

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

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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

**Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X)
and the Truth in Lending Act (Regulation Z)**

On November 20, 2013, the Consumer Financial Protection Bureau (CFPB) issued a final rule to integrate the mortgage disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z). The final rule, which is effective August 1, 2015, combines the existing disclosure requirements in Regulations X and Z to establish new disclosure requirements and forms in Regulation Z for most closed-end consumer credit transactions secured by real property. In addition to combining the existing disclosure requirements and implementing new requirements imposed by the Dodd-Frank Act, the final rule provides extensive guidance regarding compliance with the rule's requirements.

As noted in the CFPB's press release, the final rule requires that lenders use the CFPB's new disclosures, puts in place rules about when the new forms are given to the consumer, and limits how the final deal can change from the original loan estimate. The forms include:

- **[The Loan Estimate](#)** – The rule requires lenders to provide consumers with a “loan estimate”, which replaces the early Truth in Lending statement and Good Faith Estimate, and provides a summary of the key loan terms and estimated loan and closing costs. The “loan estimate” is designed to assist consumers in comparing the costs and features of different loans.
- **[The Closing Disclosure](#)** – The rule requires lenders to provide consumers with a “closing disclosure” three business days before closing on a loan. It replaces the Truth in Lending statement and the HUD-1 settlement statement, and provides a detailed account of the transaction.

The press release includes additional background information on the disclosure development process, including the research and consumer testing performed. This information can be accessed at: <http://www.consumerfinance.gov/newsroom/cfpb-finalizes-know-before-you-owe-mortgage-forms/>.

Resources

Additional information, including the [final rule](#) and a [detailed summary](#) of the rule, has been posted to the CFPB's [website](#).

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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