

Informational Memorandum



December 17, 2009

To: Chief Executive Officer
All Farm Credit System Institutions

From: Thomas G. McKenzie, Director and Chief Examiner
Office of Examination

A handwritten signature in black ink that reads 'Thomas G. McKenzie'. The signature is written in a cursive style and is positioned to the right of the printed name in the 'From:' field.

Subject: Amendments to Regulation Z (Truth in Lending)

On November 20, 2009, the Board of Governors of the Federal Reserve Board (FRB) published for public comment an interim final rule amending Regulation Z (Truth in Lending), 12 CFR Part 226. The interim rule implements Section 131(g) of the Truth in Lending Act (TILA), which was enacted on May 20, 2009, as Section 404(a) of the Helping Families Save Their Homes Act. TILA Section 131(g) became effective immediately upon enactment.

TILA Section 131(g) established a new requirement for notifying consumers of the sale or transfer of their mortgage loans. The purchaser or assignee that acquires the loan must provide the required disclosures in writing no later than 30 days after the date on which the loan is sold or otherwise transferred or assigned. The FRB issued this interim rule, effective immediately upon publication, so that parties subject to the statutory requirement have guidance on how to comply. However, to allow time for any necessary operational changes, compliance with the interim final rule is optional for 60 days from the date of publication; during this period, covered persons continue to be subject to the statute's requirements.

The interim final rule was published in the Federal Register on November 20, 2009, at 74 FR 60143.

If you have any questions about this Informational Memorandum, please contact Jennifer A. Cohn, Senior Counsel, Office of the General Counsel, at (703) 883-4020, or by e-mail at cohnj@fca.gov; and/or David Stephens, Office of Examination, at (703) 883-4412, or by e-mail at stephensd@fca.gov.