



APRIL 2013 BCG TELEPHONE BRIEFING

BCG MONTHLY TELEPHONE BRIEFING

Friday, April 19, 2013

12:00 pm-1:30 pm

(with live Q&A)

ALDRICH BONNEFIN & MOORE, PLC

Regulation Z's New Ability to Repay Final Rule

In January 2013, the Consumer Financial Protection Bureau issued a final rule which establishes the new "Ability to Repay" ("ATR") requirements in new Section 1026.43 of Regulation Z. 78 FR 6408. The ATR Final Rule requires lenders to make a reasonable, good faith determination of a consumer's ability to repay a consumer credit transaction secured by a dwelling. The Final Rule also establishes certain protections from liability for creditors that originate "Qualified Mortgages."

The new ATR requirements will become effective January 10, 2014. The rule applies to mortgage loans for which a creditor receives an application on or after that date. To the extent a creditor receives an application prior to January 10, 2014, the Final Rule will not apply regardless of when the mortgage loan closes.

The Final Rule provides four different ways, as well as a temporary, fifth method, in which a creditor can comply with the ability to repay requirements. The ways in which a creditor generally can comply with the ATR Rule are as follows:

- ◆ Meet the general ability to repay standard by applying certain underwriting factors;
- ◆ Originate a Qualified Mortgage (QM), including a temporary category of Qualified Mortgages that allows creditors to use more flexible underwriting requirements until January 10, 2021;
- ◆ Refinance a "non-standard" loan into a "standard" loan; and
- ◆ Originate a "rural" balloon-payment Qualified Mortgage, but this option is available only to "small" creditors that originate the majority of their mortgage loans in counties designated as "rural" or "underserved."

Please join us for a discussion of the ATR Final Rule at our April Telephone Briefing on Friday, April 19, during which time you will have at least two opportunities to ask questions.

APRIL MONTHLY TELEPHONE BRIEFING

Aldrich Bonnefin & Moore, PLC is hosting a monthly telephone briefing for Bankers' Compliance Group members. The meeting will be on **Friday, April 19, 2013**. This meeting will be presented live and will include two question and answer sessions. Members can ask questions by telephone, fax or e-mail. Each member that registers for the monthly telephone briefing will be given a password and instructions, which will allow them to participate in the telephone briefing.

Organize Your Participants

This announcement is sent to our main contacts in order to encourage the institution to organize multiple attendees to participate at one location or several locations concurrently. In this manner, several attendees can be accommodated in one conference room with a speakerphone.

Download Handouts

For convenience, members can go to the BCG website, **www.bankerscompliancegroup.com**, and easily download this month's handout(s) the day before the briefing.

Not Able to Listen to the Program? Log on to Our Website!

Should you or others at your institution miss the broadcast, you can tune into our streaming audio available on the BCG website. There will also be a package available which includes a CD of the meeting and the handout(s). The package is available upon request at no additional cost. Contact Laura Jagerman at 800-742-3600 or **LJagerman@ABMLawFirm.com** to request this package.

REGISTER ONLINE ANNUALLY AT:

<http://register.bankerscompliancegroup.com/subadmin/>