

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

INFORMATIONAL MEMORANDUM



July 8, 2014

To: Chief Executive Officer
All Farm Credit System Institutions

From: Samuel R. Coleman, Director and Chief Examiner
Office of Examination

A handwritten signature in black ink that reads 'Samuel R. Coleman'.

Subject: Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z)

The purpose of this Informational Memorandum is to provide information regarding the Consumer Financial Protection Bureau's (CFPB) final rule integrating disclosures required for consumer mortgage applications and loan closings (TILA-RESPA Rule). The TILA-RESPA Rule applies to most closed-end consumer mortgages, was published in the Federal Register at 78 FR 79730 on December 31, 2013, and is effective on August 1, 2015.

The TILA-RESPA Rule consolidates four existing disclosures required under TILA and RESPA into two forms: a Loan Estimate that must be delivered or placed in the mail no later than the third business day after receiving the consumer's application, and a Closing Disclosure that must be provided to the consumer at least three business days prior to consummation. The list below provides citations to key sections of the TILA-RESPA Rule.

- Initial Truth in Lending disclosure and RESPA Good Faith Estimate combined into a new Loan Estimate form (§1026.37 and Appendix H-24)
- Final Truth in Lending disclosure and RESPA HUD-1 combined into a new Closing Disclosure (§1026.38 and Appendix H-25)
- New timing requirements for disclosures (§1026.19(e) and (f))
- New tolerance levels for disclosed estimates (§1026.19(e) and (f))

Farm Credit System (System) institutions originating closed-end consumer mortgages will need to review processes, software, contracts with service providers, and other aspects of their business operations to identify changes needed to comply with the TILA-RESPA Rule.

Resources and information to help comply with the TILA-RESPA Rule can be found on the TILA-RESPA Integrated Disclosure rule implementation page of the CFPB's website, at <http://www.consumerfinance.gov/regulatory-implementation/tila-respa/>. In particular, the

Compliance Guide provides a summary of, and highlights issues to consider when implementing, the TILA-RESPA Rule. The CFPB also plans to provide a series of webinars to address the TILA-RESPA rule as creditors work to implement it over the next year.

The language of all of the CFPB's mortgage-related rules, together with compliance and other information about these rules, can also be found on the CFPB's website. The CFPB is constantly updating its website to provide information about implementation of these rules, and institutions should refer to it frequently to ensure they have the latest information. System institutions can sign up on the website to receive updates on implementation of these rules.

The Farm Credit Administration is providing this information as a courtesy to keep you informed of issues that may affect your institution. This information should not be seen as a replacement for management's due diligence in monitoring issues that may affect your institution.

If you have any questions about this Informational Memorandum, please contact Jennifer A. Cohn, Senior Counsel, Office of General Counsel, at (703) 883-4028, or by email at cohnj@fca.gov; and/or Dan Fennewald, Director, Examination Policy Division, Office of Examination, at (952) 259-0432, or by email at fennewaldd@fca.gov.