

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1026

[Docket No. CFPB-2012-0029]

RIN 3170-AA12

High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (Regulation X)

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice of request for public comment; extension of comment period.

SUMMARY: On July 9, 2012, the Consumer Financial Protection Bureau (Bureau) published on its website and transmitted to the *Federal Register* a notice requesting comment on, among other things, proposed changes to Regulation Z (Truth in Lending) to implement amendments to the Truth in Lending Act made by the Dodd-Frank Wall Street Reform and Consumer Protection Act that expand the types of mortgage loans that are subject to the protections of the Home Ownership and Equity Protection Act of 1994 (HOEPA) (the HOEPA Proposal). The proposed rule was published in the *Federal Register* on August 15, 2012. *See* 77 FR 49089 (Aug. 15, 2012). The proposed rule set a comment deadline of September 7, 2012. In a separate rulemaking published on the Bureau's website on July 9, 2012 and published in the *Federal Register* on August 23, 2012 (*see* 77 FR 51116 (Aug. 23, 2012)), the Bureau proposed changes to the definition of the finance charge, which would result in a simpler, more inclusive definition of the finance charge (TILA-RESPA Integration Proposal). In light of these proposed changes, the HOEPA Proposal seeks comment on whether and how to account for the implications of a more inclusive finance charge on the scope of HOEPA coverage. Although the TILA-RESPA Integration Proposal set an initial comment deadline regarding the proposed changes to the

finance charge definition of September 7, 2012, by separate notice, the Bureau is extending that deadline to November 6, 2012. For the same reasons discussed in that notice, the Bureau has determined that an extension of the comment period until November 6, 2012 for the portion of the HOEPA Proposal regarding whether and how to account for the implications of a more inclusive finance charge on the scope of HOEPA coverage is appropriate. This extension does not apply to any other aspect of the HOEPA Proposal.

DATES: The comment period for whether and how to account for the implications of a more inclusive finance charge on the scope of HOEPA coverage, *see* proposed § 1026.32(a)(1)(i) and (b)(1)(i), is extended to November 6, 2012. The comment period for all other proposed amendments in that notice, which ends on September 7, 2012, is unchanged.

ADDRESSES: You may submit comments, identified by Docket No. CFPB-2012-0028 or RIN 3170-AA19, by any of the following methods:

- *Electronic:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Mail/Hand Delivery/Courier:* Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1700 G Street, NW, Washington, DC 20552.

Instructions: All submissions should include the agency name and docket number or Regulatory Information Number (RIN) for this rulemaking. Because paper mail in the Washington, DC area and at the Bureau is subject to delay, commenters are encouraged to submit comments electronically. In general, all comments received will be posted without change to <http://www.regulations.gov>. In addition, comments will be available for public inspection and copying at 1700 G Street, NW, Washington, DC 20552, on official business days

between the hours of 10 a.m. and 5 p.m. Eastern Time. You can make an appointment to inspect the documents by telephoning (202) 435-7275.

All comments, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Sensitive personal information, such as account numbers or social security numbers, should not be included. Comments will not be edited to remove any identifying or contact information.

FOR FURTHER INFORMATION CONTACT: Priscilla Walton-Fein, Counsel, or Paul Mondor, Managing Counsel, Office of Regulations, at (202) 435-7700.

SUPPLEMENTARY INFORMATION: On July 9, 2012, the Consumer Financial Protection Bureau (Bureau) published on its website and transmitted to the *Federal Register* a notice requesting comment on, among other things, proposed changes to Regulation Z (Truth in Lending) to implement amendments to the Truth in Lending Act (TILA) made by the Dodd-Frank Wall Street Reform and Consumer Protection Act that expand the types of mortgage loans that are subject to the protections of the Home Ownership and Equity Protection Act of 1994 (HOEPA) (the HOEPA Proposal). The proposed rule was published in the *Federal Register* on August 15, 2012. *See* 77 FR 49089 (Aug. 15, 2012). The proposed rule set a comment deadline of September 7, 2012.¹

In a separate rulemaking published on the Bureau's website on July 9, 2012 and published in the *Federal Register* on August 23, 2012 (77 FR 51116 (Aug. 23, 2012)), the Bureau proposed changes to the definition of the finance charge, which would result in a simpler, more inclusive definition of the finance charge (the TILA-RESPA Integration Proposal). Although the proposed changes to the definition of the finance charge were proposed in this separate rulemaking, the HOEPA Proposal seeks comment on whether and how to account for

¹ Comments on the Paperwork Reduction Act (PRA) analysis are due October 15, 2012.

the implications of a more inclusive finance charge on the scope of HOEPA coverage, if the more inclusive finance charge is adopted. In particular, the HOEPA Proposal seeks comment and data on potential modifications to HOEPA's annual percentage rate (APR) coverage threshold (proposed § 1026.32(a)) and points and fees threshold (proposed § 1026.32(b)) to account for an expanded finance charge, and also seeks comment on the timing of implementation for any change to the definition of finance charge and any related change to the HOEPA APR and points and fees thresholds.

The TILA-RESPA Integration Proposal set an initial comment deadline regarding the proposed changes to the definition of the finance charge of September 7, 2012. This comment period was based in part on the Bureau's desire to evaluate comments on the expanded definition of the finance charge simultaneously with comments on the other proposed rules, including the HOEPA Proposal, that address loan pricing thresholds for coverage of various substantive requirements that are based on the finance charge and corresponding APR. However, by separate notice, the Bureau is extending that comment deadline to November 6, 2012. For the same reasons discussed in that notice, the Bureau has determined that it is appropriate to extend the comment period regarding whether and how to account for the implications of a more inclusive finance charge on the scope of HOEPA coverage until November 6, 2012. The comment period for all other proposed amendments in the HOEPA Proposal, which ends September 7, 2012, is unchanged.

In light of the extended comment periods and the subsequent, necessary analysis of comments and data received, the Bureau does not expect to address any proposed changes to the definition of the finance charge or the related portions of the HOEPA Proposal until after the Bureau has met its deadlines to issue final rules to implement requirements of the Dodd-Frank

Act that would otherwise take effect on January 21, 2013. Instead, the Bureau expects to address the proposal to expand the finance charge when it finalizes the disclosures in the TILA-RESPA Integration Proposal. If the Bureau expands the definition of the finance charge, the Bureau will at the same time address the proposals to adjust the coverage thresholds that depend on the finance charge or the APR in the HOEPA Proposal and the other proposed rules implementing title XIV of the Dodd-Frank Act.

The comment period for all other aspects of the HOEPA Proposal, which ends September 7, 2012, is unchanged. The Bureau continues to encourage commenters to submit comments during the relevant comment periods.

[THIS SIGNATURE PAGE RELATES TO THE NOTICE OF REQUEST FOR PUBLIC COMMENT; EXTENSION OF COMMENT PERIOD ENTITLED “**High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (Regulation X)**”]

Dated: August 31, 2012.



Meredith Fuchs,

General Counsel, Bureau of Consumer Financial Protection.