

How to Use This Manual

Ask a compliance officer or lender where Federal Deposit Insurance Corporation Act (FDICIA) and Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) have the greatest impact and the answer is likely to be real estate lending. All in the name of safety and soundness, bankers have found themselves on the receiving end of an unprecedented number of new real estate-related regulations. The rules governing real estate appraisals and new standards for prudent real estate lending are two of the most recent changes.

As if new regulations by themselves weren't enough, the pace of modifications to existing real estate regulations is quickening as well. The changes to the Real Estate Settlement Procedures Act (RESPA) are good examples. Again, all of this is happening under the banner of safety and soundness, to bring each of the regulations governing the area of real estate in line with the current lending environment.

Is the end now in sight for any additional real estate-related regulations? Despite President Clinton's desire to spur economic growth with expanded bank lending, indications are that real estate will continue to be a major focus of the regulators. In fact, again because of FDICIA, several additional safety and soundness-related regulations are expected. As far as real estate compliance is concerned, the new rules will govern credit underwriting, loan documentation, and other areas.

Real estate compliance therefore seems destined to remain center stage, with an expanding number of regulations for bankers to comply with. As a result of this ongoing attention and the growing complexity of satisfying all of the regulatory requirements affecting real estate lending in general, the time has come for a comprehensive yet practical reference source in the area of real estate lending compliance.

The *Real Estate Lending Compliance Manual* is designed to satisfy that need. The manual is intended for anyone with responsibility for complying with real estate-related regulations, both compliance officers and lenders.

All of the regulations that fall within the area of real estate lending are pulled together in this one source and analyzed to address the specific requirements associated with real estate compliance. The manual is divided into two volumes and six parts:

Volume 1

Part I — Underwriting

1. Basic Underwriting Requirements
2. Prudent Lending Standards
3. Appraisal Regulations
 - 3A. Completing the Uniform Residential Appraisal Report
4. Uniform Standards of Professional Appraisal Practice

- 5. Environmental Compliance
- 6. The Flood Disaster Protection Act and the National Flood Insurance Act
- 6A. Homeowner Protection Act of 1998: Rules for Private Mortgage Insurance Cancellation and Disclosures
- 6B. Servicemembers Civil Relief Act

Part II — Disclosure Requirements

- 7. Regulation Z, Truth in Lending
- 8. Real Estate Settlement Procedures Act
- 8A. Special Lending Products

Volume 2

Part III — Discrimination

- 9. The Equal Credit Opportunity Act (Regulation B)
- 10. Fair Housing Rules
- 11. Americans with Disabilities Act of 1990
- 11A. Fair Lending Laws
- 11B. Fair Credit Reporting Act, FACT Act

Part IV — Reporting

- 12. Regulation C, Home Mortgage Disclosure Act

Part V — Community Reinvestment

- 13. Community Reinvestment Act
- 14. Regulation G — Disclosure and Reporting of CRA-Related Agreements (12 CFR 207)

Because real estate compliance is changing so quickly, and the penalties for being out of compliance can be significant, the manual is updated periodically so that you have confidence that your *Real Estate Lending Compliance Manual* is always up-to-date with the information you need to be in compliance with current requirements.