

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

April 17, 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 Issues Small Entity Compliance Guide for the Ability-to-Repay and Qualified Mortgage Rule

In February 2013, the Consumer Financial Protection Bureau (CFPB) announced its plans to work with the mortgage industry and other regulators to facilitate the implementation of its mortgage rules. As part of this process, the CFPB is issuing small entity compliance guides, which are “easy-to-understand” summaries of its rules. Their first, the [Small Entity Compliance Guide for the Ability-to-Repay and Qualified Mortgage Rule](#) was issued on April 10, 2013. According to the CFPB’s [press release](#), the guide provides a comprehensive summary of the rule in a plain language and FAQ format, which makes the content “more accessible and consumable,” especially for smaller businesses with limited legal and compliance staff. In conjunction with the guide, the CFPB also posted a one-page [comparison chart](#) that compares the general ability-to-repay requirements with the requirements for originating qualified mortgages.

As noted with this release, the CFPB anticipates publishing additional guides for each of the new mortgage rules. To be notified of the releases, we encourage you to sign up for the CFPB’s email alerts on their website at <http://www.consumerfinance.gov/regulations/>.

Resource

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:

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