

# United States Senate

WASHINGTON, DC 20510-2101

August 8, 2013

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, D.C. 20552

Dear Director Cordray:

We respectfully request that Consumer Financial Protection Bureau (“CFPB”) grant a reasonable transition timeline or guidance for private student loan providers in complying with disclosures required under the federal Truth in Lending Act.

As the Ranking Members on the Senate Committee on Banking, Housing, and Urban Affairs, and the Senate Committee on Health, Education, Labor and Pensions, we have a strong interest in the student lending industry and the CFPB actions affecting student lenders. Congress recently passed the Bipartisan Student Loan Certainty Act, a bill that ties Federal student loan interest rates to the 10-year U.S. Treasury note, which President Obama is expected to sign into law this week. We applaud the bill’s passage for lowering the interest rates on all federal student loan borrowers and providing more certainty and protection for taxpayers, but urge the CFPB to provide relief from any resulting and unintended compliance issues.

The federal Truth in Lending Act requires private student lenders to make certain disclosures to student borrowers, including the interest rate on federal Direct Loans. However, these disclosures cannot be made until the U.S. Department of Education calculates and certifies the official rates, which is still outstanding. Once that is complete, private student lenders need to update their electronic systems that produce these disclosures. Since system changes are resource intensive and many current loan applications are at various stages within the approval pipeline, delays are inevitable.

When the Federal Reserve was responsible for enforcing the Truth in Lending Act in 2009, it granted private lenders an optional compliance or “grace” period when disclosure changes were made. Just as the Federal Reserve provided guidance in

2009, the CFPB should provide transitional guidance today. It is important that lenders offer borrowers clear and accurate disclosures required under the law.

Thank you for your prompt attention to this important matter. Should you have any questions, please contact either of us, or members of our staff: Peter Oppenheim at (202) 224-8484, or Jared Sawyer at (202) 223-9209.

Sincerely,



Mike Crapo  
Ranking Member  
Committee on Banking,  
Housing and Urban Affairs



Lamar Alexander  
Ranking Member  
Committee on Health, Education,  
Labor, and Pensions