandate comprehensive language services with clear guidelines, model documents, and without exceptions.**

The Bureau seeks comment on whether it should provide flexibility or exceptions to its mandate of comprehensive language services. To ensure the effectiveness and broad reach of this rule, the Bureau should not provide exceptions for servicers that do not have Spanish-speaking borrowers. Although the government-sponsored enterprises and Federal Housing Administration (FHA) now require loan originators to collect borrowers’ language preference at the origination process, this requirement applies only for loan originations made *after* the requirement was instituted. It is very likely that many servicers may hold mortgages for borrowers with a language preference other than English and not know it. An exception would be too difficult to establish and may leave vulnerable homeowners without the needed in-language paperwork and notices.

The Bureau should also set clear guidelines for identifying high-quality translators or interpreter services. The guidelines should clearly state expert translations are those done by a trained and skilled translator who is knowledgeable about “official” documents. Translations should also be periodically evaluated for clarity and understanding with consumers who come from a wide variety of backgrounds.

Without clear and specific guidelines on translation quality, mortgage servicers may opt for cost-cutting measures that would sacrifice the quality and accuracy of written and oral translations. As the Bureau has [noted](#) before, financial institutions are taking up new technology, like chatbots, as a cost-effective alternative to human customer service with

limited effectiveness in more complex interactions. UnidosUS will soon publish a review of websites used for election information, in which our review of local jurisdictions' voting information revealed that many relied on Google translate without any meaningful quality checks, including one in which "straight party voting," became "heterosexual voting" in translation.

On a similar note, the Bureau should establish a broad mandate requiring servicers to take appropriate measures to connect borrowers with a qualified interpreter at the borrower's request.

For written translations, the Bureau should set standards to avoid the use of certain technology (like Google translate) without human assurances of quality. The standards should clearly define expert translations are those done by a trained and skilled translator who is knowledgeable about "official" documents. Translations should also be periodically evaluated for clarity and understanding with consumers who come from a wide variety of backgrounds.

We also encourage the Bureau to provide model forms and documents in Spanish (and other languages as applicable) that are accessible through a language resources database, similar to the [Federal Housing Finance Agency \(FHFA\) Mortgage Translations Clearinghouse](#). Easily accessible model forms and documents may facilitate the ability of servicers, especially those with smaller portfolios, to adhere to the new language access requirements. The database should include the most frequently used forms and notices and be updated, as necessary.

To ensure the effectiveness of this rule, the Bureau should also provide minimum standards for language selection and require servicers to periodically reevaluate the language determinations as new demographic or other data become available. This includes setting a specified window for servicers to review language preference in their service areas. The periodic reevaluation should be linked to datasets like the American Community Survey (ACS) census data which includes new data over shorter time periods than does the decennial census.

**The Bureau's proposed rule also addresses key challenges in loss mitigation procedures providing borrowers clearer and more consistent pathways to avoid foreclosure.**

[A 2015 survey by UnidosUS](#), in partnership with the National Housing Resource Center (NHRC), revealed significant issues with mortgage servicers' compliance with CFPB rules

intended to protect homeowners. Despite improvements in the 2013 CFPB Mortgage Servicing Final Rule, a significant number of servicers continued to engage in problematic practices, such as:

- **Decision-Making Delays:** Many servicers failed to meet the 30-day requirement for loan modification decisions, highlighting the need for strengthened safeguards to ensure timely reviews and clear communication.
- **Dual Tracking Non-Compliance:** Despite the ban, some servicers continued dual tracking practices, underscoring the importance of enhanced protections and flexible loss mitigation reviews to prevent wrongful foreclosures.

**The proposed amendments will create a more equitable and effective foreclosure process for Latino homeowners, but key areas need to be strengthened.**

A key aspect of the proposed amendment is its removal of a requirement for a complete loss mitigation application *before* foreclosure protections are triggered. If the rule is finalized, protections would begin as soon as a borrower requests assistance even if the application is incomplete. For Latino homeowners, who may face additional challenges such as language barriers, limited access to financial resources, or who lack familiarity with the foreclosure process, delays to foreclosure protections can be particularly detrimental. By triggering protections as soon as a borrower requests assistance, the proposed amendment helps mitigate this risk by providing immediate safeguards against foreclosure.

However, the CFPB should further clarify that a request for loss mitigation assistance includes any communication where a borrower expresses interest in learning about an option in this regard, even informally. The Bureau should clearly define how a borrower may express interest in an option and urge servicers to present transparent information in response to any reasonable prompt or indication of interest. Servicers should be required to send a notice confirming receipt of this request and outlining the procedural protections now in place in transparent and easy-to-understand language. Additionally, the CFPB should ensure that temporary options, like forbearances, do not exclude borrowers from foreclosure protections.

Furthermore, the proposed amendments introduce new procedural safeguards to ensure that a foreclosure cannot proceed until all potential loss mitigation options have been thoroughly reviewed or until the borrower has been unresponsive for a specified period. These safeguards are particularly important for Latino borrowers, who may need additional

time to understand their options, gather necessary documentation, and respond appropriately due to language barriers or other challenges. The safeguards are designed to ensure that every possible avenue to avoid foreclosure is explored before the process advances, providing a crucial layer of protection for vulnerable homeowners.

We recommend the CFPB strengthen these safeguards by specifying that protections should end only after a borrower fails to respond to specific, clear requests for information. The Bureau should set guidelines to determine when it may be determined that a borrower failed to respond. Before terminating protections, servicers should send a "final chance" notice, ensuring that borrowers are not unjustly penalized. This recommendation directly addresses findings from the UnidosUS and NHRC survey about the potential for servicers to exploit vague or piecemeal requests, leading to premature foreclosure actions.

These improvements further mitigate the risks of dual tracking and ensure that the foreclosure process is fair, efficient, and responsive to the challenges faced by Latino homeowners.

**Conclusion: The proposed rule will ensure Latino homeowners are afforded the opportunity to stay in their home, but key improvements must be made to ensure effectiveness.**

We encourage the Bureau to take actions to implement comprehensive language services and loss mitigation improvements. Between 2020 and 2040, [70% of net new homeowners will be Latino](#). The Bureau's proposed rule is indispensable for sustained gains in Hispanic participation in the housing market. As the Bureau charts a clear path forward, we look forward to collaborating with stakeholders to advance language access and ensure fuller inclusion for LEP borrowers across all phases of homeownership.