
January 2013 CFPB Mortgage Rules: Charts Detailing Coverage of Transactions

March 2013

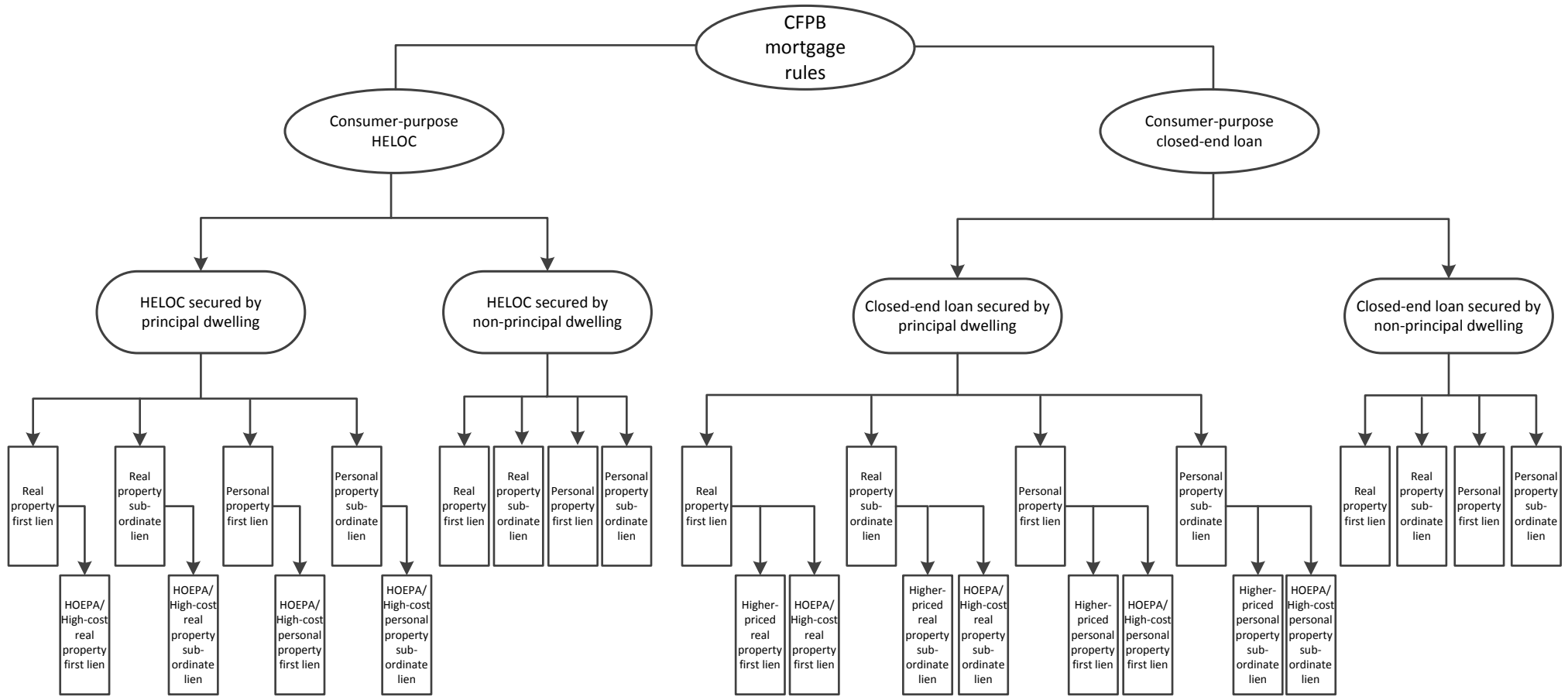
In January 2013, the Consumer Financial Protection Bureau (CFPB) issued 8 distinct final rules that apply to consumer mortgage transactions. The rules amend several existing regulations, including Regulations Z, X and B. The rules implement the:

- High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act;
- Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act;
- Escrow Requirements under the Truth in Lending Act;
- Ability to Repay and Qualified Mortgage Standards under the Truth in Lending Act;
- Mortgage Servicing Provisions under the Real Estate Settlement Procedures Act and the Truth in Lending Act;
- Appraisal Requirements for Higher-Priced Mortgage Loans under the Truth in Lending Act;
- Appraisal Requirements under the Equal Credit Opportunity Act; and
- Loan Originator Compensation Requirements under the Truth in Lending Act.

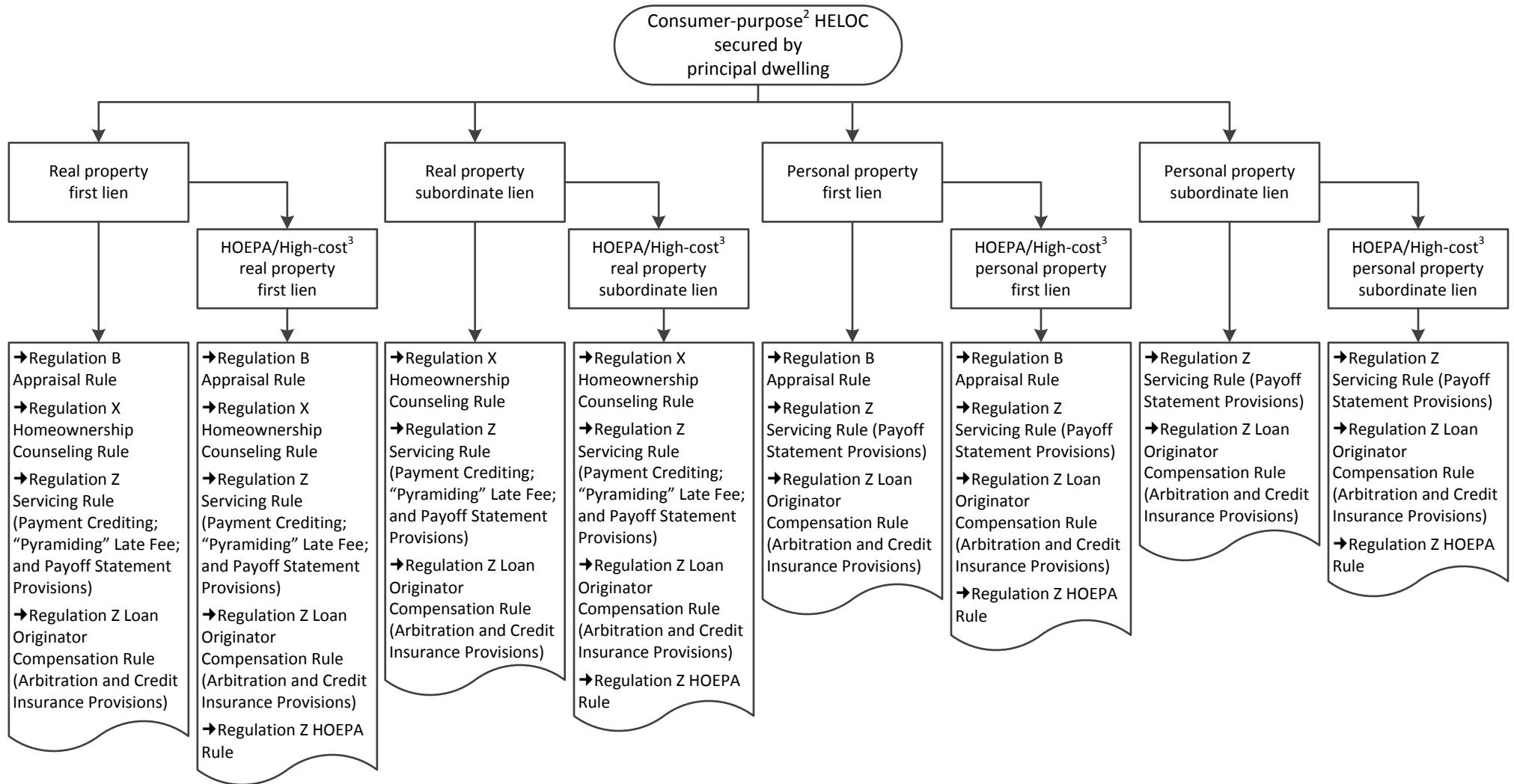
The scope of each of the rules varies considerably. For example, some rules apply to only closed-end credit transactions. Others apply to both closed-end and open-end transactions. Some apply only to transactions secured by the consumer's principal dwelling, while others apply to any consumer dwelling. Moreover, some apply to only dwellings secured by real property, while others also apply to personal property used as a dwelling. The attached charts lay out which rules apply to different types of transactions. The first chart is an overview, followed by charts covering the CFPB mortgage rules that apply to:

- Consumer-purpose home equity lines of credit secured by a principal dwelling;
- Consumer-purpose home equity lines of credit secured by a non-principal dwelling;
- Consumer-purpose closed-end loans secured by a principal dwelling (real property);
- Consumer-purpose closed-end loans secured by a principal dwelling (personal property); and
- Consumer-purpose closed-end loans secured by a non-principal dwelling.

Coverage of Transactions by New CFPB Mortgage Rules
OVERVIEW



Coverage of Transactions by New CFPB Mortgage Rules¹
Open End – Home Equity Lines of Credit (HELOCs)

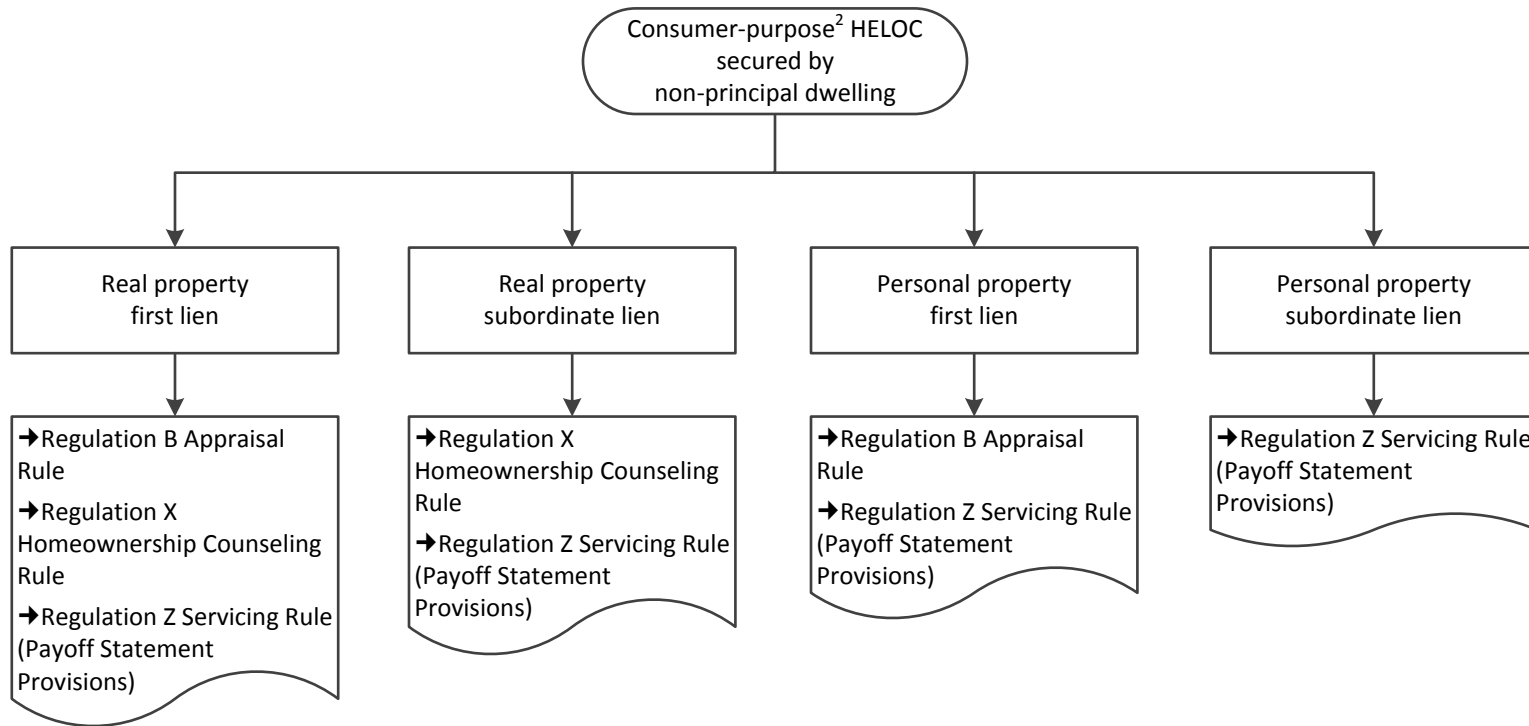


¹ The following CFPB rules (issued in January 2013) are covered in this chart: Regulation B Appraisal Rule (12 C.F.R. § 1002.14); Regulation X List of Homeownership Counseling Organizations Rule (12 C.F.R. § 1024.20); Regulation Z Loan Originator Compensation Rule (12 C.F.R. § 1026.36); Regulation Z HOEPA Rule (12 C.F.R. § 1026.32); and Regulation Z Servicing Rule (12 C.F.R. § 1026.36). Other CFPB mortgage rules issued in January 2013 do not apply to HELOCs. Several exemptions may apply, including exemptions for reverse mortgages from the Regulation X List of Homeownership Counseling Organizations Rule and the HOEPA Rule.

² The Regulation B Appraisal Rule also applies to first-lien business-purpose HELOCs. The Regulation B Appraisal Rule exempts motor vehicles (such as boats and certain “motor homes”).

³ High-cost is a rate-based, fee-based or prepayment-penalty-based determination.

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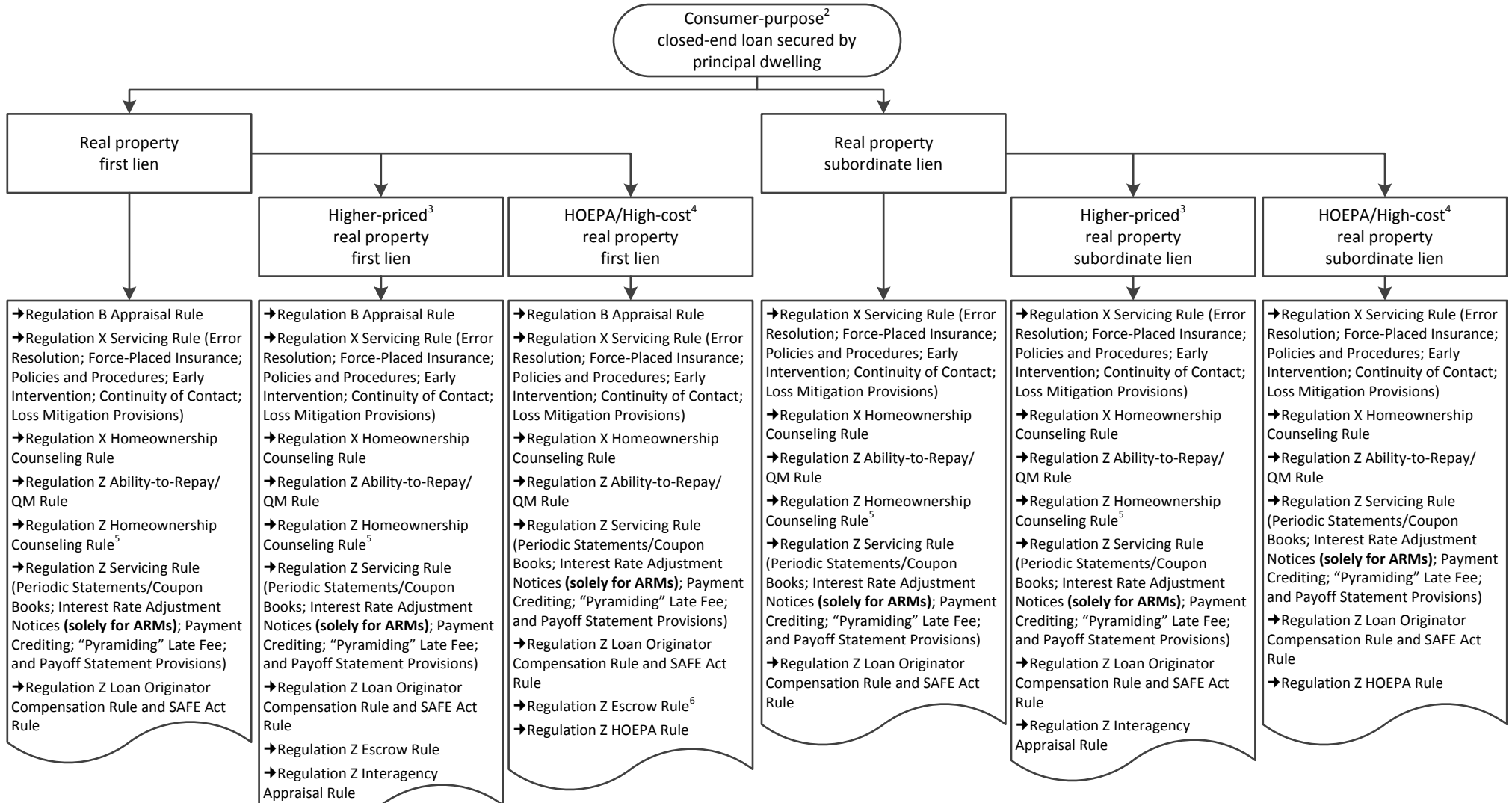


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Coverage of Transactions by New CFPB Mortgage Rules¹

Closed-End Loans



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² The Regulation B Appraisal Rule also applies to first-lien business-purpose closed-end loans. The Regulation B Appraisal Rule exempts motor vehicles (such as boats and certain "motor homes").

³ Higher-priced means APR is 2.5 or more percentage points greater than APOR for "jumbo" first-lien loans; APR is 1.5 or more percentage points greater than APOR for non-jumbo first-lien loans. APR is 3.5 or more percentage points greater than APOR for subordinate-lien loans (does not apply to Regulation Z Escrow Rule).

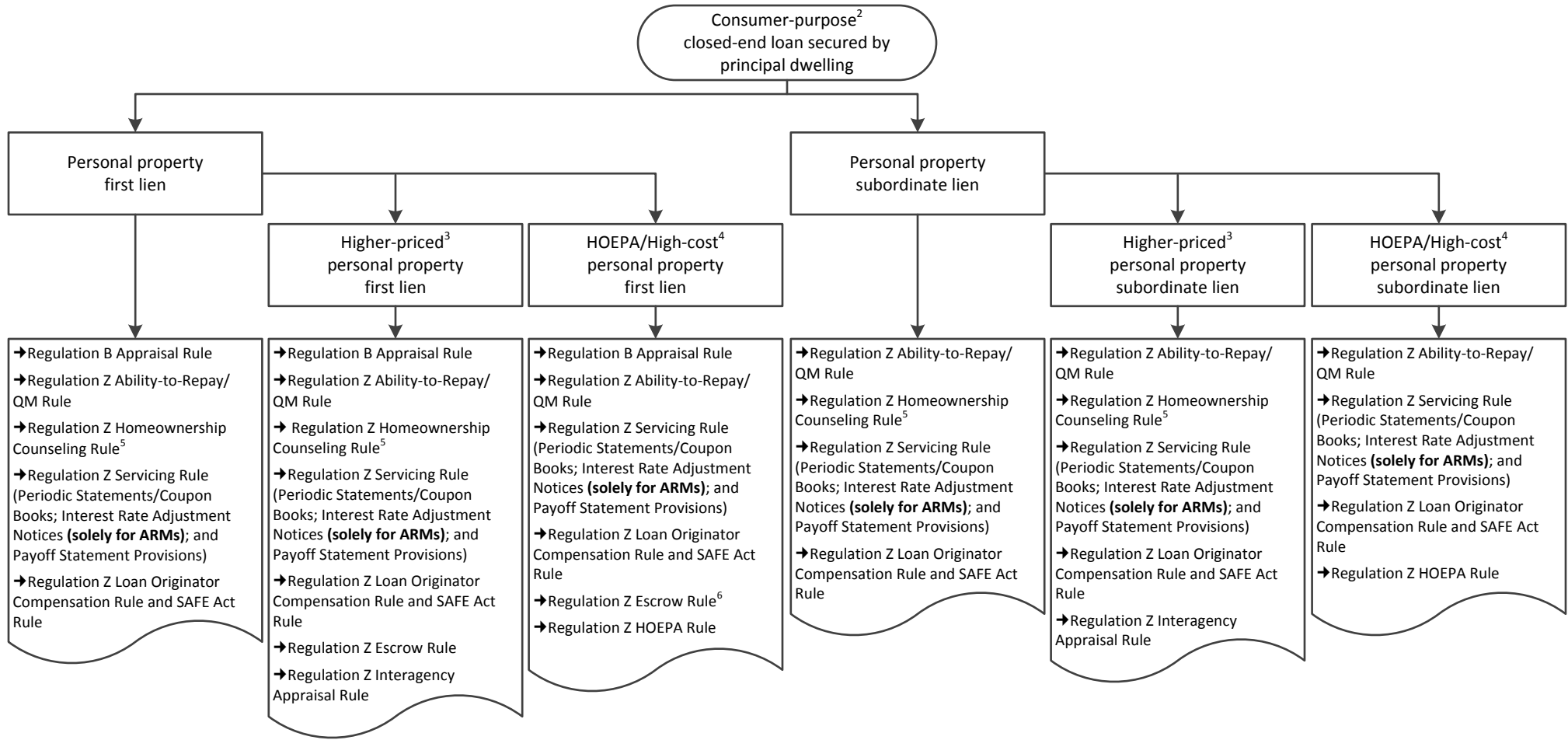
⁴ High-cost is a rate-based, fee-based or prepayment-penalty-based determination.

⁵ The Regulation Z Homeownership Counseling Rule applies to a loan made to a first-time mortgage borrower that may result in negative amortization.

⁶ The Regulation Z Escrow Rule applies to some first-lien HOEPA/high-cost closed-end loans.

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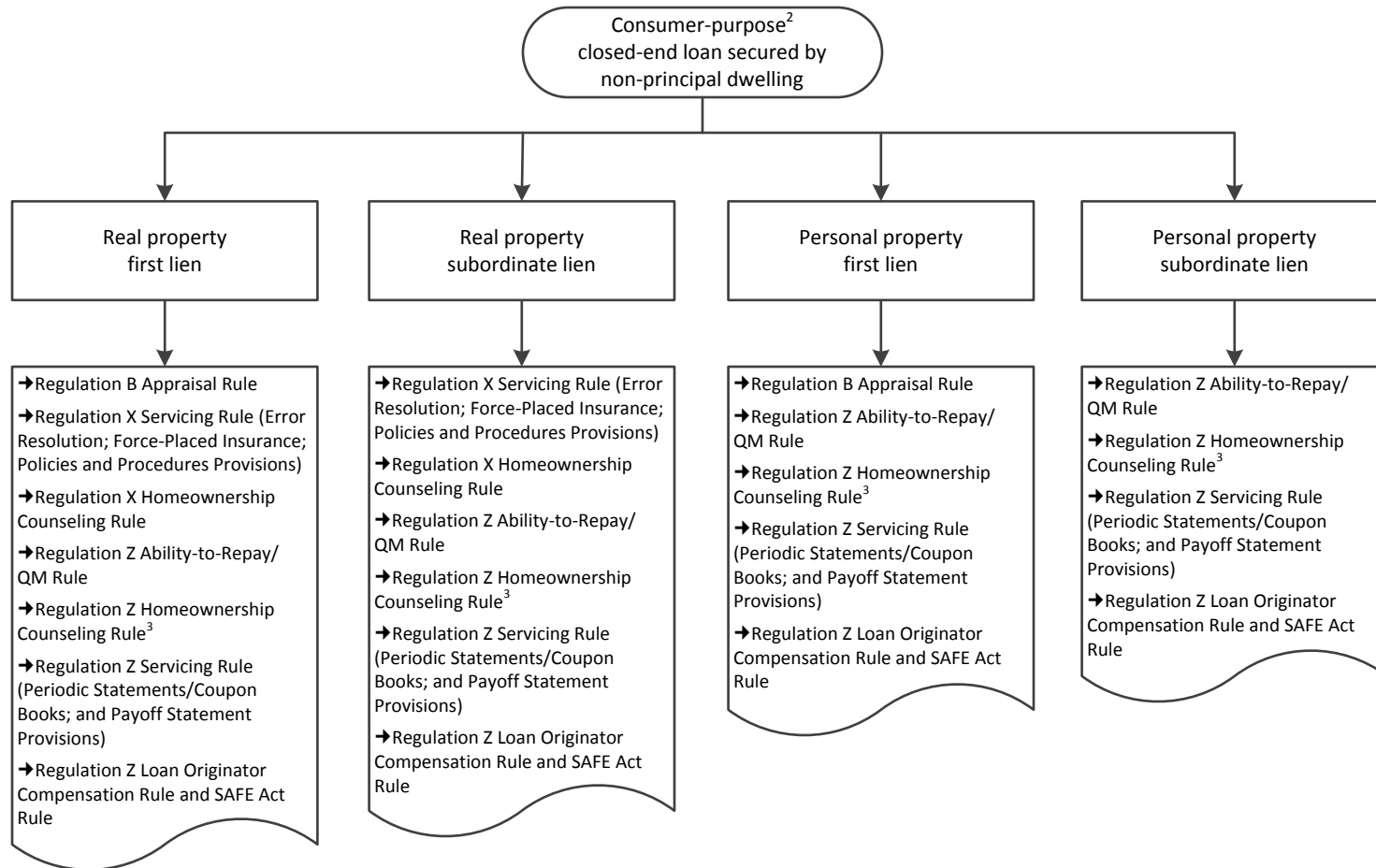
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