

## **High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (Regulation X)**

Effective January 10, 2014

- Establishes new thresholds for high-cost loans including a new “points and fees” definition.
- Imposes new disclosure requirements regarding housing counselors.

To learn more, visit: <http://www.consumerfinance.gov/regulations/high-cost-mortgage-and-homeownership-counseling-amendments-to-regulation-z-and-homeownership-counseling-amendments-to-regulation-x/>

## **Escrow Requirements under the Truth in Lending Act (Regulation Z)**

Effective June 1, 2013

- Lengthens the time period for mandatory escrow accounts.
- Addresses requirements for termination of escrow accounts.

To learn more, visit: <http://www.consumerfinance.gov/regulations/escrow-requirements-under-the-truth-in-lending-act-regulation-z/>

## **Ability to Repay and Qualified Mortgage Standards Under the Truth in Lending Act (Regulation Z)**

Effective January 10, 2014

- Requires lenders to determine a borrower’s ability to repay a loan unless it is a qualified mortgage.
- Includes limited exceptions for “non-standard” to “standard” refinances and balloon loans made by those in rural or underserved areas.

To learn more, visit: <http://www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z/>

## **2013 Real Estate Settlement Procedures Act (Regulation X) and Truth in Lending Act (Regulation Z) Mortgage Servicing Final Rules**

Effective January 10, 2014

Addresses:

- Periodic billing statements
- Interest-rate adjustment notices for ARMs
- Prompt payment crediting and payoff statements
- Force-placed insurance
- Error resolution and information requests
- General servicing policies, procedures, and requirements
- Early intervention with delinquent borrowers
- Continuity of contact with delinquent borrowers
- Loss mitigation procedures

To learn more, visit: <http://www.consumerfinance.gov/regulations/2013-real-estate-settlement-procedures-act-regulation-x-and-truth-in-lending-act-regulation-z-mortgage-servicing-final-rules/>

## **Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations Under the Equal Credit Opportunity Act (Regulation B)**

Effective January 18, 2014

- Requires notice to consumers regarding their right to appraisal.
- Requires lender to provide appraisal.

To learn more, visit: <http://www.consumerfinance.gov/regulations/disclosure-and-delivery-requirements-for-copies-of-appraisals-and-other-written-valuations-under-the-equal-credit-opportunity-act-regulation-b/>

## **Appraisals for Higher-Priced Mortgage Loans**

Effective January 18, 2014

- Requires interior inspections for “higher risk mortgages.”
- Additional notice requirements

To learn more, visit: <http://www.consumerfinance.gov/regulations/appraisals-for-higher-priced-mortgage-loans/>

## **Loan Originator Compensation Requirements under the Truth in Lending Act (Regulation Z)**

Effective June 1, 2013 for mandatory arbitration and credit life provisions

Effective January 10, 2014 for rest of rule

- Maintains prohibitions on LO comp based on loan term (other than loan amount) or proxy.
- Adds definition of “proxy.”
- Limited exemption from dual compensation prohibition to allow mortgage brokers to pay commission to employees even if receive consumer-paid comp.
- Limited exception for LOs to reduce comp to defray unforeseen settlement cost increases.
- Allows certain profit sharing plans.
- Adds LO qualification requirements.
- Prohibits mandatory arbitration in loan documents.
- Prohibits financing of credit insurance premiums.

To learn more, visit: <http://www.consumerfinance.gov/regulations/loan-originator-compensation-requirements-under-the-truth-in-lending-act-regulation-z/>