

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

May 18, 2015

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

CA 15-3 Revised Interagency Examination Procedures for Regulation Z and Regulation X

Applicability to Community Banking Organizations: This guidance applies to institutions supervised by the Federal Reserve with total consolidated assets of \$10 billion or less.

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently developed the attached interagency examination procedures for Regulation Z – Truth in Lending (TILA) and Regulation X – Real Estate Settlement Procedures Act (RESPA).

The attached procedures reflect recent amendments to Regulation Z and Regulation X, published by the Consumer Financial Protection Bureau (CFPB) in the *Federal Register* in December 2013 and February 2015, that revise and integrate the disclosures received in connection with most closed-end mortgage loans. These new requirements will be effective on August 1, 2015.

In addition, the attached procedures reflect various amendments to Regulation Z finalized after November 2013, and that are currently in effect. These include:

- Interagency amendments regarding higher-priced mortgage loan appraisal requirements issued in December 2013. The amendments provide additional exemptions for loans of \$25,000 or less and for certain streamlined refinances. These revisions also contain special provisions applicable to manufactured home loans and extend the mandatory compliance date for those provisions until July 18, 2015.
- Amendments finalized by the CFPB in November 2014 providing an alternative small servicer definition for certain nonprofit entities, an amended ability-to-repay rule exemption for certain nonprofit entities, and a post-consummation cure mechanism for loans that exceed the qualified mortgage points and fees limit, but are otherwise a qualified mortgage at consummation.
- Other amendments issued by the CFPB since November 2013 through the date of this CA Letter.

Because these updates required significant edits to the procedures, a roadmap summarizing the various changes is attached.

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:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853

Attachments

[Revised Interagency Examination Procedures for Regulation Z](#)
[Revised Interagency Examination Procedures for Regulation X](#)
[Summary of Updates to Examination Procedures for Regulation Z and Regulation X](#)