

CFPB Releases TRID Guidance for Juneteenth National Independence Day

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Late last week, the Consumer Financial Protection Bureau (CFPB) released an [interpretive rule](#) that provided much-welcome guidance related to the effect of the new Juneteenth National Independence Day on disclosure waiting periods under the TILA-RESPA Integrated Disclosure (TRID) rule. [According to CFPB Acting Director David Uejio](#), the Bureau “understand[s] that the quick enactment of the federal Juneteenth legislation created interpretive questions and compliance challenges for the mortgage industry with respect to rescission of closed-end mortgage and certain time-sensitive disclosures. The mortgage industry can refer to today’s interpretive rule when determining how to treat June 19, 2021.”

On June 17, President Biden signed legislation making Juneteenth the 12th federal holiday, and the first new federal holiday since 1983, when Martin Luther King Jr. Day was created. The Juneteenth legislation amended 5 U.S.C. § 6103(a) adding Juneteenth as a “legal public holiday.” The immediate enactment of the legislation caused a good deal of confusion within the mortgage industry regarding how to treat the newly created holiday for purposes of TRID closing disclosures and rescission periods. In particular, after enactment of the Juneteenth legislation, Saturday, June 19, 2021 – which had previously been a “business day” for purposes of TRID waiting periods – was no longer a “business day.”

Although Acting Director Uejio issued a [statement on June 18](#), he did not provide any specific guidance for lenders, instead indicating only that “the CFPB would take into account the limited implementation period before the holiday.” Consequently, it was unclear whether mortgage loan closings scheduled for June 21 – 23, 2021, should proceed in light of the three-business-day closing disclosure period under TRID. Likewise, it was not clear whether home equity loans, home equity lines of credit or mortgage refinancings scheduled to be funded early the next week could proceed in light of the four-business-day rescission period, or whether mortgage lenders were required to issue a revised TILA Notice of Right to Rescind. In both the TRID and rescission contexts, the addition of Juneteenth as a federal holiday also raised questions about the accuracy of the related disclosures that had already been issued.

The CFPB's new interpretive rule addresses the ambiguity by tying the relevant waiting period to the date that the subject time period began. For instance, if the TRID closing disclosure or rescission period began on or before June 17, 2021, then June 19 should be considered a business day for purposes of TRID because it was not yet a federal holiday at the time the counting period began. However, if the subject time period began after June 17, 2021, then June 19 is considered a federal holiday. Notably, the Bureau recognizes that creditors are allowed to provide longer time periods than required. As such, any mortgage companies that provided closing disclosures or notices of right to rescind on or before June 17 and treated June 19 as a federal holiday ultimately provided compliant notice for purposes of TILA. Even though Acting Director Uejio acknowledged the limited – but really nonexistent – implementation period, the implication of the CFPB's interpretive rule is that mortgage lenders that were not able to react to the June 17 federal law change by the next day, June 18, do not receive any protections.

Takeaways

The interpretive rule is structured to address the multiple ways that mortgage companies handled a difficult interpretive situation. However, the relative overall importance of the interpretative guidance issued after Juneteenth remains unclear. Of course, mortgage companies will likely be able to rely on the guidance to address TRID issues on a CFPB examination, but this may not be the case if an issue arises in consumer litigation. As such, mortgage companies need to closely monitor for any consumer complaints or buy-back demands related to disclosures over the Juneteenth holiday.

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