

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

CFPB Updates Guidance on Potential Risks Related to Mortgage Servicing Transfers

On August 19, 2014, the Consumer Financial Protection (CFPB) updated its compliance bulletin and policy guidance regarding the potential risks to consumers that may arise in connection with transfers of residential mortgage servicing rights. The guidance is broken out into the following sections:

- Section A – General Transfer-Related Policies and Procedures – provides examples of general transfer-related policies and procedures that examiners may consider in evaluating whether servicers have satisfied these requirements successfully.
- Section B – Applicability of the New Servicing Rules to Transfers – answers certain frequently asked questions about how Regulation X applies in the area of servicing transfers.
- Section C – Protections under Federal Consumer Financial Law – describes other Federal consumer financial laws applicable to servicing transfers and explains potential consequences if servicers are not fulfilling their obligations under the law.
- Section D – Plans for Handling Servicing Transfers – informs servicers engaged in significant servicing transfers that the CFPB will, in appropriate cases, require them to prepare and submit informational plans describing how they will be managing the related risks to consumers.

Although the bulletin is non-binding policy guidance specific to CFPB supervised institutions, it is a good reminder for of the potential compliance risks applicable to those institutions that conduct mortgage servicing transfers.

Resources

Additional information on CFPB rules and related guidance can be found on the CFPB's website at <http://www.consumerfinance.gov/>.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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Additional Information

[CFPB Bulletin 2014-1 Compliance Bulletin and Policy Guidance: Mortgage Servicing Transfers](#)