



FEDERAL RESERVE BANK *of* KANSAS CITY

September 10, 2013

Interagency Regulation Z and Real Estate Settlement Procedures Act (RESPA)
Examination Procedures

To the Chief Executive Officer of Each Tenth District State Member Bank, Bank Holding Company, and Savings and Loan Holding Company:

On August 21, 2013, the Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently approved interagency examination procedures for Regulation Z – Truth in Lending and Regulation X – RESPA.

Earlier this year, the Consumer Financial Protection Bureau (CFPB) issued several mortgage-related final rules, implementing various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The procedures have been updated to reflect these final rules, which covered such topics as loan originator compensation, appraisals, mortgage servicing, ability-to-repay and qualified mortgage standards, and escrow requirements.

The procedures incorporate amendments to the CFPB's Regulation Z and RESPA finalized through July 10, 2013. Additional clarifications are expected this fall, with corresponding interagency revisions to the Regulation Z and RESPA examination procedures also planned.

A copy of CA 13-12 and CA 13-13 is available on the Federal Reserve Board of Governors' web site at <http://www.federalreserve.gov/bankinforeg/caletters/caltr1312.htm> and <http://www.federalreserve.gov/bankinforeg/caletters/caltr1313.htm>, respectively. Please direct any questions concerning the guidance to the Consumer Affairs Department of the Federal Reserve Bank of Kansas City at (800) 333-1010, extension 881-2488, or via email at linda.painter@kc.frb.org.

Sincerely,

Michael R. Steckline
Assistant Vice President



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

SANDRA F. BRAUNSTEIN
DIRECTOR
DIVISION OF CONSUMER
AND COMMUNITY AFFAIRS

CA 13-12

August 21, 2013

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS
SECTIONS:**

SUBJECT: Revised Interagency Examination Procedures for Regulation Z

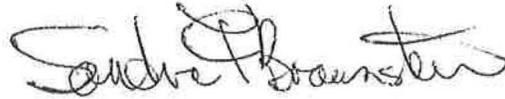
The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently approved the attached interagency examination procedures for Regulation Z – Truth in Lending. These revised examination procedures supersede the Regulation Z interagency examination procedures transmitted with CA Letter 13-9.

The attached procedures reflect recent amendments to Regulation Z, issued by the Consumer Financial Protection Bureau (CFPB). Specifically, the procedures reflect mortgage rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act that will generally go into effect on January 10, 2014, including rules regarding ability-to-repay and qualified mortgage standards (ATR/QM), loan originator compensation and qualification, servicing, and loans subject to HOEPA. Interagency appraisal rules will go into effect on January 18, 2014, and are also reflected in the attached procedures. (The CFPB's escrow rule and one provision of its loan originator compensation rule that were previously incorporated in the procedures transmitted with CA Letter 13-9 are incorporated in the attached examination procedures as well.)

The attached procedures incorporate amendments to Regulation Z finalized through June 12, 2013. On July 10, 2013, the CFPB issued a final rule clarifying, correcting, or amending the servicing, ATR/QM, and escrow rules. The CFPB is also expected to finalize a separate proposal containing additional clarifications in the fall. We anticipate issuing corresponding interagency revisions to the Regulation Z examination procedures shortly after the latter rulemaking is finalized. We also expect to include updated examiner worksheets at that time.

If you have any questions, please contact Dana Miller, Senior Supervisory Consumer Financial Services Analyst, (202) 452-2751, or Carol Evans, Assistant Director, at (202) 452-2051.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandra Braunter".

Attachment: Revised Regulation Z Interagency Examination Procedures

Supersedes: CA 13-9 "Revised Examination Procedures for Regulation Z" (June 6, 2013)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

SANDRA F. BRAUNSTEIN
DIRECTOR
DIVISION OF CONSUMER
AND COMMUNITY AFFAIRS

CA 13-13

August 21, 2013

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS
SECTIONS:**

SUBJECT: Revised RESPA Interagency Examination Procedures

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently approved the attached interagency examination procedures for The Real Estate Settlement Procedures Act (RESPA). These revised examination procedures supersede the RESPA interagency examination procedures transmitted with CA Letter 09-11.

The attached procedures are updated to reflect the transfer of rulemaking authority under RESPA from the Department of Housing and Urban Development (HUD) to the Consumer Financial Protection Bureau (CFPB) under the Dodd-Frank Wall Street Reform and Consumer Protection Act. On December 20, 2011, the CFPB published an interim final rule restating and recodifying Regulation X (76 Fed. Reg. 78978). The interim final rule did not impose any new substantive obligations on persons subject to the existing Regulation X previously published by HUD. Rather, it substantially duplicated HUD's Regulation X, making only certain non-substantive, technical, formatting, and stylistic changes. To minimize any potential confusion, the CFPB generally preserved the numbering system of HUD's Regulation X in a new part of the Code of Federal Regulations (12 CFR part 1024).

In addition, the attached procedures reflect recently-issued amendments to the CFPB's Regulation X. Specifically, the procedures reflect rules implementing the Dodd-Frank Act that will generally go into effect on January 10, 2014, including rules regarding mortgage servicing and homeownership counseling requirements.

The attached procedures incorporate amendments to the CFPB's Regulation X finalized through July 10, 2013. The CFPB is also expected to finalize a separate proposal containing additional clarifications to the mortgage servicing rule in the fall. We anticipate issuing corresponding interagency revisions to the Regulation X examination procedures shortly after the rulemaking is finalized.

If you have any questions, please contact Dana Miller, Senior Supervisory Consumer Financial Services Analyst, (202) 452-2751, or Carol Evans, Assistant Director, at (202) 452-2051.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah Braunstein". The signature is written in dark ink and is positioned below the word "Sincerely,".

Attachment: Revised Regulation X Interagency Examination Procedures

Supersedes: CA 09-11 "Revised RESPA Examination Procedures" (November 9, 2009)