



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter
FIL-134-2008
December 2, 2008

Regulation Z (Truth in Lending) and Regulation C (Home Mortgage Disclosure)

Amendments to the Regulations

Summary: The closed-end mortgage provisions of Regulation Z, which implement the Truth in Lending Act and the Home Ownership and Equity Protection Act, have been amended. Among other changes, these provisions now include consumer protections specific to "higher-priced mortgage loans." The compilation and reporting of loan data provisions of Regulation C, which implements the Home Mortgage Disclosure Act, now conform to the definition of higher-priced mortgage loans under Regulation Z. The amendments to Regulations Z (with limited exceptions) and C take effect on October 1, 2009.

Distribution:

FDIC-supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Loan Officer
Chief Compliance Officer
General Counsel

Related Topics:

Truth in Lending Act
Home Ownership and Equity Protection Act
Home Mortgage Disclosure Act

Attachment:

[2008 Amendments to Regulation Z and 2008 Conforming Amendments to Regulation C](#)

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Note:

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Highlights:

On July 14, 2008, the Board of Governors of the Federal Reserve (FRB) approved amendments to the closed-end mortgage provisions of Regulation Z (see <http://edocket.access.gpo.gov/2008/pdf/E8-16500.pdf> 565K ([PDF Help](#))). The amended Regulation Z:

- Creates a new category of closed-end mortgage loans -- "higher-priced mortgage loans" -- to which unique consumer protections apply;
- Revises the prepayment penalty provisions for high-cost (section 32) mortgages;
- Prohibits certain servicing practices and the coercion of appraisers for all closed-end mortgage loans secured by a consumer's principal dwelling;
- Identifies and prohibits several misleading or deceptive advertising practices for all closed-end mortgages secured by a dwelling; and
- Extends Regulation Z's early disclosure requirement to transactions involving refinancings and home equity loans secured by a consumer's principal dwelling.

On October 20, 2008, the FRB approved amendments to the compilation and reporting of loan data provisions of Regulation C to conform to Regulation Z's definition of higher-priced mortgage loans (see <http://edocket.access.gpo.gov/2008/pdf/E8-25320.pdf> ([PDF Help](#))).