

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

January 9, 2014

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 13-26 Regulation X Homeownership Counseling List Requirement

Applicability to Community Banking Organizations: This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.

On December 23, 2013, the Federal Reserve Board issued [CA Letter 13-26](#) to clarify the Board's supervisory expectations in light of guidance issued by the Consumer Financial Protection Bureau (CFPB) on November 8, 2013, relating to one of its new mortgage rules under Regulation X, 12 CFR Part 1024.

The CFPB has implemented in Regulation X (12 CFR 1024.20(a)) a requirement in the Dodd-Frank Wall Street Reform and Consumer Protection Act that lenders provide applicants for federally-related mortgages with a list of local homeownership counseling organizations. The rule is effective January 10, 2014 and provides two alternatives for lenders to provide the counseling list: (1) obtain the list through a CFPB-created website; or (2) generate the list themselves based on specific CFPB instructions. The CFPB released its website tool and a supplemental interpretive rule providing these instructions on November 8, 2013.¹ Because of the time required to develop the systems necessary to comply with the second alternative, the CFPB simultaneously issued transitional supervisory guidance permitting lenders that act in good faith while building these systems (or working with vendors to build these systems) to direct borrowers to the CFPB's housing counseling agency website to obtain a list of housing counselors, using a format and language prescribed by the CFPB.² The Federal Reserve Board concurs with the CFPB's approach; therefore, examiners will evaluate compliance with the homeownership counseling list requirements consistent with the CFPB's guidance.

For additional information on the CFPB guidance, please refer to our summary previously issued on November 15, 2013: [Guidance on Providing List of Housing Counselor Agencies](#).

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

¹ <http://www.consumerfinance.gov/find-a-housing-counselor/> and 78 FR 68343 (Nov. 14, 2013).

² CFPB Bulletin 2013-13, *available at*:

http://files.consumerfinance.gov/f/201311_cfpb_bulletin_homeownership-counseling-list-requirements.pdf.