

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

April 26, 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

Proposed Clarifications of the Ability-to-Repay / Qualified Mortgage and Mortgage Servicing Rules

On April 19, 2013, the Consumer Financial Protection Bureau (CFPB) issued a [proposal](#) to clarify certain provisions of the [Ability to Repay / Qualified Mortgage](#) and [Mortgage Servicing](#) Rules. The proposal is in response to questions the CFPB received since the rules were issued in January 2013.

The proposed amendments clarify: (1) the relation of Regulation X's servicing provisions to State law; (2) the small servicer exemption from certain of the new servicing rules; (3) the use of government-sponsored enterprise and Federal agency purchase, guarantee or insurance eligibility for determining qualified mortgage status; and (4) the determination of debt and income for purposes of originating qualified mortgages. In addition to these proposed revisions, which are discussed more fully in the proposal, the CFPB is also proposing certain technical corrections that are not intended to substantively change the regulations.

Those wishing to comment on the proposed rule should refer to the instructions outlined in the [proposal](#). The comment period will close 30 days after publication in the *Federal Register*, which is expected shortly. In June, the CFPB plans to issue additional proposed clarifications about the new mortgage rules, including the servicing rules addressed in this proposal and the 2013 Loan Originator Final Rule.

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/letters>.

For additional information regarding supervisory expectations, please contact:

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