



# ids Documenter

FEBRUARY 2013

Questions or comments regarding this newsletter, contact Marketing at 800.554.1872 © 2013 IDS, Inc.



## The CFPB Released the Mortgage Servicing Final Rule

**T**he Mortgage Servicing rule will address servicers' obligations to correct errors asserted by mortgage loan borrowers; to provide certain information requested by such borrowers; and to provide protections to such borrowers in connection with force-placed insurance. This final rule modifies and streamlines certain existing servicing-related provisions of Regulation X. The final rule also amends current rules governing the scope, timing, content and format of disclosures to consumers regarding the interest rate adjustment of their variable-rate transactions.

This final rule will be put into effect January 10, 2014. It's not anticipated that this rule will have any effect on the documents IDS provides its customers. Whether there will be an effect on the documents IDS provides our clients can be assured that they will be in compliance.

## Escrow Requirements Under the Truth in Lending Act

**T**he CFPB has also finalized a rule that requires escrow accounts to be established for a minimum of five years for certain higher-priced mortgage loans.

Regulation Z currently requires creditors to establish escrow accounts for higher-priced mortgage loans secured by a first lien on a principal dwelling. The rule implements statutory changes made by the Dodd-Frank Act that lengthen the time for which a mandatory escrow account established for a higher-priced mortgage loan must be maintained.

IDS assures our clients that our compliance team is reading and becoming well acquainted with what IDS needs to do in order to keep our clients in compliance.

This rule will take effect June 1, 2013 and will be the first rule to take effect out of the new regulations.



## CFPB Issues Qualified Mortgage/Ability-to-Repay Rule

**D**uring the years preceding the mortgage crisis, too many mortgages were made to consumers without regard to consumer's ability to repay the loans, this contributed to a mortgage crisis that led to the nation's most serious recession since the Great Depression. Because of the mortgage crisis the CFPB has adopted a new rule requiring lenders to ensure that prospective buyers have the ability to repay their mortgage.

Under the Ability-to-Repay rule all new mortgages must comply with basic requirements that protect consumers from taking on loans they don't have financial means to pay back.

Lenders will be presumed to have complied with the Ability-to-Repay rule if they issue "Qualified Mortgages." The CFPB says that this new rule is intended to set a new "standard" for mortgage loan products.

The Qualified Mortgage/Ability-to-Repay rule will be put into effect January 10, 2014. IDS assures our clients that our compliance team is reading and becoming well acquainted with what IDS needs to do in order to keep our clients in compliance.



## CFPB Issues High-Cost Mortgage Rule

**T**he Consumer Financial Protection Bureau (CFPB) has adopted new rules to strengthen consumer protections for high-cost mortgages and to provide consumers with information about homeownership counseling.

The CFPB issued this final rule to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act's amendments to the Truth in Lending Act and the Real Estate Settlement Procedures Act. The final rule amends Regulation Z by expanding the types of mortgage loans that are subject to the protections of the Home Ownership and Equity Protections Act (HOEPA). The final rule also amends Regulation Z and Regulation X by imposing certain other requirements related to homeownership counseling, including a requirement that consumers receive information about homeownership counseling providers.

The new High-Cost Mortgage Rule will go into effect on January 10, 2014. IDS assures our clients that our compliance team is reading and becoming well acquainted with what IDS needs to do in order to keep our clients in compliance.



Make sure to explore the IDS blog for system updates, employee spotlights, compliance issues and industry news. Want something featured or discussed on our blog contact Ali in the Marketing department. [www.docsinmotion.blogspot.com](http://www.docsinmotion.blogspot.com)