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To: Clients and Friends

From: David F. Dulock

Subject: CFPB Revises HELOC Brochure, CHARM Booklet, and Settlement Cost Booklet/Special Information Booklet

In the January 10, 2014, *Federal Register* (79 FR 1836), the Bureau of Consumer Financial Protection (CFPB) published a Notice of Availability of the following revised consumer publications related to mortgage loans and home equity lines of credit transactions that are required under the Real Estate Settlement Procedures Act (RESPA), Regulation X, the Truth in Lending Act (TILA), and Regulation Z:

- (1) What You Should Know About Home Equity Lines of Credit (HELOC Brochure);
- (2) Consumer Handbook on Adjustable-Rate Mortgages (CHARM Booklet); and
- (3) Shopping for Your Home Loan, Settlement Cost Booklet (Settlement Cost Booklet).

The following is a redaction of the CFPB's notice published in the *Federal Register*:

These revised consumer publications are available for download on the CFPB's Web site at www.consumerfinance.gov/learnmore and can also be found in the Catalog of U.S. Government Publications at <http://catalog.gpo.gov>.

Those who provide these publications may, at their option, immediately begin using the revised HELOC Brochure, CHARM Booklet, or Settlement Cost Booklet, or suitable substitutes to comply with the requirements in Regulations X and Z. The CFPB understands, however, that some may wish to use their existing stock of publications. Therefore, those who provide these publications may use earlier versions of these publications until existing supplies are exhausted. When reprinting these publications, the most recent version should be used.

HELOC Brochure:

The revised HELOC Brochure adds a reference to the requirement that lenders must provide borrowers with a list of housing counselors in their area, CFPB contact information, and updates to other Federal agency contact information. It also adds CFPB resources for consumers including information about how consumers can submit a complaint to the CFPB, a link to the CFPB's online "Ask CFPB" tool to find answers to questions about mortgages and other financial topics, and a link to an online tool to find local HUD-approved housing counseling agencies.

CHARM Booklet:

The key revisions to the CHARM booklet include: (1) Removing references to certain fees and product types that are no longer permitted, such as prepayment penalties on adjustable-rate mortgages; (2) adding information about the lender's obligation to consider the borrower's ability to repay the loan, provide disclosure of interest rate adjustments, and ensure a borrower has received homeownership counseling before making a negative amortization loan; and (3) adding CFPB contact information and resources for consumers and updates to other federal agency contact information.

The CFPB resources added include: information about how consumers can submit a complaint to the CFPB; a link to the CFPB's online "Ask CFPB" tool to find answers to questions about mortgages and other financial topics; and a link to an online tool to find local HUD-approved housing counseling agencies.

Settlement Cost Booklet/Special Information Booklet:

The CFPB has revised the Settlement Cost Booklet to add information about new servicing protections for consumers, including servicer obligations to (1) respond promptly to consumer requests for information and notices of errors, (2) provide mortgage payoff statements and monthly billing information, and (3) contact delinquent consumers regarding options to avoid foreclosure. As with the HELOC Brochure and CHARM Booklet, the revised Settlement Cost Booklet also adds CFPB contact information and resources for consumers, and updates other federal agency contact information. The CFPB resources added include: information about how consumers can submit a complaint to the CFPB; a link to the CFPB's online "Ask CFPB" tool to find answers to questions about mortgages and other financial topics; and a link to an online tool to find local HUD-approved housing counseling agencies. These changes make unnecessary the relevance of the permissible changes stated in §1024.6(d)(1)(ii) and the last sentence of §1024.6(d)(2) of Regulation X for those using the revised Settlement Cost Booklet.

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