



## Financial Institution Letter

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### Interagency Consumer Compliance Examination Procedures for Mortgage Rules Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)

**Summary:** The FDIC has released revised interagency consumer compliance examination procedures for the mortgage rules issued pursuant to the Dodd-Frank Act. The release of these examination procedures is part of the FDIC's ongoing efforts to inform supervised institutions about important bank regulatory developments in order to promote transparency in the FDIC's supervisory program. The examination procedures should be helpful to financial institutions seeking to better understand the areas the FDIC will focus on as part of the examination process.

**Statement of Applicability to Institutions Under \$1 Billion in Total Assets:** This Financial Institution Letter applies to all FDIC-supervised institutions.

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FDIC-Supervised Institutions

#### Suggested Routing:

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#### Related Topics:

Dodd-Frank Wall Street Reform and Consumer Protection Act  
Truth in Lending Act (Regulation Z)  
Real Estate Settlement Procedures Act (Regulation X)  
Equal Credit Opportunity Act (Regulation B)

#### Attachments:

[Compliance Examination Manual](#)  
[CFPB 2013 Mortgage Rule Implementation](#)

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#### Note:

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#### Highlights:

FDIC examiners will use the revised interagency procedures to evaluate institutions' compliance with the following residential mortgage loan rules issued pursuant to the Dodd-Frank Act:

- **Ability-to-Repay/Qualified Mortgage Rule** – requires creditors to make a reasonable and good faith determination that the consumer has a reasonable ability to repay a mortgage loan.
- **Loan Originator Compensation Rule** – regulates loan originator compensation and establishes qualification and training requirements.
- **Mortgage Servicing Rules** – implements amendments to the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA) regarding mortgage loan servicing.
- **High-Cost Mortgage and Homeownership Counseling Amendments Rule** – implements the Dodd-Frank Act provisions amending TILA and RESPA concerning consumer protections associated with high-cost mortgages and homeownership counseling.
- **Higher-Priced Mortgage Loan (HPML) Escrow Rule** – requires creditors to establish and maintain, for a minimum of five years, escrow accounts for certain HPMLs.
- **HPML Appraisal Rule** – requires appraisals for certain HPMLs.
- **Equal Credit Opportunity Act (ECOA) Appraisal Rule** – requires creditors to provide a copy of an appraisal or other property valuation as a matter of course, rather than providing copies only upon an applicant's request.

During initial examinations for compliance with the new regulations, FDIC examiners will expect institutions to be familiar with the mortgage rules' requirements and have a plan for implementing the requirements. Implementation plans should contain clear timeframes and benchmarks for making necessary changes to compliance management systems and relevant programs. FDIC examiners will consider the overall compliance efforts of an institution and take into account progress the institution has made in implementing its plan. Additional resources on the new rules can be found on the Consumer Financial Protection Bureau's (CFPB) Web site at <http://www.consumerfinance.gov/regulatory-implementation/>.

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