
INFORMATIONAL MEMORANDUM



October 23, 2017

To: Chief Executive Officer
All Farm Credit System Institutions

From: Samuel R. Coleman, Director and Chief Examiner

Subject: CFPB Actions on Home Mortgage Disclosure Act, Mortgage Servicing Rules, and TILA-RESPA

This Informational Memorandum provides information about the following:

- Home Mortgage Disclosure Act (HMDA) amendments and resources;
- Mortgage Servicing Rule amendments and guidance; and,
- TILA-RESPA amendments.

HMDA Amendments and Resources

The CFPB issued a final rule (2017 HMDA Final Rule) amending the Home Mortgage Disclosure Act (Regulation C). The CFPB provided an overview of the changes in an [Executive Summary](#). The primary changes included:

- A temporary increase in the threshold for reporting open-end lines of credit;
- A new reporting exclusion and optional reporting for certain transactions and data points; and,
- Clarifications, technical corrections, and minor changes to certain terms and requirements.

The 2017 HMDA Final Rule was published in the Federal Register at 82 FR 43008 on September 13, 2017. Most of the changes will take effect on January 1, 2018, although a few will take effect on January 1, 2019, and January 1, 2020.

The CFPB recently updated resources to help institutions understand, implement, and comply with the 2017 HMDA Final Rule. These resources can be found at:

- [Resources for HMDA Filers](#) (revised Filing Instructions Guide); and,
- [HMDA Implementation and Guidance](#), including:
 - updated Small Entity Compliance Guide;
 - updated chart on the Collection and Reporting of HMDA Information about Ethnicity and Race; and,
 - new chart on Reported HMDA Data: A Regulatory and Reporting Overview Reference.

Mortgage Servicing Rule Amendments and Guidance

The CFPB issued two updates for its Mortgage Servicing Rule amendments to Regulations X and Z, which were published in the Federal Register at 81 FR 72160 on October 19, 2016:

- Non-substantive, technical corrections to the Mortgage Servicing Rule amendments, addressing typographical errors and the like. These corrections were published in the Federal Register at 82 FR 30947 on July 5, 2017, and will become effective on the date the provisions they correct are effective – depending on the provision, either October 19, 2017, or April 19, 2018.
- Non-binding policy guidance allowing institutions to comply with the Mortgage Servicing Final Rule three days before the effective dates. The policy guidance was issued in response to industry concerns that midweek effective dates could create operational challenges for servicers. The policy guidance states that the CFPB does not intend to take supervisory or enforcement action if servicers implement the final rule the Monday before each of the respective Thursday effective dates. The policy guidance was published in the Federal Register at 82 FR 29713 on June 30, 2017.

TILA-RESPA Amendments

The CFPB issued a final rule amending and clarifying certain mortgage disclosure provisions implemented in Regulation Z in July 2017. The CFPB provided an overview of these changes in an [Executive Summary](#) and [Detailed Summary of Changes and Clarifications](#). Among many other changes, these amendments:

- Adopted tolerances for the Total of Payments disclosure;
- Changed criteria for eligibility for the partial exemption for certain housing assistance loans;
- Clarified how a creditor may provide separate disclosures to the consumer and the seller;
- Amended and clarified several disclosure provisions related to construction loans;
- Amended and clarified the application of the good faith standard and related tolerances for certain integrated disclosures; and,
- Amended and clarified when revised Loan Estimates or Closing Disclosures are permitted or required.

Although the amendments become effective on October 10, 2017, compliance is optional until the *mandatory* compliance date. Compliance is required for applications received on or after October 1, 2018. During the optional compliance period, as the CFPB stated in the Executive Summary, institutions may comply with the amendments “all at one time or phase in the changes over time (even within the course of a transaction).” The rule was published in the Federal Register at 82 FR 37656 on August 11, 2017.

The CFPB recently updated its Small Entity Compliance Guide to help institutions understand, implement, and comply with the 2017 TILA-RESPA Rule at [TILA-RESPA Integrated Disclosure Implementation and Guidance](#).

CFPB Compliance-Related Information

The language of all the CFPB’s rules, information for implementing, and compliance can be found on the [CFPB's website](#). The CFPB is constantly updating its website with information about implementation of and compliance with its rules and other guidance, and institutions should refer to it frequently to ensure they have the latest information. System institutions can also sign up on the website to receive updates about new rules and other guidance.

We are providing this information as a courtesy to keep you informed of issues that may affect your institution. This information should not be a replacement for reviewing the full regulation or 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 (720) 213-0440, 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.