

# Farm Credit Administration

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## INFORMATIONAL MEMORANDUM



July 18, 2013

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: Recent CFPB Actions

The purpose of this Informational Memorandum (IM) is to provide information regarding several actions the Consumer Financial Protection Bureau (CFPB) recently took with respect to the various mortgage-related regulations it has issued since January 2013. The actions include:

- On May 31, 2013, the CFPB published, at 78 FR 32547, a final rule delaying until January 10, 2014, the June 1, 2013 effective date of a regulatory provision prohibiting the financing of credit insurance. That provision was contained in the February 15, 2013 final rule on Mortgage Loan Originator Qualification and Compensation Practices. See our IM dated April 22, 2013, for additional information.
- On June 12, 2013, the CFPB published, at 78 FR 35429, a final rule amending the January 30, 2013 Ability-to-Repay Rule. The amendments exempt certain non-profit and community-based creditors from the ability-to-pay requirements; facilitate lending by certain small creditors in a variety of ways; and establish how to calculate loan origination compensation for the Qualified Mortgage points and fees cap. The amendments, along with the entire Ability-to-Repay Rule, will take effect on January 10, 2014. See our IM dated March 8, 2013, for additional information.
- On May 23, 2013, the CFPB published, at 78 FR 30739, a final rule making clarifying and technical amendments to its January 22, 2013 Escrow Rule. See our IM dated March 8, 2013, for additional information. The final rule:
  - Establishes a temporary provision to keep in place existing protections for higher-priced mortgage loans until other similar provisions take effect in January 2014; and

- Clarifies how to determine whether or not a county is considered “rural” or “underserved” for purposes of applying an exemption to the Escrow Rule and special provisions adopted in three other mortgage rules the CFPB adopted in January 2013. The CFPB used the changes to compile a final 2013 rural or underserved counties list, which applies, with respect to the exemption in the Escrow Rule, to mortgages closed from June 1, 2013, through December 31, 2013. This list can be viewed or downloaded in CSV, XLS, and PDF at [www.consumerfinance.gov/blog/final-list-of-rural-and-or-underserved-counties-for-use-in-2013](http://www.consumerfinance.gov/blog/final-list-of-rural-and-or-underserved-counties-for-use-in-2013).

The language of all of the CFPB’s final mortgage-related rules, together with information about these rules, can be found on the CFPB’s website, at [www.consumerfinance.gov](http://www.consumerfinance.gov). From the home page, go to the *Law and Regulation* section and click on *Mortgage Rule Implementation*. This page consolidates all of the CFPB’s mortgage rules and related implementation materials, including summaries, Compliance Guides, Quick Reference Charts, Readiness Guides, and other materials. The CFPB is constantly updating this page, and institutions should refer to this page frequently to ensure they have the latest information on compliance.

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](mailto: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](mailto:fennewaldd@fca.gov).