

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

January 22, 2010

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, and Foreign Bank Offices
in the Twelfth Federal Reserve District

Federal Reserve Approves Interim Final Rule Requiring Notice be given to Consumers When their Mortgage Loan is Sold or Transferred

The Federal Reserve Board approved an interim final rule on November 16, 2009 to implement a recent statutory amendment requiring that notice be given to consumers when their mortgage loan has been sold or transferred. The new disclosure requirement became effective immediately upon enactment of the Helping Families Save Their Homes Act in May, 2009. Under that Act, a purchaser or assignee that acquires a mortgage loan must provide the required disclosures in writing within 30 days.

The interim final rule, revising Regulation Z (Truth in Lending Act), became effective November 20, 2009 to provide compliance guidance and greater certainty on the new requirements. However, to allow time for any necessary operational changes, compliance with the interim final rule was optional for 60 days, ending January 19, 2009. During the 60-day period, parties that acquired a mortgage loan continued to be subject to the statute's requirements.

The public had 60 days from November 20, 2009 to provide comments on the interim rule. The comment period ended on January 19, 2009.

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, please contact:

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