

# Sheshunoff™

Dear Valued Customer,

In an effort to help the housing market, the new administration has taken steps to make the home-buying process easier for consumers. In this update of *Self-Paced Regulatory Compliance Training for Lenders*, we discuss the changes that regulatory agencies have made to RESPA and TILA. Highlights of this update include the following:

- **Good faith estimate.** On July 30, 2008, Congress enacted the Housing and Economic Recovery Act of 2008, which included amendments to TILA, known as the Mortgage Disclosure Improvement Act of 2008 (MDIA). Effective on July 30, 2009, these amendments to Regulation Z would require creditors to deliver good faith estimates of the required mortgage disclosures or place them in the mail no later than three business days after receiving a consumer's application for a dwelling-secured closed-end loan. See Chapters 3 and 15.
- **New class of mortgages under Regulation Z.** Changes to Regulation Z that are effective October 1, 2009, created a new class of mortgage loans subject to restrictions in a new section 226.35. These are called "higher-priced mortgage loans." Higher-priced mortgage loans are subject to the following restrictions: repayment ability, prepayment penalties, and required escrows. See Chapter 1.
- **HOEPA loans.** Section 32 of Regulation Z implements the Home Ownership and Equity Protection Act and are commonly called HOEPA loans. Three tests determine whether a mortgage loan is subject to the Fed's rules for HOEPA mortgages: a high-rate test for first lien loans, a high-rate test for second lien loans, and a high-fees test. See Chapters 3 and 15.
- **New HUD forms.** In November 2008, HUD overhauled many of the requirements in Regulation X, for purposes of simplifying the regulation and making it more consumer-friendly. One of the most significant changes was the revision of HUD's settlement statement forms (HUD-1 and HUD-1A). See Chapter 9.
- **Equal housing lender poster.** Effective August 7, 2009, state-chartered banks who are regulated by the FDIC must display a new Equal Housing Lender Poster to reflect the new address and telephone number for consumers to contact if they have an Equal Housing Complaint. The new poster from the Federal Register has been included as Exhibit 16.3

Our goal is to make *Self-Paced Regulatory Compliance Training for Lenders* your go-to source for all of your lending-training needs. If you have any suggestions regarding this manual, please let us know! You can e-mail me directly at [diane.calmes@sheshunoff.com](mailto:diane.calmes@sheshunoff.com). You can also call our customer service representatives at 1-800-456-2340 if you have any questions regarding any of our products.

Sincerely,

Diane L. Calmes  
Editor