

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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CFPB CONSTITUTIONAL

The U.S. Court of Appeals for the District of Columbia in a 4-3 decision ruled today that the structure of the CFPB doesn't violate the Constitution. This decision comes after the court allowed a rehearing of a prior decision that found that the CFPB violated the Constitution by making it difficult for the president to remove the single director of the CFPB except for cause. The case, *Phh Corp v. Consumer Finance Protection Agency* has been pending for months.

Some felt that the case had become less urgent with the new administration in place and a new acting director whose stated purpose is to take the bureau in a radically different direction. Fewer regulations and an end to regulation by enforcement are two examples of policy changes. It is, however, still a significant decision and leaves at least the basic structure of the CFPB in place.

That said, the CFPB did not win on all counts. The Court found that the \$109 million penalty assessed by the Bureau against *Phh* for RESPA violations was done in error. The CFPB regulatory conclusions were incorrect and even if the Bureau’s interpretations were justified, they could not be applied retroactively.

If appealed, the case is now available for review by the Supreme Court.

See “About Alt & Associates”, next page.

ABOUT ALT & ASSOCIATES

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- ✚ Regulatory assistance, both state and federal
- ✚ Compliance work
- ✚ Operational advice
- ✚ Transactional work Agreements such as Loan Officer
- ✚ Compensation Agreements etc.
- ✚ Various forms of employee, officer, and/or manager contracts
- ✚ Litigation representation

You may direct any questions or comments directly to:

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