

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

September 23, 2013

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 Finalizes 2013 Mortgage Rule Modifications Initially Proposed in June 2013

On September 13, 2013, the Consumer Financial Protection Bureau (CFPB) finalized a rule amending the 2013 Mortgage Rules under the Equal Credit Opportunity Act (Regulation B), Real Estate Settlement Procedures Act (Regulation X), and the Truth in Lending Act (Regulation Z). The rule, which in connection with a proposed rule issued on June 24, 2013, contains amendments to several topics. Among other things, the amendments:

- Clarify the scope of activities prohibited in the first 120-days of delinquency;
- Outline procedures for obtaining follow-up information on loss-mitigation applications;
- Facilitate the ability of servicers to offer short-term forbearance plans;
- Clarify best practices for informing borrowers about the address for error resolution documents;
- Facilitate lending by certain small creditors, including those predominately operating in rural or underserved areas;
- Clarify application of the prohibition on creditors financing credit insurance premiums;
- Clarify the definition of loan originator; and
- Revise the effective dates of many loan originator compensation rule provisions.

A summary of the changes is included in the CFPB's press release, which is available at: <http://www.consumerfinance.gov/pressreleases/cfpb-finalizes-modifications-to-mortgage-rules/>.

Resource

The CFPB has also published a Regulatory Implementation website, which consolidates all of the 2013 mortgage rules and related implementation materials, and can be accessed at: <http://www.consumerfinance.gov/regulatory-implementation>.

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/letters>.

For additional information regarding supervisory expectations, please contact:

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