



Informational Memorandum

August 1, 2008

To: Chairman, Board of Directors
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'.

Subject: Amendments to Home Mortgage Provisions of Regulation Z (Truth in Lending)

The Federal Reserve Board (FRB) recently approved a final rule amending the home mortgage provisions of Regulation Z (Truth in Lending). According to the FRB, the goals of the amendments are to protect consumers in the mortgage market from unfair, abusive, or deceptive lending and servicing practices, while preserving responsible lending and sustainable home ownership; ensure that advertisements for mortgage loans provide accurate and balanced information and do not contain misleading or deceptive representations; and, provide consumers transaction-specific disclosures early enough to use while shopping for a mortgage.

The final rule was published in the Federal Register at 73 FR 44522 (July 30, 2008) and will be codified at 12 CFR Part 226. The rule will be effective on October 1, 2009, except for the escrow provision. The escrow requirement has an effective date of April 1, 2010 for site-built homes, and October 1, 2010 for manufactured homes.

Additional information about the final rule, including the FRB's press release, highlights of the rule, an FRB staff memorandum on the rule, and other informative documents, are available on the FRB's website <http://www.federalreserve.gov/>. The press release can be accessed at <http://www.federalreserve.gov/newsevents/press/bcreg/20080714a.htm>. Be aware that FCA is not responsible for the FRB's website.

If you have any questions about this Informational Memorandum, please contact Jennifer A. Cohn, Senior Attorney, Office of General Counsel, at (703) 883-4028, 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.

