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SANDRA F. BRAUNSTEIN
DIRECTOR
DIVISION OF CONSUMER
AND COMMUNITY AFFAIRS

CA 13-12

August 21, 2013

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS
SECTIONS:**

SUBJECT: Revised Interagency Examination Procedures for Regulation Z

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently approved the attached interagency examination procedures for Regulation Z – Truth in Lending. These revised examination procedures supersede the Regulation Z interagency examination procedures transmitted with CA Letter 13-9.

The attached procedures reflect recent amendments to Regulation Z, issued by the Consumer Financial Protection Bureau (CFPB). Specifically, the procedures reflect mortgage rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act that will generally go into effect on January 10, 2014, including rules regarding ability-to-repay and qualified mortgage standards (ATR/QM), loan originator compensation and qualification, servicing, and loans subject to HOEPA. Interagency appraisal rules will go into effect on January 18, 2014, and are also reflected in the attached procedures. (The CFPB's escrow rule and one provision of its loan originator compensation rule that were previously incorporated in the procedures transmitted with CA Letter 13-9 are incorporated in the attached examination procedures as well.)

The attached procedures incorporate amendments to Regulation Z finalized through June 12, 2013. On July 10, 2013, the CFPB issued a final rule clarifying, correcting, or amending the servicing, ATR/QM, and escrow rules. The CFPB is also expected to finalize a separate proposal containing additional clarifications in the fall. We anticipate issuing corresponding interagency revisions to the Regulation Z examination procedures shortly after the latter rulemaking is finalized. We also expect to include updated examiner worksheets at that time.

If you have any questions, please contact Dana Miller, Senior Supervisory Consumer Financial Services Analyst, (202) 452-2751, or Carol Evans, Assistant Director, at (202) 452-2051.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Braunsler". The signature is written in a cursive style with a large, stylized initial "S".

Attachment: Revised Regulation Z Interagency Examination Procedures

Supersedes: CA 13-9 "Revised Examination Procedures for Regulation Z" (June 6, 2013)