



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

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DIRECTOR
DIVISION OF CONSUMER
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CA 13-26

December 23, 2013

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

SUBJECT: Regulation X Homeownership Counseling List Requirement

Applicability to Community Banking Organizations: This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.

The Federal Reserve Board is issuing this CA Letter to clarify the Board's supervisory expectations in light of guidance issued by the Consumer Financial Protection Bureau (CFPB) on November 8, 2013 relating to one of its new mortgage rules under Regulation X, 12 CFR Part 1024.

The CFPB has implemented in Regulation X a requirement in the Dodd-Frank Wall Street Reform and Consumer Protection Act that lenders provide applicants for federally-related mortgages with a list of local homeownership counseling organizations. 12 CFR 1024.20(a). The rule is effective January 10, 2014. The rule provides two alternatives for lenders to provide the counseling list: (1) obtain the list through a CFPB-created website; or (2) generate the list themselves based on specific CFPB instructions. The CFPB released its website tool and a supplemental interpretive rule providing these instructions on November 8, 2013.¹ Because of the time required to develop the systems necessary to comply with the second alternative, the CFPB simultaneously issued transitional supervisory guidance permitting lenders that act in good faith while building these systems (or working with vendors to build these systems) to direct borrowers to the CFPB's housing counseling agency website to obtain a list of housing counselors, using a format and language prescribed by the CFPB.² We concur with the CFPB's approach. Examiners, therefore, should take a supervisory approach consistent with the CFPB's guidance.

If you have any questions, please contact Dana Miller, Senior Supervisory Consumer Financial Services Analyst, at (202) 452-2751, or Amy Henderson, Managing Counsel, at (202) 452-3140.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra F. Braunstein", with a long diagonal line extending from the end of the signature.

¹ <http://www.consumerfinance.gov/find-a-housing-counselor/> and 78 FR 68343 (Nov. 14, 2013).

² CFPB Bulletin 2013-13, available at: http://files.consumerfinance.gov/f/201311_cfpb_bulletin_homeownership-counseling-list-requirements.pdf.