

Truth in Lending Act (Regulation Z)

The Truth in Lending Act (TILA), [15 U.S.C. 1601](#), *et seq.*, and its implementing regulation, Regulation Z ([12 CFR 1026](#)), were initially designed to protect consumers primarily through disclosures. Over time, however, TILA and Regulation Z have been expanded to impose a wide variety of requirements and restrictions on consumer credit products.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ([Dodd-Frank Act](#)) transferred rulemaking authority under TILA from the Federal Reserve Board to the Consumer Financial Protection Bureau (CFPB), effective July 1, 2011.

TILA is intended to protect consumers and ensure competition among financial institutions through the meaningful disclosure of credit terms, allowing consumers to compare standardized credit terms more readily and knowledgeably. Before TILA was enacted, consumers were faced with a bewildering array of credit terms and rates. It was difficult to compare loans because they were rarely presented in the same format. Now, all financial institutions must use the same credit terminology and expressions of rates. In addition to providing a uniform system for disclosures, TILA:

- Protects consumers against inaccurate and unfair credit billing and credit card practices;
- Provides consumers with rescission rights;
- Provides for rate caps on certain dwelling-secured loans;
- Imposes limitations on home equity lines of credit and certain closed-end home mortgages;
- Provides minimum standards for most dwelling-secured loans; and
- Prohibits unfair or deceptive mortgage lending practices.

TILA and Regulation Z do not, however, tell financial institutions how much interest they may charge or whether they must grant a consumer a loan.

The examination procedures will use “TILA” interchangeably for Truth-in-Lending Act and Regulation Z, since Regulation Z is the implementing regulation. Unless otherwise specified, all of the regulation references are to Regulation Z ([12 CFR 1026](#)).

Regulation Z (Truth-In-Lending) can be found [here](#):

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Associated Risks

Compliance risk can occur when the credit union fails to implement the necessary controls to comply with TILA.

Transaction risk can occur when the credit union does not have adequate internal controls in place and as a result suffers a loss.

Reputation risk can occur when the credit union incurs fines and penalties or decreased member confidence as a result of failure to comply with TILA.

Strategic risk can occur when the board of directors fails to perform necessary due diligence in reviewing policies and procedures, and existing and prospective products and services for compliance.

Examination Objectives

- To determine if the credit union has policies and procedures to ensure it complies with TILA.
- To appraise the quality of the credit union's compliance management system for TILA.
- To determine the credit union's compliance with TILA.
- To initiate corrective action when policies or internal controls are deficient, or when violations of law or regulation are identified.
- To determine if the credit union will be required to make adjustments to consumer accounts under the restitution provisions of TILA.

Examination Procedures¹

A. General Procedures

1. Obtain information relevant to the area of examination from the credit union's compliance management system program (historical examination findings, complaint information, and significant findings from compliance review and audit).
2. Through discussions with management and review of the following documents, determine whether the credit union's internal controls are adequate to ensure compliance in the area under review. Identify procedures the institution uses daily to detect errors/violations promptly. Also, review the procedures the institution uses to ensure compliance when

¹ These procedures include amendments to TILA and Regulation Z through June 1, 2018 and the mortgage servicing amendments effective on October 19, 2017, or April 19, 2018, as applicable. These procedures do not include the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 amendments.

changes occur (e.g., changes in interest rates, service charges, computation methods, and software programs).

- Organizational charts
 - Process flowcharts
 - Policies and procedures
 - Loan documentation and disclosures
 - Checklists/worksheets and review documents
 - Computer programs
3. Review audit or other compliance review work-papers and determine:
 - a. The procedures used address all regulatory provisions (see Transactional Testing section).
 - b. Steps are taken to follow-up on previously identified deficiencies.
 - c. The procedures used include samples that cover all product types and decision centers.
 - d. The work performed is accurate (through a review of some transactions).
 - e. Significant deficiencies, and the root cause of the deficiencies, are included in reports to management/board.
 - f. Corrective actions are timely and appropriate.
 - g. The institution reviews the area at an appropriate interval.
 4. Review the credit union's record retention practices to determine whether the required documentation or evidence of compliance is retained for at least:
 - a. Two years after the disclosures were required to be made or other action was required to be taken, other than for the advertising requirements, requirement for mortgages subject to §§ [1026.19\(e\)](#), [\(f\)](#), and certain requirements for mortgages which are described below. (§ [1026.25\(a\)](#))
 - b. Three years after the later of the date of consummation, the date disclosures are required to be made, or the date action is required to be taken, for evidence of compliance with §§ [1026.19\(e\)-\(f\)](#) (regarding closed-end loans that are secured by real property or a cooperative unit and subject to those sections) other than as set forth in 4c below. (§ [1026.25\(c\)\(1\)\(i\)](#))
 - c. Five years after consummation for completed Closing Disclosure forms, and all documents related to these disclosures, as required by §§ [1026.19\(f\)\(1\)\(i\)](#) or [\(f\)\(4\)\(i\)](#). If the loan is sold, transferred, or otherwise disposed of during that time, the credit union must provide a copy of the Closing Disclosure to the owner or servicer as part of the loan file transfer. The new owner or servicer must retain the disclosure for the remainder of the five year period. (§ [1026.25\(c\)\(1\)\(ii\)](#))
 - d. Three years after the date of receipt of payment to show compliance with loan originator compensation requirements. (§ [1026.25\(c\)\(2\)](#))
 - e. Three years after consummation to show compliance with ability-to-repay minimum standards (§§ [1026.43\(c\)-\(f\)](#)) and prepayment penalty restrictions (§ [1026.43\(g\)](#)) for loans secured by a dwelling. (§ [1026.25\(c\)\(3\)](#))

B. Disclosure Forms

Determine if the credit union has changed any TILA disclosure forms or if there are forms that have not been previously reviewed for accuracy. If so verify the accuracy of each disclosure by reviewing the following:

- Credit card application/solicitation disclosures (§ [1026.60\(b\)-\(e\)](#))
- HELOC disclosures (§§ [1026.40\(d\)](#), [\(e\)](#))
- Initial disclosures (§ [1026.6](#)) and, if applicable, additional HELOC disclosures (§ [1026.40](#))
- Periodic statement disclosures (§ [1026.7](#))
- Statement of billing rights and change in terms notice (§§ [1026.9\(a\)](#), [\(b\)](#), [\(c\)](#), [\(g\)](#))
- Note and/or contract forms (including those furnished to dealers)
- Notice of Right to Rescind/Cancel (§§ [1026.15\(b\)](#), [1026.23\(b\)\(1\)](#), [1026.47\(c\)\(4\)](#))
- Loan Estimate (§§ [1026.19\(e\)](#), [1026.37](#))
- Closing Disclosure (§§ [1026.19\(f\)](#), [1026.38](#))
- Special information booklet (§ [1026.19\(g\)](#))
- Other closed-end credit transaction disclosures not subject to §§ [1026.19\(e\)](#) or [\(f\)](#) (§§ [1026.17\(a\)](#), [1026.18](#))
- ARM disclosures (§[1026.19\(b\)](#))
- High-cost mortgage disclosures (§ [1026.32\(c\)](#))
- Reverse mortgage disclosures (§ [1026.33\(b\)](#))
- Private education loan disclosures (§ [1026.47](#))

Closed-End Credit Disclosure Forms Review Procedures

Closed-end consumer credit transactions secured by real property or a cooperative unit, other than a reverse mortgage subject to § [1026.33](#), are subject to the disclosure, timing and other requirements under the TILA-RESPA Integrated Disclosure rule (TRID). Thus, for most closed-end mortgages, including construction-only loans and loans secured by vacant land or by 25 or more acres not covered by RESPA, the credit union must provide the Loan Estimate and the Closing Disclosure. There is a partial exemption in § [1026.3\(h\)](#) from the requirement to provide the Loan Estimate and Closing Disclosure if the transaction meets all of the following criteria:

1. Secured by a subordinate lien;
2. Transaction is for the purpose of home buyer assistance such as down payments or closing costs, rehabilitation loans, energy efficiency assistance, or foreclosure prevention;
3. Credit contract does not require the payment of interest;
4. Credit contract provides for repayment that is forgiven, deferred for 20 years, or deferred until the property is sold or is no longer the consumer's principal dwelling; and,
5. Total costs payable by the consumer in connection with the transaction at consummation are limited to:
 - a. recording fees,
 - b. transfer taxes,
 - c. a bona fide and reasonable application fee, and
 - d. a bona fide and reasonable fee for housing counseling services; and the total of costs payable by the consumer for the application fee and housing counseling services is less than 1% of the amount of credit extended.

For those transactions meeting the criteria for a partial exemption, credit unions may provide either a compliant disclosure of the cost of credit under § [1026.18](#) or a compliant Loan Estimate and Closing Disclosure, and do not need to provide the special information booklet, Good Faith Estimate, or HUD-1 settlement statement.

NOTE: The GFE, HUD-1, and Truth-in-Lending forms continue to be used for transactions covered by the other disclosure requirements of TILA or RESPA (e.g., reverse mortgages) or before the effective date of the TRID Rule (October 3, 2015) (§§ [1026.19\(e\)](#), [\(f\)](#)).

Closed-End Credit Disclosure Forms – Transactions under §§ 1026.19(e), (f)

For a closed-end credit transaction subject to §§ [1026.19\(e\)](#) and [\(f\)](#), determine whether the credit union provides disclosures required under § [1026.37](#) (Loan Estimate) and § [1026.38](#) (Closing Disclosure). (§§ [1026.19\(e\)](#), [1026.19\(f\)](#)).

- a. For loans subject to § [1026.19\(e\)](#), determine whether the credit union provides the good faith disclosures in the form required by § [1026.37](#) and conforming to the Loan Estimate in [Appendix H](#) (§§ [1026.19\(e\)](#), [1026.37\(o\)](#)).
- b. For loans subject to § [1026.19\(f\)](#), determine whether the credit union provides the Closing Disclosure in the form required by § [1026.38](#) and conforming to the Closing Disclosure in [Appendix H](#) (§§ [1026.19\(f\)](#), [1027.38\(t\)](#)).

NOTE: Use of the Loan Estimate and Closing Disclosure is mandatory for transactions covered by the Real Estate Settlement Procedures Act (RESPA). For transactions not covered by RESPA, the Loan Estimate and Closing Disclosure may be considered a model form.

Loan Estimate

1. **Loan Estimate (Page 1 of the Loan Estimate)**. Determine whether the disclosures required for the Loan Estimate are accurately completed and include the following disclosures on the first page (§ [1026.37\(a\)](#)). Disclosures are detailed below according to the designations made on the Loan Estimate form:
 - a. The statement: “Save this Loan Estimate to compare with your Closing Disclosure” (§ [1026.37\(a\)\(2\)](#));
 - b. *Name and address of credit union.* (§ [1026.37\(a\)\(3\)](#));
 - c. *Date Issued.* (§ [1026.37\(a\)\(4\)](#));
 - d. *Applicants.* (§ [1026.37\(a\)\(5\)](#));
 - e. *Property.* The property address, including zip code (§ [1026.37\(a\)\(6\)](#));
 - f. *Sales Price* (§ [1026.37\(a\)\(7\)](#));

- i. For transactions with a seller, the contract sale price of the property identified in § [1026.37\(a\)\(6\)](#), labeled “Sale Price.”
 - ii. For transactions that do not have a seller, the estimated value of the property identified in § [1026.37\(a\)\(6\)](#), labeled “Prop. Value.”

 - g. *Loan Term*. Stated in years, months, or both, as applicable (§ [1026.37\(a\)\(8\)](#));

 - h. *Purpose*. Loan purpose, categorized as “Purchase,” “Refinance,” or “Construction.” All other loan purposes must be categorized as “Home Equity Loan” (§ [1026.37\(a\)\(9\)](#));

 - i. *Product*. Product type, including the type of interest rate categorized as “Adjustable Rate,” “Step Rate,” or “Fixed Rate.” This disclosure must be preceded by the type of feature that may change the consumer’s periodic payment, such as “Negative Amortization,” “Interest Only,” “Step Payment,” “Balloon Payment,” or “Seasonal Payment,” with the duration of any introductory rate or payment period and the first adjustment period if applicable (§ [1026.37\(a\)\(10\)](#));

 - j. *Loan Type*. Categorized as “Conventional,” “FHA,” “VA,” or “Other” (§ [1026.37\(a\)\(11\)](#));

 - k. *Loan ID #*. (§ [1026.37\(a\)\(12\)](#)); and

 - l. *Rate Lock*. A statement of whether the disclosed interest rate is locked for a specific period. If so, the date and time (including time zone) that the lock will expire, along with an accompanying statement that the interest rate, any points and any lender credits may change unless the interest rate has been locked (§ [1026.37\(a\)\(13\)](#)).
2. **Loan Terms (Page 1 of the Loan Estimate)**. Determine whether, a separate table under the heading “Loan Terms,” contains the following required disclosures (§ [1026.37\(b\)](#)):
- a. *Loan Amount*. (§ [1026.37\(b\)\(1\)](#))

 - b. *Interest Rate*. (§ [1026.37\(b\)\(2\)](#))

 - c. *Principal and Interest*. The applicable unit period (such as bi-weekly, monthly, yearly) must precede the initial periodic payment amount that will be due under the terms of the legal obligation, labeled “Principal & Interest”. (§ [1026.37\(b\)\(3\)](#))

 - d. *Prepayment Penalty*. A statement of whether the loan contains a prepayment penalty, an affirmative or negative response to the question, the maximum amount of the prepayment penalty that may be imposed, and the date on which the penalty may no longer be applied. (§§ [1026.37\(b\)\(4\)](#), [1026.37\(b\)\(7\)\(i\)](#)) If the date is disclosed (for an affirmative response), determine whether it is disclosed

as the year in which the event occurs, counting from the date of consummation. (§ [1026.37\(b\)\(8\)\(iii\)](#))

- e. *Balloon Payment.* A statement of whether the loan contains a balloon payment, an affirmative or negative response to the question, the maximum amount of the balloon payment and the due date of such payment. (§§ [1026.37\(b\)\(5\)](#), [1026.37\(b\)\(7\)\(ii\)](#)) If the date is disclosed (for an affirmative response), determine whether it is disclosed as the year in which the event occurs, counting from the due date of the initial periodic payment. (§ [1026.37\(b\)\(8\)\(ii\)](#))
- f. Whether the loan amount, interest rate or monthly principal and interest can increase after closing (§ [1026.37\(b\)\(6\)](#)), and if so, the information required by §§ [1026.37\(b\)\(6\)\(i\)-\(iii\)](#) and [1026.37\(b\)\(8\)\(i\)-\(ii\)](#).

3. **Projected Payments (Page 1 of the Loan Estimate).** Determine whether, under the heading “Projected Payments” (§ [1026.37\(c\)](#)):

- a. All required fields in the table are completed, follow the formatting and statement requirements, are accurate, and itemize the periodic payments or range of payments together with an itemized estimate of taxes, insurance, assessments, and payments to be made with escrow account funds; (§§ [1026.37\(c\)\(1\) – \(5\)](#))

NOTE: If accurate, a credit union can indicate that a portion of taxes, insurance and assessments will be paid with escrow account funds, such as by using the word “some.” (Comment [1026.37\(c\)\(4\)\(iv\)-2](#));

- b. Each separate periodic payment or range of payments is itemized as follows: (§ [1026.37\(c\)\(2\)](#))
 - i. *Principal and Interest.* The amount payable for principal and interest, labeled “Principal & Interest”, including the term “only interest” if the payment or range of payments includes any interest only payment (§ [1026.37\(c\)\(2\)\(i\)](#)):
 - a. *Adjustable Rate Loans.* The maximum principal and interest payment must be determined by assuming that the interest rate in effect throughout the loan term is the maximum possible interest rate. The minimum amounts must be determined by assuming that the interest rate in effect throughout the loan term is the minimum possible interest rate. (§ [1026.37\(c\)\(2\)\(i\)\(A\)](#))
 - b. *Adjustable Rate and Negative Amortization Loans.* The maximum principal and interest amounts (after the loan term period for which the loan principal balance may increase) must be determined by assuming the maximum principal amount permitted under the terms of the legal obligation at the end of the loan term period. The minimum amounts must be determined by assuming that the interest rate in effect throughout the loan term is the minimum possible interest rate. (§ [1026.37\(c\)\(2\)\(i\)\(B\)](#))

- ii. *Mortgage Insurance.* The maximum amount payable for mortgage insurance premiums corresponding to the principal and interest payment disclosed, labeled “Mortgage Insurance.” (§ [1026.37\(c\)\(2\)\(ii\)](#))
- iii. *Escrow.* The amount payable into an escrow account to pay some or all of the charges described in § [1026.37\(c\)\(4\)\(ii\)](#), as applicable, labeled “Escrow,” together with a statement that the amount disclosed can increase over time. (§ [1026.37\(c\)\(2\)\(iii\)](#))
- iv. *Total Monthly Payment.* The total periodic payment, calculated as the sums disclosed as the “Principal & Interest,” “Mortgage Insurance,” and “Escrow”, labeled “Total Monthly Payment”. (§ [1026.37\(c\)\(2\)\(iv\)](#))

NOTE: The labels required pursuant to paragraph (c)(2) of this section must be listed under the subheading “Payment Calculation”. (§ [1026.37\(c\)\(3\)\(i\)](#))

- c. If the amount of a periodic monthly payment may change, additional, separate periodic payments, or range of payments have been disclosed. Events requiring additional disclosure(s) include:
 - i. The change of the periodic principal and interest payment or range of such payments,
 - ii. A scheduled balloon payment,
 - iii. The automatic termination of mortgage insurance, or
 - iv. The anniversary of the due date of the initial periodic payment or range of payments immediately following the occurrence of a change in the principal and interest payment or range of such payments. (§ [1026.37\(c\)\(1\)\(i\)](#))
- d. The credit union has met the following in disclosing a range of payments: (§ [1026.37\(c\)\(1\)\(iii\)](#))
 - i. The credit union has disclosed both the minimum and maximum amount for both the principal and interest payment and the total periodic payment; (§ [1026.37\(c\)\(1\)\(iii\)](#))
 - ii. The credit union has accurately disclosed a range of payments where multiple events are combined into a single range of payments in order to meet the requirement that only four disclosures may be made; (§ [1026.37\(c\)\(1\)\(iii\)\(A\)](#))
 - iii. The credit union has accurately disclosed a range of payments where multiple events occur during a single year or an event occurs during the same year as the initial periodic payment or range of payments. If the event occurs during the same year as the initial periodic payment or range of payments, the credit union has disclosed the range that would apply during the year in which the events will occur; and, (§ [1026.37\(c\)\(1\)\(iii\)\(B\)](#))

NOTE: If multiple changes to periodic principal and interest payments would result in more than one separate periodic payment or range of payments in a single year, the credit union must combine the changes and disclose them as a single range of payments. ([Comment 1026.37\(c\)\(1\)\(iii\)\(B\)-1](#)).

- iv. The credit union has accurately disclosed a range of payments if the periodic principal and interest payment may adjust based on index rates at the time an interest rate adjustment may occur. (§ [1026.37\(c\)\(1\)\(iii\)\(C\)](#))
- e. The credit union has not disclosed more than four separate periodic payments or ranges of payments. (§ [1026.37\(c\)\(1\)\(ii\)](#))
 - i. If additional separate periodic payments or range of payments disclosures are required after the third separate periodic payment or range of payment disclosure, and the transaction does not involve a balloon payment, determine whether the credit union has disclosed the additional separate periodic payment or range of payments as a single fourth range of payments disclosure. (§ [1026.37\(c\)\(1\)\(ii\)](#))
 - ii. If additional separate periodic payments or range of payments disclosures are required and the transaction involves a final balloon payment, determine whether the credit union has disclosed the additional separate periodic payment or range of payments as a single range of payments after the second separate periodic payment disclosure. Disclosure of the final balloon payment must appear as the final disclosure, under the heading “Final Payment”. (§§ [1026.37\(c\)\(1\)\(ii\)\(A\)](#), [1026.37\(c\)\(3\)\(iii\)](#))
 - iii. The automatic termination of mortgage insurance requires disclosure of an additional separate periodic payment or range of payments only if the total number of separate periodic payments or ranges of payments does not exceed three. (§ [1026.37\(c\)\(1\)\(ii\)\(B\)](#))
 - iv. Each separate periodic payment or range of payments must be disclosed under a subheading stating the years of the loan during which that payment or range of payments will apply. The years must be disclosed in sequence of whole years from the due date of the initial periodic payment. (§ [1026.37\(c\)\(3\)\(ii\)](#))
- f. *Taxes, Insurance & Assessments.* Determine whether the credit union accurately discloses: (§ [1026.37\(c\)\(4\)](#))
 - i. The sum of all mortgage related obligations, expressed as a monthly amount, even if no escrow account for the payment of some or any of such charges will be established, labeled “Taxes, Insurance & Assessments.” (§§ [1026.37\(c\)\(4\)\(i-ii\)](#))

NOTE: The term mortgage related obligations, as used here, takes the definition used in § [1026.43\(b\)\(8\)](#), however, it does not include amounts identified in § [1026.4\(b\)\(5\)](#). Amounts that must be disclosed as “Taxes, Insurance & Assessment” include premiums or other charges for credit life, accident, health, loss-of-income insurance; premiums or other charges for insurance against loss of or damage to property, or against liability arising out of the ownership or use of property; or premiums or charges paid for debt cancellation or debt suspension coverage. (§ [1026.43\(b\)\(8\)](#))

- ii. A statement that the mortgage related obligations disclosed can increase over time (§ [1026.37\(c\)\(4\)\(iii\)](#)). If estimates are used for property taxes and homeowner’s insurance, they must reflect: (§ [1026.37\(c\)\(5\)](#))
 - a. The taxable assessed value of the real property or cooperative unit securing the transaction after consummation, including the value of any improvements on the property or to be constructed on the property, if known. The disclosure must be made whether or not such construction will be financed from the proceeds of the transaction for property taxes; and (§ [1026.37\(c\)\(5\)\(i\)](#))
 - b. The replacement costs of the property during the initial year after the transaction for premiums or other charges for insurance against loss of or damage to property, or against liability arising out of the ownership or use of property. (§ [1026.37\(c\)\(5\)\(ii\)](#))
 - iii. A statement of whether the mortgage related obligations include payments for property taxes; premiums or other charges for insurance against loss of or damage to property, or against liability arising out of the ownership or use of property; or as otherwise identified by § [1026.43\(b\)\(8\)](#). The credit union must disclose whether the amounts will be paid by the credit union using escrow account funds. (§ [1026.37\(c\)\(4\)\(iv\)](#))
 - iv. A statement that the consumer must pay separately any mortgage related obligations that are not paid by the credit union using escrow account funds. (§ [1026.37\(c\)\(4\)\(v\)](#))
 - v. A reference to the escrow account information contained on page 2 of the Loan Estimate, captioned “Initial Escrow Payment at Closing”. (§ [1026.37\(c\)\(4\)\(vi\)](#))
4. **Costs at Closing (Page 1 of the Loan Estimate).** Determine whether, under the heading “Costs at Closing” the credit union discloses the Estimated Closing Costs (including Loan Costs and Other Costs, less Lender Credits) and the Estimated Cash to Close (including Closing Costs), based upon the calculations required by § [1026.37\(f\)](#), (g), and (h) (and found on page two of the Loan Estimate). (§ [1026.37\(d\)\(1\)](#))
5. **Optional Alternative Table for Transactions without a Seller or for simultaneous subordinate financing.** Determine whether, for transactions that do not involve a seller or for simultaneous subordinate financing, the credit union chose to use the alternative “Cash to Close” table. If so, determine whether the amount is calculated in accordance with § [1026.37\(h\)\(2\)\(iv\)](#) (Calculating Cash to Close), includes a statement of whether the disclosed estimated amount is due from or to the consumer; and includes a statement (referring the consumer to the alternative “Calculating Cash to Close” table pursuant to § [1026.37\(h\)\(2\)](#)). (§ [1026.37\(d\)\(2\)](#))

NOTE: In a purchase transaction, the optional alternative disclosure may be used for the simultaneous subordinate financing Loan Estimate only if the first-lien Closing Disclosure will record the entirety of the seller’s transaction. ([Comment 1026.37\(d\)\(2\)-1](#)) Credit unions may only use this alternative estimated cash to close disclosure in conjunction with the alternative disclosure under § [1026.37\(h\)\(2\)](#). ([Comment 37\(d\)\(2\)-1](#))

6. **Website Reference (Page 1 of the Loan Estimate)**. Determine whether the credit union discloses that the consumer may obtain general information and tools on the Consumer Financial Protection Bureau’s website, and has included a link to the site specified in § [1026.37\(e\)](#).

7. **Closing Cost Details: Loan Costs (Page 2 of the Loan Estimate)**. Determine on page 2 whether, under the heading “Loan Costs,” the credit union makes the following disclosures: ([1026.37\(f\)](#))
 - a. *Origination charges*. Accurately itemized to reflect each amount and a subtotal of all amounts that the consumer will pay to each creditor and loan originator for originating and extending the credit. Determine whether the points paid to the credit union to reduce the interest rate are itemized separately, as both a percentage of the amount of credit extended and a dollar amount, and using the label “__% of Loan Amount (Points)”. Determine whether points paid is the first item listed. If points to reduce the interest rate are not paid, this disclosure must be left blank. (§ [1026.37\(f\)\(1\)](#))

 - b. *Services You Cannot Shop For*. An accurate itemization, limited to thirteen items, of each amount and subtotal of all amounts that the consumer will pay for settlement services that the consumer cannot shop for, and that are provided by persons other than the credit union or mortgage broker. Determine whether the terms related to title insurance include “Title” as an introductory description. (§ [1026.37\(f\)\(2\)](#))

 - c. *Services You Can Shop For*. An accurate itemization, limited to fourteen items, of each amount and subtotal of all amounts that the consumer will pay for settlement services that the consumer can shop for and that are provided by persons other than the credit union or mortgage broker. Determine whether the terms related to title insurance include “Title” as an introductory description. (§ [1026.37\(f\)\(3\)](#))

 - d. *Total Loan Costs*. An accurate sum of the subtotals required to be disclosed under § [1026.37\(f\)](#) as Origination Charges, Services You Cannot Shop For and Services You Can Shop For. (§ [1026.37\(f\)\(4\)](#))

 - e. Other than as noted in *item 7a.Origination charges* above (points), determine that items are ordered alphabetically by label under the applicable subheading. If there are more than the maximum allowable number of line items, determine that the remaining charges are disclosed in the aggregate in the last line as “*Additional Charges*.” (§§ [1026.37\(f\)\(5\)](#), [\(f\)\(6\)](#))

8. **Closing Cost Details: Other Costs (Page 2 of the Loan Estimate)**. Determine whether the credit union makes the following disclosures: (§ [1026.37\(g\)](#))

- a. *Taxes and Other Government Fees.* Accurately itemized to reflect amounts to be paid to State and local governments for taxes and other government fees, including subtotals for recording fees and other taxes. A separate line must be included for transfer taxes paid by the consumer. If not charged to the consumer, these fields must be left blank. (§ [1026.37\(g\)\(1\)](#))
- b. *Prepays.* Accurately itemized to reflect amounts to be paid by the consumer in advance of the first scheduled payment and the subtotals of all such amounts. The disclosures must follow the required order and include the number of months and the total dollar amount to be paid at consummation for homeowner's insurance and mortgage insurance premiums, the prepaid interest to be paid at consummation, based on daily interest, number of days, interest rate and the total to be collected; the number of months for which property taxes are to be paid; and the amount the consumer will pay at consummation. If any of these items are not charged to the consumer, the field must be left blank. A maximum of three additional items may be disclosed (including applicable time period covered by the payment at consummation and total to be paid) as Prepays. (§ [1026.37\(g\)\(2\)](#))
- c. *Initial Escrow Payment at Closing.* Accurately itemized to reflect the amounts that the consumer will be expected to place into an escrow account at consummation to be applied to recurring periodic charges and subtotals of all amounts. The disclosure must provide the amount escrowed each month, the number of months of escrow, and the total amount to be paid into the escrow account by the consumer at consummation. Homeowner's insurance premiums, mortgage insurance premiums, and property taxes must be separately subtotaled. If any of these items are not charged to the consumer, that field must be left blank. A maximum of five additional items may be disclosed as part of Initial Escrow Payment at Closing. (§ [1026.37\(g\)\(3\)](#))
- d. *Other.* An accurate itemization of costs that the consumer is likely to pay, or has contracted with a person other than the credit union or loan originator to pay, at closing and of which the credit union is aware at the time of issuing the Loan Estimate. Determine whether the credit union has used a descriptive label for each such amount, and provided the subtotal of all such amounts. Determine whether the terms related to title insurance include "Title" as an introductory description, and whether the parenthetical description "(optional)" is used at the end of the label for items disclosing any premiums paid for separate insurance, warranty, guarantee, or event-coverage products. A maximum of five items may be disclosed as "Other". (§ [1026.37\(g\)\(4\)](#))
- e. *Total Other Costs.* An accurate sum of the subtotals for Taxes and Other Government Fees, Prepays, Initial Escrow Payment at Closing, and Other disclosed pursuant to § [1026.37\(g\)\(1\) through \(4\)](#). (§ [1026.37\(g\)\(5\)](#))
- f. *Total Closing Costs.* Accurate component amounts and sum of the following (§ [1026.37\(g\)\(6\)](#)):

- i. *D + I*. A sum of the Total Loan Costs and Total Other Costs; and, (§ [1026.37\(g\)\(6\)\(i\)](#))
 - ii. *Lender Credits*. The amount of any lender credits, disclosed as a negative number. If no such amount is disclosed, this line must be left blank. (§ [1026.37\(g\)\(6\)\(ii\)](#))
- g. Determine that items follow the alphabetical ordering and addenda restrictions of §§ [1026.37\(g\)\(7\)](#) and [\(g\)\(8\)](#).

9. **Closing Cost Details: Calculating Cash to Close (Page 2 of the Loan Estimate).**

Determine whether, under the heading “Calculating Cash to Close,” the credit union has accurately disclosed the total amount of cash or other funds that must be provided by the consumer at consummation, itemized into the following component amounts:

(§ [1026.37\(h\)\(1\)](#))

- a. *Total Closing Costs*. The amount disclosed as the sum of the loan costs, other costs and lender credits, labeled “Total Closing Costs”. (§ [1026.37\(h\)\(1\)\(i\)](#))
- b. *Closing Costs Financed (Paid from your Loan Amount)*. The amount of any closing costs to be paid out of loan proceeds, disclosed as a negative number, labeled “Closing Costs Financed (Paid from your Loan Amount)”. Determined by subtracting the estimated total amount of payments to third parties not otherwise disclosed under §§ [1026.37\(f\)](#) and [\(g\)](#) from the loan amount disclosed under § [1026.37\(b\)\(1\)](#). (§ [1026.37\(h\)\(1\)\(ii\)](#))

NOTE: (1) If the result of the calculation is zero or negative, the amount of \$0 is disclosed. (2) If the result of the calculation is a positive number, the amount is disclosed as a negative number, but only to the extent that the absolute value of the number does not exceed the total amount of closing costs; (Comment 37(h)(1)(ii)-1)

- c. *Downpayment/Funds from Borrower*. Labeled “Down Payment/Funds from Borrower”.
 - i. In a purchase transaction, as defined in § [1026.37\(a\)\(9\)\(i\)](#), disclosed as the amount determined by subtracting the sum of the loan amount, disclosed under § [1026.37\(b\)\(1\)](#) and any amount of existing loans assumed or taken subject to that will be disclosed under § [1026.38\(j\)\(2\)\(iv\)](#), from the sale price of the property disclosed under § [1026.37\(a\)\(7\)\(i\)](#), except as required by § [1026.38\(h\)\(1\)\(iii\)\(A\)\(2\)](#); (§ [1026.37\(h\)\(1\)\(iii\)\(A\)\(1\)](#))
 - ii. For a purchase transaction as defined in § [1026.37\(a\)\(9\)\(i\)](#) that is a simultaneous subordinate financing transaction, a transaction involving or improvements to be made on the property, or when the sum of the loan amount disclosed under § [1026.37\(b\)\(1\)](#) and any amount of existing loans assumed or taken subject to on the Closing Disclosure under § [1026.38\(j\)\(2\)\(iv\)](#) exceeds the sale price of the property disclosed under § [1026.37\(a\)\(7\)\(i\)](#), disclosed as the amount of estimated funds from the consumer determined in accordance with § [1026.37\(h\)\(1\)\(v\)](#); (§ [1026.37\(h\)\(1\)\(iii\)\(A\)\(2\)](#))

- iii. For all other transactions, disclosed as the amount of estimated funds from the consumer determined in accordance with § [1026.37\(h\)\(1\)\(v\)](#). (§ [1026.37\(h\)\(1\)\(iii\)\(B\)](#))
- d. *Deposit*.
 - i. For a purchase transaction, disclosed as the amount that is paid to the seller or held in trust or escrow by an attorney or other party under the terms of the agreement for the sale of the property, as a negative number, labeled “Deposit”;
 - ii. For all other transactions, disclosed as \$0. (§ [1026.37\(h\)\(1\)\(iv\)](#))
- e. *Funds for Borrower*. Disclosed as the amount of funds for the consumer, labeled “Funds for Borrower. Determined in accordance with § [1026.37\(h\)\(1\)\(v\)](#) by subtracting the sum of the loan amount disclosed under § [1026.37\(b\)\(1\)](#) and any amount of existing loans assumed or taken subject to that will be disclosed on the Closing Disclosure under § [1026.38\(j\)\(2\)\(iv\)](#) (excluding any closing costs financed disclosed under § [1026.37\(h\)\(1\)\(ii\)](#)) from the total amount of all existing debt being satisfied in the transaction. The total amount of all existing debt being satisfied in the transaction is the sum of the amounts that will be disclosed on the Closing Disclosure in the summaries of transactions table under §§ [1026.38\(j\)\(1\)\(ii\)](#), [\(iii\)](#), and [\(v\)](#), as applicable.
 - i. If the calculation yields a positive number, that amount is disclosed under the heading “Down Payment/Funds from Borrower,” (§§ [1026.37\(h\)\(1\)\(iii\)\(A\)\(2\)](#) or [\(B\)](#), as applicable) and \$0 is disclosed under the heading “Funds for Borrower,” under § [1026.37\(h\)\(1\)\(v\)](#); (§ [1026.37\(h\)\(1\)\(v\)\(A\)](#))
 - ii. If the calculation yields a negative amount, the credit union discloses that amount as a negative number under the heading “Funds for Borrower,” (§ [1026.37\(h\)\(1\)\(v\)](#)) and as \$0 under the heading “Down Payment/Funds from Borrower under §§ [1026.37\(h\)\(1\)\(iii\)\(A\)\(2\)](#) or [\(B\)](#), as applicable. (§ [1026.37\(h\)\(1\)\(v\)\(B\)](#));
 - iii. If the calculation yields “0,” then \$0 is disclosed under both headings under §§ [1026.37\(h\)\(1\)\(iii\)\(A\)\(2\)](#) or [\(B\)](#), as applicable, and § [1026.37\(h\)\(1\)\(v\)](#). (§ [1026.37\(h\)\(1\)\(v\)\(C\)](#))
- f. *Seller Credits*. Determined by totaling the amount the seller will pay for Total Loan Costs under § [1026.37\(f\)\(4\)](#) and Total Other Costs under § [1026.37\(g\)\(5\)](#) disclosed as a negative number, to the extent known by the credit union at the time of the delivery of the Loan Estimate, labeled “Seller Credits”. (§ [1026.37\(h\)\(1\)\(vi\)](#))
 - i. *Non-specific seller credits*. Determine whether general payments from the seller to the consumer that do not pay for a particular fee are disclosed in the seller credits row of the Calculating Cash to Close table. ([Comment 37\(h\)\(1\)\(vi\)-1](#))
 - ii. *Seller credits for specific charges*. Determine whether credits for specific items disclosed under §§ [1026.37\(f\)](#) and [\(g\)](#) are disclosed, at the credit union’s option either:

- a. In the seller credits row of the Calculating Cash to Close table together with any non-specific seller credits; or
- b. By reducing the amount of the specific charge in the Loan Costs or Other Costs table. ([Comment 1026.37\(h\)\(1\)\(vi\)-2](#))
- g. *Adjustments and Other Credits*. Determined by combining the Total Loan Costs (determined under § [1026.37\(f\)](#)) and Total Other Costs (determined under § [1026.37\(g\)](#)) that are paid by persons other than the loan originator, credit union, consumer, or seller, together with any other amounts not otherwise disclosed under §§ [1026.37\(f\)](#) or [\(g\)](#) that are required to be paid by the consumer at closing in a transaction using the down payment/funds from borrower calculation under § [1026.37\(h\)\(1\)\(iii\)\(A\)\(I\)](#) or pursuant to a purchase and sale contract, labeled “Adjustments and Other Credits”. (§ [1026.37\(h\)\(1\)\(vii\)](#))

NOTE: This includes amounts known at the time the Loan Estimate is issued that are expected to be paid at closing by third parties not otherwise associated with the transaction, such as gifts from family members, or others not associated with the transaction, as well as proceeds from subordinate financing or other sources. ([Comment 1026.37\(h\)\(1\)\(vii\)-1 and -5](#))

- h. *Estimated Cash to Close*. The sum of the amounts of the components required for Calculating Cash to Close disclosed as under §§ [1026.37\(h\)\(1\)\(i\) through \(vii\)](#). (§ [1026.37\(h\)\(1\)\(viii\)](#))

9. **Closing Cost Details: Optional Alternative Calculating Cash To Close Table for Transactions Without A Seller or for Simultaneous Subordinate Financing (Page 2 of the Loan Estimate)**. If the transaction does not involve a seller or for Simultaneous Subordinate Financing, and the credit union has chosen to provide the optional Alternative Calculating Cash to Close table modeled in Form H-24(G) in [Appendix H](#), determine whether the credit union accurately discloses the total amount of cash or other funds that must be provided by the consumer at consummation, itemized into the following component amounts: (§ [1026.37\(h\)\(2\)](#))

- a. *Loan Amount*. (§ [1026.37\(h\)\(2\)\(i\)](#))
- b. *Total Closing Costs*. Disclosed as a negative number if the amount disclosed under § [1026.37\(g\)\(6\)](#) is a positive number, and disclosed as a positive number if the amount disclosed under § [1026.37\(g\)\(6\)](#) is a negative number. (§ [1026.37\(h\)\(2\)\(ii\)](#))
- c. *Total Payoffs and Payments*. Disclosed as the total amount of payoffs and payments to be made to third parties that are not otherwise disclosed. (§ [1026.37\(h\)\(2\)\(iii\)](#))
- d. *Cash to Close*. Disclosed as the amount of cash or other funds due from or to the consumer and a statement of whether the disclosed estimated amount is due from or to the consumer. The amount must be calculated as the sum of the amounts

disclosed under “Loan Amount,” “Total Closing Costs,” and “Total Payoffs and Payments”. (§ [1026.37\(h\)\(2\)\(iv\)](#))

- e. *Closing Costs Financed (Paid from your Loan Amount)*. Disclosed as the sum of the amounts under “Loan Amount,” and “Total Payoffs and Payments.” The sum is disclosed only to the extent it is greater than “0,” and it is less than or equal to the amount disclosed under “Total Closing Costs”. (§ [1026.37\(h\)\(2\)\(v\)](#))

NOTE: The optional Alternative Calculating Cash to Close table may only be provided in transactions without a seller or for simultaneous subordinate financing, In a purchase transaction the optional alternative disclosure may be used for the simultaneous subordinate financing Loan Estimate only if the first-lien Closing Disclosure will record the entirety of the transaction. The use of the alternative table for transactions without a seller or for simultaneous subordinate financing is optional, but credit unions may only use this alternative estimated cash to close disclosure in conjunction with the alternative disclosure under § [1026.37\(d\)\(2\)](#). (Comment [1026.37\(h\)\(2\)-1](#)).

10. Closing Cost Details: Adjustable Payment (AP) Table (Page 2 of the Loan Estimate).

For loans where the periodic principal and interest payment may change after consummation based on a factor other than an interest rate adjustment, or for seasonal payment products as described in § [1026.37\(a\)\(10\)\(ii\)\(E\)](#), determine whether the credit union discloses a separate table under the master headings “Closing Cost Details” and “Adjustable Payment (AP) Table” that contains the following information and satisfies the following requirements:

- a. *Interest Only Payments*. The disclosure states yes or no to the question of whether the transaction is an interest only product under § [1026.37 \(a\)\(10\)\(ii\)\(B\)](#) and, if the answer is yes, the disclosure states the period during which interest only periodic payments are scheduled. (§ [1026.37\(i\)\(1\)](#))
- b. *Optional Payments*. The disclosure states yes or no to the question whether the terms of the legal obligation expressly provide that the consumer may elect to pay a specified periodic principal and interest payment in an amount other than the scheduled amount of the payment, and, if the answer is yes, the disclosure states the period during which the consumer may elect to make such payments. (§ [1026.37\(i\)\(2\)](#))
- c. *Step Payments*. The disclosure states yes or no to the question whether the transaction is a step payment product under § [1026.37\(a\)\(10\)\(ii\)\(C\)](#) and, if the answer is yes, the disclosure states the period during which the regular periodic payments are scheduled to increase. (§ [1026.37\(i\)\(3\)](#))
- d. *Seasonal Payments*. The disclosure states yes or no to the question whether the transaction is a seasonal payment product under § [1026.37\(a\)\(10\)\(ii\)\(E\)](#) and, if the answer is yes, the disclosure states the period during which periodic payments are not scheduled. (§ [1026.37\(i\)\(4\)](#))

- e. *Principal and Interest Payments.* This label is immediately preceded by the applicable unit period and the disclosures must contain the following information:
 - i. The number of the payment of the first periodic principal and interest payment that may change under the terms of the legal obligation (counting from the first periodic payment due after consummation), and the amount or range of the periodic principal and interest payment for such payment, labeled “*First Change/Amount*”; (§ [1026.37\(i\)\(5\)\(i\)](#))
 - ii. The frequency of subsequent changes to the periodic principal and interest payment, labeled “*Subsequent Changes*”; and (§ [1026.37\(i\)\(5\)\(ii\)](#))
 - iii. The maximum periodic principal and interest payment that may occur during the term of the transaction, and the first periodic principal and interest payment that can reach such maximum, counting from the first periodic payment due after consummation, labeled “*Maximum Payment*”. (§ [1026.37\(i\)\(5\)\(iii\)](#))

NOTE: The AP table is required only if the periodic principal and interest payment may change after consummation based on a loan term other than a change to the interest rate, or the transaction contains a seasonal payment product feature as described in § [1026.37\(a\)\(10\)\(ii\)\(E\)](#). If the transaction does not contain such loan terms, this table may not appear on the Loan Estimate. ([Comment 1026.37\(i\)-1](#))

11. **Closing Cost Details: Adjustable Interest Rate (AIR) Table.** If the interest rate may increase after consummation, determine whether the credit union discloses, as a separate table under the master headings “Closing Cost Details” and “Adjustable Interest Rate (AIR) Table,” the following information and satisfied the following requirements: (§ [1026.37\(j\)](#))

- a. *Index + Margin.* Disclosed if the interest rate may adjust and the product type is not a “Step Rate” under § [1026.37\(a\)\(10\)\(i\)\(B\)](#). The disclosure must show the index upon which the adjustments to the interest rate are based and the margin that is added to the index to determine the interest rate, if any, labeled “Index + Margin.” (§ [1026.37\(j\)\(1\)](#))
- b. *Interest Rate Adjustments.* If the product type is a “Step Rate” and not also an “Adjustable Rate” under § [1026.37\(a\)\(10\)\(i\)\(A\)](#), the disclosure must show the maximum amount of any adjustments to the interest rate that are scheduled and pre-determined, labeled “Interest Rate Adjustments”. (§ [1026.37\(j\)\(2\)](#))
- c. *Initial Interest Rate.* The disclosure must show the initial interest rate at consummation of the loan transaction. (§ [1026.37\(j\)\(3\)](#))
- d. *Minimum and Maximum Interest Rates.* The disclosure must show the minimum and maximum interest rates for the loan, after any introductory period expires, labeled “Minimum/Maximum Interest Rate”. (§ [1026.37\(j\)\(4\)](#))
- e. *Frequency of Adjustments.* The following information, under the subheading “Change Frequency” is disclosed:

- i. The month when the interest rate after consummation may first change, calculated from the date interest for the first scheduled periodic payment begins to accrue, labeled “First Change”; and
 - ii. The frequency of interest rate adjustments after the initial adjustment to the interest rate, labeled, “Subsequent Changes”. (§ [1026.37\(j\)](#))
- f. *Limits on Interest Rate Changes*. The following information, under the subheading “Limits on Interest Rate Changes,” is disclosed:
- i. The maximum possible change for the first adjustment of the interest rate after consummation, labeled “First Change”; and
 - ii. The maximum possible change for subsequent adjustments of the interest rate after consummation, labeled “Subsequent Changes.” (§ [1026.37\(j\)](#))

NOTE: If the legal obligation does not permit the interest rate to adjust after consummation, the AIR table is not permitted to appear on the Loan Estimate. The credit union may not disclose a blank table or a table with “N/A” inserted within each row. (Comment [1026.37\(j\)-1](#))

12. Additional Information About This Loan; Contact Information (Page 3 of the Loan Estimate). Determine whether the credit union accurately discloses under the master heading, “Additional Information About This Loan,” the following information:

- a. *Lender/Mortgage Broker*. The name and “NMLS ID/License ID” for the credit union (labeled “Lender”) and the mortgage broker (labeled “Mortgage Broker”), if any. If the credit union or mortgage broker has not been assigned an NMLSR ID, the license number or other unique identifier issued to the credit union or mortgage broker by the applicable jurisdiction or regulating body must be disclosed, with the abbreviation for the State of the applicable jurisdiction or regulatory body stated before the word “License” in the label, if any. (§ [1026.37\(k\)\(1\)](#))
- b. *Loan Officer*. The name and NMLSR ID of the individual loan officer (labeled “Loan Officer” and “NMLS ID/License ID,” respectively) of the credit union and the mortgage broker, if any, who is the primary contact for the consumer. If the individual loan officer has not been assigned an NMLSR ID, the license number or other unique identifier issued by the applicable jurisdiction or regulating body with which the loan officer is licensed and/or registered shall be disclosed, with the abbreviation for the State of the applicable jurisdiction or regulatory body stated before the word “License” in the label, if any. (§ [1026.37\(k\)\(2\)](#))
- c. *Email/Phone (respectively)*. The email address and telephone number of the loan officer. (§ [1026.37\(k\)\(3\)](#))

13. Additional Information About This Loan: Comparisons (Page 3 of the Loan Estimate). Determine whether the credit union accurately discloses the following information for comparison purposes and includes the statement “Use these measures to compare this loan with other loans”: (§ [1026.37\(l\)](#))

- a. *In 5 years* (§ [1026.37\(l\)\(1\)](#))

- i. The total principal, interest, mortgage insurance, and loan costs scheduled to be paid through the end of the 60th month after the due date of the first periodic payment, expressed as a dollar amount, along with the statement “Total you will have paid in principal, interest, mortgage insurance, and loan costs”; and
 - ii. The principal scheduled to be paid through the end of the 60th month after the due date of the first periodic payment, expressed as a dollar amount, along with the statement “Principal you will have paid off”;
- b. *Annual Percentage Rate (APR)*. Expressed as a percentage, and the following statement: “Your costs over the loan term expressed as a rate. This is not your interest rate”. (§ [1026.37\(l\)\(2\)](#))
 - c. *Total Interest Percentage (TIP)*. The total amount of interest that the consumer will pay over the life of the loan, expressed as a percentage of the amount of credit extended, using the term “Total Interest Percentage,” the abbreviation “TIP,” and the statement “The total amount of interest that you will pay over the loan term as a percentage of your loan amount.” (§ [1026.37\(l\)\(3\)](#))

NOTE: The Total Interest Percentage includes prepaid interest that the consumer will pay, but does not include prepaid interest that someone other than the consumer will pay. (Comment 1026.37(l)(3)-1)

14. Additional Information About This Loan: Other Considerations (Page 3 of the Loan Estimate). Determine whether the credit union accurately discloses the following:
(§ [1026.37\(m\)](#))

- a. *Appraisal*. For transactions subject to [15 U.S.C. § 1639\(h\)](#) or [§ 1691\(e\)](#), as implemented in this part or Regulation B, [12 CFR 1002](#), respectively, a statement, labeled “Appraisal,” that: (§ [1026.37\(m\)\(1\)](#))
 - i. The credit union may order an appraisal to determine the value of the property identified in § [1026.37\(a\)\(6\)](#) and may charge the consumer for that appraisal;
 - ii. The credit union will promptly provide the consumer a copy of any appraisal, even if the transaction is not consummated; and
 - iii. The consumer may choose to pay for an additional appraisal of the property for the consumer’s use.
- b. *Assumption*. A statement of whether a subsequent purchaser of the property may be permitted to assume the remaining loan obligation on its original terms. (§ [1026.37\(m\)\(2\)](#))
- c. *Homeowner’s Insurance*. At the option of the credit union, a statement that homeowner’s insurance is required on the property and that the consumer may choose the insurance provider. (§ [1026.37\(m\)\(3\)](#))
- d. *Late Payment*. A statement detailing any charge that may be imposed for a late payment; stated as a dollar amount or percentage charge of the late payment

amount; and the number of days that a payment must be late to trigger the late payment fee. (§ [1026.37\(m\)\(4\)](#))

- e. *Refinance*. The following statement: “Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.” (§ [1026.37\(m\)\(5\)](#))
- f. *Servicing*. A statement of whether the credit union intends to service the loan or transfer the loan to another servicer. (§ [1026.37\(m\)\(6\)](#))
- g. *Liability after Foreclosure*. If the purpose of the credit transaction is to refinance an extension of credit as described in § [1026.37\(a\)\(9\)\(ii\)](#), a brief statement that certain State law protections against liability for any deficiency after foreclosure may be lost, the potential consequences of the loss of such protections, and a statement that the consumer should consult an attorney for additional information. (§ [1026.37\(m\)\(7\)](#))
- h. *Construction Loans*. In a transaction that involves a new construction, if the credit union reasonably expects settlement will occur more than 60 days after the Loan Estimate is issued and wishes to retain the option to provide a revised disclosure, a clear and conspicuous statement that a revised disclosure may be issued any time prior to 60 days before consummation, pursuant to § [1026.19\(e\)\(3\)\(iv\)\(F\)](#). (§ [1026.37\(m\)\(8\)](#))

15. Additional Information About This Loan: Confirm Receipt (Page 3 of the Loan

Estimate). If the credit union chooses to provide a signature statement, determine whether the credit union accurately provides the following: “By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.” If the credit union does not include a line for the consumer's signature, the credit union discloses the following statement (labeled “Loan Acceptance”): “You do not have to accept this loan because you have received this form or signed a loan application.” (§ [1026.37\(n\)](#))

16. Form of disclosures.² Determine whether the credit union made the disclosures required by § [1026.37](#) clearly and conspicuously in writing, in a form that the consumer may keep, with disclosures grouped together and segregated from everything else, containing only the information required by §§ [1026.37 \(a\)-\(n\)](#), made in the same order, and positioned relative to the master headings, headings, subheadings, labels, and similar designations in the same manner, as shown in form H-24, set forth in Appendix H: (§§ [1026.37\(o\)\(1-2\)](#))

- a. *Form H-24 required*. Determine whether, for a transaction subject to § [1026.19\(e\)](#) that is a federally related mortgage loan, as defined in Regulation X,

² Limited changes to the disclosure forms are permitted, including: substitution of “monthly” with the applicable unit-period, making disclosures in languages other than English, and using the credit union’s logo in the space allotted for the identification of the credit union. (§ [1026.37\(o\)\(5\)](#)).

12 CFR § 1024.2, the credit union uses form H-24, set forth in Appendix H.
(§ 1026.37(o)(3)(i))

- b. *Substantially similar disclosures.* Determine whether the credit union makes the disclosures with headings, content, and format substantially similar to form H-24, set forth in Appendix H for any other transaction subject to § 1026.37.
(§ 1026.37(o)(3)(ii))
- c. *Rounding - nearest dollar.* Determine whether the credit union accurately rounds the following figures to the nearest whole dollar: (§ 1026.37(o)(4)(i)(A))
- i. The dollar amounts for Loan Terms required by §§ 1026.37(b)(6)-(7), (i.e., adjustments after consummation and details about prepayment penalty and balloon payments);
 - ii. The dollar amounts for Projected Payments or range of payments required by § 1026.37(c)(1)(iii) (i.e., minimum and maximum amounts of principal and interest for projected periodic payments or range of payments);
 - iii. The dollar amounts for Mortgage Insurance required to be disclosed by § 1026.37(c)(2)(ii) (i.e., itemization of maximum amount of mortgage insurance premiums);
 - iv. The dollar amounts for Escrow required to be disclosed by § 1026.37(c)(2)(iii);
 - v. The dollar amounts for Taxes, Insurance and Assessments required to be disclosed by § 1026.37(c)(4)(ii);
 - vi. The dollar amounts for Loan Costs required to be disclosed by § 1026.37(f) (i.e., Origination charges, Services You Cannot Shop For, Services You Can Shop For, and Total Loan Costs);
 - vii. The dollar amounts for Other Costs required by § 1026.37(g) (i.e., Taxes and Other Government Fees, Prepays (other than per diem prepaid interest), Initial Escrow Payment at Closing (other than monthly amounts of initial escrow payments), Other, Total Other Costs, and Total Closing Costs) except as noted for percentages;
 - viii. The dollar amounts for Calculating Cash to Close required to be disclosed by § 1026.37(h); and
 - ix. The dollar amounts for the Adjustable Payment (AP) Table required to be disclosed by § 1026.37(i).
 - x. The dollar amounts for Comparisons required to be disclosed by § 1026.37(l).
- d. *Rounding nearest whole cent.* Determine that the credit union rounds or truncates the following to the nearest whole cent pursuant to § 1026.37(o)(4)(i)(A):
- i. The per diem amount required by § 1026.37(g)(2)(iii) (prepaid interest paid per day); and
 - ii. The figures disclosed pursuant to §§ 1026.37(g)(3)(i)-(iii) (initial escrow payment at closing for homeowner's insurance, mortgage insurance, and property taxes) and § 1026.37(g)(3)(v) (additional escrow items).

- e. *Loan amount.* Determine that the credit union did not round the loan amount disclosed pursuant to § [1026.37\(b\)\(1\)](#), and truncated whole numbers at the decimal point. (§ [1026.37\(o\)\(4\)\(i\)\(B\)](#))
- f. *Total periodic payment.* Determine that the credit union accurately rounds the total periodic payment required by § [1026.37\(c\)\(2\)\(iv\)](#), if any of the component amounts of the figures disclosed pursuant to § [1026.37\(o\)\(4\)\(i\)\(A\)](#) are rounded to the nearest whole dollar. (§ [1026.37\(o\)\(4\)\(i\)\(C\)](#))
- g. *Percentages.* Determine that the credit union discloses the following percentages by rounding the exact amounts to three decimal places and then dropping any trailing zeros that occur to the right of the decimal point. (§ [1026.37\(o\)\(4\)\(ii\)](#)) This procedure applies to the following:
 - i. Interest rate and adjustments after consummation (i.e. adjustments to loan amount, interest rate, and periodic payment) disclosed pursuant to §§ [1026.37\(b\)\(2\)](#) and [\(6\)](#);
 - ii. Points as a percentage of the loan amount disclosed pursuant to § [1026.37\(f\)\(1\)\(i\)](#);
 - iii. Percentage of prepaid interest to be paid per day disclosed pursuant to § [1026.37\(g\)\(2\)\(iii\)](#);
 - iv. Index + Margin, Initial Interest Rate, Minimum/Maximum Interest Rate, and Limits on Interest Rate Changes (as disclosed on the Adjustable Interest Rate (AIR) Table) disclosed pursuant to § [1026.37\(j\)](#); and
 - v. Annual percentage rate – disclosed per § [1026.37\(l\)\(2\)](#)
 - vi. Total interest percentage disclosed pursuant to § [1026.37\(l\)\(3\)](#).

Closing Disclosure

1. **Closing Disclosure.** Determine whether the disclosures required for the Closing Disclosure are accurately completed and include the statement: “This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.” (§ [1026.38\(a\)\(2\)](#))
2. **Closing Information (Page 1 of the Closing Disclosure).** Determine whether all fields required by § [1026.38\(a\)\(3\)](#) are complete and accurate:
 - a. *Date Issued.* Indicating the date disclosures are delivered. (§ [1026.38\(a\)\(3\)\(i\)](#))
 - b. *Closing Date.* (§ [1026.38\(a\)\(3\)\(ii\)](#))
 - c. *Disbursement Date.* (§ [1026.38\(a\)\(3\)\(iii\)](#))
 - d. *Settlement Agent.* (§ [1026.38\(a\)\(3\)\(iv\)](#))
 - e. *File #.* Disclosing the identification number assigned to the transaction by the settlement agent. (§ [1026.38\(a\)\(3\)\(v\)](#))

- f. *Property*. The address or location of the property as disclosed in the Loan Estimate. (§ [1026.38\(a\)\(3\)\(vi\)](#))
- g. *Sale Price*. For transactions where there is a seller, the sale price, labeled “Sale Price,” and where there is no seller, the appraised property value labeled “Appraised Prop. Value.” (§§ [1026.38\(a\)\(3\)\(vii\)\(A\)-\(B\)](#))

NOTE: If the credit union has not obtained an appraisal, the credit union may disclose the estimated value of the property, using the label “Estimated Prop. Value.” (Comment §1026.38(a)(3)(vii)-1)

3. **Transaction information (Page 1 of the Closing Disclosure)**. Determine whether all fields required by § [1026.38\(a\)\(4\)](#) are complete and accurate:
 - a. *Borrower*. The consumer’s name and mailing address, labeled “Borrower.” (§ [1026.38\(a\)\(4\)\(i\)](#))
 - b. *Seller*. Where applicable, the seller’s name and mailing address, labeled “Seller.” (§ [1026.38\(a\)\(4\)\(ii\)](#))
 - c. *Lender*. The name of the credit union making the disclosure, labeled “Lender.” (§ [1026.38\(a\)\(4\)\(iii\)](#)).
4. **Loan Information (Page 1 of the Closing Disclosure)**. Determine whether all fields required by § [1026.38\(a\)\(5\)](#) are complete and accurate:
 - a. *Loan Term*. (§ [1026.38\(a\)\(5\)\(i\)](#))
 - b. *Purpose*. (§ [1026.38\(a\)\(5\)\(ii\)](#))
 - c. *Product*. (§ [1026.38\(a\)\(5\)\(iii\)](#))
 - d. *Loan Type*. (§ [1026.38\(a\)\(5\)\(iv\)](#))
 - e. *Loan ID #*. (§ [1026.38\(a\)\(5\)\(v\)](#))
 - f. *Mortgage Insurance Case Number (MIC #)*. The case number for any mortgage insurance policy, if required by the credit union. (§ [1026.38\(a\)\(5\)\(vi\)](#))
5. **Loan Terms (Page 1 of the Closing Disclosure)**. Determine whether the credit union discloses, in a separate table labeled “Loan Terms,” the information required to be disclosed on the Loan Estimate under § [1026.37\(b\)](#) reflecting the terms of the legal obligation at consummation. (§ [1026.38\(b\)](#))
6. **Projected Payments (Page 1 of the Closing Disclosure)**. Determine whether the credit union discloses, in a separate table labeled “Projected Payments,” the projected payments or range of payments (in the same manner as required on the Loan Estimate under §§ [1026.37\(c\)\(1\) - \(4\)\(v\)](#)) reflecting the terms of the legal obligation

at consummation. Determine whether the credit union referred to the Escrow Account disclosure required by § [1026.38\(l\)\(7\)](#) and calculated the estimated escrow payments: (§§ [1026.38\(c\)\(1\)-\(2\)](#))

- a. For transactions subject to RESPA, under the escrow account analysis described in Regulation X, § [1024.17](#). (§ [1026.38\(c\)\(1\)\(i\)](#))
- b. For transactions not subject to RESPA, either calculated under the escrow account analysis described in Regulation X, § [1024.17](#), or in the manner set forth in § [1026.37\(c\)\(5\)](#). (§ [1026.38\(c\)\(1\)\(ii\)](#))

7. **Costs at Closing (Page 1 of the Closing Disclosure)**. Determine whether the credit union discloses:

- a. *Closing Costs*. Disclosed as the sum of the dollar amounts disclosed on page two of the Closing Disclosure, pursuant to § [1026.38\(f\)\(4\)](#) (Loan Costs), § [1026.38\(g\)\(5\)](#) (Other Costs), and § [1026.38\(h\)\(3\)](#) (Lender Credits), together with a statement referring the consumer to the disclosures on page two. (§§ [1026.38\(d\)\(1\)\(i\)\(A\)-\(E\)](#))
- b. *Cash to Close*. Disclosed as the sum of the dollar amounts calculated in accordance with the Calculating Cash to Close table (§ [1026.38\(i\)\(9\)\(ii\)](#)), together with a statement referring the consumer to the disclosures on page two (§§ [1026.38\(d\)\(1\)\(ii\)\(A\) – \(B\)](#)), or
- c. *Cash to Close (for simultaneous subordinate financing)*. Disclosed as the amount calculated according to § [1026.38\(e\)\(5\)\(ii\)](#), together with a statement of whether the amount is due from or to the consumer and a reference to the alternative calculating Cash to Close table required pursuant to § [1026.38\(e\)](#). (§§ [1026.38\(d\)\(2\)\(i\) – \(iii\)](#))

8. **Closing Cost Details: Loan Costs (Page 2 of the Closing Disclosure)**. Determine whether the credit union disclosed all costs associated with the transaction, with columns stating whether the charge was borrower-paid at or before closing, seller-paid at or before closing, or paid by others, under the following subheadings:

- a. *Origination Charges*. Itemized amounts paid for charges disclosed on the Loan Estimate (§ [1026.37\(f\)\(1\)](#)) and the total of borrower-paid amounts paid at or before closing; together with:
 - i. The compensation paid by the credit union to a third-party loan originator, and
 - ii. The name of the third-party loan originator receiving payment. (§ [1026.38\(f\)\(1\)](#))
- b. *Services Borrower Did Not Shop For*. Itemized costs for each settlement service the credit union required but did not allow the consumer to shop for, with name of recipient, amount, and total costs designated borrower-paid at or before closing. Items listed in the Loan Estimate (§ [1026.37\(f\)\(3\)](#)) are disclosed here if the consumer was provided a written list of settlement service providers under

§ [1026.19\(e\)\(1\)\(vi\)\(C\)](#) and the consumer selected a settlement service provider from that written list. (§ [1026.38\(f\)\(2\)](#))

- c. *Services Borrower Did Shop For.* Itemized costs for each service required by the credit union, that the consumer shopped for in accordance with § [1026.19\(e\)\(1\)\(vi\)\(A\)](#), with the amount, the name of recipient, and the total costs designated as borrower-paid at or before closing. If these items were disclosed on the Loan Estimate pursuant to § [1026.37\(f\)\(3\)](#), they are disclosed here if the consumer was provided a written list of settlement service providers and did not select a settlement service provider from that written list. (§ [1026.38\(f\)\(3\)](#))
- d. *Total Loan Costs (Borrower-Paid).* The sum of the amounts disclosed under § [1026.38\(f\)\(5\)](#) as borrower-paid for the origination charge, services the borrower did not shop for and services the borrower did shop for. (§ [1026.38\(f\)\(4\)](#))
- e. *Loan Costs Subtotals.* Calculation of the total borrower-paid costs at or before closing, showing each subtotal for the origination charge, services the borrower did not shop for, and services the borrower did shop for. (§ [1026.38\(f\)\(5\)](#))

9. **Cost Details: Other Costs (Page 2 of the Closing Disclosure).** Determine whether the credit union disclosed all costs associated with the transaction (other than those disclosed in the “Loan Costs” table) with columns stating whether the charge was borrower-paid at or before closing, seller-paid at or before closing, or paid by others, including:

- a. *Taxes and Other Government Fees.* All taxes and government fees to be paid by the borrower at or before closing, including recording fees and transfer taxes, accurately itemized. Determine that the itemized transfer tax is accompanied by the name of the government entity assessing the transfer tax. (§ [1026.38\(g\)\(1\)\(i\)-\(ii\)](#))

NOTE: For additional guidance on taxes and other government fees, see [Comments 1026.37\(g\)\(1\)](#) For additional guidance on transfer taxes and recording fees, see [Comments 1026.38\(g\)\(1\)](#).

- b. *Prepays.* Accurately itemized prepaid charges described in the borrower’s Loan Estimate as required by § [1026.37\(g\)\(2\)](#), the name of the person ultimately receiving the prepaid payment or the government entity assessing the property tax charged, and the total of all amounts designated as borrower-paid at or before closing. If prepaid interest is not collected for any period between closing and the date from which interest will be collected with the first monthly payment, then \$0.00 is disclosed. (§ [1026.38\(g\)\(2\)](#))
- c. *Initial Escrow Payment at Closing.* Accurate itemizations of each escrow amount required at closing as described on the borrower’s Loan Estimate pursuant to § [1026.37\(g\)\(3\)](#) (e.g., homeowner’s insurance, mortgage insurance, property taxes, etc.), applicable aggregate adjustments pursuant

to § [1024.17\(d\)\(2\)](#), and the total of all amounts designated as borrower-paid at or before closing. (§ [1026.38\(g\)\(3\)](#))

- d. *Other*. All charges, accurately itemized, for services required or related to the borrower’s transaction that are in addition to the charges disclosed in the Loan Costs table (§ [1026.38\(f\)](#)) and in the Other Costs table (§§ [1026.38\(g\)\(1\)-\(3\)](#)), for services required or obtained in the real estate closing by the consumer, the seller, or other party; the name of the person ultimately receiving the payment; and the total of all such itemized amounts that are designated borrower-paid at or before closing, with the applicable designations for items that are optional or are components of title insurance services. (§§ [1026.38\(g\)\(4\)\(i\)-\(ii\)](#))
- e. *Total Other Costs (Borrower-Paid)*. Accurately totaled and disclosed sum of all amounts disclosed as borrower-paid. (§ [1026.38\(g\)\(5\)](#))
- f. *Other Costs Subtotals*. Accurately added the individual subtotals in this “Closing Costs Details – Other Costs” table disclosed under §§ [1026.38\(g\)\(1\)-\(4\)](#) to produce the total. (§ [1026.38\(g\)\(6\)](#))

10. Closing Cost Details: Total Closing Costs (Page 2 of the Closing Disclosure).

Determine whether the credit union:

- a. Follows the description, labeling, and ordering requirements for this table; and (§ [1026.38\(h\)\(4\)](#))
- b. Accurately discloses the following closing costs totals:
 - i. *Total Closing Costs (Borrower Paid)*. The sum of subtotals for Closing Costs (§ [1026.38\(h\)\(2\)](#)) and Lender Credits (§ [1026.38\(h\)\(3\)](#)) (i.e., the following two items in this list). (§ [1026.38\(h\)\(1\)](#))
 - ii. *Closing Costs Subtotals*. Consisting of the sum of “Loan Cost Subtotals” (§ [1026.38\(f\)\(5\)](#)) and the “Other Costs Subtotals” (§ [1026.38\(g\)\(6\)](#)), designated as borrower-paid at or before closing; and the sum of costs paid at and before closing by the seller or other parties (as disclosed pursuant to §§ [1026.38\(f\)](#) and [\(g\)](#)). (§ [1026.38\(h\)\(2\)](#))
 - iii. *Lender Credits*. For general credits from the credit union for closing costs (as described in § [1026.37\(g\)\(6\)\(ii\)](#), shown as a negative number, and designated as borrower-paid at closing. (§ [1026.38\(h\)\(3\)](#))

NOTE: Credits that are for specific charges should be reflected in the Paid by Others column in the Closing Cost Details table (with a notation of “(L)” for lender permitted) under §§ [1026.38\(f\)](#) and [\(g\)](#). ([Comment 1026.38\(h\)\(3\)-1](#))

NOTE: If a refund is provided pursuant to § [1026.19\(f\)\(2\)\(v\)](#), determine whether the credit union has provided a statement explaining that the refund (the amount described in the Loan Estimate

under § [1026.37\(g\)\(6\)\(ii\)](#) includes a credit for the amount that exceeds the limitations on increases in closing costs under § [1026.19\(e\)\(3\)](#), and the amount of such credit.

11. **Calculating Cash to Close Page 3 of the Closing Disclosure**. Determine whether the credit union, for each of the following items, accurately includes the amount from the most recent Loan Estimate provided to the consumer, compared to the amount disclosed in the “Final” column, and provides the necessary answer to the question “Did This Change?” (with items in the latter column disclosed more prominently than other disclosures). (§§ [1026.38\(i\)\(1\)\(i\)-\(iii\)](#))

- a. *Total Closing Costs*. The Total Closing Costs on the Calculating Cash to Close table of the most recent Loan Estimate disclosed under § [1026.37\(h\)\(1\)\(i\)](#) compared to the final “Total Closing Costs” disclosed under § [1026.38\(h\)\(1\)](#), and:
 - i. If the amounts are different (unless due to rounding), the credit union has provided: (§§ [1026.38\(i\)\(1\)\(i\)-\(iii\)](#))
 - A. A statement of that fact; (§ [1026.38\(i\)\(1\)\(iii\)\(A\)\(1\)](#))
 - B. If the difference in the “Total Closing Costs” is attributable to differences in itemized charges that are included in either or both subtotals, a statement that the consumer should see the Total Loan Costs (under § [1026.38\(f\)\(4\)](#)) and Total Other Costs (under § [1036.38\(g\)\(5\)](#) subtotals disclosed (together with references to such disclosures), as applicable; and (§ [1026.38\(i\)\(1\)\(iii\)\(A\)\(2\)](#))
 - C. If the increase exceeds the limitations on increases in closing costs under § [1026.19\(e\)\(3\)](#), a statement that such increase exceeds the legal limits by the dollar amount of the excess, and if any refund is provided pursuant to § [1026.19\(f\)\(2\)\(v\)](#), a statement directing the consumer to the disclosure required under § [1026.38\(h\)\(3\)](#). or, if a principal reduction is used to provide the refund, a statement directing the consumer to the principal reduction disclosure under § [1026.38\(j\)\(1\)\(v\)](#). The dollar amount must equal the sum total of all excesses of the limitations on increases in closing costs under § [1026.19\(e\)\(3\)](#), taking into account the different methods of calculating excesses of the limitations on increases in closing costs under §§ [1026.19\(e\)\(3\)\(i\)](#) and [\(ii\)](#) (§ [1026.38\(i\)\(1\)\(iii\)\(A\)\(3\)](#))
 - ii. If the amount disclosed under § [1026.38\(i\)\(1\)\(ii\)](#) (i.e., amount in the Final column) is equal to the amount disclosed under § [1026.38\(i\)\(1\)\(i\)](#) (i.e., amount copied over from the most recent Loan Estimate), a statement of that fact. (§ [1026.38\(i\)\(1\)\(iii\)\(B\)](#))
- b. *Closing Costs Paid Before Closing*. Under the subheading “Loan Estimate,” the dollar amount “\$0,” compared to the final amount of “Total Closing Costs” disclosed under § [1026.38\(h\)\(2\)](#) and designated as borrower-paid before closing, stated as a negative number, and (§§ [1026.38\(i\)\(2\)\(i\)-\(iii\)](#)):
 - i. If these amounts are different (unless the difference is due to rounding), the credit union has provided a statement of that fact, along

with a statement that the consumer paid such amounts prior to consummation of the transaction (§ [1026.38\(i\)\(2\)\(iii\)\(A\)](#)); or if the amount disclosed under § [1026.38\(i\)\(2\)\(ii\)](#) (amount in the Final column) is equal to the amount disclosed under § [1026.38\(i\)\(2\)\(i\)\(0\)](#), a statement of that fact. (§ [1026.38\(i\)\(2\)\(iii\)\(B\)](#))

- c. *Closing Costs Financed (Paid from your Loan Amount).* Under the subheading “Loan Estimate,” the amount disclosed on Calculating Cash to Close table on the most recent Loan Estimate under § [1026.37\(h\)\(1\)\(ii\)](#), compared to the actual amount of the closing costs that are to be paid out of loan proceeds, if any, stated as a negative number, under the subheading “Final”; and, (§§ [1026.38\(i\)\(3\)\(i\)-\(iii\)](#))
- i. If the amounts are different (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer included the closing costs in the loan amount, which increased the loan amount; or, (§ [1026.38\(i\)\(3\)\(iii\)\(A\)](#))
 - ii. If the amount disclosed under § [1026.38\(i\)\(3\)\(ii\)](#) (i.e., amount in the Final column) is equal to the amount disclosed pursuant to § [1026.38\(i\)\(3\)\(i\)](#) (i.e., amount copied over from the most recent Loan Estimate), a statement of that fact. (§ [1026.38\(i\)\(3\)\(iii\)\(B\)](#))

NOTE: For simultaneous subordinate financing transactions, regardless of whether a sale price was disclosed under § [1026.38\(j\)\(1\)\(ii\)](#), no sale price will be included in the closing costs financed calculation as payment to third parties. ([Comment 1026.38\(i\)\(3\)-1.ii](#))

- d. *Down Payment/Funds from Borrower.*
- i. Under the subheading “Loan Estimate,” the amount disclosed on the most recent Loan Estimate in the Calculating Cash to Close table under § [1026.37\(h\)\(1\)\(iii\)](#), labeled “Down Payment/Funds from Borrower”.
 - ii. Under the subheading “Final”: (§ [1026.38\(i\)\(4\)\(ii\)](#))
 - A. In a purchase transaction as defined in § [1026.38\(a\)\(9\)\(i\)](#), the amount determined by subtracting the sum of the loan amount disclosed under § [1026.38\(b\)](#) and any amount of existing loans assumed or taken subject to that is disclosed under § [1026.38\(j\)\(2\)\(iv\)](#) from the sale price of the property disclosed under § [1026.38\(a\)\(3\)\(vii\)\(A\)](#), labeled “Down Payment/Funds from Borrower,” except as required by § [1026.38\(i\)\(4\)\(ii\)\(A\)\(2\)](#);
 - B. In a purchase transaction that is a simultaneous subordinate financing or that involves improvements to be made on the property, or when the sum of the loan amount disclosed under § [1026.38\(b\)](#) and any amount of existing loans assumed or taken subject to that is disclosed under § [1026.38\(j\)\(2\)\(iv\)](#) exceeds the sale price disclosed under § [1026.38\(a\)\(3\)\(vii\)\(A\)](#), the amount of funds from the

- consumer as determined in accordance with § [1026.38\(i\)\(6\)\(iv\)](#) labeled “Down Payment/Funds from Borrower,” or
- C. In all transaction not subject to § [1026.38\(i\)\(4\)\(ii\)\(A\)](#), the amount of funds from the consumer as determined in accordance with § [1026.38\(i\)\(6\)\(iv\)](#), labeled “Down Payment/Funds from Borrower.”
- iii. Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under § [1026.38\(i\)\(4\)](#):
- A. If the amount disclosed under § [1026.38\(i\)\(4\)\(ii\)](#) (such as, amount in the Final column) is different, unless due to rounding, from the amount disclosed under § [1026.38\(i\)\(4\)\(i\)](#) (such as, amount copied over from the most recent Loan Estimate), a statement of that fact, along with a statement that the consumer increased or decreased this payment and can see further details in the “Summaries of Transactions” table; or (§ [1026.38\(i\)\(4\)\(iii\)\(A\)](#))
- B. If the amount disclosed under § [1026.38\(i\)\(4\)\(ii\)](#) is equal to the amount disclosed under § [1026.38\(i\)\(4\)\(i\)](#), a statement of that fact. (§ [1026.38\(i\)\(4\)\(iii\)\(B\)](#))
- e. *Deposit.* Under the subheading “Loan Estimate,” the Deposit amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § [1026.37\(h\)\(1\)\(iv\)](#), labeled “Deposit”. Under the subheading “Final”, on the Summaries of Transactions table on the Closing Document the amount under § [1026.38\(j\)\(2\)\(ii\)](#), stated as a negative number. Under the subheading “Did this Change?,” disclosed more prominently than the other disclosures under § [1026.38\(i\)\(5\)](#).
- i. If the amounts are different, unless due to rounding, a statement of that fact, along with a statement that the consumer increased or decreased this payment, as applicable, and that the consumer should see the details disclosed under § [1026.38\(j\)\(2\)\(ii\)](#), Section L in the Summaries of Transactions table; or,
- ii. If the amount disclosed under § [1026.38\(i\)\(5\)\(ii\)](#), amount in the Final column, is equal to the amount disclosed under § [1026.38\(i\)\(5\)\(i\)](#) (amount copied over from the Loan Estimate), a statement of that fact. (§ [1026.38\(i\)\(5\)\(iii\)\(B\)](#))

NOTE: Under § [1026.37\(h\)\(1\)\(iv\)](#), for all transactions other than a purchase transaction as defined in § [1026.37\(a\)\(9\)\(i\)](#), the amount required to be disclosed is \$0. In a purchase transaction in which no deposit is paid in connection with the transaction, the amount to be disclosed is \$0. ([Comment 1026.38\(i\)\(5\)-1](#))

- f. *Funds for Borrower.* Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § [1026.37\(h\)\(1\)\(v\)](#), labeled “Funds for Borrower”. (§§ [1026.38\(i\)\(6\)\(i\)-\(iii\)](#)) Under the subheading “Final,” the “Funds for

Borrower,” labeled using that term, as determined in accordance with (§ [1026.38\(i\)\(6\)\(iv\)](#)). Under the subheading “Did this Change?,” disclosed more prominently than the other disclosures under § [1026.38\(i\)\(6\)](#): Changes between the “Loan Estimate” and “Final” column amounts are noted in the “Did this Change?” column in accordance with the requirements of § [1026.38\(i\)\(6\)\(iii\)](#)

- i. If the amounts are different, unless due to rounding, a statement of that fact, along with a statement that the consumer's available funds from the loan amount have increased or decreased, as applicable; or (§ [1026.38\(i\)\(6\)\(iii\)\(A\)](#))
- ii. If the amount disclosed under § [1026.38\(i\)\(6\)\(ii\)](#) (amount in the Final column) is equal to the amount disclosed under § [1026.38\(i\)\(6\)\(i\)](#) (amount copied over from the Loan Estimate), a statement of that fact. (§ [1026.38\(i\)\(6\)\(iii\)\(B\)](#))

NOTE: The “Final” amount of “Funds for Borrower” to be disclosed under § [1026.38\(i\)\(6\)\(ii\)](#) is calculated pursuant to § [1026.38\(i\)\(6\)\(iv\)](#) by subtracting the sum of the loan amount disclosed under § [1026.38\(b\)](#) and any amount of existing loans assumed or taken subject to that is disclosed under § [1026.38\(j\)\(2\)\(iv\)](#) (excluding any closing costs financed disclosed under § [1026.38\(i\)\(3\)\(ii\)](#)) from the total amount of all existing debt being satisfied in the transaction. The “Final” amount is disclosed either as a negative number or as \$0, depending on the result of the calculation, and is an amount to be disbursed to the consumer or a designee of the consumer at consummation, if any. ([Comment 1026.38\(i\)\(6\)\(ii\)-1](#))

NOTE: When the down payment and funds from the borrower is determined in accordance with § [1026.38\(i\)\(4\)\(ii\)\(A\)\(1\)](#), the amount disclosed as “Funds for Borrower” is \$0. ([Comment 38\(i\)\(6\)\(ii\)-2](#))

- g. *Seller Credits.* Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the Loan Estimate under § [1026.37\(h\)\(1\)\(vi\)](#), labeled “Seller Credit.” Under the subheading “Final,” the amount disclosed pursuant to § [1026.38\(j\)\(2\)\(v\)](#), stated as a negative number. Under the subheading “Did this Change?,” disclosed more prominently than the other disclosures under § [1026.38\(i\)\(7\)](#):
 - i. If the amounts are different, unless due to rounding, determine whether the credit union discloses a statement that the consumer should see the details disclosed under either
 - (1) under § [1026.38\(j\)\(2\)\(v\)](#) in the summaries of transactions table, and the seller-paid column of the closing cost details table under §§ [1026.38\(f\)](#) or [\(g\)](#); or
 - (2) if the difference is attributable only to general seller credits disclosed under either § [1026.38\(j\)\(2\)\(v\)](#) or only to specific seller credits disclosed in the seller-paid column of the closing costs detail table under §§ [1026.38\(f\)](#) or [\(g\)](#), under only the applicable provision. (§ [1026.38\(i\)\(7\)\(iii\)\(A\)](#))

- ii. If the amount disclosed under § [1026.38\(i\)\(7\)\(ii\)](#) (i.e. amount in the Final column) is equal to the amount disclosed under § [1026.38\(i\)\(7\)\(i\)](#) (i.e. amount copied over from the Loan Estimate), a statement of that fact. (§ [1026.38\(i\)\(7\)\(iii\)\(B\)](#))

- h. *Adjustments and Other Credits.* Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § [1026.37\(h\)\(1\)\(vii\)](#), compared to the amount listed pursuant to §§ [1026.38\(j\)\(1\)\(v\)-\(x\)](#) (to the extent these amounts were not included in the calculation required by §§ [1026.38\(i\)\(4\) or \(6\)](#)), and § [1026.38\(j\)\(1\)\(vi\)](#). (See exam procedures below on Itemizations of Amounts Due From Borrower) reduced by the total of the amounts disclosed under §§ [1026.38\(j\)\(2\)\(vi\)-\(xi\)](#) (See exam procedures below on Itemization Of Amounts Already Paid By Or On Behalf Of Borrower). (§§ [1026.38\(i\)\(8\)\(i\)-\(ii\)](#))

NOTE: If the calculation yields a negative number, the amount is disclosed as a negative number. ([Comment 1026.38\(i\)\(8\)\(ii\)-1](#))

- i. If the amounts are different, unless due to rounding, statement of that fact, along with a statement that the consumer should see the details disclosed under §§ [1026.38\(j\)\(1\)\(v\) through \(x\) and \(j\)\(2\)\(vi\) through \(xi\)](#) (Sections K and L in the Summaries of Transactions table); or (§ [1026.38\(i\)\(8\)\(iii\)\(A\)](#))
- ii. If the amount disclosed under § [1026.38\(i\)\(8\)\(ii\)](#) (i.e. amount in the Final column) is equal to the amount disclosed under § [1026.38\(i\)\(8\)\(i\)](#) (i.e. amount copied over from the most recent Loan Estimate), a statement of that fact. (§ [1026.38\(i\)\(8\)\(iii\)\(B\)](#))

- i. *Cash to Close.* Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § [1026.37\(h\)\(1\)\(viii\)](#), compared to the “Final” amount listed pursuant to §§ [1026.38\(i\)\(1\) through \(i\)\(8\)](#), and each disclosed more prominently than the other disclosures in this section. (§§ [1026.38\(i\)\(9\)\(i\)-\(ii\)](#))

12. Alternative Cash to Close Table for Transactions without a Seller or for Simultaneous Subordinate Financing (Page 3 of the Closing Disclosure).

Determine whether the credit union properly uses the optional Alternative Cash to Close table. (§ [1026.38\(e\)](#)), and whether the table is disclosed under the heading “Calculating Cash to Close,” together with the statement “Use this table to see what has changed from your Loan Estimate.” Determine whether the table includes:

Note: This table may be used only in a transactions without a seller or for simultaneous subordinate financing. In a purchase transaction, the alternative disclosure may be used for the simultaneous subordinate financing Closing Disclosure only if the first-lien Closing Disclosure records the entirety of the seller’s transaction. The use of this alternative calculating cash to close table for transaction

without a seller or for simultaneous subordinate transactions is required if the Loan Estimate provided to the consumer disclosed the optional alternative table under § [1026.38\(d\)\(2\)](#). (Comments [1026.38\(e\)-1,\(j\)-3,\(k\)\(2\)\(vii\)-1, 38\(t\)\(5\)\(vii\)\(B\)-1 and -2](#))

- a. *Loan Amount.* Labeled “Loan Amount”. Under the subheading “Loan Estimate,” the loan amount disclosed on the most recent Loan Estimate under § [1026.37\(b\)\(1\)](#). Under the subheading “Final,” the loan amount disclosed under § [1026.38\(b\)](#), disclosed more prominently than other disclosures in this section, under the subheading, “Did this change?”
 - i. If the amounts are different (unless due to rounding), a statement of that fact along with a statement of whether this amount increased or decreased.
 - ii. If there is no change, a statement of that fact. (§§ [1026.38\(e\)\(1\)\(i\) – \(iii\)](#))

- b. *Total Closing Costs.* Labeled “Total Closing Costs”. Under the subheading “Loan Estimate,” the amount disclosed on the most recent Loan Estimate under § [1026.38\(h\)\(1\)](#). Under the subheading “Final,” the final total closing costs disclosed under § [1026.38\(h\)\(1\)](#), disclosed as a negative number if the amount disclosed under § [1026.38\(h\)\(1\)](#) is a positive number and disclosed as a positive number if the amount disclosed under § [1026.38\(h\)\(1\)](#) is a negative number and disclosed more prominently than other disclosures, with the question: “Did this change?” If there is no change, a statement of that fact. If the amounts are different (unless due to rounding):
 - i. A statement of that fact (§ [1026.38\(e\)\(2\)\(iii\)\(A\)\(1\)](#));
 - ii. If there is a change because of differences in itemized charges that are included in either or both subtotals, a statement that the consumer should look at the total loan costs and total other costs subtotals disclosed below, together with references to those disclosures; and (§ [1026.38\(e\)\(2\)\(iii\)\(A\)\(2\)](#))
 - iii. If the increase exceeds the legal limits for increases in closing costs under § [1026.19\(e\)\(3\)](#); a statement of that fact; the dollar amount of the excess and, if any refund is provided, a reference to the disclosure required for including the refund in a lender credit under § [1026.38\(h\)\(3\)](#), or if applicable, a statement directing the consumer to the principal reduction disclosure under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#). (§ [1026.38\(e\)\(2\)\(iii\)\(A\)\(3\)](#))
 - iv. If there is no change and the amount disclosed under § [1026.38\(e\)\(2\)\(i\)](#) is equal to the amount disclosed under § [1026.38\(e\)\(2\)\(ii\)](#), a statement of that fact.

- c. *Closing Costs Paid before Closing.* Labeled “Closing Costs Paid Before Closing.” Under the subheading “Loan Estimate,” the amount of \$0; and under the subheading “Final,” any amount designated as borrower-paid before closing under § [1026.38\(h\)\(2\)](#), disclosed as a positive number.

Disclosed more prominently than other disclosures, under the subheading “Did This Change?” (§ [1026.38\(e\)\(3\)](#))

- i. If the amount disclosed under § [1026.38\(e\)\(3\)\(ii\)](#) is different than the amount disclosed under § [1026.38\(e\)\(3\)\(i\)](#), unless due to rounding, a statement of that fact along with a statement that the consumer paid such amounts prior to consummation; or (§ [1026.38\(e\)\(3\)\(iii\)\(A\)](#))
 - ii. If the amount disclosed under § [1026.38\(e\)\(3\)\(ii\)](#) is equal to the amount disclosed under § [1026.38\(e\)\(3\)\(i\)](#), a statement of that fact. (§ [1026.38\(e\)\(3\)\(iii\)\(B\)](#))
- d. *Total Payoffs and Payments.* Labeled “Total Payoffs and Payments.” Under the subheading “Loan Estimate,” the amount disclosed on the most recent Loan Estimate under § [1026.37\(h\)\(2\)\(iii\)](#). Under the subheading “Final,” the total amount of payoffs and payments made to third parties not otherwise disclosed under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#), to the extent known, disclosed as a negative number if the total amount disclosed under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#) is a positive number and disclosed as a positive number if the total amount disclosed under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#) is a negative number. Determine whether these disclosures are disclosed more prominently than other disclosures under this paragraph under the subheading “Did This Change?” (§ [1026.38\(e\)\(4\)](#))
- i. If the amount disclosed under § [1026.38\(e\)\(4\)\(ii\)](#) is different than the amount disclosed under § [1026.38\(e\)\(4\)\(i\)](#) (unless the difference is due to rounding), a statement of that fact, along with a reference to the “Payoffs and Payments” table that may be added pursuant to § [1026.38\(t\)\(5\)\(viii\)\(B\)](#) (§ [1026.38\(e\)\(4\)](#)); or
 - ii. If the amount disclosed under § [1026.38\(e\)\(4\)\(ii\)](#) is equal to the amount disclosed under § [1026.38\(e\)\(4\)\(i\)](#), a statement of that fact. (§ [1026.38\(e\)\(4\)\(iii\)\(B\)](#))
- e. *Cash to or from the consumer.* Labeled “Cash to Close”: Under the subheading “Loan Estimate”, a statement of whether the estimated amount is due from or to the consumer, as disclosed under § [1026.37\(h\)\(2\)\(iv\)](#) on the most recent Loan Estimate; and a Under the subheading “Final.” a disclosure of the final amount due from or to the consumer disclosed as a positive number. (§§ [1026.38\(e\)\(5\)\(i\)](#) – [\(ii\)](#))
- f. *Closing Costs Financed (Paid from your Loan Amount).* Labeled “Closing Costs Financed (Paid from your Loan Amount).” Disclosed as the sum of the amounts disclosed under §§ [1026.38\(e\)\(1\)\(ii\)](#) and [\(e\)\(4\)\(ii\)](#) (the amounts in the Final Column of the Loan Amount and Total Payoffs and Payments). However, the amount is disclosed only to the extent that the sum is greater than zero and less than or equal to the sum disclosed under § [1026.38\(h\)\(1\)](#) (Total Closing Costs) minus the sum disclosed under § [1026.38\(h\)\(2\)](#) designated as borrower-paid before closing. (§ [1026.38\(e\)\(6\)](#))

13. **Borrower’s Transaction: Itemization of Amounts Due From Borrower at**

Closing (Page 3 of the Closing Disclosure). Determine whether the credit union accurately discloses the total amount due from the consumer at closing, calculated as the sum of items required to be disclosed by §§ [1026.38\(j\)\(1\)\(ii\)-\(x\)](#) (the items described in this procedure), excluding items paid from funds other than closing funds as described in § [1026.38\(j\)\(4\)\(i\)](#). Determine whether the credit union completes the summary of the borrower’s transaction as follows: (§ [1026.38\(j\)\(1\)](#))

- a. *Sale Price of Property.* The amount of the contract sales price of the property being sold in a purchase real estate transaction, excluding the price of any tangible personal property if the consumer and seller have agreed to a separate price for such items (personal property does not include manufactured homes). (§ [1026.38\(j\)\(1\)\(ii\)](#))
- b. *Sale Price of Any Personal Property Included in Sale.* The amount of the sales price of any tangible personal property excluded from the contract sales price pursuant to § [1026.38\(j\)\(1\)\(ii\)](#). (§ [1026.38\(j\)\(1\)\(iii\)](#))
- c. *Closing Costs Paid at Closing.* The total amount of closing costs disclosed that are designated borrower-paid at closing, calculated pursuant to § [1026.38\(h\)\(2\)](#) (see procedure above regarding Closing Costs Subtotals). (§ [1026.38\(j\)\(1\)\(iv\)](#))
- d. A description and the amount of any additional items that the seller has paid prior to the real estate closing, but reimbursed by the consumer at the real estate closing, and a description and the amount of any other items owed by the consumer at the real estate closing not otherwise disclosed pursuant to §§ [1026.38\(f\), \(g\), or \(j\)](#). (§ [1026.38\(j\)\(1\)\(v\)](#))
- e. The description “Adjustments for Items Paid by Seller in Advance”. (§ [1026.38\(j\)\(1\)\(vi\)](#))
- f. *City/Town Taxes.* The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(j\)\(1\)\(vii\)](#))
- g. *County Taxes.* The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(j\)\(1\)\(viii\)](#))
- h. *Assessments.* The prorated amount of any prepaid assessments due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(j\)\(1\)\(ix\)](#))
- i. A description and the amount of any additional items paid by the seller prior to the real estate closing that are due from the consumer at the real estate closing. (§ [1026.38\(j\)\(1\)\(x\)](#))

14. **Borrower’s Transaction: Itemization of Amounts Paid Already by or on behalf of Borrower at Closing (Page 3 of the Closing Disclosure).** Determine whether the

credit union accurately discloses the sum of the amounts disclosed in §§ [1026.38\(j\)\(2\)\(ii\)-\(xi\)](#) (the items described in this procedure), excluding items paid from funds other than closing funds as described in § [1026.38\(j\)\(4\)\(i\)](#). Determine whether the credit union accurately completes the summary of borrower's transaction as follows: (§ [1026.38\(j\)\(2\)\(i\)](#))

- a. *Deposit.* Any amount that is paid to the seller or held in trust or escrow by an attorney or other party under the terms of the agreement for the sale of the property. (§ [1026.38\(j\)\(2\)\(ii\)](#))
- b. *Loan Amount.* The amount of the consumer's new loan amount or first user loan as disclosed pursuant to § [1026.38\(b\)](#). (§ [1026.38\(j\)\(2\)\(iii\)](#))
- c. *Existing Loan(s) Assumed or Taken Subject To.* The amount of any existing loans that the consumer is assuming, or any loans subject to which the consumer is taking title to the property. (§ [1026.38\(j\)\(2\)\(iv\)](#))
- d. *Seller Credit.* The total amount of money that the seller will provide at the real estate closing as a lump sum not otherwise itemized to pay for loan costs as determined by § [1026.38\(f\)](#) and other costs as determined by § [1026.38\(g\)](#) and any other obligations of the seller to be paid directly to the consumer. (§ [1026.38\(j\)\(2\)\(v\)](#))
- e. *Other Credits.* A description and amount of other items paid by or on behalf of the consumer and not otherwise disclosed pursuant to §§ [1026.38\(f\)-\(h\)](#), [\(j\)\(2\)](#), labeled "Other Credits"; and amounts and descriptions of any additional amounts owed the consumer but payable to the seller before the real estate closing, under the heading "Adjustments." (§ [1026.38\(j\)\(2\)\(vi\)](#))

NOTE: Any financing arrangements or other new loans not otherwise disclosed under § [1026.38\(j\)\(2\)\(iii\)](#) or [\(iv\)](#) must be disclosed under § [1026.38\(j\)\(2\)\(vi\)](#) on the first-lien Closing Disclosure. The principal amount of subordinate financing is disclosed on the summaries of transactions table for the borrower's transaction either on line 04 under the subheading "L. Paid Already by or on Behalf of Borrower at Closing," or under the subheading "Other Credits." ([Comment 1026.38\(j\)\(2\)\(vi\)-2](#))

- f. The description "Adjustments for Items Unpaid by Seller". (§ [1026.38\(j\)\(2\)\(vii\)](#))
- g. *City/Town Taxes.* The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(j\)\(2\)\(viii\)](#))
- h. *County Taxes.* The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(j\)\(2\)\(ix\)](#))

- i. *Assessments.* The prorated amount of any unpaid assessments due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding that amount. (§ [1026.38\(j\)\(2\)\(x\)](#))
 - j. A description and the amount of any additional items which have not yet been paid and which the consumer is expected to pay after the real estate closing, but which are attributable in part to a period of time prior to the real estate closing. (§ [1026.38\(j\)\(2\)\(xi\)](#))
15. **Borrower’s Transaction: Calculation of Borrower’s Transaction (Page 3 of the Closing Disclosure).** Determine whether the credit union accurately discloses the total amount due from, and already paid by, the consumer at closing by the following calculation: (§ [1026.38\(j\)\(3\)](#))
- a. *Total Due from Borrower at Closing.* The amount disclosed in the Closing Disclosure, on the line captioned “Due from Borrower at Closing”. (§ [1026.38\(j\)\(3\)\(i\)](#))
 - b. *Total Paid Already by or on Behalf of Borrower at Closing.* The amount disclosed in the Closing Disclosure, on the line captioned “Paid Already by or on Behalf of Borrower at Closing,” if any, disclosed as a negative number. (§ [1026.38\(j\)\(3\)\(ii\)](#))
 - c. *Cash to Close.* A statement that the disclosed amount is due from or to the consumer, and the amount due from or to the consumer at the real estate closing, calculated by the sum of the amounts disclosed as the “Total Due from Borrower at Closing” and “Total Paid Already by or on Behalf of Borrower at Closing”, labeled “Cash to Close”. (§ [1026.38\(j\)\(3\)\(iii\)](#))
16. **Borrower’s Transaction: Paid Outside of Closing (Page 3 of the Closing Disclosure).** Determine whether the credit union discloses other costs that are not paid from closing funds, but would otherwise be disclosed; describe the funds as “Paid Outside of Closing” or the abbreviation “P.O.C.,” and include the name of the party making the payment. (§ [1026.38\(j\)\(4\)\(i\)](#))
- NOTE: For purposes of §1026.38(j), “closing funds” means funds collected and disbursed at real estate closing. (§ [1026.38\(j\)\(4\)\(ii\)](#))*
17. **Seller’s Transaction: Itemization of Amounts Due to Seller at Closing (Page 3 of the Closing Disclosure).** Determine whether the credit union accurately discloses the total amount due to the seller at the real estate closing, calculated as the sum of items required to be disclosed pursuant to §§ [§](#)(the items in this procedure), excluding items paid from funds other than closing funds as described in § [1026.38\(k\)\(4\)\(i\)](#). Determine whether the credit union accurately completes the summary of seller’s transaction as follows: (§ [1026.38\(k\)\(1\)\(i\)](#))
- a. *Sale Price of Property.* The amount of the contract sales price of the property being sold, excluding the price of any tangible personal property

if the consumer and seller have agreed to a separate price for such items.
(§ [1026.38\(k\)\(1\)\(ii\)](#))

- b. *Sale Price of Any Personal Property Included in Sale.* The amount of the sales price of any tangible personal property excluded from the contract sales price pursuant to section [1026.38\(k\)\(1\)\(ii\)](#). (§ [1026.38\(k\)\(1\)\(iii\)](#))
- c. A description and the amount of other items paid to the seller by the consumer pursuant to the contract of sale or other agreement, such as charges that were not disclosed pursuant to § [1026.37](#) on the Loan Estimate or items paid by the seller prior to the real estate closing but reimbursed by the consumer at the real estate closing.
(§ [1026.38\(k\)\(1\)\(iv\)](#))
- d. The description “Adjustments for Items Paid by Seller in Advance”.
(§ [1026.38\(k\)\(1\)\(v\)](#))
- e. *City/Town Taxes.* The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(k\)\(1\)\(vi\)](#))
- f. *County Taxes.* The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(k\)\(1\)\(vii\)](#))
- g. *Assessments.* The prorated amount of any unpaid assessments due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding that amount. (§ [1026.38\(k\)\(1\)\(viii\)](#))
- h. A description and the amount of additional items paid by the seller prior to the real estate closing that are reimbursed by the consumer at the real estate closing. (§ [1026.38\(k\)\(1\)\(ix\)](#))

18. **Seller’s Transaction: Itemization of Amounts Due from Seller at Closing (Page 3 of the Closing Disclosure)**. Determine whether the credit union accurately discloses the sum of the amounts disclosed in §§ [1026.38\(k\)\(2\)\(ii\)-\(xiii\)](#) (the items in this procedure), excluding items paid from funds other than closing funds described in section [1026.38\(k\)\(4\)\(i\)](#). Determine whether the credit union accurately completes the summary of the seller’s transaction as follows: (§ [1026.38\(k\)\(2\)\(i\)](#))

- a. *Excess Deposit.* The amount of any excess deposit disbursed prior to closing. (§ [1026.38\(k\)\(2\)\(ii\)](#))
- b. *Closing Costs Paid at Closing.* The amount of closing costs designated seller-paid at closing and disclosed pursuant to § [1026.38\(h\)\(2\)](#).
(§ [1026.38\(k\)\(2\)\(iii\)](#))

- c. *Existing Loan(s) Assumed or Taken Subject To.* The amount of any existing loans assumed or taken subject to by the consumer. (§ [1026.38\(k\)\(2\)\(iv\)](#))
- d. *Payoff of First Mortgage Loan.* The amount of a first lien loan secured by the property being sold that will be paid off at closing. (§ [1026.38\(k\)\(2\)\(v\)](#))
- e. *Payoff of Second Mortgage Loan.* The amount of any loan secured by a second lien on the property that will be paid off as part of the real estate closing. (§ [1026.38\(k\)\(2\)\(vi\)](#))
- f. *Seller Credit.* The total amount of seller funds to be provided at closing as a lump sum that has not otherwise been itemized to pay for loan costs as determined by § [1026.38\(f\)](#) and other costs as determined by § [1026.38\(g\)](#) and any other obligations of the seller to be paid directly to the consumer. (§ [1026.38\(k\)\(2\)\(vii\)](#))
- g. A description and amount of all other items required to be paid by the seller at closing, including any lien-related payoffs, fees, or obligations. (§ [1026.38\(k\)\(2\)\(viii\)](#))
- h. The description “Adjustments for Items Unpaid by Seller”. (§ [1026.38\(k\)\(2\)\(ix\)](#))
- i. *City/Town Taxes.* The prorated amount of unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(k\)\(2\)\(x\)](#))
- j. *County Taxes.* The prorated amount of any unpaid taxes due from the seller to the consumer at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(k\)\(2\)\(xi\)](#))
- k. *Assessments.* The prorated amount of any unpaid assessments due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount. (§ [1026.38\(k\)\(2\)\(xii\)](#))
- l. A description and the amount of any additional items which have not yet been paid and which the consumer is expected to pay after the real estate closing, but which are attributable in part to a period of time prior to the real estate closing. (§ [1026.38\(k\)\(2\)\(xiii\)](#))

19. **Seller’s Transaction: Calculation of Seller’s Transaction (Page 3 of the Closing Disclosure).** Determine whether the credit union accurately discloses the total amount due to and from the seller at closing by the following calculation: (§ [1026.38\(k\)\(3\)](#))

- a. *Total Due to Seller Closing.* The amount disclosed in the Closing Disclosure, on the line captioned “Due from Seller at Closing”. (§ [1026.38\(k\)\(3\)\(i\)](#))
- b. *Total Due from Seller at Closing.* The amount disclosed in the Closing Disclosure on the line captioned “Due from Seller at Closing,” disclosed as a negative number. (§ [1026.38\(k\)\(3\)\(ii\)](#))
- c. *Cash.* A statement that the disclosed amount is due from or to the seller and the amount due, calculated by the sum of the amounts disclosed as the “Total Due to Seller at Closing” and “Total Due from Seller at Closing”. (§ [1026.38\(k\)\(3\)\(iii\)](#))

20. **Seller’s Transaction: Items Paid Outside of Closing Funds (Page 3 of the Closing Disclosure).** Determine whether the credit union discloses other costs that are not paid out of closing funds, but would otherwise be disclosed in the Summaries of Transactions: Seller’s Transaction table; describing the funds as “Paid Outside of Closing” or the abbreviation “P.O.C.,” and including the name of the party making the payment. (§ [1026.38\(k\)\(4\)\(i\)](#))

NOTE: For purposes of § [1026.38\(k\)](#), “closing funds” means funds collected and disbursed at real estate closing. (§ [1026.38\(k\)\(4\)\(ii\)](#))

*NOTE: § [1026.38\(k\)](#) does not apply in a transaction where there is no seller, such as a refinance transaction or a transaction with a construction purpose as defined in § [1026.37\(a\)\(9\)\(iii\)](#), or in a simultaneous subordinate financing purchase transaction if the first-lien Closing Disclosure records the entirety of the seller’s transaction. (*Comment 1026.38(k)-1*) If § [1026.38\(k\)](#) applies to a simultaneous subordinate financing transaction, § [1026.38\(k\)](#) is completed based only on the terms and conditions of the simultaneous subordinate financing transaction and no contract sales price is disclosed under § [1026.38\(k\)\(1\)\(ii\)](#) on the Closing Disclosure for the simultaneous subordinate financing. (*Comment 1026.38(k)(1)-1*)*

21. **Payoff and Payments Table for Transactions without a Seller or for Simultaneous Subordinate Financing (Page 3 of the Closing Disclosure).** Determine whether a credit union, using an optional modified Closing Disclosure (as illustrated by form H-25(J) in [Appendix H](#)), has provided alternative tables for Cash to Close, pursuant to § [1026.38\(d\)\(2\)](#), and for Calculating Cash to Close pursuant to § [1026.38\(e\)](#) and that the credit union itemizes the amounts of payments made at consummation to other parties from the credit extended to the consumer or funds provided by the consumer in connection with the transaction, including designees of the consumer; the payees and a description of the purpose of such disbursements under the subheading “To;” and the total amount of such payments, labeled “Total Payoffs and Payments.” (§ [1026.38\(t\)\(5\)\(vii\)\(B\)](#))

NOTE: Funds provided by designees of the consumer may include gift funds, grants, proceeds from loans that satisfy the partial exemption criteria in § [1026.3\(h\)](#), and, on the Closing Disclosure for a simultaneous subordinate financing transaction, contributions from a seller for costs associated with the subordinate financing.

(Comment [1026.38\(t\)\(5\)\(vii\)\(B\)-1](#))

22. **Disclosure of Subordinate Financing for a Transaction without a Seller, or for Simultaneous Subordinate Financing. (Page 3 of the Closing Disclosure)** Determine whether the credit union permissibly modified form H-25 of [Appendix H](#), pursuant to the requirements of § [1026.38\(t\)\(5\)\(vii\)](#).

- a. The information required by §§ [1026.38\(a\)\(4\)\(ii\)](#), [\(f\)](#), [\(g\)](#), and [\(h\)](#) with respect to loan costs, other costs, and closing costs paid by the seller, may be deleted. (§ [1026.38\(t\)\(5\)\(vii\)\(A\)](#))
- b. A table under the master heading “Closing Cost Details” required by § [1026.38\(f\)](#) may be added with the heading “Payoffs and Payments” that itemizes the amounts of payments made at closing to other parties from the credit extended to the consumer or funds provided by the consumer in connection with the transaction, including designees of the consumer; the payees and a description of the purpose of such disbursements under the subheading “To”; and the total amount of such payments labeled “Total Payoffs and Payments.” (§ [1026.38\(t\)\(5\)\(vii\)\(B\)](#))
- c. The tables required to be disclosed by §§ [1026.38\(j\)](#) and [\(k\)](#) may be deleted. (§ [1026.38\(t\)\(5\)\(vii\)\(C\)](#))

NOTE: The [Commentary to § 1026.38\(t\)\(5\)\(vii\)\(B\)](#) provides guidance as follows:

- *First-lien Closing Disclosure. On the Closing Disclosure for a first-lien transaction disclosed with the alternative tables pursuant to §§ [1026.38\(d\)\(2\)](#) and [\(e\)](#) that also has simultaneous subordinate financing, determine that the proceeds of the subordinate financing are included in the payoff and payments table under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#) by disclosing, as a credit, the principal amount of the subordinate financing, and if the net proceeds of the subordinate financing are less than the principal amount of the subordinate financing, the net proceeds. ([Comment 1026.38\(t\)\(5\)\(vii\)\(B\)-2.i](#))*
- *Simultaneous subordinate financing – Closing Disclosure. On the Closing Disclosure for a simultaneous subordinate financing transaction disclosed with the alternative tables pursuant to §§ [1026.38\(d\)\(2\)](#) and [\(e\)](#), the proceeds of the subordinate financing applied to the first lien transaction may be included in the payoffs and payments table under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#). ([Comment 1026.38\(t\)\(5\)\(vii\)\(B\)-2.ii](#))*
- *Simultaneous subordinate financing - Seller contribution. If a credit union discloses the alternative tables pursuant §§ [1026.38\(d\)\(2\)](#) and [\(e\)](#) on the simultaneous subordinate financing Closing Disclosure, determine that the credit union also discloses as a credit in the payoffs and*

payments table on the simultaneous subordinate financing Closing Disclosure, any contributions from the seller toward the simultaneous subordinate financing. (See also [Comments 1026.38\(j\)-3 and 38\(k\)\(2\)\(vii\)-1](#) for disclosure requirements applicable to the first-lien transaction when the alternative disclosures are used for a simultaneous subordinate financing transaction and a seller contributes to the costs of the subordinate financing.) ([Comment 1026.38\(t\)\(5\)\(vii\)\(B\)-2.iii](#))

NOTE: As required by § [1026.38\(a\)\(3\)\(vii\)\(B\)](#), a form used for a transaction that does not involve a seller and is modified under § [1026.38\(t\)\(5\)\(vii\)](#) must contain the label “Appraised Prop. Value”. Where an estimate is disclosed, rather than an appraisal, the label for the disclosure is changed to “Estimated Prop. Value.” ([Comment 1026.38\(a\)\(3\)\(vii\)-1](#))

23. **Additional Information About This Loan: Loan Disclosures (Page 4 of the Closing Disclosure)**. Determine whether the credit union accurately provides the required disclosures: (§ [1026.38\(l\)](#))
- a. *Assumption*. Whether the loan obligations may be assumed by a subsequent purchaser. (§ [1026.38\(l\)\(1\)](#));
 - b. *Demand Feature*. Whether the legal obligation includes a demand feature, and, if it does, a reference to the note or other loan contract for details. (§ [1026.38\(l\)\(2\)](#))
 - c. *Late Payment*. The dollar amount or percentage charge of any fee designated as a late payment (information required on the Loan Estimate by § [1026.37\(m\)\(4\)](#)) and the number of days after which such a charge will be triggered. (§ [1026.38\(l\)\(3\)](#))
 - d. *Negative Amortization (Increase in Loan Amount)*. Whether the regular period payments may cause the principal balance to increase.
 - i. If the regular periodic payments do not cover all of the interest due, the credit union provides a statement that the borrower’s principal balance will increase, such balance will likely become larger than the original loan amount, and increases in such balance lower the consumer’s equity in the property.
 - ii. If the consumer may make regular periodic payments that do not cover all of the interest due, the credit union provides a statement that, if the consumer chooses a monthly payment option that does not cover all of the interest due, the principal balance may become larger than the original loan amount and the increases in the principal balance lower the consumer’s equity in the property. (§§ [1026.38\(l\)\(4\)\(i\)-\(ii\)](#))
 - e. *Partial Payments*. Whether the credit union that accepts less than the full amount due has provided a statement that the “lender,” (using that label) may accept partial payments and apply such payments to the consumer's loan.

- i. If periodic payments that are less than the full amount due are accepted but not applied to a consumer's loan until the consumer pays the remainder of the full amount due, a statement that the lender, may hold partial payments in a separate account until the consumer pays the remainder of the payment and then apply the full periodic payment to the consumer's loan.
 - ii. If periodic payments that are less than the full amount due are not accepted, the lender, does not accept any partial payments; and
 - iii. A statement that, if the loan is sold, the new lender, may have a different policy. (§§ [1026.38\(l\)\(5\)\(i\)-\(iv\)](#))

- f. *Security Interest.* Whether the credit union states that the consumer is granting a security interest in the property securing the transaction, and that the borrower may lose the property if required payments are not made or otherwise fails to satisfy the requirements of the legal obligation. Determine that the credit union has included the property address and zip code. (§ [1026.38\(l\)\(6\)](#))

- g. *Escrow Account.* Under the subheading “Escrow Account,” (§ [1026.38\(l\)\(7\)](#)) whether the credit union provides:
 - i. Under the reference “*For now*”: A statement that an escrow account may also be called an impound or trust account, whether the credit union has established or will establish(at or before consummation) an escrow account in connection with the transaction and the following information required under §§ [1026.38\(l\)\(7\)\(i\)\(A\)-\(B\)](#):
 - A. A statement that the credit union may be liable for penalties and interest if it fails to make a payment for any cost for which the escrow account is established;
 - B. A statement that the consumer would have to pay such costs directly in the absence of the escrow account and
 - C. A table, entitled “Escrow,” that contains, if an escrow account is or will be established, an itemization of the following:
 - 1. The total amount that the consumer will be required to pay into the account over the first year after consummation, labeled “Escrowed Property Costs over Year 1,” together with a descriptive name of each charge to be paid (in whole or in part) from the escrow account, calculated as the amount disclosed under § [1026.38 \(l\)\(7\)\(i\)\(A\)\(4\)](#) multiplied by the number of periodic payments scheduled to be made to the escrow account during the first year after consummation. (§ [1026.38\(l\)\(7\)\(i\)\(A\)\(1\)](#))
 - 2. The estimated amount that the consumer is likely to pay during the first year after consummation, for the mortgage-related obligations described in § [1026.43\(b\)\(8\)](#), that are known to the credit union and that will not be paid using escrow account funds, labeled “Non-Escrowed Property Costs over Year 1,” together with a descriptive name of each such charge and a statement that the consumer may

have to pay other costs that are not listed.
(§ [1026.38\(l\)\(7\)\(i\)\(A\)\(2\)](#))

NOTE: The credit union discloses this amount only if an escrow account will be established. The disclosure is based on payments during the first year after consummation. If the credit union elects to make disclosures required by § [1026.38\(l\)\(7\)\(i\)\(A\)\(1\)](#) and [\(4\)](#) based on amounts derived from the escrow account analysis required under Regulation X, § [1024.17](#), then the credit union may make the disclosures required by § [1026.38\(l\)\(7\)\(i\)\(A\)\(2\)](#) based on a 12-month period beginning with the borrower's initial payment date (rather than beginning with consummation). (Comment [1026.38\(l\)\(7\)\(i\)\(A\)\(2\)-2](#); Comment [1026.38\(l\)\(7\)\(i\)\(A\)\(5\)-1](#))

3. The total amount disclosed and a reference to the disclosure made on the Closing Disclosure under the heading “Other Costs, Initial Escrow Payment at Closing,” pursuant to § [1026.38\(g\)\(3\)](#), and a statement that the payment is a cushion for the escrow account, labeled “Initial Escrow Payment”. (§ [1026.38\(l\)\(7\)\(i\)\(A\)\(3\)](#))
 4. The amount the consumer will be required to pay into an escrow account with each periodic payment during the first year after consummation, labeled “Monthly Escrow Payment”. (§ [1026.38\(l\)\(7\)\(i\)\(A\)\(4\)](#))
- ii. *No Escrow.* If an escrow account will not be established for the consumer, determine whether there is:
- a. A statement that the consumer will not have an escrow account;
 - b. The reason why an escrow account will not be established;
 - c. A statement that the consumer must pay all property costs, such as taxes and homeowner's insurance, directly;
 - d. A statement that the consumer may contact the credit union to inquire about the availability of an escrow account; and
 - e. A table, titled “No Escrow,” that itemizes:
 - i. The estimated total amount the consumer will pay directly for the mortgage-related obligations described in § [1026.43\(b\)\(8\)](#) during the first year after consummation that are known to the credit union and a statement that, without an escrow account, the consumer must pay the identified costs, possibly in one or two large payments, labeled “Property Costs over Year 1”; and
 - ii. The amount of any fee the credit union imposes on the consumer for not establishing an escrow account in connection with the transaction, labeled “Escrow Waiver Fee”. (§ [1026.38\(l\)\(7\)\(i\)\(B\)](#))

NOTE: § [1026.38\(l\)\(7\)\(i\)\(B\)\(1\)](#) requires disclosure based on payments during the first year after consummation. A credit union may comply with this requirement by basing the disclosure on a 12-month period beginning with the borrower's initial payment date or on a 12-month period beginning with consummation. ([Comment 1026.38\(l\)\(7\)\(i\)\(B\)\(1\)-2](#))

- f. Under the reference “In the future” determine whether the credit union has disclosed under the reference “In the future”:
(§ [1026.38\(l\)\(7\)\(ii\)](#))
- i. A statement that the consumer's property costs may change and that, as a result, the consumer's escrow payment may change; (§ [1026.38\(l\)\(7\)\(ii\)\(A\)](#))
 - ii. A statement that the consumer may be able to cancel any escrow account that has been established, but that the consumer is responsible for directly paying all property costs in the absence of an escrow account; and (§ [1026.38\(l\)\(7\)\(ii\)\(B\)](#))
 - iii. A description of the consequences if the consumer fails to pay property costs, including the actions that a State or local government may take if property taxes are not paid and the actions the credit union may take if the consumer does not pay some or all property costs, such as adding amounts to the loan balance, adding an escrow account to the loan, or purchasing a property insurance policy on the consumer's behalf that may be more expensive and provide fewer benefits than what the consumer could obtain directly. (§ [1026.38\(l\)\(7\)\(ii\)\(C\)](#))
24. **Additional Information About This Loan: Adjustable Payment (AP) Table (Page 4 of the Closing Disclosure)**. Determine whether the credit union provides the AP disclosure required for the Loan Estimate under § [1026.37\(i\)](#). (§ [1026.38\(m\)](#)).
25. **Additional Information About This Loan: Adjustable Interest Rate (AIR) Table (Page 4 of the Closing Disclosure)**. Determine whether the credit union provides the AIR disclosures required for the Loan Estimate by § [1026.37\(j\)](#). (§ [1026.38\(n\)](#)).
26. **Loan Calculations (Page 5 of the Closing Disclosure)**. Determine whether the credit union provides a separate table and accurately discloses the following information: (§ [1026.38\(o\)](#))
- a. *Total of Payments*. Expressed as a dollar amount, and a statement that the disclosure is the total the consumer will have paid after making all payments of principal, interest, mortgage insurance, and loan costs, as scheduled. The disclosed total of payments for each transaction shall be treated as accurate if the amount disclosed as the total of payments:

- i. Is understated by no more than \$100, or
- ii. Is greater than the amount required to be disclosed.
(§ [1026.38\(o\)\(1\)](#))

*NOTE: For transactions subject to §§ [1026.19\(e\)](#) and [\(f\)](#), special tolerances apply to the disclosure of the total of payments for purposes of the right of rescission and foreclosure.
(§§ [1026.23\(g\)\(1\)\(ii\)](#), [\(g\)\(2\)\(ii\)](#) and [\(h\)\(2\)\(ii\)](#))*

- b. *Finance Charge.* Expressed as a dollar amount, and the statement “The dollar amount the loan will cost you.” The finance charge and other disclosures affected by the disclosed finance charge (including the amount financed and the annual percentage rate) is accurately calculated if the amount disclosed as the finance charge: (§ [1026.38\(o\)\(2\)](#))
 - i. Is understated by no more than \$100; or
 - ii. Is greater than the amount required to be disclosed.
- c. *Amount Financed.* Expressed as a dollar amount, and the following statement: “The loan amount available after paying your upfront finance charge”; (§ [1026.38\(o\)\(3\)](#))
- d. *Annual Percentage Rate (APR).* Expressed as a percentage, with the following statement: “Your costs over the loan term expressed as a rate. This is not your interest rate”; (§ [1026.38\(o\)\(4\)](#))
- e. *Total Interest Percentage (TIP).* Expressed as a percentage; with the following statement: “The total amount of interest that you will pay over the loan term as a percentage of your loan amount”. (§ [1026.38\(o\)\(5\)](#))

27. **Other Disclosures (Page 5 of the Closing Disclosure).** Determine whether the credit union accurately provides the following disclosures:

- a. *Appraisal.* For transactions subject to [15 U.S.C. 1639h](#) or [1691\(e\)](#), as implemented in this part or Regulation B, [12 CFR 1002](#), respectively, under the subheading “Appraisal”: (§ [1026.38\(p\)\(1\)](#))
 - i. If there was an appraisal of the property in connection with the loan, the credit union is required to provide the consumer with a copy at no additional cost to the consumer at least three days prior to consummation; and (§ [1026.38\(p\)\(1\)\(i\)](#))
 - ii. If the consumer has not yet received a copy of the appraisal, the consumer should contact the credit union using the information disclosed in the Closing Disclosure. (§ [1026.38\(p\)\(1\)\(ii\)](#))
- b. *Contract Details.* A statement that the consumer should refer to the appropriate loan document and security instrument for information about nonpayment, what constitutes a default under the legal obligation,

circumstances under which the credit union may accelerate the maturity of the obligation, and prepayment rebates and penalties. (§ [1026.38\(p\)\(2\)](#))

- c. *Liability after Foreclosure.* A brief statement of whether, and the conditions under which, the consumer may remain responsible for any deficiency after foreclosure under applicable State law, a brief statement that certain protections may be lost if the consumer refinances or incurs additional debt on the property, and a statement that the consumer should consult an attorney for additional information. (§ [1026.38\(p\)\(3\)](#))
- d. *Refinance.* The statement required on the Loan Estimate by § [1026.37\(m\)\(5\)](#) that “Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.” (§ [1026.38\(p\)\(4\)](#))
- e. *Tax Deductions.* A statement that, if the extension of credit exceeds the fair market value of the property, the interest on the portion of the credit extension that is greater than the fair market value of the property is not tax deductible for Federal income tax purposes and a statement that the consumer should consult a tax adviser for further information. (§ [1026.38\(p\)\(5\)](#))
- f. *Loan Acceptance.* If the credit union does not provide a line for the consumer's signature, the credit union must include with the other disclosures the same statement required in the Loan Estimate (pursuant to § [1026.37\(n\)\(2\)](#)) that “You do not have to accept this loan because you have received this form or signed a loan application.” (§ [1026.38\(s\)\(2\)](#))

- 28. **Questions Notice (Page 5 of the Closing Disclosure)**. Determine whether the credit union provides a separate questions notice. The credit union must include a prominent question mark, a statement directing the consumer to use the contact information for questions, a reference to CFPB’s website for more information and to submit a complaint, and a link to www.consumerfinance.gov/mortgage-closing. (§§ [1026.38\(q\)\(1\)-\(3\)](#))
- 29. **Contact Information (Page 5 of the Closing Disclosure)**. Determine whether the credit union provides the required contact information for each lender, mortgage broker, consumer's real estate broker, seller's real estate broker, and settlement agent participating in the transaction; the name of the person, address, NMLSR ID number, or if none, State and “License ID”; the name of the natural person who is the primary contact for the consumer at each entity, identified as “Contact”, along with that person’s Contact NMLS ID or Contact License ID, email address, and phone number. (§§ [1026.38\(r\)\(1\)-\(7\)](#))
- 30. **Confirm Receipt (Page 5 of the Closing Disclosure)**. Determine whether, the credit union chooses to provide a signature statement, and the credit union discloses above the signature line the statement: “By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have

signed or received this form.” (§ [1026.38\(s\)\(1\)](#))

NOTE: If the credit union does not provide a line for the consumer's signature, the credit union must include the following statement, labeled “Loan Acceptance:” “You do not have to accept this loan because you have received this form or signed a loan application.” (§ [1026.38\(s\)\(2\)](#))

31. **Form of Disclosures.** Determine whether the credit union follows the format and content of form H-25, set forth in [Appendix H](#); (§§ [1026.38\(t\)\(1\)](#) and [\(3\)](#)), changes formatting only if there is an exception, including acceptable modifications in [Appendix H](#) for transactions without a seller (§ [1026.38\(t\)\(5\)](#)); and complies with the following rounding rules for dollar amounts and percentages:
- a. *Rounding* - nearest dollar. The following dollar amounts are rounded to the nearest whole dollar: (§ [1026.38\(t\)\(4\)\(i\)](#))
 - i. The dollar amounts for Loan Terms (required to be disclosed by § [1026.38\(b\)](#) that are required to be rounded by § [1026.37\(o\)\(4\)\(i\)\(A\)](#) when disclosed under §§ [1026.37\(b\)\(6\)](#) and (7) (i.e., adjustments after consummation and details about prepayment penalty and balloon payments);
 - ii. The dollar amounts for projected payments or range of payments required by § [1026.38\(c\)](#) that are required to be rounded by § [1026.37\(o\)\(4\)\(i\)\(A\)](#) when disclosed under § [1026.37\(c\)\(1\)\(iii\)](#) (i.e., minimum and maximum amounts of principal and interest for projected periodic payments or range of payments);
 - iii. The dollar amounts required to be disclosed by § [1026.38\(e\)](#) (alternative calculating Cash to Close table for transactions without a seller or for simultaneous subordinate financing) and § [1026.38\(i\)](#) (calculating Cash to Close table) under the subheading “Loan Estimate”;
 - iv. The dollar amounts required to be disclosed by § [1026.38\(m\)](#) (adjustable payment table); and
 - v. The dollar amounts required to be disclosed by § [1026.38\(c\)](#) (projected payments) that are required to be rounded by § [1026.37\(o\)\(4\)\(i\)\(C\)](#) when disclosed under § [1026.37\(c\)\(2\)\(iv\)](#) (i.e., total monthly payment).
 - b. *Percentages.* The percentage amounts required to be disclosed under §§ [1026.38\(b\)](#), [1026.38\(f\)\(1\)](#), [1026.38\(n\)](#), and [1026.38\(o\)\(4\)](#) and [\(5\)](#) shall be disclosed by rounding the exact amounts to three decimal places and then dropping any trailing zeros to the right of the decimal point. (§ [1026.38\(t\)\(4\)\(ii\)](#))
 - c. *Loan amount.* The dollar amount required to be disclosed by § [1026.38\(b\)](#) as required by § [1026.37\(b\)\(1\)](#) is disclosed as an unrounded number, except that if the amount is a whole number then the amount disclosed is truncated at the decimal point. (§§ [1026.38\(t\)\(4\)\(iii\)](#))

- d. *Use of Form H-25 not required in certain circumstances.* For a transaction that is not a federally related mortgage loan, the credit union is not required to use Form H-25 of Appendix H, but the disclosures must be made with headings, content, and format substantially similar to Form H-25. (§ [1026.38\(t\)\(3\)\(ii\)](#))

NOTE: For such loans, the use of Form H-25, if properly completed with accurate content, constitutes compliance with the clear and conspicuous and segregation requirement of § [1026.38\(t\)\(1\)\(i\)](#). ([Comment 1026.38\(t\)\(3\)-1](#))

- e. *Exceptions.* For example, modifications of Form H-25 are permitted to separate consumer and seller information, if modifications comply with the requirements of § [1026.38\(t\)\(5\)\(v\)](#).

Construction or Construction-Permanent Loan Disclosures

TILA permits treating: (1) a series of advances under an agreement to extend credit up to a certain amount as one transaction, and (2) the construction and permanent phases of a multiple-advance construction loan that may be permanently financed by the same credit union as either one or more than one transaction. (§ [1026.17\(c\)\(6\)](#); [Comments 1026.17\(c\)\(6\)-1 through -5](#))

NOTE: A credit union has the option to use the method provided in [Appendix D](#), to calculate the annual percentage rate and other disclosures for construction loans in disclosing construction financing. ([Comment 1026.17\(c\)\(6\)-2](#)) Further, credit unions may use methods in [Appendix D](#) to estimate and disclose the terms of multiple-advance construction loans pursuant to § 1026.37 and .38 ([Comment 1026 App. D-7](#))

The following provisions of TILA and associated commentary apply to (1) construction-only, (2) construction-permanent combined (CP Loan-Combined), and/or (3) construction-permanent separate (CP Loan-Separate) disclosures, or some combination of these loan types, as noted. Determine:

1. **Timing of Loan Estimate.** Whether the credit union has delivered or placed in the mail the Loan Estimate not later than the third business day after receiving the consumer's application and not later than the seventh business day before consummation of the transaction. (§ [1026.19\(e\)\(1\)\(iii\)](#))

NOTE: For a CP Loan-Combined, the credit union delivers or places in the mail one combined disclosure within these time frames. ([Comment 1026.19\(e\)\(1\)\(iii\)-5](#))

NOTE: For a CP Loan-Separate for which an applicant for both the construction and permanent financing has been received (either as one application or as a separate application), the credit union delivers or places in the mail the separate Loan Estimates for each phase within these timeframes. ([Comment 1026.19\(e\)\(1\)\(iii\)-5](#)) If the credit union receives the application at separate times, the credit union must provide the Loan Estimate for each phase no later than the time frames applicable to the date it received the specific phase's application (i.e., if it received the application for the permanent phase three days after the construction phase, it must deliver or place in the mail the

permanent phase disclosure not later than the third day after receiving that application, not the construction phase application). ([Comment 1026.19\(e\)\(1\)\(iii\)-5](#))

NOTE: For a Construction-only transaction for which an application has been received and the credit union is separately disclosing the advances, the credit union delivers or places in the mail separate Loan Estimates for each advance no later than three business days after receiving the consumer's application. ([Comment 1026.19\(e\)\(1\)\(iii\)-1](#))

2. **Allocation of fees and charges when disclosing multiple transaction:** Whether fees and charges are allocated in construction-permanent loan or multiple-advance construction-only loan disclosures for purposes of calculating disclosures. (§ [1026.17\(c\)\(6\)](#))

NOTE: If the credit union has charged separate amounts for finance charges and points and fees, such amounts are allocated to the phase for which they are charged. ([Comment 1026.17\(c\)\(6\)-5](#))

- a. *CP Loan-Separate.* The finance charges and points and fees that would not be imposed but for the construction financing are allocated to the construction phase, and all other finance charges and points and fees are allocated to the permanent financing.
- b. *CP Loan-Separate.* If a credit union charges a greater origination fee for construction-permanent financing than for construction-only financing, the fee difference is allocated to the permanent phase
- c. *CP Loan-Separate.* Fees and charges that are not used to compute the finance charge under § [1026.4](#) or points and fees under § [1026.32\(b\)\(1\)](#) may be allocated between the transactions in any manner the credit union chooses.

3. **Sale Price**

a. *Loan Estimate*

- i. For transactions that involve a seller, whether the contract sale price of the property is disclosed. (§ [1026.37\(a\)\(7\)\(i\)](#))
- ii. For transactions that do not involve a seller, whether the estimated value of the property is disclosed as “Prop. Value.” (§ [1026.37\(a\)\(7\)\(ii\)](#)).

NOTE: For transactions that do not involve a seller and transactions that involve a seller where the sale price is not yet known, the credit union discloses the estimated value of the property based on the best information reasonably available to the credit union at the time the disclosure is provided to the consumer. ([Comment 1026.37\(a\)\(7\)-1](#), § [1026.17\(c\)\(2\)\(i\)](#), [Comment 1026.17\(c\)\(2\)\(i\)-1](#), and [Comment 1026.19\(e\)A\(1\)\(i\)-1](#))

NOTE: For transactions involving construction where there is no seller, the credit union has the option to include the estimated value of the improvements to be made on the property. ([Comment 1026.37\(a\)\(7\)-1](#))

b. *Closing Disclosure*

- i. If there is a seller, whether the credit union has disclosed the contract sale price of the property. (§ [1026.38\(a\)\(3\)\(vii\)\(A\)](#))
- ii. Where there is no seller, whether the credit union has disclosed the appraised value of the property used to determine approval of the credit transaction. (§ [1026.38\(a\)\(3\)\(vii\)\(B\)](#))

NOTE: If the credit union has not obtained an appraisal, the credit union may disclose the estimated value of the property labeled “Estimated Prop. Value.” ([Comment 1026.38\(a\)\(3\)\(vii\)\(B\)](#))

NOTE: For transactions involving construction where there is no seller, this disclosure must be the value of the property that is used to determine the approval of the credit transaction. That disclosure includes any improvements to be made to the property if those improvements were considered when approving the loan. ([Comment 1026.38\(a\)\(3\)\(vii\)-1](#))

4. **Loan Term.** Whether the term to maturity of the credit transaction is disclosed. (§§ [1026.37\(a\)\(8\)](#), [1026.38\(a\)\(5\)\(i\)](#))

NOTE: For a CP Loan-Combined, the loan term is the total combined term of the construction and permanent periods. ([Comment 1026 Appendix D-7.i.A](#)).

NOTE: For a CP Loan-Separate (Permanent Phase), the loan term of the permanent financing is counted from the date that interest for the permanent financing periodic payments begins to accrue, regardless of when the permanent phase is disclosed. ([Comment 1026 Appendix D-7.i.B](#)).

5. **Product Type.** Whether the loan product description includes:
- a. “Adjustable rate,” “Step rate,” or “Fixed rate,” as applicable, and the features that may change the periodic payment (Negative amortization, Interest only, Step payment, Balloon payment, Seasonal payment) (§§ [1026.37\(a\)\(10\)](#), [1026.38\(a\)\(5\)\(iii\)](#))
 - b. “Interest Only” feature is disclosed if one or more regular periodic payments may be applied only to interest accrued and not to the loan principal. (§§ [1026.37\(a\)\(10\)\(ii\)\(B\)](#), [1026.38\(a\)\(5\)\(iii\)](#))

NOTE: If there is a final balloon payment that includes principal (typically construction-only and separate construction phase disclosures), the final balloon payment is excluded for purposes of determining the duration of the “Interest Only” payment period. ([Comment 1026 Appendix D-7.ii.A](#))

NOTE: For a CP Loan-Combined, the “Interest Only” payment period is the full term of the interest-only construction phase, plus any interest-only period in the permanent phase. ([Comment 1026 Appendix D-7.ii.B](#))

- c. “Adjustable Rate” product is disclosed if the interest rate may increase after consummation, but the rates that will apply or the periods for which they will apply are not known at consummation. (§ [1026.37\(a\)\(10\)\(i\)\(A\)](#))

NOTE: For a CP Loan-Combined and CP Loan-Separate (Permanent Phase), if the interest rate for the permanent phase is not known at consummation for a construction-permanent loan using a single, combined construction-permanent disclosure or using separate disclosures for the permanent phase, the credit union shall disclose the loan product under §§ [1026.37\(a\)\(10\)](#) and [1026.38\(a\)\(5\)\(iii\)](#) as “Adjustable Rate.” ([Comment 1026 Appendix D-7.ii.C](#))

NOTE: For a CP Loan-Combined transaction, if the interest rate for the permanent phase is known at consummation but different from the construction phase interest rate, the product is disclosed as “Step Rate.” (§ [1026.37\(a\)\(10\)\(i\)\(B\)](#); [Comment 1026 Appendix D-7.ii.C](#))

6. **Interest Rate.** Whether the interest rate that will be applicable to the transaction at consummation is disclosed; and if the interest rate at consummation is not known for an adjustable rate transaction, whether the fully-indexed rate (i.e., the interest rate calculated using the index value and margin at the time of consummation) is disclosed. (§ [1026.37\(b\)\(2\)](#))

NOTES: CP Loan-Combined and CP Loan-Separate (Permanent Phase):

If the permanent phase has an adjustable rate at consummation and separate disclosures are provided, the rate disclosed for the permanent financing is the fully-indexed rate pursuant to § [1026.37\(b\)\(2\)](#) at the time of the consummation. ([Comment 1026 Appendix D-7.iii](#))

If the permanent phase has a rate that is not known at consummation, the credit union discloses the best information reasonably available at the time the disclosure is provided to the consumer. ([Comment 1026.19\(e\)\(1\)\(i\)-1](#); § [1026.17\(c\)\(2\)\(i\)](#); [Comment 1026.17\(c\)\(2\)\(i\)-1](#))

If the permanent phase has a fixed rate that will not be adjusted when the construction phase converts to the permanent phase, that rate is used for disclosures. ([Comment 1026 Appendix D-7.iii](#))

If the loan contract secured by a principal dwelling provides that the permanent loan interest rate may adjust at conversion, and such rate adjustment results in a corresponding payment adjustment, and if the interest rate for the permanent phase will be fixed after the conversion, the credit union provides the adjustable rate disclosures in § [1026.20\(c\)](#). However, if the loan contract secured by a principal dwelling provides that the permanent loan interest rate may adjust at conversion, and such rate adjustment results in a corresponding payment adjustment, and if the interest rate for the permanent phase is

adjustable, the credit union provides the adjustable rate disclosures in §§ [1026.20\(c\)](#) and [\(d\)](#). ([Comment 1026 Appendix D-7.iii](#))

7. **Projected Payments**. Whether a separate table itemizes each separate periodic payment (or range), together with estimated taxes, insurance and assessments, and escrow account payments. (§§ [1026.37\(c\)](#), [1026.38\(c\)](#))

NOTE: For a Construction-Only and CP Loan-Separate (Construction Phase), the construction phase is disclosed according to the requirements for the Projected Payments table, including disclosure of the amounts of any interest-only payments. If the terms of the construction phase do not account for repayment of the entire principal, the credit union must disclose a balloon payment in a separate column, and balloon payment disclosures are provided. ([Comment 1026 Appendix D-7.v.A](#))

NOTE: For a CP Loan-Combined, the Projected Payments table reflects the interest-only payments during the construction phase in the first column, which also reflects the amortizing payments, and mortgage insurance and escrow payments, if any, for the permanent phase if the term of the construction phase is not a full year. ([Comment 1026 Appendix D-7.v.B](#))

NOTE: For a CP Loan-Combined when only the terms of the permanent phase require mortgage insurance or escrow, the disclosure of such amounts depends on whether the first column of the table exclusively discloses the construction phase. If so, the credit union discloses “0” mortgage insurance and/or “-“ for escrow in the first column if the construction phase does not include mortgage insurance or escrow; if payments for both phases are disclosed in the first column, the amount of mortgage insurance premium or any escrow payment for the permanent phase is disclosed in the first column. ([Comment 1026 Appendix D-7.v.C](#))

8. **Disclosure of Construction Costs**. (*Construction-only; CP-Combined; CR-Separate Construction Phase*)

NOTE: Construction costs are the costs of improvements to be made to the property that the consumer contracts for in connection with the financing transaction and that will be paid in whole or in part with loan proceeds. ([Comment 1026 Appendix D-7.vi.A](#))

- a. *Loan Estimate*. Whether on the Loan Estimate, a credit union factors construction costs into the “funds for borrower” calculation in the Calculating Cash to Close table or the “Payoffs and Payments” calculation in the optional alternative calculating cash to close table for transactions without a seller or for simultaneous subordinate financing. (§ [1026.37\(h\)](#); [Comment Appendix D-7.vi.B](#))
- b. *Closing Disclosure*. Whether on the Closing Disclosure, a credit union includes construction costs in the “Itemization of amounts due from borrower” in the “Summary of Borrower’s Transaction” (§ [1026.38\(j\)\(1\)\(v\)](#)) and factors them into the “Down payment/funds from borrower” and “Funds for borrower” calculations of the Calculating Cash to Close table or in the “Payoffs and Payments” section of the Closing Cost details in the optional alternative Calculating Cash to Close Table for

transactions without a seller or for simultaneous subordinate financing.
(§ [1026.38\(e\)](#) as modified under § [1026.38\(t\)\(5\)\(vii\)\(B\)](#)). ([Comment 1026 Appendix D-7.vi.C](#))

NOTE: If a credit union places a portion of a construction loan's proceeds in a reserve or other account at consummation, the credit union may separately disclose this from the other construction costs disclosed in the "Itemization of amounts due from borrower" in the Summaries of Transactions table under § [1026.38\(j\)\(1\)\(v\)](#), if space permits. ([Comment 1026 Appendix D-7.vi.D](#)) The credit union may disclose the amount of such reserve or other account as a separate itemized cost, along with an itemized cost for the balance of the construction costs, under disclosure and calculation options described in [Comments 1026 Appendix D-7.vi.B and C](#).

9. **Inspection and Handling Fees.** (*Construction-only; CP-Combined; CP-Separate (Construction Phase)*) Whether inspection and handling fees, which are Loan Costs, are included in the Loan Cost table (or an addendum) and certain disclosures, including "In 5 Years" (§ [1026.37\(l\)\(1\)](#)) and "Total of Payments" (§ [1026.38\(o\)\(1\)](#)). (§§ [1026.37\(f\)](#), [1026.38\(f\)](#))

NOTE: Inspection and handling fees, for the staged disbursement of construction loan proceeds, including draw fees, are part of the finance charge. ([Comments 1026.4\(a\)-1.ii.A, Appendix D-7.vii](#))

NOTE: If inspection and handling fees are collected before or at consummation, the total of such fees is disclosed in the Loan Costs table. ([Comments 1026.37\(f\)-3, Appendix D-7.vii](#))

NOTE: If inspection and handling fees will be collected after consummation, the total of such fees is disclosed in a separate addendum under the heading "Inspection and Handling Fees Collected After Closing" and the fees are not counted for purposes of the Calculating Cash to Close table. ([Comments 1026.37\(f\)-3, 1026.37\(f\)\(6\)-3, 1026.38\(f\)-2, Appendix D-7.vii](#)).

NOTE: If inspection and handling costs are collected, such costs are included in the sum of the "In 5 Years" disclosure (Loan Estimate) and the "Total of Payments" (Closing Disclosure), even when disclosed on an addendum. ([Comment 1026 Appendix D-7.vii](#))

Closed-End Credit Disclosure Forms – For transactions not subject to sections §§ [1026.19\(e\)](#) and [\(f\)](#)

1. **General Disclosures.** Determine that the disclosures are clear, conspicuous, and grouped together or segregated as required, in a form the consumer may keep.
 - a. For loans subject to § [1026.18\(s\)](#), the terms "Finance Charge" and "Annual Percentage Rate" and corresponding rates or amounts must be more conspicuous than other terms, except for the credit union's identity. (§ [1026.17\(a\)\(2\)](#)).

- b. For reverse mortgages subject to § [1024.33](#) in Regulation X, the disclosures required under § [1026.33\(b\)](#).
 - c. For private student loans the term “Annual Percentage Rate” and corresponding rate must be less conspicuous than the term “finance charge” and the corresponding amount, as well as less conspicuous than the interest rate, the notice of the right to cancel and credit union’s identity. (§§ [1026.17\(a\)](#), [1026.47\(b\)](#), and [\(c\)](#))
2. **Required Disclosures.** Determine whether the disclosures are accurately completed and include the following disclosures, as applicable:
- a. Identity of the credit union; (§ [1026.18\(a\)](#))
 - b. Amount financed; (§ [1026.18\(b\)](#))
 - c. Itemization of amount financed; (§ [1026.18\(c\)](#))
 - d. Brief description of the APR; (§ [1026.18\(e\)](#))
 - e. Variable rate information; (§§ [1026.18\(f\)\(1\)](#) or [\(2\)](#))
 - f. Payment schedule; (§ [1026.18\(g\)](#))
 - g. Brief description of the total of payments; (§ [1026.18\(h\)](#))
 - h. Demand feature; (§ [1026.18\(i\)](#))
 - i. Description of total sales price in a credit sale; (§ [1026.18\(j\)](#))
 - j. Prepayment penalties or rebates; (§ [1026.18\(k\)](#))
 - k. Late payment amount or percentage; (§ [1026.18\(l\)](#))
 - l. Description for security interest; (§ [1026.18\(m\)](#))
 - m. Insurance conditions for finance charge exclusions; (§§ [1026.4\(d\)](#) and [1026.18\(n\)](#))
 - n. Statement concerning certain security interest charges; (§§ [1026.4\(e\)](#) and [1026.18\(o\)](#))
 - o. Statement referring to the contract; (§ [1026.18\(p\)](#))
 - p. Statement regarding assumption of the note; (§ [1026.18\(q\)](#))
 - q. Statement regarding required deposits; and (§ [1026.18\(r\)](#))
 - r. Interest rate and payment summary for mortgage transactions. (§ [1026.18\(s\)](#))
3. **Scheduled Payments Disclosure.** Determine that the credit union discloses the number, amounts, and timing of payments scheduled to repay the obligation (other than for a transaction that is subject to section [1026.18\(s\)](#)³. (§ [1026.18\(g\)](#))
4. **Interest Rate and Payment Disclosures.** Determine that the credit union discloses the following information about the interest rate and payments, as applicable. (§ [1026.18\(s\)](#))
- a. *Interest Rates*
 - i. For a fixed-rate mortgage, the interest rate at consummation. (§ [1026.18\(s\)\(2\)\(i\)\(A\)](#))
 - ii. For an adjustable-rate or step-rate mortgage: (§ [1026.18\(s\)\(2\)\(i\)\(B\)](#))
 - A. The interest rate at consummation and the period of time until the first interest rate adjustment may occur, labeled as the

³ For example, some home construction loans that are secured by real property or a dwelling are subject to § [1026.18\(s\)](#) and not § [1026.18\(g\)](#). See [Comment 1026 Appendix D-6](#). See also [Comment 1026 Appendix D-7](#) for transactions subject to §§ [1026.37](#) – [1026.38](#).

“introductory rate and monthly payment;”

NOTE: As set forth in Official Interpretation to § [1026.18\(s\)-1](#), if periodic payments are not due monthly, the credit union must use the appropriate term, such as “quarterly” or “annually.”

- B. The maximum interest rate that may apply during the first five years after the date the first regular periodic payment will be due and the earliest date that rate may apply, labeled as “maximum during first five years”; and
 - C. The maximum interest rate that may apply during the life of the loan and the earliest date that rate may apply, labeled as “maximum ever.”
- iii. For a loan that provides for payment increases occurring without regard to an interest rate adjustment⁴ (as described in § [1026.18\(s\)\(3\)\(i\)\(B\)](#)), the interest rate in effect at the time the first payment increase is scheduled to occur and the date the increase will occur, labeled as “first adjustment” if the loan is an adjustable-rate mortgage or, otherwise, labeled as “first increase.”⁵ (§ [1026.18\(s\)\(2\)\(i\)\(C\)](#))
- iv. For a negative amortization loan⁶ (§ [1026.18\(s\)\(2\)\(ii\)](#)):
- A. The interest rate at consummation and, if it will adjust after consummation, the length of time until it will adjust, and the label “introductory” or “intro”;
 - B. The maximum interest rate that could apply when the consumer must begin making fully amortizing payments under the terms of the legal obligation;
 - C. If the minimum required payment will increase before the consumer must begin making fully amortizing payments, the maximum interest rate that could apply at the time of the first payment increase and the date the increase is scheduled to occur; and
 - D. If a second increase in the minimum required payment may occur before the consumer must begin making fully amortizing payments, the maximum interest rate that could apply at the time of the second payment increase and the date the increase is scheduled to occur.
- v. Introductory rate for an amortizing adjustable-rate mortgage, if the interest rate at consummation is less than the fully indexed rate, the following (placed in a box directly beneath the table required by section [1026.18\(s\)\(1\)](#) of the regulation, in a format substantially similar to Model Clause H-4(I) in the regulation’s [Appendix H](#)):
- A. The interest rate that applies at consummation and the period of time it applies;

⁴ Note: this category includes interest-only loans, as set forth in [Comment 1026.18\(s\)\(2\)\(i\)\(C\)-1](#).

⁵ Because model forms and clauses published by the CFPB are safe harbors, this rate may also be labeled “Maximum Ever,” pursuant to § [1026.18\(s\)\(2\)\(i\)\(B\)\(3\)](#).

⁶ The term “negative amortization loan” means a loan, other than a reverse mortgage subject to § [1026.33](#) that provides for a minimum periodic payment that covers only a portion of the accrued interest, resulting in negative amortization. (§ [1026.18\(s\)\(7\)\(v\)](#))

- B. A statement that, even if market rates do not change, the interest rate will increase at the first adjustment and a designation of the place in sequence of the month or year, as applicable, of such rate adjustment (e.g., “in the third year”); and
- C. The fully-indexed rate.

b. *Payments for Amortizing Loans*

- i. Principle and interest payments. If all periodic payments will be applied to accrued interest and principal, for each interest rate disclosed under § [1026.18\(s\)\(2\)\(i\)](#): (§ [1026.18\(s\)\(3\)\(i\)](#))
 - A. The corresponding periodic principal and interest payment, labeled as “principal and interest”;
 - B. If the periodic payment may increase without regard to an interest rate adjustment, the payment that corresponds to the first increase and the earliest date on which the increase could occur;
 - C. If an escrow account is established, an estimate of the amount of taxes and insurance, including any mortgage insurance payable with each periodic payment; and
 - D. The sum of the amounts disclosed under §§ [1026.18\(s\)\(3\)\(i\)\(A\) and \(C\)](#) or [1026.18\(s\)\(3\)\(i\)\(B\) and \(C\)](#), as applicable, labeled as “total estimated monthly payment.”
- ii. Interest-only payments. If the loan is an interest-only loan, for each interest rate disclosed under § [1026.18\(s\)\(2\)\(i\)](#), the corresponding periodic payment and (§ [1026.18\(s\)\(3\)\(ii\)](#)):
 - A. If the payment will be applied to only accrued interest, the amount applied to interest, labeled as “interest payment,” and a statement that none of the payment is being applied to principal;
 - B. If the payment will be applied to accrued interest and principal, an itemization of the amount of the first such payment applied to accrued interest and to principal, labeled as “interest payment” and “principal payment,” respectively;
 - C. The escrow information described in § [1026.18\(s\)\(3\)\(i\)\(C\)](#); and
 - D. The sum of all amounts required to be disclosed under §§ [1026.18\(s\)\(3\)\(ii\)\(A\) and \(C\)](#) or [1026.18\(s\)\(3\)\(ii\)\(B\) and \(C\)](#), as applicable, labeled as “total estimated monthly payment.”
- iii. Payments for negative amortization loans. If the loan is a negative amortization loan: (§ [1026.18\(s\)\(4\)](#))
 - A. The minimum periodic payment required until the first payment increase or interest rate increase, corresponding to the interest rate disclosed under § [1026.18\(s\)\(2\)\(ii\)\(A\)](#);
 - B. The minimum periodic payment that would be due at the first payment increase and the second, if any, corresponding to the interest rates described in §§ [1026.18\(s\)\(2\)\(ii\)\(C\) and \(D\)](#);
 - C. A statement that the minimum payment pays only some interest, does not repay any principal, and will cause the loan amount to increase;
 - D. The fully amortizing periodic payment amount at the earliest time when such a payment must be made, corresponding to the interest

rate disclosed under § [1026.18 \(s\)\(2\)\(ii\)\(B\)](#); and

- E. If applicable, in addition to the payments in §§ [1026.18\(s\)\(4\)\(i\)](#) and [\(ii\)](#), for each interest rate disclosed under § [1026.18\(s\)\(2\)\(ii\)](#), the amount of the fully amortizing periodic payment, labeled as the “full payment option,” and a statement that these payments pay all principal and all accrued interest.

NOTE: The information in §§[1026.18\(s\)\(2\)–\(4\)](#) must be disclosed in the form of a table with no more than five columns, and with headings and format substantially similar to Model Clause H–4(E), H–4(F), H–4(G), or H–4(H) in [Appendix H](#) of the regulation. The table must contain only the information required in §§ [1026.18 \(s\)\(2\)–\(4\)](#), be placed in a prominent location, and be in a minimum 10-point font. (§ [1026.18\(s\)\(1\)](#))

- iv. Balloon payments. For loans with balloon payments (defined as a payment that is more than two times a regular periodic payment): (§ [1026.18\(s\)\(5\)](#))
 - A. Except as provided below, the balloon payment is disclosed separately from other periodic payments disclosed in the table (i.e., is outside the table and in a manner substantially similar to Model Clause H–4(J) in [Appendix H](#) to the regulation);
 - B. If the balloon payment is scheduled to occur at the same time as another payment required to be disclosed in the table, the balloon payment must be disclosed in the table.
5. **Negative Amortization.** Determine that the following information is disclosed (close to the table required in § [1026.18\(s\)\(1\)](#), with headings, content, and format similar to Model Clause H–4(G) in [Appendix H](#) to this part) for a negative amortization loan (other than a transaction secured by a consumer’s interest in a timeshare plan described in [11 U.S.C. 101\(53D\)](#)): (§ [1026.18\(s\)\(6\)](#))
- a. The maximum interest rate, the shortest period of time in which such interest rate could be reached, the amount of estimated taxes and insurance included in each payment disclosed, and a statement that the loan offers payment options, two of which are shown; and
 - b. The dollar amount of the increase in the loan’s principal balance if the consumer makes only the minimum required payments for the maximum possible time and the earliest date the consumer must begin making fully amortizing payments, assuming that the maximum interest rate is reached at the earliest possible time.
6. **No Refinance Guarantee.** Determine that the credit union disclosed a statement that there is no guarantee the consumer can refinance the transaction to lower the interest rate or periodic payments (other than a transaction secured by a consumer’s interest in a timeshare plan described in [11 U.S.C.101\(53D\)](#)) . (§ [1026.18\(t\)\(1\)](#))

NOTE: The statement required by § [1026.18\(t\)\(1\)](#) must be in a form similar to Model

Clause H-4(K) in [Appendix H](#) to the regulation. (§ [1026.18\(t\)\(2\)](#))

7. **Variable Rate Disclosures.** Determine all variable rate loans with a maturity greater than one year secured by a principal dwelling are given the following disclosures at the time of application: (§ [1026.19](#))

- a. Consumer Handbook on Adjustable Rate Mortgages or substitute;
- b. Statement that interest rate payments and/or terms can change;
- c. The index/formula and a source of information;
- d. Explanation of the interest rate/payment determination and margin;
- e. Statement that the consumer must ask for the current interest rate and margin;
- f. Statement that the interest rate is discounted, if applicable;
- g. Frequency of interest rate and payment changes;
- h. Rules relating to all changes;
- i. Either a historical example based on 15 years, or the initial rate and payment with a statement that the periodic payment may substantially increase or decrease together with a maximum interest rate and payment;
- j. Explanation of how to compute the loan payment, giving an example;
- k. Demand feature, if applicable;
- l. Statement of content and timing of adjustment notices; and
- m. Statement that other variable rate loan program disclosures are available, if applicable.

8. **Initial Rate Adjustment Disclosures.** Determine that adjustable-rate mortgages with a maturity date greater than one year, secured by a principal dwelling, the credit union, assignee, or servicer provides the following initial rate adjustment disclosures: (§ [1026.20\(d\)\(2\)](#))

- a. The date of the disclosure;
- b. An explanation that under the terms of the consumer's adjustable rate mortgage, the time frame that the current rate has been in effect, when the current rate is scheduled to expire, the effective date of the new rate, when additional future interest rate adjustments are scheduled to occur and any other changes to loan terms, features, and options taking effect on the same date, and how the rate change may affect the payment and other loan terms;

- c. A table explaining the current interest rate and payment, the new interest rate and payment, and the date the first new payment is due;

NOTE: For interest-only and negative amortization adjustable-rate mortgages, the table must include how the current and new rates and payment will be allocated to interest, principal, and escrow (if applicable). See section 1026.20(d)(2)(iii)(C) for more on payment allocation disclosure requirements.

- d. An explanation of how the interest rate is determined, including the specific index or formula used and a source of information about that index or formula, and the type and amount of any adjustment, including a margin and an explanation that a margin is the addition of a certain number of percentage points to the index;
- e. Any limits on the interest rate or payment increases at each interest rate adjustment and over the life of the loan (as applicable), including the extent such limits result in the credit union, assignee, or servicer foregoing any increase in the interest rate and the earliest date that such foregone interest rate increases may apply to future interest rate adjustments, subject to those limits;
- f. An explanation of how the new payment was determined, including the index or formula used to determine the new interest rate;
- g. Any adjustments to the index or formula used to determine the new payment, such as the addition of a margin;
- h. The expected loan balance on the date of the interest rate adjustment;
- i. The remaining loan term expected on the date of the interest rate adjustment and any changes to the term that may have occurred due to the interest rate change;
- j. If the credit union, assignee, or servicer provides an estimated rate payment, a statement that it will provide another disclosure with the actual interest rate to the consumer between two and four months before the first payment at the adjusted level is due, and that the credit union is using an estimated rate;
- k. If applicable, a statement that the new payment will not be allocated to pay loan principal and will not reduce the loan balance. If the new payment will result in negative amortization, a statement that the new payment will not be allocated to pay loan principal and that only part of the interest will be paid, which will add to the loan balance. If the new payment will result in negative amortization as a result of the interest rate adjustment, the statement must state the payment required to fully amortize the remaining balance at the new interest rate over the remainder of the loan term;
- l. A statement indicating the circumstances under which the credit union, assignee, or servicer may impose any prepayment penalty, the time period during which it may impose the penalty, and a statement that the consumer may contact the

servicer for additional information, including the maximum amount of the penalty that may be charged to the consumer;

- m. A telephone number of the credit union, assignee, or servicer to call if the consumer anticipates not being able to make the new payment;
- n. A statement listing alternatives that consumers may pursue if they anticipate not being able to make the new payment;
- o. A web address to access either the CFPB or the Department of Housing and Urban Development's (HUD) approved list of homeownership counselors and counseling organizations, the HUD toll-free number to access the HUD list of homeownership counselors and counseling organizations, and the CFPB's website to access state housing finance authorities' contact information.

9. **Rate Change with Payment Change.** Determine that for any adjustable-rate mortgage with a maturity date greater than one year, secured by a principal dwelling, the credit union, assignee, or servicer provides the following rate adjustment disclosures for rate adjustments with a corresponding payment change: (§ [1026.20\(c\)](#))

NOTE: A credit union, assignee or servicer subject to the Fair Debt Collection Practices Act (FDCPA) that has received the consumer's notification to cease communication pursuant to [FDCPA section 805\(c\)](#) is exempt from this requirement.

- a. An explanation that under the terms of the consumer's adjustable rate mortgage, the time frame that the current rate has been in effect is ending and the interest rate and payment will change, the effective date of the new rate, when additional future interest rate adjustments are scheduled to occur and any other changes to loan terms, features, and options taking effect on the same date, such as the expiration of interest-only or payment-option features; a table explaining the current interest rate and payment, the new interest rate and payment, and the date the first new payment is due;

NOTE: For interest-only and negatively amortizing payments, the table must include how the current and new rates and payment will be allocated to interest, principal, and escrow (if applicable). See § [1026.20\(d\)\(2\)\(iii\)\(C\)](#) for more on payment allocation disclosure requirements.

- b. An explanation of how the interest rate is determined, including the specific index or formula used and a source of information about that index or formula, and the type and amount of any adjustment, including a margin and an explanation that a margin is the addition of a certain number of percentage points to the index, and any application of previously foregone interest rate increases from past rate adjustments;
- c. Any limits on the interest rate or payment increases at each interest rate adjustment and over the life of the loan (as applicable), including the extent to which such limits result in the credit union, assignee, or servicer foregoing any

increase in the interest rate and the earliest date that such foregone interest rate increases may apply to future interest rate adjustments, subject to those limits;

- d. An explanation of how the new payment is determined, including the index or formula used to determine the new interest rate;
- e. Any adjustments to the index or formula the credit union, assignee, or servicer uses to determine the new payment, such as the addition of a margin or the application of any previously foregone interest rate increases from past interest rate adjustments;
- f. The expected loan balance on the date of the interest rate adjustment;
- g. The remaining loan term expected on the date of the interest rate adjustment and any changes to the term that may have occurred due to the interest rate change;
- h. If applicable, a statement that the new payment will not be allocated to pay loan principal and will not reduce the loan balance. If the new payment will result in negative amortization, a statement that the new payment will not be allocated to pay loan principal and that only part of the interest will be paid, which will add to the loan balance. If the new payment will result in negative amortization as a result of the interest rate adjustment, the statement must state the payment required to fully amortize the remaining balance at the new interest rate over the remainder of the loan term;
- i. A statement indicating the circumstances under which the credit union, assignee, or servicer may impose any prepayment penalty, the time period during which it may impose the penalty, and a statement that the consumer may contact the servicer for additional information, including the maximum amount of the penalty that may be charged to the consumer;

NOTE: Model and sample disclosures H-4(D)(1) through (4) containing all necessary information can be found in [Appendix H](#). The disclosures required under §§ [1026.20\(c\)](#) and [\(d\)](#) must be in the form of a table and in the same order as, and with headings and format similar to, the model disclosures. (§§ [1026.20\(c\)\(3\)](#) and [\(d\)\(3\)](#))

NOTE: When examining a credit union, an assignee, or a servicer that continues to own the loan, if the entity states that another entity has the obligation to provide the disclosures, examiners must determine whether the entity takes steps to ensure that the other party (the credit union, assignee, or servicer, as applicable) is complying with the obligation to provide the disclosures.

10. **High-Cost Mortgages.** Determine that the disclosures required for high-cost mortgage transactions (§ [1026.32](#)) clearly and conspicuously include the items below. (§ [1026.32\(c\)](#), see Form H-16 in [Appendix H](#))

- a. The required statement “you are not required to complete this agreement merely because you have received these disclosures or have signed a loan application. If

you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan.”

- b. The APR.
- c. Amount of the regular monthly (or other periodic) payment and the amount of any balloon payment. The regular payment must include amounts for voluntary items, such as credit life insurance or debt-cancellation coverage, only if the consumer has previously agreed to the amount (See the Official Interpretation to § [1026.32\(c\)\(3\)](#)).
- d. Statement that the interest rate may increase and monthly payment may increase, and the amount of the single maximum monthly payment, based on the maximum interest rate allowed under the contract, if applicable.
- e. The amount borrowed. For a closed-end mortgage, the amount borrowed is the total amount borrowed, as reflected by the face amount of the note; and where the amount borrowed includes premiums or other charges for optional credit insurance or debt- cancellation coverage (grouped together with the amount borrowed), that fact must be stated. For an open-end credit plan, the amount borrowed is the credit limit for the plan when the account is opened.

11. **Escrow cancellation notice.** For a closed-end loan secured by a first lien on real property or a dwelling (other than a reverse mortgage), where an escrow account (as defined under § [1024.17\(b\)](#)) is cancelled, determine whether: (§ [1026.20\(e\)](#))

- a. The credit union or servicer provided an Escrow Closing Notice with the following clearly and conspicuously disclosed: (§ [1026.20\(e\)\(1\)](#))
 - i. A statement informing the consumer of the date on which the consumer will no longer have an escrow account;
 - ii. A statement that an escrow account may also be called an impound or trust account;
 - iii. A statement of the reason why the escrow account will be closed;
 - iv. A statement that without an escrow account, the consumer must pay all property costs, such as taxes and homeowner's insurance, directly, possibly in one or two large payments a year;
 - v. A table, titled “Cost to you,” that contains an itemization of the amount of any fee the credit union or servicer imposes on the consumer in connection with the closure of the consumer's escrow account, labeled “Escrow Closing Fee,” and a statement that the fee is for closing the escrow account; and (§ [1026.20\(e\)\(2\)\(i\)](#))
 - vi. Information under the reference “In the future” that includes: (§ [1026.20\(e\)\(2\)\(ii\)](#))
 - A. A statement of the consequences if the consumer fails to pay property costs, including the actions that a State or local government may take if property taxes are not paid and the actions

the credit union or servicer may take if the consumer does not pay some or all property costs, such as adding amounts to the loan balance, adding an escrow account to the loan, or purchasing a property insurance policy on the consumer's behalf that may be more expensive and provide fewer benefits than a policy that the consumer could obtain directly; (§ [1026.20\(e\)\(2\)\(ii\)\(A\)](#))

- B. A statement with a telephone number that the consumer can use to request additional information about the cancellation of the escrow account; (§ [1026.20\(e\)\(2\)\(ii\)\(B\)](#))
 - C. A statement of whether the credit union or servicer offers the option of keeping the escrow account open and, as applicable, a telephone number the consumer can use to request that the account be kept open; and (§ [1026.20\(e\)\(2\)\(ii\)\(C\)](#))
 - D. A statement of whether there is a cut-off date by which the consumer can request that the account be kept open. (§ [1026.20\(e\)\(2\)\(ii\)\(D\)](#))
- b. Form. The disclosure meets the formatting requirements of section [1026.20\(e\)\(4\)](#), and is substantially similar to model form H-29 in [Appendix H. \(1026.20\(e\)\(4\)\)](#)
- c. Timing. The credit union or servicer ensures that the consumer receives the Escrow Closing Notice in the following time periods:
- i. If the cancellation is upon the consumer's request, no later than three business days before the closure of the consumer's escrow account; (§ [1026.20\(e\)\(5\)\(i\)](#))
 - ii. If cancellation is other than upon the consumer's request, no later than 30 business days before the closure of the consumer's escrow account. (§ [1026.20\(e\)\(5\)\(ii\)](#))

NOTE: If the disclosures are not provided in person, the consumer is considered to have received the disclosures three business days after they are delivered or placed in the mail. (§ [1026.20\(e\)\(5\)\(iii\)](#))

Successors In Interest

If, upon confirmation, a servicer provided a confirmed successor in interest who is not liable on the mortgage loan obligation with an optional notice and acknowledgement form in accordance with § [1024.32\(c\)\(1\)](#), determine whether the servicer provided a confirmed successor in interest any written disclosure required by the following (if applicable): § [1026.20\(c\)](#) (rate adjustments with corresponding change in payment), § [1026.20\(d\)](#) (initial rate adjustment), or § [1026.20\(e\)](#) (escrow account cancellation notice), once the confirmed successor in interest either assumed the mortgage loan obligation under State law or provided the servicer an executed acknowledgement form in accordance with § [1024.32\(c\)\(1\)\(iv\)](#) that the confirmed successor in interest has not revoked.

High-Cost Mortgages

Determine that the disclosures required for high-cost mortgage transactions (§ [1026.32](#)) clearly and conspicuously include the items below. (§ [1026.32\(c\)](#), Form H-16 in [Appendix H](#))

1. The required statement “you are not required to complete this agreement merely because you have received these disclosures or have signed a loan application. If you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan.”
2. The APR.
3. Amount of the regular monthly (or other periodic) payment and the amount of any balloon payment. The regular payment should include amounts for voluntary items, such as credit life insurance or debt-cancellation coverage, only if the consumer has previously agreed to the amount ([Comment 1026.32\(c\)\(3\)](#)).
4. Statement that the interest rate may increase and monthly payment may increase, and the amount of the single maximum monthly payment, based on the maximum interest rate allowed under the contract, if applicable. The amount borrowed. For a closed-end mortgage, the amount borrowed is the total amount borrowed, as reflected by the face amount of the note; and where the amount borrowed includes premiums or other charges for optional credit insurance or debt-cancellation coverage (grouped together with the amount borrowed), that fact shall be stated. For an open-end credit plan, the amount borrowed is the credit limit for the plan when the account is opened.

Notice of Transfer

For any open-end loan secured by a principal dwelling or for any closed-end mortgage loan secured by a dwelling or real property that was sold, assigned, or otherwise transferred to the covered person, determine that the covered person notifies the borrower clearly and conspicuously in writing, in a form that the consumer may keep of such transfer, including: (§ [1026.39](#))

1. An identification of the loan that was sold, assigned, or otherwise transferred;
2. The name, address, and telephone number of the covered person who owns the mortgage loan;
3. The date of transfer (either the date of acquisition recognized in the books and records of the covered person or that of the transferring party) identified by the covered person;
4. The name, address, and telephone number of an agent or party having authority, on behalf of the covered person, to receive notice of the right to rescind and resolve issues concerning the consumer’s payments on the mortgage loan;

5. Where transfer of ownership of the debt to the covered person is or may be recorded in public records or, alternatively, that the transfer of ownership has not been recorded in public records at the time the covered person provides the disclosure; and,
6. At the option of the covered person, any other relevant information about the transaction.
7. If there are multiple covered persons, contact information for each of them, unless one of them has been authorized to receive the consumer's notice of the right to rescind and resolve issues concerning the consumer's payments on the loan.
8. If the loan is a closed-end consumer mortgage loan secured by a dwelling or real property, other than a reverse mortgage transaction subject to § [1026.33](#) of this part, the following information about the covered person's partial payment policy, under the subheading "Partial Payment":
 - a. If periodic payments that are less than the full amount due are accepted, a statement that the covered person, using the term "lender," may accept partial payments and apply such payments to the consumer's loan;
 - b. If periodic payments that are less than the full amount due are accepted but not applied to a consumer's loan until the consumer pays the remainder of the full amount due, a statement that the covered person, using the term "lender," may hold partial payments in a separate account until the consumer pays the remainder of the payment and then apply the full periodic payment to the consumer's loan;
 - c. If periodic payments that are less than the full amount due are not accepted, a statement that the covered person, using the term "lender," does not accept any partial payments; and
 - d. A statement that, if the loan is sold, the new covered person, using the term "lender," may have a different policy.

NOTE: You may use the format of the partial payment disclosure illustrated by form H-25 of [Appendix H](#). The text illustrating the disclosure in form H-25 may be modified by you to suit the format of the mortgage transfer notice. ([Comment 1026.39\(d\)\(5\)-1](#))

NOTE: This notice of sale or transfer must be provided for any consumer credit transaction that is secured by the principal dwelling of a consumer, except as noted above. This notification is required of the covered person even if the loan servicer remains the same. In addition, if more than one consumer is liable on the obligation, the covered person may mail or deliver the disclosure notice to any consumer who is primarily liable. And, if an acquisition involves multiple covered persons who each acquire a partial interest in the loan pursuant to separate and unrelated agreements, each covered person has a duty to ensure that disclosures related to its acquisition are accurate and provided in a timely manner unless an exception in § [1026.39\(c\)](#) applies. The parties may, but are not

required to, provide a single notice that satisfies the timing and content requirements applicable to each covered person. ([Comment 1026.39\(b\)\(5\)-2](#))

NOTE: Each covered person must provide the notice of transfer or sale to confirmed successors in interest unless the exemption under § [1026.39\(f\)](#) applies.

Treatment of Credit Balances

If an account's credit balance is in excess of one dollar, determine whether the credit union:

1. Credited the amount of the credit balance to the consumer's account;
2. Refunded any part of the remaining credit balance, upon the written request of the consumer; and
3. Made a good faith effort to refund to the consumer by cash, check, or money order, or credit to a deposit account of the consumer, any part of the credit balance remaining in the account for more than six months, unless the consumer's location was not known to the credit union and could not be traced through the consumer's last known address or telephone number. (§ [1026.21](#))

Private Education Loans

For private education loans subject to Subpart F, ensure that the required disclosures are accurate (§ [1026.47](#)) and contain the following information:

1. Application or solicitation disclosures disclose the following as required under § [1026.47\(a\)](#) :
 - a. Interest rate, including:
 - i. Rate or range, and if the rate depends in part on a determination of the borrower's creditworthiness or other factors, a statement to that effect;
 - ii. Whether rate is fixed or variable;
 - iii. If rate may increase after consummation, any limitations, or lack thereof, and if the limitation is imposed by law, that fact. Also, the credit union must state that the consumer's actual rate may be higher or lower than that disclosed, if applicable; and
 - iv. Whether the rate will typically be higher if the loan is not co-signed or guaranteed.
 - b. Fees and default or late payment costs.
 - c. Repayment terms, including:
 - i. Term of the loan, which is the period during which regularly scheduled payments of principal and interest will be due.
 - ii. Deferral options, or if consumer does not have the option to defer, that fact.

- iii. For each available deferral option applicable, information about:
 - a. Whether interest will accrue during deferral period; and
 - b. If interest accrues, whether payment of interest may be deferred and added to the principal balance.
 - iv. A statement that, if the consumer files bankruptcy, the consumer may still be required to repay the loan.
 - d. Cost estimates, based on an example of the total cost of the loan, calculated using:
 - i. The highest interest rate and including all applicable finance charges;
 - ii. An amount financed of \$10,000, or \$5,000, if the credit union offers loans less than \$10,000; and
 - iii. Calculated for each payment option.
 - e. Eligibility (e.g., any age or school enrollment eligibility requirements).
 - f. Alternatives to private education loans, including:
 - i. A statement that the consumer may qualify for federal student loans;
 - ii. The interest rates available for each program available under [title IV of the Higher Education Act of 1965](#), and whether the rate is variable or fixed;
 - iii. A statement that the consumer may obtain additional information about student federal financial assistance from his school or U.S. Department of Education, including an appropriate website; and
 - iv. A statement that a covered educational institution may have school specific educational loan benefits and terms not detailed in the loan disclosure forms.
 - g. A statement that if the loan is approved, that the loan will be available for 30 days and the terms will not change, except for changes to the interest rate in the case of a variable rate and other changes permitted by law.
 - h. A statement that before consummation, the borrower must complete a self-certification form obtained from the student's institution of higher education.

2. For approval disclosures, the following information is required under § [1026.47\(b\)](#):

- a. Interest rate, information, including:
 - i. Interest rate applicable to the loan
 - ii. Whether the interest rate is variable or fixed; and
 - iii. If the interest rate may increase after consummation, any limitations on the rate adjustments, or lack thereof.
- b. Fees and default or late payment costs, including:
 - i. An itemization of the fees or range of fees required to obtain the loan; and
 - ii. Any fees, changes to the interest rate, and adjustments to principal based on the consumer's defaults or late payments.
- c. Repayment terms, including:
 - i. Principal amount;

- ii. Term of the loan;
- iii. A description of the payment deferral option chosen by the consumer, if applicable, and any other payment deferral options that the consumer may elect at a later time;
- iv. Any payments required while the student is enrolled at the educational institution, based on the deferral option the consumer chooses;
- v. Amount of any unpaid interest that will accrue while the student is enrolled in school, based upon the deferral option chosen by the consumer;
- vi. A statement that if the consumer files for bankruptcy, that the consumer may still be required to pay back the loan;
- vii. An estimate of the total amount of payments calculated based upon:
 - i. The interest rate applicable to the loan (compliance with § [1026.18\(h\)](#) constitutes compliance with this requirement);
 - ii. The maximum possible rate of interest for the loan, or, if a maximum rate cannot be determined, a rate of 25 percent.
 - iii. If a maximum rate cannot be determined, the estimate of the total amount for repayment must include a statement that there is no maximum rate and that the total amount for repayment disclosed is an estimate.
- viii. The maximum monthly payment based on the maximum rate of interest for the loan, or, if a maximum rate of interest cannot be determined, a rate of 25 percent. If a maximum cannot be determined, a statement that there is no maximum rate and that the monthly payment amount disclosed is an estimate and will be higher if the applicable interest rate increases.

d. Alternatives to private education loans, including:

- i. A statement that the consumer may qualify for federal student loans;
- ii. The interest rates available for each program available under Title IV of the Higher Education Act of 1965, and whether the rate is variable or fixed; and
- iii. A statement that the consumer may obtain additional information about student federal financial assistance from his school or U.S. Department of Education, including an appropriate website.

e. A statement that the consumer may accept the terms of the loan until the acceptance period under § [1026.48\(c\)\(1\)](#) has expired. The statement must include:

- i. The specific date the acceptance period expires, based on the date the consumer receives the disclosures required under this subsection for the loan;
- ii. The method or methods by which the consumer may communicate the acceptance (written, oral, or by electronic means; and
- iii. A statement that except for changes to the interest rate and other changes permitted by law, the credit union may not change the rates and the terms of the loan during the 30-day acceptance period.

3. After the consumer has accepted the loan according to § [1026.48\(c\)\(1\)](#), final disclosures must disclose the information required under § [1026.47\(c\)](#) and the following:

a. Interest rate, including:

- i. Interest rate applicable to the loan;

- ii. Whether the interest rate is variable or fixed; and
 - iii. If the interest rate may increase after consummation, any limitations on the rate adjustments, or lack thereof.
- b. Fees and default or late payment costs, including:
 - i. An itemization of the fees or range of fees required to obtain the loan; and
 - ii. Any fees, changes to the interest rate, and adjustments to principal based on the consumer's defaults or late payments.
- c. Repayment terms, including:
 - i. Principal amount;
 - ii. Term of the loan;
 - iii. A description of the payment deferral option the consumer chooses, if applicable, and any other payment deferral options that the consumer may elect at a later time;
 - iv. Any payments required while the student is enrolled at the educational institution, based on the deferral option the consumer chooses;
 - v. Amount of any unpaid interest that will accrue while the student is enrolled in school, based upon the deferral option the consumer chooses;
 - vi. A statement that if the consumer files for bankruptcy, that the consumer may still be required to pay back the loan;
 - vii. An estimate of the total amount of payments calculated based upon:
 - A. The interest rate applicable to the loan (compliance with § [1026.18\(h\)](#) constitutes compliance with this requirement);
 - B. The maximum possible rate of interest for the loan, or, if a maximum rate cannot be determined, a rate of 25 percent;
 - C. If a maximum rate cannot be determined, the estimate of the total amount for repayment must include a statement that there is no maximum rate and that the total amount for repayment disclosed is an estimate.
 - viii. The maximum monthly payment based on the maximum rate of interest for the loan, or, if a maximum rate of interest cannot be determined, a rate of 25 percent. If a maximum cannot be determined, a statement that there is no maximum rate and that the monthly payment amount disclosed is an estimate and will be higher if the applicable interest rate increases.
- d. In a text more conspicuous than any other required disclosure, except for the finance charge, the interest rate, and the credit union's identity of the following disclosures:
 - i. A statement that the consumer has the right to cancel the loan, without penalty, at any time before the midnight of the third business day after the date the consumer receives the final loan disclosures. The statement must include the specific date the cancellation period expires and that the consumer may cancel by that date; (§ [1026.47\(c\)\(4\)\(i\)](#))
 - ii. A statement that the loan proceeds will not be disbursed until the cancellation period expires; (§ [1026.47\(c\)\(4\)\(ii\)](#))
 - iii. The method or methods the consumer may use to cancel; and (§ [1026.47\(c\)\(4\)\(ii\)](#))

- iv. If the credit union permits cancellation by mail, the statement specifying that the consumer's mailed request will be deemed timely if placed in the mail no later than the cancellation date specified on the disclosures.
(§ [1026.47\(c\)\(4\)\(ii\)](#))

Open-End Credit Disclosure Forms

1. Determine that the credit union made the disclosures clearly and conspicuously.
(§ [1026.5\(a\)](#))
2. Determine that the credit union made the applicable disclosures in writing, in a form that the consumer may keep, except: (§ [1026.5\(a\)\(1\)\(ii\)](#))
 - a. The following disclosures need not be written:
 - i. Charges that are imposed as part of an open-end (not home-secured) plan that are not required to be disclosed; (§ [1026.6\(b\)\(3\)](#))
 - ii. Reduction of the credit limit; (§ [1026.9\(c\)\(2\)\(vi\)](#))
 - iii. When a finance charge is imposed at the time of the transaction; (§ [1026.9\(d\)](#))
and
 - iv. Opt-in notice for over-the-limit transactions on credit card accounts.
(§ [1026.56\(b\)\(1\)\(i\)](#))
 - b. The following disclosures need not be in a retainable form:
 - i. Disclosures that need not be written as stated above (section 2a);
(§ [1026.5\(a\)\(1\)\(ii\)\(A\)](#))
 - ii. Alternative summary billing-rights statement; (§ [1026.9\(a\)\(2\)](#))
 - iii. Credit and charge card renewal disclosures; (§ [1026.9\(e\)](#))
 - iv. Payment requirements, except as provided in § [1026.7\(b\)\(13\)](#); (§ [1026.10\(b\)](#))
 - v. Home-equity disclosures; (§ [1026.40\(d\)](#)) and
 - vi. Credit and charge card applications and solicitations. (§ [1026.60](#))
 - c. The following disclosures may be provided to the consumer in electronic form, subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act) ([15 U.S.C. 7001](#) et seq.):
 - i. Credit and charge card applications and solicitations; (§ [1026.60](#))
 - ii. Requirements for home equity plans; and (§ [1026.40](#))
 - iii. Advertising. (§ [1026.16](#))
3. Determine that the terminology the credit union uses in providing the disclosures required by open end credit general disclosure requirements (§ [1026.5](#)) is consistent.
(§ [1026.5\(a\)\(2\)\(i\)](#))
4. Determine that, for home-equity plans, the terms finance charge and annual percentage rate (APR), when required to be disclosed with a corresponding amount or percentage rate, are

more conspicuous than any other required disclosure. The terms need not be more conspicuous when used for periodic statement disclosures and for advertisements. (§ [1026.5\(a\)\(2\)\(ii\)](#))

5. Determine that, if disclosures must be presented in a tabular format under § [1026.5\(a\)\(3\)](#), that the term penalty APR must be used, as applicable. (§ [1026.5\(a\)\(2\)\(iii\)](#))

NOTE: The term penalty APR need not be used in reference to the annual percentage rate that applies with the loss of a promotional rate, assuming the annual percentage rate that applies is no greater than the annual percentage rate that would have applied at the end of the promotional period; or if the annual percentage rate that applies with the loss of a promotional rate is a variable rate, the annual percentage rate is calculated using the same index and margin as would have been used to calculate the annual percentage rate that would have applied at the end of the promotional period. If credit insurance or debt cancellation or debt suspension coverage is required as part of the plan, the term required must be used and the program must be identified by its name. If an annual percentage rate must be presented in a tabular format, the term fixed, or a similar term, may not be used to describe such rate unless the credit union also specifies a time period that the rate will be fixed and the rate will not increase during that period, or if the credit union does not provide a time period, the rate will not increase while the plan is open.

Credit and Charge Card Application and Solicitation Disclosures

1. Determine that the credit card solicitation or application disclosures were made clearly and conspicuously on or with a solicitation or an application. (§ [1026.60](#))
2. For the disclosures in §§ [1026.60\(b\)\(1\)-\(5\)](#) (except for §§ [1026.60\(b\)\(1\)\(iv\)\(B\)](#)) and [1026.60\(b\)\(7\)-\(15\)](#), determine that the credit union made the disclosures required for §§ [1026.60\(c\)](#), [1026.60\(d\)\(2\)](#), [1026.60\(e\)\(1\)](#) and [1026.60\(f\)](#) in the form of a table with headings, content, and format similar to the applicable tables found in G-10 in [Appendix G](#). (§ [1026.60\(a\)\(2\)\(i\)](#))
3. Determine that the table required by § [1026.60\(a\)\(2\)\(i\)](#) contains only the information required or permitted by that section. If the credit union provides other information, determine that the information appears outside the table. (§ [1026.60\(a\)\(2\)\(ii\)](#))
4. Determine that the disclosures required by §§ [1026.60\(b\)\(1\)\(iv\)\(B\)-\(C\)](#), and [1026.60\(b\)\(6\)](#) are placed directly beneath the table required by § [1026.60\(a\)\(2\)\(i\)](#). (§ [1026.60\(a\)\(2\)\(iii\)](#))
5. When a tabular format is required, determine that the following disclosures are disclosed in bold text: (§ [1026.60\(a\)\(2\)\(iv\)](#))
 - a. Annual percentage rate required to be disclosed under § [1026.60\(b\)\(1\)](#);
 - b. Introductory rate required to be disclosed under § [1026.60\(b\)\(1\)\(ii\)](#);
 - c. Rate that will apply after a premium initial rate expires required to be disclosed under § [1026.60\(b\)\(1\)\(iii\)](#); and
 - d. Fee or percentage amounts or maximum limits on fee amounts required to be disclosed under §§ [1026.60\(b\)\(2\)](#), [1026.60\(b\)\(4\)](#), [1026.60\(b\)\(8\)-\(13\)](#).

NOTE: Bold text must not be used for the amount of any periodic fee disclosed under § [1026.60\(b\)\(2\)](#) that is not an annualized amount, and other APRs or fee amounts disclosed in the table. (§ [1026.60\(a\)\(2\)\(iv\)](#))

6. Determine that the card issuer discloses, on or with an solicitation or application:
(§ [1026.60\(b\)](#))

- a. Annual percentage rate. Each periodic rate that may be used to compute the finance charge on an outstanding balance for purchases, a cash advance, or a balance transfer, expressed as an annual percentage rate. When more than one rate applies for a category of transactions, determine that the credit union also discloses the range of balances to which each rate is applicable. (§ [1026.60\(b\)\(1\)](#))

NOTE: The APR for purchases disclosed under § [1026.60\(b\)\(1\)](#) must be in at least 16-point type, except for the following: Oral disclosures of the annual percentage rate for purchases; or a penalty rate that may apply upon the occurrence of one or more specific events.

- i. Variable rate information. If a rate is a variable rate, determine that the card issuer discloses the fact that the rate may vary and how the rate is determined. Determine that the card issuer identifies the type of index or formula that it uses in setting the rate. Determine that the value of the index and the amount of the margin that the issuer uses to calculate the variable rate are not disclosed in the table. Determine further that any applicable limitations on rate increases are not included in the table. (§ [1026.60\(b\)\(1\)\(i\)](#))
- ii. Discounted initial rate. If the initial rate is an introductory rate, determine that the card issuer discloses in the table the introductory rate, the time period during which the introductory rate will remain in effect, and the term “introductory” or “intro” in immediate proximity to the introductory rate. Determine further that the card issuer discloses either the variable or fixed rate that would otherwise apply to the account. (§ [1026.60\(b\)\(1\)\(ii\)](#))
- iii. Premium initial rate. If the initial rate is temporary and is higher than the rate that will apply after the temporary rate expires, determine that the card issuer discloses the premium initial rate and the time period when the premium initial rate will remain in effect. Determine that the premium initial rate for purchases is in at least 16-point type. Determine that the issuer discloses in the table the rate that will apply after the premium initial rate expires, in at least 16-point type. (§ [1026.60\(b\)\(1\)\(iii\)](#))
- iv. Penalty rates. Except as for provided introductory rate or employee preferential rate requirements (discussed below), if a rate may increase as a penalty for one or more events specified in the account agreement, such as a late payment or an extension of credit that exceeds the credit limit, determine that the card issuer discloses the increased rate that may apply, a brief description of the event or events that may result in the increased rate, and a brief description of how long the increased rate will remain in effect.
(§ [1026.60\(b\)\(1\)\(iv\)\(A\)](#))
- v. Introductory rate. If the issuer discloses an introductory rate in the table or in any written or electronic promotional materials accompanying applications or

solicitations (and subject to paragraph (c) or (e) of section 1026.60), determine that the issuer briefly discloses, directly beneath the table, the circumstances, if any, under which the introductory rate may be revoked, and the type of rate that will apply after the introductory rate is revoked.

(§ [1026.60\(b\)\(1\)\(iv\)\(B\)](#))

- vi. Employee preferential rates. If the issuer discloses in the table a preferential APR for which only employees of the card issuer, employees of a third party, or other individuals with similar affiliations with the card issuer or third party are eligible, determine that the issuer briefly discloses directly beneath the table the circumstances under which such preferential rate may be revoked and the rate that will apply after the preferential rate is revoked.

(§ [1026.60\(b\)\(1\)\(iv\)\(C\)](#))

- vii. Rates that depend on consumer's creditworthiness. If a rate cannot be determined at the time disclosures are given because the rate depends, at least in part, on a later determination of the consumer's creditworthiness, determine that the card issuer discloses the specific rates or the range of rates that could apply and a statement that the rate for which the consumer may qualify at account opening will depend on the consumer's creditworthiness, and other factors if applicable. (§ [1026.60\(b\)\(1\)\(v\)](#))

NOTE: If the rate that depends, at least in part, on a later determination of the consumer's creditworthiness is a penalty rate, as described in § [1026.60\(b\)\(1\)\(iv\)](#), the card issuer at its option may disclose the highest rate that could apply, instead of disclosing the specific rates or the range of rates that could apply. (§ [1026.60\(b\)\(1\)\(v\)](#))

- viii. APRs that vary by state. Determine that the card issuer does not list annual percentage rates for multiple states in the table. Note, however, that issuers imposing annual percentage rates that vary by state may, at the issuer's option, disclose in the table: the specific annual percentage rate applicable to the consumer's account; or the range of the annual percentage rates, if the disclosure includes a statement that the annual percentage rate varies by state and refers the consumer to a disclosure provided with the table where the annual percentage rate applicable to the consumer's account is disclosed.

(§ [1026.60\(b\)\(1\)\(vi\)](#))

- b. Fees for issuance or availability. Determine that the card issuer discloses any annual or other periodic fee, expressed as an annualized amount, or any other fee that may be imposed for the issuance or availability of a credit or charge card, including any fee based on account activity or inactivity. (§ [1026.60\(b\)\(2\)](#))
- c. Fixed finance charge; minimum interest charge. Determine that the credit union discloses any fixed finance charge that it could impose during a billing cycle, as well as a brief description of that charge. Determine that the credit union discloses any minimum interest charge if it exceeds \$1.00 that it could impose during a billing cycle, and a brief description of the charge. (§ [1026.60\(b\)\(3\)](#))

- d. Transaction charge. Determine that the credit union discloses any transaction charge imposed for the use of the card for purchases. (§ [1026.60\(b\)\(4\)](#))
- e. Grace period. Determine that the issuer discloses the date by which or the period within which any credit extended for purchases may be repaid without incurring a finance charge due to a periodic interest rate and any conditions on the availability of the grace period. If there is no grace period, determine that this fact is disclosed. In disclosing in the tabular format a grace period that applies to all types of purchases, determine that the issuer uses the phrase “How to Avoid Paying Interest on Purchases” as the heading for the row describing the grace period. If a grace period is not offered on all types of purchases, in disclosing this fact in the tabular format, determine that the issuer uses the phrase “Paying Interest” as the heading for the row describing this fact.

NOTE: If the length of the grace period varies, the card issuer may disclose the range of days, the minimum number of days, or the average number of days in the grace period, if the disclosure is identified as a range, minimum, or average.
(§ [1026.60\(b\)\(5\)](#))

- f. Balance computation method. Determine that the credit union disclosed the name of the balance computation method that it uses to determine the balance on which the finance charge is computed, or an explanation of the method used if it is not listed. In determining which balance computation method to disclose, the credit union must have assumed that the credit extended will not be repaid within any grace period.
(§ [1026.60\(b\)\(6\)](#))

NOTE: Disclosures required by § [1026.60\(b\)\(6\)](#) must be placed directly beneath the table.

- g. Statement on charge card payments. Determine that the credit union discloses a statement that charges the consumer incurs by using the charge card are due when then consumer receives the periodic statement. (§ [1026.60\(b\)\(7\)](#))
- h. Cash advance fee. Determine that the credit union disclosed any fee it imposed for an extension of credit in the form of cash or its equivalent. (§ [1026.60\(b\)\(8\)](#))
- i. Late payment fee. Determine that the credit union disclosed any fee it imposed for a late payment. (§ [1026.60\(b\)\(9\)](#))
- j. Over-the-limit fee. Determine that the credit union disclosed any fee it imposed for exceeding the credit limit. (§ [1026.60\(b\)\(10\)](#))
- k. Balance transfer fee. Determine that the credit union disclosed any fee it imposed to transfer a balance. (§ [1026.60\(b\)\(11\)](#))
- l. Returned payment fee. Determine that the credit union disclosed any fee it imposed for a returned payment. (§ [1026.60\(b\)\(12\)](#))

- m. Required insurance, debt cancellation, or debt suspension coverage. Determine that the fee imposed for required insurance, debt cancellation or suspension coverage is disclosed if the insurance, debt cancellation or coverage is required as part of the plan. (§ [1026.60\(b\)\(13\)](#))
- n. Available credit. Determine whether total of required fees for the issuance or availability of credit and/or security deposit debited to the account at account opening equal or exceed 15 percent of minimum credit limit for the account. If so, determine that the credit union disclosed, as applicable, the available credit remaining after the fees and/or security deposit are debited to the account. (§ [1026.60\(b\)\(14\)](#))
- o. Website reference. For issuers of credit cards that are not charge cards, determine that the credit union disclosed a reference to the website established by the Consumer Financial Protection Bureau (CFPB) and a statement that the consumers may obtain on the website information about shopping for and using credit cards. (§ [1026.60\(b\)\(15\)](#))

Requirements for Home Equity Plans

1. Determine that the following home equity disclosures were made clearly and conspicuously, at the time of application. (§ [1026.40](#))
 - a. Home equity brochure
 - b. Statement that the consumer must retain a copy of the disclosure
 - c. Statement of the time the specific terms are available
 - d. Statement that terms are subject to change before the plan opens
 - e. Statement that the consumer may receive a full refund of all fees
 - f. Statement that the consumer's dwelling secures the credit
 - g. Statement that the consumer could lose the dwelling
 - h. Credit union's right to change, freeze, or terminate the account
 - i. Statement that information about conditions for adverse action are available upon request
 - j. Payment terms including the length of the draw and repayment periods, how the minimum payment is determined, the timing of payments, and an example based on \$10,000 and a recent APR
 - k. A recent APR imposed under the plan and a statement that the rate does not include costs other than interest (fixed rate plans only)
 - l. Itemization of all fees paid to the credit union
 - m. Estimate of any fees payable to third parties to open the account and a statement that the consumer may receive a good faith itemization of third-party fees
 - n. Statement regarding negative amortization, as applicable
 - o. Transaction requirements
 - p. Statement that the consumer must consult a tax advisor regarding the deductibility of interest and charges under the plan
 - q. For variable rate home equity plans, disclose the following:
 - i. That the APR, payment, or term may change;
 - ii. The APR excludes costs other than interest;
 - iii. Identify the index and its source;

- iv. How the APR will be determined;
 - v. Statement that the consumer must request information on the current index value, margin, discount, premium, or APR;
 - vi. Statement that the initial rate is discounted and the duration of the discount, if applicable;
 - vii. Frequency of APR changes;
 - viii. Rules relating to changes in the index, APR, and payment amount;
 - ix. Lifetime rate cap and any annual caps, or a statement that there is no annual limitation;
 - x. The minimum payment requirement, using the maximum APR, and when the credit union may impose the maximum APR;
 - xi. A historical example, based on a \$10,000 balance, reflecting all significant plan terms
 - xii. Statement that the credit union will provide rate information on or with each periodic statement.
2. For home-equity plans subject to § [1026.40](#), determine that the terms finance charge and annual percentage rate, when required to be disclosed with a corresponding amount or percentage rate, are more conspicuous than any other required disclosure.

NOTE: The terms need not be more conspicuous when used for periodic statement disclosures under § [1026.7\(a\)\(4\)](#) and for advertisements under § [1026.16](#). (§ [1026.5\(a\)\(2\)\(ii\)](#))

Account Opening Initial Disclosures

1. The following requirements apply only to home-equity plans subject to the requirements of § [1026.40](#). Determine that the credit union discloses, as applicable (§ [1026.6\(a\)](#)):
- a. **Finance charge.** The circumstances under which the credit union will impose a finance charge and an explanation of how it will be determined, including: a statement of when finance charges begin to accrue, and an explanation of whether or not any time period exists within which any credit extended may be repaid without incurring a finance charge; a disclosure of each periodic rate that the credit union may use to compute the finance charge, the range of balances to which it is applicable, and the corresponding annual percentage rate; an explanation of the method the credit union may use to determine the balance on which the finance charge may be computed; and, an explanation of how the credit union will determine the amount of any finance charge, including a description of how the credit union will determine any finance charge other than the periodic rate. (§ [1026.6\(a\)\(1\)](#)) If a credit union offers a variable-rate plan, determine that the credit union discloses: the circumstances under which the rate(s) may increase; any limitations on the increase; and the effect(s) of an increase. When different periodic rates apply to different types of transactions, determine that the types of transactions to which the periodic rates must apply must also be disclosed. (§ [1026.6\(a\)\(1\)](#))

- b. **Other charges.** The amount of any charge other than a finance charge that the credit union may impose as part of the plan, or an explanation of how the charge will be determined. (§ [1026.6\(a\)\(2\)](#))
 - c. **Home-equity plan information.** The following disclosures, as applicable (§ [1026.6\(a\)\(3\)](#)):
 - i. A statement of the conditions under which the credit union may take certain action, as described in § [1026.40\(d\)\(4\)\(i\)](#), such as terminating the plan or changing the terms;
 - ii. The payment information described in §§ [1026.40\(d\)\(5\)\(i\)](#) and [\(ii\)](#) for both the draw period and any repayment period;
 - iii. A statement that negative amortization may occur as described in § [1026.40\(d\)\(9\)](#);
 - iv. A statement of any transaction requirements as described in § [1026.40\(d\)\(10\)](#);
 - v. A statement regarding the tax implications as described in § [1026.40\(d\)\(11\)](#);
 - vi. A statement that the annual percentage rate imposed under the plan does not include costs other than interest as described in §§ [1026.40\(d\)\(6\)](#) and [1026.40\(d\)\(12\)\(ii\)](#); and
 - vii. The variable-rate disclosures described in §§ [1026.40\(d\)\(12\)\(viii\)](#), [1026.40\(d\)\(12\)\(x\)](#), [1026.40\(d\)\(12\)\(xi\)](#), and [1026.40\(d\)\(12\)\(xii\)](#), as well as the disclosure described in § [1026.40\(d\)\(5\)\(iii\)](#), unless the disclosures the credit union provided with the application were in a form the consumer could keep and included a representative payment example for the category of payment option chosen by the consumer.
 - d. **Security interests.** The fact that the credit union has or will acquire a security interest in the property purchased under the plan, or in other property identified by item or type. (§ [1026.6\(a\)\(4\)](#))
 - e. **Statement of billing rights.** A statement that outlines the consumer's rights and the credit union's responsibilities under §§ [1026.12\(c\)](#) and [1026.13](#) and that is similar to the statement found in Model Form G-3 or, at the credit union's option, G-3(A), in [Appendix G](#) to this part. (§ [1026.6\(a\)\(5\)](#))
2. For open-end (not home-secured) plans determine that the credit union provided the account-opening disclosures specified in §§ [1026.6\(b\)\(2\)\(i\)-\(v\)](#) (except for § [1026.6\(b\)\(2\)\(i\)\(D\)\(2\)](#)) and §§ [1026.6\(b\)\(2\)\(vii\)-\(xiv\)](#) in the form of a table with the headings, content, and format substantially similar to any of the applicable tables in G-17 in [Appendix G](#). (§ [1026.6\(b\)\(1\)](#))
 3. For open-end (not home-secured) plans, determine that the credit union discloses the following disclosures in bold text (§ [1026.6\(b\)\(1\)\(i\)](#)):
 - a. Any APR required to be disclosed under § [1026.6\(b\)\(2\)\(i\)](#);
 - b. Any introductory rate permitted to be disclosed under § [1026.6\(b\)\(2\)\(i\)\(B\)](#) or required to be disclosed under § [1026.6\(b\)\(2\)\(i\)\(F\)](#);
 - c. Any rate that will apply after a premium initial rate expires permitted to be disclosed under § [1026.6\(b\)\(2\)\(i\)\(C\)](#) or required to be disclosed pursuant to § [1026.6\(b\)\(2\)\(i\)\(F\)](#); and

- d. Any fee or percentage amounts or maximum limits on fee amounts disclosed under §§ [1026.6\(b\)\(2\)\(ii\)](#), [1026.6\(b\)\(2\)\(iv\)](#), [1026.6\(b\)\(2\)\(vii\)-\(xii\)](#).
4. Determine that bold text is not used for: The amount of any periodic fee disclosed under § [1026.6\(b\)\(2\)](#) that is not an annualized amount; and other annual percentage rates or fee amounts disclosed in the table. (§ [1026.6\(b\)\(1\)\(i\)](#))
5. Determine that only the information required or permitted by §§ [1026.6\(b\)\(2\)\(i\)-\(v\)](#) (except for § [1026.6\(b\)\(2\)\(i\)\(D\)\(2\)](#)) and [1026.6\(b\)\(2\)\(vii\)-\(xiv\)](#) are provided in the table. Disclosures required by §§ [1026.6\(b\)\(2\)\(i\)\(D\)\(2\)](#), [1026.6\(b\)\(2\)\(i\)\(D\)\(3\)](#), [1026.6\(b\)\(2\)\(vi\)](#) and [1026.6\(b\)\(2\)\(xv\)](#) must be placed directly below the table required by § [1026.6\(b\)\(1\)](#). (§ [1026.6\(b\)\(1\)\(ii\)](#))

NOTE: Disclosures required by §§ [1026.6\(b\)\(3\)-\(5\)](#) that are not otherwise required to be in the table and other information may be presented with the account agreement or account-opening disclosure statement, if such information appears outside the required table.

6. For credit unions that impose fees referred to in § [1026.6\(b\)\(2\)\(vii\)-\(xi\)](#) that vary by state and that provide the disclosures required by § [1026.6\(b\)](#) in person at the time the open-end (not home-secured) plan is established for financing the purchase of goods or services determine that the credit union discloses in the account-opening table either:
 - a. The specific fee applicable to the consumer's account, or
 - b. The range of fees, a statement that the amount of the fee varies by state, and a reference to the account agreement or other disclosure provided with the account-opening table where the amount of the fee applicable to the consumer's account is disclosed. (§ [1026.6\(b\)\(1\)\(iii\)](#))

NOTE: A credit union is not permitted to list fees for multiple states in the account-opening summary table (§ [1026.6\(b\)\(1\)\(iii\)](#)).

- c. If the amount of any fee required to be disclosed under this section is determined on the basis of a percentage of another amount, the percentage used and the identification of the amount against which the percentage is applied may be disclosed instead of the amount of the fee. (§ [1026.6\(b\)\(1\)\(iv\)](#))
7. The following requirements apply to open-end (not home-secured). Determine that the credit union discloses in the appropriate format, as applicable:
 - a. **Annual percentage rate.** Each periodic rate that the credit union may use to compute the finance charge on an outstanding balance for purchases, a cash advance, or a balance transfer, expressed as an APR. When more than one rate applies for a category of transactions, determine that the credit union discloses the range of balances to which each rate is applicable. Ensure that the APR for purchases disclosed under this paragraph is in at least 16-point type, except for a penalty rate

that may apply upon the occurrence of one or more specific events.
(§ [1026.6\(b\)\(2\)\(i\)](#))

- b. **Variable rate information**. If the rate is a variable rate, determine that the credit union also disclosed the fact that the rate may vary and how the rate is determined (i.e., identify the type of index or formula used in setting the rate).
(§ [1026.6\(b\)\(2\)\(i\)\(A\)](#))
- c. **Discounted initial rate**. If the initial rate is an introductory rate, determine that the credit union disclosed that the rate would otherwise apply to the account. Where the rate is not tied to an index or formula, determine that the credit union disclosed the rate that will apply after the introductory rate expires. For a variable rate account, determine that the credit union disclosed a rate based on the applicable index or formula in accordance with the accuracy requirements. (§ [1026.6\(b\)\(2\)\(i\)\(B\)](#))
- d. **Premium initial rate**. If the initial rate is temporary and is higher than the rate that will apply after the temporary rate expires, determine that the credit union disclosed the premium initial rate. Determine that the premium rate for purchases is in at least 16- point type. (§ [1026.6\(b\)\(2\)\(i\)\(C\)](#))
- e. **Penalty rates**. Except for introductory rates and employee preferential rates (discussed below), if the rate is a penalty rate, determine that the credit union disclosed as part of the APR disclosure the increased rate that may apply, a brief description of the event or events that may result in the increased rate, and a brief description of how long the increased rate will remain in effect.
(§ [1026.6\(b\)\(2\)\(i\)\(D\)\(1\)](#))
- f. **Introductory rates**. If the credit union discloses in the table an introductory rate, as that term is defined in § [1026.16\(g\)\(2\)\(ii\)](#), determine that the credit union briefly disclosed directly beneath the table the circumstances under which the introductory rate may be revoked, and the rate that will apply after the introductory rate is revoked. (§ [1026.6\(b\)\(2\)\(i\)\(D\)\(2\)](#))
- g. **Employee preferential rates**. If the credit union discloses in the table a preferential APR for which only employees of the credit union, employees of a third party, or other individuals with similar affiliations with the credit union or third party are eligible, determine that the credit union briefly disclosed directly beneath the table the circumstances under which the preferential rate may be revoked, and the rate that will apply after the preferential rate is revoked. (§ [1026.6\(b\)\(2\)\(i\)\(D\)\(3\)](#))
- h. **Point of sale where APRs vary by state or based on creditworthiness**. If the credit union imposes an APR that varies by state or based on the consumer's creditworthiness and provides required disclosures in person at the time the open-end (not home-secured) plan is established for financing the purchase of goods or services, determine that the credit union discloses either: (§ [1026.6\(b\)\(2\)\(i\)\(E\)](#))
 - i. The specific APR applicable to the consumer's account, or
 - ii. The range of the APRs, if the disclosure includes a statement that the APR varies by state or will be determined based on the consumer's

creditworthiness and refers the consumer to the account agreement or other disclosure the credit union provided with the account-opening table where the credit union discloses the AP applicable to the consumer's account. Determine that the credit union does not list APRs for multiple states in the account opening table.

- i. **Credit card accounts under an open-end (not home-secured) consumer credit plan.** Determine that the issuer discloses in the table: (§ [1026.6\(b\)\(2\)\(i\)\(F\)](#))
 - i. Any introductory rate, and
 - ii. Any rate that would apply upon expiration of a premium initial rate.
- j. **Fees for issuance or availability.** Determine that the credit union disclosed any annual or periodic fee that it may impose for the issuance or availability of an open-end plan (including any fee based on account activity or inactivity); how frequently it will impose the fee; and the annualized amount of the fee. (§ [1026.6\(b\)\(2\)\(ii\)](#))
- k. **Fixed finance charge and minimum interest charge.** Determine that the credit union disclosed any fixed finance charge and any minimum interest charge if it exceeds \$1.00 that the credit union can impose during a billing cycle, and a brief description of the charge. (§ [1026.6\(b\)\(2\)\(iii\)](#))
- l. **Non-periodic Fee.** Determine that the credit union disclosed any non-periodic fee that relates to opening the plan. A credit union must disclose that the fee is a one-time fee. (§ [1026.6\(b\)\(2\)\(ii\)\(B\)](#))
- m. **Transaction charges.** Determine that the credit union discloses any transaction charge the credit union imposes for use of the open-end plan for purchases. (§ [1026.6\(b\)\(2\)\(iv\)](#))
- n. **Grace period.** The date by which or the period within which any credit extended may be repaid without incurring a finance charge due to a periodic interest rate and any conditions on the availability of the grace period. If the credit union does not provide a grace period, the credit union must disclose that fact. If the length of the grace period varies, the credit union may disclose the range of days, the minimum number of days, or the average number of the days in the grace period, if the disclosure is identified as a range, minimum, or average. In disclosing in the tabular format a grace period that applies to all features on the account, the credit union must use the phrase "How to Avoid Paying Interest" as the heading for the row describing the grace period. If a grace period is not offered on all features of the account, in disclosing this fact in the tabular format, the credit union must use the phrase "Paying Interest" as the heading for the row describing this fact. (§ [1026.6\(b\)\(2\)\(v\)](#))
- o. **Balance computation method.** Determine that the credit union disclosed in the account opening disclosures the name of the balance computation method that is used to determine the balance on which the finance charge is computed for each feature, or an explanation of the method it used if it is not listed, along with a statement that an explanation of the methods required by section [1026.6\(b\)\(4\)\(i\)\(D\)](#). In determining which balance computation method to disclose, the credit union must have assumed

that the credit extended will not be repaid within any grace period.
(§ [1026.6\(b\)\(2\)\(vi\)](#))

- p. **Cash advance fee.** Determine that the credit union disclosed any fee it imposed for an extension of credit in the form of cash or its equivalent. (§ [1026.6\(b\)\(2\)\(vii\)](#))
- q. **Late payment fee.** Determine that the credit union disclosed any fee it imposed for a late payment. (§ [1026.6\(b\)\(2\)\(viii\)](#))
- r. **Over-the-limit fee.** Determine that the credit union disclosed any fee it imposed for exceeding the credit limit. (§ [1026.6\(b\)\(2\)\(ix\)](#))
- s. **Balance transfer fee.** Determine that the credit union disclosed any fee it imposed to transfer a balance. (§ [1026.6\(b\)\(2\)\(x\)](#))
- t. **Returned payment fee.** Determine that the credit union disclosed any fee it imposed for a returned payment. (§ [1026.6\(b\)\(2\)\(xi\)](#))
- u. **Required insurance, debt cancellation, or debt suspension coverage.** Determine that the fee the credit union imposed for required insurance, debt cancellation or suspension coverage is disclosed if the insurance, debt cancellation or coverage is required as part of the plan. Credit unions must also cross reference additional information about the insurance or coverage as applicable. (§ [1026.6\(b\)\(2\)\(xii\)](#))
- v. **Available credit.** Determine whether total of required fees for the issuance or availability of credit and/or security deposit debited to the account at account opening equal or exceed 15 percent of the credit limit for the account. If so, determine that the credit union disclosed the available credit remaining after the fees and/or security deposit are debited to the account. (§ [1026.6\(b\)\(2\)\(xiii\)](#))
- w. **Website reference.** For issuers of credit cards that are not charge cards, determine that the credit union disclosed a reference to the website established by the CFPB and a statement that the consumers may obtain information about shopping for and using credit cards on the website. (§ [1026.6\(b\)\(2\)\(xiv\)](#))
- x. **Billing error rights reference.** Determine that the credit disclosed a statement that information about consumers' right to dispute transactions is included in the account-opening disclosures. (§ [1026.6\(b\)\(2\)\(xv\)](#))
- y. **Charges and finance charges.** For charges the credit union imposes as part of open-end (not home- secured) plan, the circumstances under which the credit union may impose the charge, including the amount of the charge or explanation of how the credit union determines the charge. For finance charges, a statement of when finance charges begin to accrue, including an explanation of whether or not any time period exists within which any credit extended may be repaid without incurring a finance charge. If the credit union provides such a time period, a credit union may, at its option and without disclosure, impose no finance charge when it receives payment after the time period's expiration. (§ [1026.6\(b\)\(3\)\(i\)](#))

- z. **Rates for open-end (not home-secured) plans.** Determine that the credit union disclosed, as applicable, for each periodic rate that may be used to calculate interest: (§ [1026.6\(b\)\(4\)\(i\)](#))
- i. The rate (expressed as a periodic rate and a corresponding APR),
 - ii. The range of balances to which the rate is applicable,
 - iii. The type of transaction to which the periodic rate applies, and
 - iv. An explanation of the method the credit union used to determine the balance to which the rate is applied.
- aa. **Variable-rate Accounts.** For interest rate changes that are tied to increases in an index or formula (variable-rate accounts) determine that the following are specifically set forth in the account agreement: (§ [1026.6\(b\)\(4\)\(ii\)](#))
- i. The fact that the annual percentage rate may increase;
 - ii. How the rate is determined, including the margin;
 - iii. The circumstances under which the rate may increase;
 - iv. The frequency with which the rate may increase;
 - v. Any limitation on the amount the rate may change;
 - vi. The effect(s) of an increase; and
 - vii. Except as specified in § [1026.6\(b\)\(4\)\(ii\)\(H\)](#), a rate is accurate if it is a rate as of a specified date and this rate was in effect within the last 30 days before the credit union provides the disclosures.
- bb. **Rate changes not due to index or formula.** For interest rate changes that are specifically set forth in the account agreement and not tied to increases in an index or formula, determine that the credit union discloses: (§ [1026.6\(b\)\(4\)\(iii\)](#))
- i. The initial rate (expressed as a periodic rate and a corresponding APR);
 - ii. How long the initial rate will remain in effect and the specific events that cause the initial rate to change;
 - iii. The rate (expressed as a periodic rate and a corresponding APR) that will apply when the initial rate is no longer in effect and any limitation on the time period the new rate will remain in effect;
 - iv. The balances to which the new rate will apply; and
 - v. The balances to which the current rate at the time of the change will apply.
- cc. **Voluntary credit insurance, debt cancellation, or debt suspension.** Determine that the credit union disclosed the applicable disclosures if the credit union offers optional credit insurance, or debt cancellation or debt suspension coverage. (§ [1026.6\(b\)\(5\)\(i\)](#))
- dd. **Security interests.** Determine that the credit union disclosed the fact that the credit union has or will acquire a security interest in the property purchased under the plan, or in other property identified by item or type. (§ [1026.6\(b\)\(5\)\(ii\)](#))
- ee. **Statement of billing rights.** Determine that the credit union disclosed a statement that outlines the consumer's rights and the credit union's responsibilities. (§ [1026.6\(b\)\(5\)\(iii\)](#))

Periodic Statement Disclosures

1. **Rules affecting home-equity plans.** For home-equity plans subject to the requirements of § [1026.40](#), determine that the credit union disclosed on the periodic statement all items below. (§ [1026.7\(a\)](#))

NOTE: The requirements of § [1026.7\(a\)](#) apply only to home-equity plans subject to the requirements of § [1026.40](#). Alternatively, a credit union subject to the rules affecting home-equity plans may, at its option, comply with any of the requirements of § [1026.7\(b\)](#); however, any credit union that chooses not to provide a disclosure under § [1026.7\(a\)\(7\)](#) must comply with § [1026.7\(b\)\(6\)](#).

- a. *Previous balance.* The account balance outstanding at the beginning of the billing cycle. (§ [1026.7\(a\)\(1\)](#))
- b. *Identification of transactions.* An identification of each credit transaction in accordance with § [1026.8](#). (§ [1026.7\(a\)\(2\)](#))
- c. *Credits.* Any credit to the account during the billing cycle, including the amount and the date of crediting. The date need not be provided if a delay in accounting does not result in any finance or other charge. (§ [1026.7\(a\)\(3\)](#))
- d. *Periodic rates.* Each periodic rate that the credit union may use to compute the finance charge, the range of balances to which it is applicable, and the corresponding annual percentage rate. If different periodic rates apply to different types of transactions, the credit union must also disclose the types of transactions to which the periodic rates apply. For variable-rate plans, the fact that the periodic rate(s) may vary. (§ [1026.7\(a\)\(4\)](#))

NOTE: If the credit union does not impose a finance charge when the outstanding balance is less than a certain amount, the credit union is not required to disclose that fact, or the balance below which it will not impose a finance charge.

NOTE: Further, an annual percentage rate that differs from the rate that would otherwise apply and is offered only for a promotional period need not be disclosed except in periods in which the offered rate is actually applied.

- e. *Balance on which finance charge computed.* The amount of the balance to which a periodic rate was applied and an explanation of how that balance was determined. When a balance is determined without first deducting all credits and payments made during the billing cycle, the credit union must disclose the fact and the amount of the credits and payments must be disclosed. (§ [1026.7\(a\)\(5\)](#))
- f. *Amount of finance charge and other charges.* (§ [1026.7\(a\)\(6\)](#))
 - i. *Finance charges.* The amount of any finance charge debited or added to the account during the billing cycle, using the term finance charge. Determine that the components of the finance charge are individually itemized and identified to show the amount(s) due to the application of any periodic rates

and the amounts(s) of any other type of finance charge.

NOTE: If there is more than one periodic rate, the amount of the finance charge attributable to each rate need not be separately itemized and identified. (§ [1026.7\(a\)\(6\)\(i\)](#))

- ii. *Other charges.* The amounts, itemized and identified by type, of any charges other than finance charges debited to the account during the billing cycle. (§ [1026.7\(a\)\(6\)\(ii\)](#))

NOTE: Credit unions may comply with § [1026.7\(a\)\(6\)](#), or with § [1026.7\(b\)\(6\)](#), at their option.

- g. *Annual percentage rate.* At a credit union's option, when a finance charge is imposed during the billing cycle, the annual percentage rate(s) determined under § [1026.14\(c\)](#) using the term annual percentage rate. (§ [1026.7\(a\)\(7\)](#))
- h. *Grace period.* The date by which or the time period within which the new balance or any portion of the new balance must be paid to avoid additional finance charges. (§ [1026.7\(a\)\(8\)](#))
- i. *Address for notice of billing errors.* The address to be used for notice of billing errors. Alternatively, the address may be provided on the billing rights statement permitted by § [1026.9\(a\)\(2\)](#). (§ [1026.7\(a\)\(9\)](#))
- j. *Closing date of billing cycle; new balance.* The closing date of the billing cycle and the account balance outstanding on that date. (§ [1026.7\(a\)\(10\)](#))

2. **Rules affecting open-end (not home-secured) plans.** The requirements of § [1026.7\(b\)](#) apply only to plans other than home-equity plans subject to the requirements of § [1026.40](#). For applicable plans, determine that the credit union discloses on the periodic statement: (§ [1026.7\(b\)](#))

- a. *Previous balance.* The account balance outstanding at the beginning of the billing cycle. (§ [1026.7\(b\)\(1\)](#))
- b. *Identification of transactions.* An identification of each credit transaction in accordance with § [1026.8](#). (§ [1026.7\(b\)\(2\)](#))
- c. *Credits.* Any credit to the account during the billing cycle, including the amount and the date of crediting. The date need not be provided if a delay in crediting does not result in any finance or other charge. (§ [1026.7\(b\)\(3\)](#))
- d. *Periodic rates.* Each periodic rate that may be used to compute the interest charge expressed as an annual percentage rate and using the term Annual Percentage Rate, along with the range of balances to which it is applicable. (§ [1026.7\(b\)\(4\)](#))

NOTE: If no interest charge is imposed when the outstanding balance is less than

a certain amount, the credit union is not required to disclose that fact, or the balance below which no interest charge will be imposed. The types of transactions to which the periodic rates apply must also be disclosed. For variable-rate plans, the fact that the APR may vary; and a promotional rate, as that term is defined in §1026.16(g)(2)(i), is required to be disclosed only in periods in which the offered rate is actually applied.

- e. *Balance on which finance charge computed.* The amount of the balance to which a periodic rate was applied and an explanation of how that balance was determined, using the term Balance Subject to Interest Rate. (§ [1026.7\(b\)\(5\)](#))
- f. *Charges imposed.* The amounts of any charges imposed as part of a plan as stated in § [1026.6\(b\)\(3\)](#), grouped together, in proximity to transactions identified under paragraph (b)(2) of this section, substantially similar to Sample G–18(A) in [Appendix G](#). (§ [1026.7\(b\)\(6\)](#))
 - i. *Interest.* Finance charges attributable to periodic interest rates, using the term Interest Charge, must be grouped together under the heading Interest Charged, itemized and totaled by type of transaction, and a total of finance charges attributable to periodic interest rates, using the term Total Interest, must be disclosed for the statement period and calendar year to date, using a format substantially similar to Sample G–18(A).
 - ii. *Fees.* Charges imposed as part of the plan other than charges attributable to periodic interest rates must be grouped together under the heading Fees, identified consistent with the feature or type, and itemized, and a total of charges, using the term Fees, must be disclosed for the statement period and calendar year to date, using a format substantially similar to Sample G–18(A).
- g. *Change-in-terms and increased penalty rate summary for open-end (not home-secured) plans.* Credit unions that provide a change-in-terms notice required by § [1026.9\(c\)](#), or a rate increase notice required by § [1026.9\(g\)](#), on or with the periodic statement, must disclose the information in §§ [1026.9\(c\)\(2\)\(iv\)\(A\)](#) and [\(B\)](#) (if applicable) or [1026.9\(g\)\(3\)\(i\)](#) on the periodic statement in accordance with the format requirements in §§ [1026.9\(c\)\(2\)\(iv\)\(D\)](#), and [1026.9\(g\)\(3\)\(ii\)](#). See Forms G–18(F) and G–18(G) in [Appendix G](#). (§ [1026.7\(b\)\(7\)](#))
- h. *Grace period.* The date by which or the time period within which the new balance or any portion of the new balance must be paid to avoid additional finance charges. If such a time period is provided, a credit union may, at its option and without disclosure, impose no finance charge if payment is received after the time period’s expiration. (§ [1026.7\(b\)\(8\)](#))
- i. *Address for notice of billing errors.* The address to be used for notice of billing errors. Alternatively, the address may be provided on the billing rights statement permitted by § [1026.9\(a\)\(2\)](#). (§ [1026.7\(b\)\(9\)](#))
- j. *Closing date of billing cycle; new balance.* The closing date of the billing cycle and the account balance outstanding on that date disclosed in accordance with § [1026.7\(b\)\(13\)](#). (§ [1026.7\(b\)\(10\)](#))

- k. *Due date; late payment costs.* With the exception of periodic statements the credit union provides solely for charge cards and periodic statements the credit union provides for a charged-off account where payment of the entire account balance is due immediately, determine that the credit union disclosed the following (in accordance with § [1026.7\(b\)\(13\)](#)) for a credit card account under an open-end (not home-secured) consumer credit plan:
- i. The due date for a payment (the due date must be the same day of the month for each billing cycle); (§ [1026.7\(b\)\(11\)\(i\)\(A\)](#))
 - ii. The amount of any late payment fee and any increased periodic rate(s) (expressed as an annual percentage rate(s)) that the credit union may impose on the account as a result of a late payment. If a range of late payment fees may be assessed, verify that the card issuer either states a range of fees or the highest fee and an indication that the fee imposed could be lower. (§ [1026.7\(b\)\(11\)\(i\)\(B\)](#))

NOTE: If the rate may be increased for more than one feature or balance, the card issuer may state the range of rates or the highest rate that could apply and at the issuer's option an indication that the rate imposed could be lower.

NOTE: Further, with the exception of the negative or no amortization disclosures required by § [1026.7\(b\)\(12\)\(ii\)](#), the repayment disclosures in § [1026.7\(b\)\(12\)](#) (as listed in step l below) are not required for:

- i. *Charge card accounts that require payment of outstanding balances in full at the end of each billing cycle;*
- ii. *A billing cycle immediately following two consecutive billing cycles in which the consumer paid the entire balance in full, had a zero outstanding balance or had a credit balance; and*
- iii. *A billing cycle where paying the minimum payment due for that billing cycle will pay the entire outstanding balance on the account for that billing cycle.*

l. *Repayment Disclosures.*

- i. In general. Given those exceptions above, determine that the card issuer disclosed on the periodic statement: (§ [1026.7\(b\)\(12\)](#))

A. The following statement with a bold heading: “Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance”; (§ [1026.7\(b\)\(12\)\(i\)\(A\)](#))

B. The minimum payment repayment estimate, as described in [Appendix M1](#).

NOTE: If the minimum payment repayment estimate is less than two years, determine that the card issuer disclosed the estimate in months. Otherwise, the estimate must be disclosed in years and rounded to the nearest whole year; (§ [1026.7\(b\)\(12\)\(i\)\(B\)](#))

- C. The minimum payment total cost estimate, as described in [Appendix M1](#), rounded to the nearest whole dollar or to the nearest cent, at the card issuer's option; (§ [1026.7\(b\)\(12\)\(i\)\(C\)](#))
- D. A statement that the minimum payment repayment estimate and the minimum payment total cost estimate are based on the current outstanding balance shown on the periodic statement. A statement that the minimum payment repayment estimate and the minimum payment total cost estimate are based on the assumption that only minimum payments are made and no other amounts are added to the balance; (§ [1026.7\(b\)\(12\)\(i\)\(D\)](#))
- E. A toll-free telephone number where the consumer may obtain information about credit counseling services from the card issuer; and (§ [1026.7\(b\)\(12\)\(i\)\(E\)](#))
- F. The disclosures required for section [1026.7\(b\)\(12\)\(i\)\(F\)\(1\)](#):
 - 1. The estimated monthly payment for repayment in 36 months, as described in [Appendix M1](#). The estimated monthly payment for repayment in 36 months must be rounded to the nearest whole dollar or to the nearest cent, at the card issuer's option; (§ [1026.7\(b\)\(12\)\(i\)\(F\)\(1\)\(i\)](#))
 - 2. A statement that the card issuer estimates that the consumer will repay the outstanding balance shown on the periodic statement in three years if the consumer pays the estimated monthly payment for three years; (§ [1026.7\(b\)\(12\)\(i\)\(F\)\(1\)\(ii\)](#))
 - 3. The total cost estimate for repayment in 36 months, as described in [Appendix M1](#). The total cost estimate for repayment in 36 months must be rounded to the nearest whole dollar or to the nearest cent, at the card issuer's option; and (§ [1026.7\(b\)\(12\)\(i\)\(F\)\(1\)\(iii\)](#))
 - 4. The savings estimate for repayment in 36 months, as described in [Appendix M1](#). The savings estimate for repayment in 36 months must be rounded to the nearest whole dollar or to the nearest cent, at the card issuer's option. (§ [1026.7\(b\)\(12\)\(i\)\(F\)\(1\)\(iv\)](#))

NOTE: The disclosures (a through d above) required for § [1026.7\(b\)\(12\)\(i\)\(F\)\(1\)](#) do not apply to a periodic statement in any of the following circumstances:

- a. The minimum payment repayment estimate that is disclosed on the periodic statement under § [1026.7\(b\)\(12\)\(i\)\(B\)](#) after rounding is three years or less;*
- b. The estimated monthly payment for repayment in 36 months, as described in [Appendix M1](#), rounded to the nearest whole dollar or nearest cent that is calculated for a particular billing*

cycle is less than the minimum payment required for the plan for that billing cycle; and

- c. A billing cycle where an account has both a balance in a revolving feature where the required minimum payments for this feature will not amortize that balance in a fixed amount of time specified in the account agreement and a balance in a fixed repayment feature where the required minimum payment for this fixed repayment feature will amortize that balance in a fixed amount of time specified in the account agreement which is less than 36 months.*

- ii. Negative or no amortization. If negative or no amortization occurs when calculating the minimum payment estimate as described in [Appendix M1](#), determine that the card issuer provides the following disclosures on each periodic statement instead of the disclosures set forth in § [1026.7\(b\)\(12\)\(i\)](#): (§ [1026.7\(b\)\(12\)\(ii\)](#))
- A. “Minimum Payment Warning: Even if you make no more charges using this card, if you make only the minimum payment each month we estimate you will never pay off the balance shown on this statement because your payment will be less than the interest charged each month”; (§ [1026.7\(b\)\(12\)\(ii\)\(A\)](#))
 - B. “If you make more than the minimum payment each period, you will pay less in interest and pay off your balance sooner”; (§ [1026.7\(b\)\(12\)\(ii\)\(B\)](#))
 - C. The estimated monthly payment for repayment in 36 months rounded to the nearest whole dollar or to the nearest cent, at the credit union’s option; (§ [1026.7\(b\)\(12\)\(ii\)\(C\)](#))
 - D. A statement that the card issuer estimates that the consumer will repay the outstanding balance shown on the periodic statement in three years if the consumer pays the estimated monthly payment each month for three years; and (§ [1026.7\(b\)\(12\)\(ii\)\(D\)](#))
 - E. A toll-free telephone number where the consumer may obtain from the card issuer information about credit counseling services consistent with § [1026.7\(b\)\(12\)\(iv\)](#). (§ [1026.7\(b\)\(12\)\(ii\)\(E\)](#))
- iii. Format Requirements. Verify that the items required to be disclosed, as addressed in the procedures in step 12 above (required by § [1026.7\(b\)\(12\)](#)) are disclosed according to the format requirements of § [1026.7\(b\)\(13\)](#) and are similar to the samples provided in [Appendix G](#).
- iv. Provision of information about credit counseling services. Determine that a card issuer provides (to the extent available from the United States Trustee or a bankruptcy administrator) through the disclosed toll-free telephone number the name, street address, telephone number, and website address for at least three organizations that have been approved by the United States Trustee or a bankruptcy administrator to provide credit counseling services in either the state in which the billing address for the account is located or the state the

consumer specified. At least annually the card issuer must update the credit counseling information it discloses for consistency with the information available from the United States Trustee or a bankruptcy administrator. (§ [1026.7\(b\)\(12\)\(iv\)](#))

- m. *Format Requirements.* Determine that the card issuer provided periodic statement disclosures according to the following format requirements: (§ [1026.7\(b\)\(13\)](#))
- i. The due date is disclosed on the front of the first page of the periodic statement and that the amount of the late payment fee and the APR(s) are stated in close proximity thereto;
 - ii. The ending balance and the repayment disclosures (required by § [1026.7\(b\)\(12\)](#)) are disclosed closely proximate to the minimum payment due; and
 - iii. The due date, late payment fee and APR, ending balance, minimum payment due, and repayment disclosures are grouped together.
NOTE: Sample G-18(D) in [Appendix G](#) sets forth an example of how these terms may be grouped.
- n. *Deferred Interest or Similar Transactions.* For accounts with an outstanding balance subject to a deferred interest or similar program, determine that the credit union disclosed the date by which that outstanding balance must be paid in full in order to avoid the obligation to pay finance charges on such balance on the front of any page of each periodic statement issued during the deferred interest period beginning with the first periodic statement issued during the deferred interest period that reflects the deferred interest or similar transaction. The disclosure provided under this paragraph must be similar to Sample G-18(H) in [Appendix G](#). (§ [1026.7\(b\)\(14\)](#))

Subsequent Disclosure Requirements

1. Determine whether the credit union mailed or delivered the billing rights statement at least once per calendar year, at intervals of not less than 6 months or more than 18 months, customers and whether the institution used the short form notice with each periodic statement. (§ [1026.9\(a\)\(1\)](#))

NOTE: As an alternative to the annual billing rights statement (§ [1026.9\(a\)\(1\)](#)), the credit union may mail or deliver, on or with each periodic statement, a statement substantially similar to Model Form G-4 or Model Form G-4(A) in [Appendix G](#), as applicable. Credit unions offering home-equity plans subject to the requirements of § [1026.40](#) may use either Model Form, at their option. (§ [1026.9\(a\)\(2\)](#))

2. If, 30 days after mailing or delivering the account-opening disclosures under §§ [1026.6\(a\)\(1\)](#) or [1026.6\(a\)\(1\)](#), the credit union adds a credit feature or furnishes a credit access device (other than as a renewal, resupply, or the original issuance of a credit card, or except with regard to checks that access a credit card account) on the same finance charge terms, determine that the credit union discloses, before the consumer uses the feature or

device for the first time, that it is for use in obtaining credit under the terms previously disclosed. (§ [1026.9\(b\)\(1\)](#))

3. Determine that, except with regard to checks that access a credit card account, whenever a credit feature is added or a credit access device is mailed or delivered to the consumer, and the finance charge terms for the feature or device differ from disclosures previously given, the disclosures required by § [1026.6\(a\)\(1\)](#) or (b)(3)(ii)(A) that are applicable to the added feature or device are given before the consumer uses the feature or device for the first time. (§ [1026.9\(b\)\(2\)](#))
4. *Checks that access a credit card account.* For open-end plans not subject to the requirements of § [1026.40](#), if checks that can be used to access a credit card account are provided to the consumer more than 30 days after account-opening disclosures under § [1026.6\(b\)](#) are mailed or delivered, or the credit union provides them within 30 days of the account-opening disclosures and the finance charge terms for the checks differ from the finance charge terms previously disclosed, determine that the credit union discloses on the front of the page containing the checks the following terms in the form of a table with the headings, content, and form similar to Sample G-19 in [Appendix G](#). (§ [1026.9\(b\)\(3\)](#))
 - a. If a promotional rate applies to the checks, determine that the credit union discloses:
 - i. The promotional rate and the time period during which the promotional rate will remain in effect; (§ [1026.9\(b\)\(3\)\(i\)\(A\)\(1\)](#))
 - ii. The type of rate that will apply (such as whether the purchase or cash advance rate applies) after the promotional rate expires, and the annual percentage rate that will apply after the promotional rate expires. For a variable-rate account, a credit union must disclose an annual percentage rate based on the applicable index or formula according to the accuracy requirements set forth in § [1026.9\(b\)\(3\)\(ii\)](#); and (§[1026.9\(b\)\(3\)\(i\)\(A\)\(2\)](#))
 - iii. The date, if any, by which the consumer must use the checks in order to qualify for the promotional rate. If the credit union will honor checks used after such date but will apply an annual percentage rate other than the promotional rate, the credit union must disclose this fact and the type of annual percentage rate that will apply if the consumer uses the checks after such date. (§ [1026.9\(b\)\(3\)\(i\)\(A\)\(3\)](#))
 - b. If any APR required to be disclosed under § [1026.9\(b\)\(3\)\(i\)](#) is a variable rate, determine that the credit union also disclosed the fact that the rate may vary and how the rate is determined. Determine that the credit union identified the type of index or formula used in setting the rate. Determine that the credit union does not disclose the value of the index and the amount of the margin that are used to calculate the variable rate in the table and that any applicable limitations on rate increases are not included in the table (§ [1026.9\(b\)\(3\)\(iii\)](#)).
 - c. If no promotional rate applies to the checks, determine that the credit union discloses the type of rate that will apply to the checks and the applicable annual percentage rate. For a variable-rate account, a credit union must disclose an annual percentage rate based on the applicable index or formula in accordance with the accuracy requirements in § [1026.9\(b\)\(3\)\(ii\)](#). (§ [1026.9\(b\)\(3\)\(i\)\(B\)\(1\)](#))

- d. Determine that the credit union discloses:
 - i. Any transaction fees applicable to the checks disclosed under § [1026.6\(b\)\(2\)\(iv\)](#); and (§ [1026.9\(b\)\(3\)\(i\)\(C\)](#))
 - ii. Whether or not a grace period is given within which any credit extended by use of the checks may be repaid without incurring a finance charge due to a periodic interest rate. When disclosing whether there is a grace period, the phrase “How to Avoid Paying Interest on Check Transactions” must be used as the row heading when a grace period applies to credit extended by the use of the checks. When disclosing the fact that no grace period exists for credit extended by use of the checks, the phrase “Paying Interest” must be used as the row heading. (§ [1026.9\(b\)\(3\)\(i\)\(D\)](#))

NOTE: The disclosures in § [1026.9\(b\)\(3\)\(i\)](#) must be accurate as of the time the disclosures are mailed or delivered. A variable APR is accurate if it was in effect within 60 days of when the disclosures are mailed or delivered. (§ [1026.9\(b\)\(3\)\(ii\)](#))

5. Determine, for home-equity plans subject to the requirements of § [1026.40](#):
 - a. Whenever any term required to be disclosed under § [1026.6\(a\)](#) is changed or the required minimum periodic payment is increased, the credit union mailed or delivered written notice of the change at least 15 days before the effective date of the change. If the consumer agreed to the change, determine that the credit union provided the notice before the change went into effect; and (§ [1026.9\(c\)\(1\)\(i\)](#))
 - b. If the credit union prohibits additional extensions of credit or reduces the credit limit that the credit union mailed or delivered notice of the action not later than three business days after such action is taken. The notice must contain the specific reasons for the action. (§ [1026.9\(c\)\(1\)\(iii\)](#))

NOTE: Notice is not required when the change involves a reduction of any component of a finance charge or other charge or when the change results from an agreement involving a court proceeding. (§ [1026.9\(c\)\(1\)\(ii\)](#))

6. For plans other than home-equity plans subject to the requirements of § [1026.40](#), except as provided in §§ [1026.9\(c\)\(2\)\(i\)\(B\)](#), [1026.9\(c\)\(2\)\(iii\)](#) and [1026.9\(c\)\(2\)\(v\)](#), when a significant change in account terms as described in § [1026.9\(c\)\(2\)\(ii\)](#) is made, determine that the credit union provides a written notice of the change at least 45 days before the effective date of the change to each consumer who may be affected. (§ [1026.9\(c\)\(2\)\(i\)\(A\)](#))
7. The 45-day timing requirement, however, does not apply if the consumer has agreed to a particular change as described in § [1026.9\(c\)\(2\)\(i\)\(B\)](#). For these instances, however, determine that the credit union provided a notice according to the timing requirements of section [1026.9\(c\)\(2\)\(i\)\(B\)](#). (§ [1026.9\(c\)\(2\)\(i\)\(A\)](#))
8. For open-end (not home-secured) plans, determine that increases in the rate applicable to a consumer’s account due to delinquency, default or as a penalty described in § [1026.9\(g\)](#) that are not due to a change in the contractual terms of the consumer’s account are disclosed under § [1026.9\(g\)](#) instead of § [1026.9\(c\)\(2\)](#). (§ [1026.9\(c\)\(2\)\(i\)\(A\)](#))

9. When a notice of change in terms is required, determine that it is mailed or delivered no later than the effective date of the change, if the consumer agrees to the particular change. § [1026.9\(c\)\(2\)\(i\)\(B\)](#) applies only when a consumer substitutes collateral or when the credit union can advance additional credit only if a change relatively unique to that consumer is made, such as the consumer's providing additional security or paying an increased minimum payment amount. (§ [1026.9\(c\)\(2\)\(i\)\(B\)](#))

NOTE: The 45-day timing requirements discussed in step 7 above does not apply in certain narrow circumstances, as described in § [1026.9\(c\)\(2\)\(i\)\(B\)](#). The following are not considered agreements between the consumer and the credit union for purposes of § [1026.9\(c\)\(2\)\(i\)\(B\)](#):

- a. The consumer's general acceptance of the credit union's contract reservation of the right to change terms;*
- b. The consumer's use of the account (which might imply acceptance of its terms under state law);*
- c. The consumer's acceptance of a unilateral term change that is not particular to that consumer, but rather is of general applicability to consumers with that type of account; and,*
- d. The consumer's request to reopen a closed account or to upgrade an existing account to another account the credit union offers with different credit or other features. (§ [1026.9\(c\)\(2\)\(i\)\(B\)](#))*

10. The 45-day advance notice requirement applies to changes to the following terms: (§ [1026.9\(c\)\(2\)\(ii\)](#))

- a. APR increase, including each periodic rate that may be used to compute the finance charge on outstanding balances for purchases, a cash advance, or a balance transfer (such rates may include any discounted initial rate, premium initial rate, or penalty rate that may be applied to the account);
 - i. Variable-rate information;
 - ii. Discounted or premium initial rates;
 - iii. Penalty rates;
- b. Fees for issuance or availability, including any fee based upon account activity or inactivity;
- c. Fixed finance charge or minimum interest charge, if it exceeds \$1.00;
- d. Transaction charge for purchases;
- e. Grace period;
- f. Balance computation method;
- g. Cash advance fee;
- h. Late payment fee;
- i. Over-the-limit fee;
- j. Balance transfer fee;
- k. Returned payment fee;
- l. Required insurance, debt cancellation, or debt suspension coverage; and
- m. Increase in required minimum periodic payment, or the acquisition of a security interest.

11. Except as provided in § [1026.9\(c\)\(2\)\(vi\)](#), if a credit union increases any component of a charge, or introduces a new charge, required to be disclosed under § [1026.6\(b\)\(3\)](#) that is not

a significant change in account terms as described in § [1026.9\(c\)\(2\)\(ii\)](#), determine that the credit union either: (§ [1026.9\(c\)\(2\)\(iii\)](#))

- a. Complies with the requirements of § [1026.9\(c\)\(2\)\(i\)](#), or
- b. Provides notice of the amount of the charge before the consumer agrees to or becomes obligated to pay the charge, at a time and in a manner that a consumer would be likely to notice the disclosure of the charge, either in writing or orally.

12. Ensure that the written change-in-terms notice contains the following disclosures:

(§ [1026.9\(c\)\(2\)\(iv\)\(A\)](#))

- a. A summary of the changes made to terms required by §§ [1026.6\(b\)\(1\)-\(2\)](#) or [\(4\)](#), a description of any increase in the required minimum payment, and a description of any security interests being acquired by the credit union;
- b. A statement that changes are being made to the account;
- c. For accounts other than credit card accounts under an open-end (not home-secured) consumer credit plan subject to § [1026.9\(c\)\(2\)\(iv\)\(B\)](#), a statement indicating that the consumer has the right to opt out of the changes, if applicable, and a reference to the opt-out right provided in the notice, if applicable;
- d. The date the changes will become effective;
- e. If applicable, a statement that the consumer may find additional information about the summarized changes, and other changes, in the notice;
- f. In the case of a rate change, other than a penalty rate, a statement that if a penalty rate currently applies to the consumer's account, the new rate described in the notice will not apply to the consumer's account until the consumer's account balances are no longer subject to the penalty rate;
- g. If the change in terms being disclosed is an increase in the APR, the balances to which the increased rate will apply. If applicable, credit unions must disclose a statement identifying the balances to which the current rate will apply as of the effective date of the change; and
- h. If the change in terms being disclosed is an increase in an annual percentage rate for a credit card account under an open-end (not home-secured) consumer credit plan, a statement of no more than four principal reasons for the rate increase, listed in their order of importance.

NOTE: The disclosed reasons must accurately describe the principal factors actually considered by the card issuer in increasing the rate. ([Comment 1026.9\(c\)\(2\)\(iv\)-11](#))

13. In addition to the disclosures in § [1026.9\(c\)\(2\)\(iv\)\(A\)](#), if a card issuer makes a significant change in account terms on a credit card account under an open-end (not home- secured) consumer credit plan, determine that the credit union provides the following information on the notice provided pursuant to § [1026.9\(c\)\(2\)\(i\)](#): (§ [1026.9\(c\)\(2\)\(iv\)\(B\)](#))

NOTE: The credit union is not required to provide this information in the case of an increase in the required minimum periodic payment, an increase in a fee as a result of a reevaluation of a determination made under § [1026.52\(b\)\(1\)\(i\)](#) or an adjustment to the safe harbors in § [1026.52\(b\)\(1\)\(ii\)](#) to reflect changes in the Consumer Price Index, a change in an annual percentage rate applicable to a consumer's account, an increase in a fee previously reduced consistent with [50 U.S.C. 3937](#) (Servicemembers Civil Relief Act) or similar federal or state statute or regulation if the amount of the increased fee does not exceed the amount of that fee before the reduction, or when the change results from the credit union not receiving the

consumer's required minimum periodic payment within 60 days after the due date for that payment.

- a. A statement that the consumer has the right to reject the change or changes before the effective date of the changes, unless the consumer fails to make a required minimum periodic payment within 60 days after the due date for that payment;
 - b. Instructions for rejecting the change or changes, and a toll-free telephone number that the consumer may use to notify the credit union of the rejection; and
 - c. If applicable, a statement that if the consumer rejects the change or changes, the consumer's ability to use the account for further advances will be terminated or suspended.
14. Changes resulting from failure to make minimum periodic payment within 60 days from due date for credit card accounts under an open-end (not home-secured) consumer credit plan. For a credit card account under an open-end (not home-secured) consumer credit plan: (§ [1026.9\(c\)\(2\)\(iv\)\(C\)](#))
 - a. If the significant change required to be disclosed under § [1026.9\(c\)\(2\)\(i\)](#) of this section is an increase in an annual percentage rate or a fee or charge required to be disclosed under §§ [1026.6\(b\)\(2\)\(ii\)](#), [1026.6\(b\)\(2\)\(iii\)](#), or [1026.6\(b\)\(2\)\(xii\)](#) based on the consumer's failure to make a minimum periodic payment within 60 days from the due date for that payment, determine that the notice provided under § [1026.6\(c\)\(2\)\(i\)](#) states that the increase will cease to apply to transactions that occurred before or within 14 days of provision of the notice, if the credit union receives six consecutive required minimum periodic payments on or before the payment due date, beginning with the first payment due following the effective date of the increase;
 - b. If the significant change required to be disclosed under § [1026.9\(c\)\(2\)\(i\)](#) is an increase in a fee or charge required to be disclosed under §§ [1026.6\(b\)\(2\)\(ii\)](#), [1026.6\(b\)\(2\)\(iii\)](#), or [1026.6\(b\)\(2\)\(xii\)](#) based on the consumer's failure to make a minimum periodic payment within 60 days from the due date for that payment, determine that the notice provided under § [1026.9\(c\)\(2\)\(i\)](#) also states the reason for the increase.
15. Determine that the summary of changes described in § [1026.9\(c\)\(2\)\(iv\)\(A\)\(1\)](#) is in a tabular format (except for a summary of any increase in the required minimum periodic payment, a summary of a term required to be disclosed under § [1026.6\(b\)\(4\)](#) that is not required to be disclosed under §§ [1026.6\(b\)\(1\)](#) and [\(b\)\(2\)](#), or a description of any security interest being acquired by the credit union), with headings and format substantially similar to any of the account-opening tables found in G-17 in [Appendix G](#). Determine that the table discloses the changed term and information relevant to the change, if that relevant information is required by §§ [1026.6\(b\)\(1\)](#) and [1026.6\(b\)\(2\)](#). Determine that the new terms are described in the same level of detail as required when disclosing the terms under § [1026.6\(b\)\(2\)](#). (§ [1026.9\(c\)\(2\)\(iv\)\(D\)\(1\)](#))
16. If a notice required by § [1026.9\(c\)\(2\)\(i\)](#) (change in terms) is included on or with a periodic statement, determine that the information described in § [1026.6\(c\)\(2\)\(iv\)\(A\)\(1\)](#) is disclosed on the front of any page of the statement. Determine that the summary of changes described in § [1026.9\(c\)\(2\)\(iv\)\(A\)\(1\)](#) immediately follows the information described in §§ [1026.9\(c\)\(2\)\(iv\)\(A\)\(2\)-\(7\)](#) and, if applicable, §§ [1026.9\(c\)\(2\)\(iv\)\(A\)\(8\)](#),

1026.9(c)(2)(iv)(B), and 1026.9(c)(2)(iv)(C), and is substantially similar to the format shown in Sample G-20 or G-21 in Appendix G. (§ 1026.9(c)(2)(iv)(D)(2))

17. If a notice required by § 1026.9(c)(2)(i) is not included on or with a periodic statement, determine that the information described in § 1026.9(c)(2)(iv)(A)(1) is disclosed on the front of the first page of the notice or segregated on a separate page from other information given with the notice. (§ 1026.9(c)(2)(iv)(D)(3))

NOTE: The summary of changes required to be in a table under § 1026.9(c)(2)(iv)(A)(1) may be on more than one page, and may use both the front and reverse sides, so long as the table begins on the front of the first page of the notice and there is a reference on the first page indicating that the table continues on the following page.

18. Determine that the summary of changes described in § 1026.9(c)(2)(iv)(A)(1) immediately follows the information described in §§ 1026.9(c)(2)(iv)(A)(2)-(7) and, if applicable, §§ 1026.9(c)(2)(iv)(A)(8), 1026.9(c)(2)(iv)(B), and 1026.9(c)(2)(iv)(C), and is similar to the format shown in Sample G-20 or G-21 in Appendix G to Part 1026. (§ 1026.9(c)(2)(iv)(D)(3))

19. For open-end plans (other than home equity plans subject to the requirements of § 1026.40), note that a credit union is not required to provide notice under this section if:

(§ 1026.9(c)(2)(v))

- a. The change involves:

- i. Charges for documentary evidence;
- ii. A reduction of any component of a finance or other charge;
- iii. A suspension of future credit privileges (except as provided in § 1026.9(c)(2)(vi)) or termination of an account or plan;
- iv. When the change results from an agreement involving a court proceeding;
- v. When the change is an extension of the grace period; or
- vi. The change is applicable only to checks that access a credit card account and the changed terms are disclosed on or with the checks in accordance with § 1026.9(b)(3). (§ 1026.9(c)(2)(v)(A))

- b. The change is an increase in an APR upon the expiration of a specified period of time, if: (§ 1026.9(c)(2)(v)(B))

- i. Before commencement of that period, the credit union disclosed in writing to the consumer, in a clear and conspicuous manner, the length of the period and the APR or fee that would apply after expiration of the period;
- ii. The disclosure of the length of the period and the APR or fee that would apply after expiration of the period are set forth in close proximity and in equal prominence to the first listing of the disclosure of the rate or fee that applies during the specified period of time; and
- iii. The APR or fee that applies after that period does not exceed the rate disclosed under § 1026.9(c)(2)(v)(B)(1) or, if the rate disclosed under § 1026.9(c)(2)(v)(B)(1) was a variable rate, the rate following any such increase is a variable rate determined by the same formula (index and margin) that was used to calculate the variable rate disclosed under § 1026.9(c)(2)(v)(B)(1).

- c. The change is an increase in a variable APR according to a credit card or other account agreement that provides for changes in the rate according to operation of an index that is not under the control of the credit union and is available to the general public (§ [1026.9\(c\)\(2\)\(v\)\(C\)](#)); or
 - d. The change is an increase in an APR, a fee or charge required to be disclosed under §§ [1026.6\(b\)\(2\)\(ii\)](#), [\(b\)\(2\)\(iii\)](#), [\(b\)\(2\)\(viii\)](#), [1026.6\(b\)\(2\)\(ix\)](#) or [1026.6\(b\)\(2\)\(xii\)](#), or the required minimum periodic payment due to the completion of a workout or temporary hardship arrangement by the consumer or the consumer's failure to comply with the terms of such an arrangement, provided that: (§ [1026.9\(c\)\(2\)\(v\)\(D\)](#))
 - i. The APR or fee or charge applicable to a category of transactions or the required minimum periodic payment following any such increase does not exceed the rate or fee or charge or required minimum periodic payment that applied to that category of transactions before commencement of the arrangement or, if the rate that applied to a category of transactions before the commencement of the workout or temporary hardship arrangement was a variable rate, the rate following any such increase is a variable rate determined by the same formula (index and margin) that applied to the category of transactions before commencement of the workout or temporary hardship arrangement; and
 - ii. The credit union has provided the consumer, before the commencement of such arrangement, with a clear and conspicuous disclosure of the terms of the arrangement (including any increases due to such completion or failure). This disclosure must be provided in writing. However, a credit union may provide the disclosure of the terms of the arrangement orally by telephone, if the credit union mails or delivers a written disclosure of the terms of the arrangement to the consumer as soon as reasonably practical after it provides the oral disclosure.
20. For open-end plans that are not subject to the requirements of § [1026.40](#), if a credit union decreases the credit limit on the account, determine that the credit union provides advance notice of the decrease before an over-the-limit fee or a penalty rate can be imposed solely as a result of the consumer exceeding the newly decreased credit limit. Determine that the credit union provides the notice in writing or orally at least 45 days before imposing the over-the-limit fee or penalty rate and that it states that the credit limit on the account has been or will be decreased. (§ [1026.9\(c\)\(2\)\(vi\)](#))
21. Determine that the credit union provides the disclosures contained in §§ [1026.60\(b\)\(1\)-\(7\)](#) if the account is renewed and (1) the card issuer imposes an annual or other periodic fee for the renewal or (2) the card issuer has changed or amended any term of the account required to be disclosed under §§ [1026.6\(b\)\(1\)-\(2\)](#) that it has not previously disclosed to the consumer. Additionally, the disclosure the credit union provides upon renewal must disclose how and when the cardholder may terminate the credit to avoid paying the renewal fee, if any. (§ [1026.9\(e\)](#))
22. For plans other than home-equity plans subject to the requirements of § [1026.40](#) (except as provided in § [1026.9\(g\)\(4\)](#)), determine that the credit union provides a written notice to each consumer who may be affected when: (§ [1026.9\(g\)\(1\)](#))
- a. A rate is increased due to the consumer's delinquency or default; or

- b. A rate is increased as a penalty for one or more events specified in the account agreement, such as making a late payment or obtaining an extension of credit that exceeds the credit limit.
23. Whenever any notice is required to be given under paragraph § [1026.9\(g\)\(1\)](#), determine that the credit union provided written notice of the increase in rates at least 45 days before the effective date of the increase. The credit union must provide the notice after the occurrence of the events described in §§ [1026.9\(g\)\(1\)\(i\)-\(ii\)](#) that trigger the imposition of the rate increase. (§ [1026.9\(g\)\(2\)](#))
24. If a credit union is increasing the rate due to delinquency or default or as a penalty, determine that the credit union provided the following information on the notice sent pursuant to § [1026.9\(g\)\(1\)](#): (§ [1026.9\(g\)\(3\)\(i\)\(A\)](#))
- a. A statement that the delinquency or default rate or penalty rate, as applicable, has been triggered;
 - b. The date on which the delinquency or default rate or penalty rate will apply;
 - c. The circumstances under which the delinquency or default rate or penalty rate, as applicable, will cease to apply to the consumer's account, or that the delinquency or default rate or penalty rate will remain in effect for a potentially indefinite time period;
 - d. A statement indicating to which balances the credit union will apply the delinquency or default rate or penalty rate;
 - e. If applicable, a description of any balances to which the current rate will continue to apply as of the effective date of the rate increase, unless a consumer fails to make a minimum periodic payment within 60 days from the due date for that payment; and
 - f. For a credit card account under an open-end (not home-secured) consumer credit plan, a statement of no more than four principal reasons for the rate increase, listed in their order of importance.

NOTE: The disclosed reasons must accurately describe the principal factors that the card issuer actually considered in increasing the rate. ([Comment 1026.9\(g\) - 7](#))

25. For a credit card account under an open-end (not home-secured) consumer credit plan, if the rate increase required to be disclosed under § [1026.9\(g\)\(1\)](#) is an increase under § [1026.55\(b\)\(4\)](#) based on the consumer's failure to make a minimum periodic payment within 60 days from the due date for that payment, determine that the notice provided under § [1026.9\(g\)\(1\)](#) also states that the increase will cease to apply to transactions that occurred before or within 14 days of provision of the notice, if the credit union receives six consecutive required minimum periodic payments on or before the payment due date, beginning with the first payment due following the effective date of the increase. (§ [1026.9\(g\)\(3\)\(i\)\(B\)](#))
26. If a notice required by § [1026.9\(g\)\(1\)](#) (Increase in rates due to delinquency or default or as a penalty) is included on or with a periodic statement, determine that the disclosure described in § [1026.9\(g\)\(3\)\(i\)](#) is in the form of a table and provided on the front of any page of the periodic statement, above the notice described in § [1026.9\(c\)\(2\)\(iv\)](#) if the credit union provides that notice on the same statement. (§ [1026.9\(g\)\(3\)\(ii\)\(A\)](#))

27. If a notice required by § [1026.9\(g\)\(1\)](#) (increase in rates) is not included on or with a periodic statement, determine that the information described in § [1026.9\(g\)\(3\)\(i\)](#) is disclosed on the front of the first page of the notice. Ensure that the credit union includes only information related to the increase in the rate to a penalty rate with the notice.

NOTE: This notice may be combined with a notice described in §§ [1026.9\(c\)\(2\)\(iv\)](#) or [\(g\)\(4\)](#) (A statement indicating to which balances the delinquency or default rate or penalty rate will be applied) of this section. (§ [1026.9\(g\)\(3\)\(ii\)\(B\)](#))

28. Exception for Decreases in the Credit Limit. If a credit union does not provide the 45-day notice under § [1026.9\(g\)\(1\)](#) before increasing the rate for obtaining an extension of credit that exceeds the credit limit, determine that the credit union provides at least 45 days in advance of imposing the penalty rate a notice, in writing, that includes: (§ [1026.9\(g\)\(4\)](#))
- A statement that the credit limit on the account has or will be decreased;
 - The date on which the penalty rate will apply, if the outstanding balance exceeds the credit limit as of that date;
 - A statement that the credit union will not impose the penalty rate on that date, if the outstanding balance does not exceed the credit limit as of that date;
 - The circumstances under which the penalty rate, if applied, will cease to apply to the account, or that the penalty rate, if applied, will remain in effect for a potentially indefinite period of time;
 - A statement indicating to which balances the penalty rate may be applied; and
 - If applicable, a description of any balances to which the current rate will continue to apply as of the effective date of the rate increase, unless the consumer fails to make a minimum periodic payment within 60 days from the due date for that payment.
- In addition to this notice, determine that the credit union does not increase the applicable rate to the penalty rate if the outstanding balance does not exceed the credit limit on the date set forth in the notice. (§ [1026.9\(g\)\(4\)\(ii\)](#))
29. If a notice provided under § [1026.9\(g\)\(4\)\(i\)](#) is included on or with a periodic statement, determine that the information described in § [1026.9\(g\)\(4\)\(i\)](#) is in the form of a table and provided on the front of any page of the periodic statement; or, (§ [1026.9\(g\)\(4\)\(iii\)\(A\)](#))
30. If a notice required by § [1026.9\(g\)\(4\)\(i\)](#) is not included on or with a periodic statement, determine that the information described in § [1026.9\(g\)\(4\)\(i\)](#) is disclosed on the front of the first page of the notice. Determine that only information related to the reduction in credit limit is included with the notice, except that this notice may be combined with a notice described in §§ [1026.9\(c\)\(2\)\(iv\)](#) or [1026.9\(g\)\(1\)](#). (§ [1026.9\(g\)\(4\)\(iii\)\(B\)](#))
31. When the consumer is given the right to reject a significant change to an account term before the effective date of the change, determine whether the consumer was given the option to reject the change by notifying the credit union of the rejection before the effective date of the change. (§ [1026.9\(h\)\(1\)](#))
32. If the credit union was notified of the rejection of a significant change to an account term, determine that the credit union did not:

- a. Apply the charge to the account;
- b. Impose a fee or charge or treat the account as in default solely as a result of the rejection; or
- c. Require repayment of the balance on the account using a method that is LESS beneficial to the consumer than one of the following methods:
 - i. The method of repayment for the account on the date on which the credit union was notified of the rejection;
 - ii. An amortization period of not less than five years, beginning no earlier than the date on which the credit union was notified of the rejection; or
 - iii. A required minimum periodic payment that includes a percentage of the balance that is equal to no more than twice the percentage required on the date on which the credit union was notified of the rejection. (§ [1026.9\(h\)\(2\)](#))

NOTE: These requirements do not apply if the credit union has not received the consumer's required minimum periodic payment within 60 days after the due date for that payment and the credit union has provided timely change in terms disclosures. (§ [1026.9\(h\)\(3\)](#))

33. Determine that a statement of the maximum interest rate that the credit union may impose during the term of the obligation is made for any dwelling-secured loan in which the APR may increase during the plan. (§ [1026.30\(b\)](#))
34. For any open-end mortgage loan (credit transaction that is secured by the principal dwelling of a consumer) that was sold, assigned, or otherwise transferred to the covered person, determine that the covered person notifies the borrower in writing of such transfer, including: (§ [1026.39](#))
- a. An identification of the loan that was sold, assigned, or otherwise transferred;
 - b. The name, address, and telephone number of the covered person who owns the mortgage loan;
 - c. The date of transfer (either the date of acquisition recognized in the books and records of the covered person or that of the transferring party) the covered person identifies;
 - d. The name, address, and telephone number of an agent or party having authority, on behalf of the covered person, to receive notice of the right to rescind and resolve issues concerning the consumer's payments on the mortgage loan;
 - e. Where transfer of ownership of the debt to the covered person is or may be recorded in public records or, alternatively, that the transfer of ownership has not been recorded in public records at the time the covered person provides the disclosure;
 - f. At the option of the covered person, any other relevant information about the transaction; and
 - g. If there are multiple covered persons, contact information for each of them, unless one of them has been authorized to receive the consumer's notice of the right to rescind and resolve issues concerning the consumer's payments on the loan. (§§ [1026.39\(d\)-\(e\)](#))

NOTE: A covered person must provide this notice of sale or transfer for any consumer credit transaction that is secured by the principal dwelling of a consumer. The covered person must provide this notification even if the loan servicer remains

the same. In addition, if more than one consumer is liable on the obligation, the covered person may mail or deliver the disclosure notice to any consumer who is primarily liable. And, if an acquisition involves multiple covered persons who each acquire a partial interest in the loan due to separate and unrelated agreements, each covered person has a duty to ensure that disclosures related to its acquisition are accurate and provided in a timely manner unless an exception in § [1026.39\(c\)](#) applies. The parties may, but are not required to, provide a single notice that satisfies the timing and content requirements applicable to each covered person. ([Comment 1026.39\(b\)\(5\) – 2](#))

Disclosure Requirements for Over-the-Limit Transactions

1. Determine that the oral, written or electronic “opt-in” notice includes all of the following applicable items (and not any information not specified in or otherwise permitted): ([§ 1026.56\(e\)\(1\)](#))
 - a. Fees. The dollar amount of any fees or charges the card issuer assessed on a consumer’s account for an over-the-limit transaction;
 - b. APR(s). Any increased periodic rate(s) (expressed as an APR(s)) that the issuer may impose on the account as a result of an over-the-limit transaction; and
 - c. Disclosure of opt-in right. An explanation of the consumer’s right to affirmatively consent to the card issuer’s payment of over-the-limit transactions, including the method(s) the consumer may use to consent.

2. Determine that the written notice informing the consumer of the right to revoke consent following the assessment of an over-the-limit fee or charge describes that right, including the method(s) by which the consumer may revoke consent. ([§ 1026.56\(e\)\(2\)](#))

Reverse Mortgage Forms Review Procedures (Both Open- and Closed-End)

Determine that the disclosures required for reverse mortgage transactions are similar to the model form in appendix K and include the items below: ([§ 1026.33](#))

- a. A statement that the consumer is not obligated to complete the reverse mortgage transaction merely because he or she has received the disclosures or signed an application;
- b. A good faith projection of the total cost of the credit expressed as a table of “total annual loan cost rates” including payments to the consumer, additional credit union compensation, limitations on consumer liability, assumed annual appreciation, and the assumed loan period;
- c. An itemization of loan terms, charges, the age of the youngest borrower, and the appraised property value; and
- d. An explanation of the table of total annual loan costs rates.

NOTE: Forms that include or involve current transactions, such as change in terms notices, periodic billing statements, rescission notices, and billing error

communications, are verified for accuracy when the file review worksheets are completed.

Timing Requirements

1. **Open-End Credit.** Review credit union policies, procedures, and systems to determine, either separately or when completing the actual file review, whether the institution furnishes the applicable disclosures listed below when required by TILA. Take into account products that have different features, such as closed-end loans or credit card accounts that are fixed or variable rate.
 - a. Credit card application and solicitation disclosures. On or with the application. (§ [1026.60\(b\)](#))
 - b. HELOC disclosures. At the time the institution provides the application or within three business days under certain circumstances. (§ [1026.40\(b\)](#))
 - c. Open-end credit initial disclosures. Before the first transaction is made under the plan. (§ [1026.5\(b\)\(1\)](#))
 - d. Card Holder Agreement. Verify that the card issuer sends to the cardholder or otherwise make available to the cardholder a copy of the cardholder's agreement in electronic or paper form no later than 30 days after the issuer receives the cardholder's request. (§ [1026.58\(e\)\(1\)\(ii\)](#)) Determine that the issuer has adequate procedures for ensuring that this requirement is met.
 - e. Periodic statement disclosures for open-end credit under § [1026.7](#). Required if at the end of a billing cycle, the account has a debit or credit balance of \$1 or more or if the institution has imposed a finance charge. (§ [1026.5\(b\)\(2\)\(i\)](#)) Also, the credit union must adopt procedures to ensure that periodic statements for credit card accounts are mailed or delivered at least 21 days before the payment due date and the date any grace period expires (for non-credit card open-end credit, there is a 21-day rule if there is a grace period and a 14-day rule if there is no grace period). (§ [1026.5\(b\)\(2\)\(ii\)\(B\)\(2\)](#))
 - f. Statement of billing rights. At least once per year. (§ [1026.9\(a\)](#))
 - g. Supplemental credit devices. Before the first transaction under the plan. (§ [1026.9\(b\)](#))
 - h. Open-end credit change in significant terms as a result of a change in contractual terms. Forty-five days before the effective change date. (§ [1026.9\(c\)\(2\)](#))
 - i. Open-end change in terms or rates due to delinquency or default or as a penalty. Forty-five days before the effective change date. (§ [1026.9\(g\)](#))
 - j. Finance charge imposed at time of transaction. Before imposing any fee. (§ [1026.9\(d\)](#))
 - k. Disclosures upon renewal of credit or charge card. Thirty days or one billing cycle, whichever is less before the delivery of the periodic statement on which the renewal fee is charged, or at least 30 days before the scheduled renewal date if the credit union has changed or amended any term that must be disclosed under sections §§ [1026.6\(b\)\(1\)-\(2\)](#) that has not previously been disclosed to the consumer. (§ [1026.9\(e\)](#))

1. Change in credit account insurance provider. Certain information 30 days before the change in provider occurs and certain information 30 days after the change in provider occurs. The institution may provide a combined disclosure 30 days before the change in provider occurs. (§ [1026.9\(f\)](#))

Closed End Credit Secured By a Dwelling

2. Closed-End Credit Secured by a Dwelling.

- a. Closed-end credit disclosures for transactions not subject to §§ [1026.19\(e\)-\(f\)](#) must be made before consummation. (§ [1026.17\(b\)](#))
- b. Disclosures for reverse mortgages. Several disclosure timing requirements apply to reverse mortgages subject to § [1026.33](#) and RESPA:
 - i. Determine whether the credit union provides early TIL disclosures within three business days after receiving the consumer's written application. The credit union is required to deliver or mail the early disclosures no later than three business days after receiving the consumer's application and at least seven business days before consummation. (§§ [1026.19\(a\)\(1\)\(i\) and \(2\)\(i\)](#)) No fees may be charged before the consumer receives the early disclosures except for credit report fees. (§ [1026.19\(a\)](#)) If the APR stated in the early disclosures is not considered accurate under § [1026.22](#) when compared to the APR at consummation, determine whether the credit union provided corrected disclosures of all changed terms, including the APR, that the consumer received no later than the third business day before consummation and that the credit union delivered or placed in the mail the corrected disclosures not later than the seventh business day before consummation. (§§ [1026.19\(a\)\(2\)\(i\),\(ii\) and \(iii\)](#))
 - ii. Determine whether the credit union provides the disclosures required pursuant to § [1026.33](#) (and found in paragraph d of the model form in [Appendix K](#)) either three days prior to consummation (for a closed-end transaction) or prior to the first transaction (for an open-end credit plan). (§ [1026.31\(c\)\(2\)](#))
NOTE: For closed-end credit transactions secured by a dwelling not subject to the TILA-RESPA rule, the prohibition on charging fees (other than credit report fees) before the consumer receives the early TIL disclosure is more limited than the prohibition for closed-end credit transactions secured by a dwelling that are subject to TILA-RESPA. (§ [1026.19\(a\)](#)) For TILA-RESPA closed-end transactions, credit unions are prohibited from charging fees (other than credit report fees) prior to receipt of disclosures and an intent to proceed with the transaction. (§ [1026.19\(e\)\(2\)](#))
- c. Disclosures for high-cost mortgages. Three business days before consummation or account opening. If such disclosures became inaccurate due to a change by the credit union, ensure that the credit union provided new, accurate disclosures no later than three business days before consummation or account opening. (§ [1026.31\(c\)\(1\)](#))

NOTE: The three business day waiting period prior to consummation requirement does not apply where the credit union extends a second offer with a lower annual percentage rate to the consumer. ([15 U.S.C. 1639\(b\)\(3\)](#))

d. Disclosures for initial rate change to an adjustable-rate mortgage securing a principal dwelling (other than a transaction subject to § [1026.19\(e\)-\(f\)](#)) with terms of more than one year:

i. For adjustable-rate mortgages, credit unions, assignees, or servicers are generally required to provide information about the first interest rate change to consumers between 210 and 240 days before the date the first payment at the new rate is due.

NOTE: If the first payment change occurs within the first 210 days, credit unions, assignees, or servicers are required to provide the disclosure at consummation. (§ [1026.20\(d\)](#))

NOTE: When examining a credit union that continues to own the loan, an assignee, or a servicer, if the entity states that another entity has the obligation to provide the disclosures, examiners must determine whether the entity takes steps to ensure that the other party (the credit union, assignee, or servicer, as applicable) is complying with the obligation to provide the disclosures.

e. Additional disclosures for adjustable-rate mortgages securing a principal dwelling (other than a transaction subject to §§ [1026.19\(e\)-\(f\)](#)) with a term of more than one year, where a rate change affects the amount of payment:

i. For adjustable-rate mortgages where the payment changes with a rate change, the institution must provide disclosures to consumers between 60 and 120 days before the first payment at the new rate is due;

ii. For adjustable-rate mortgages where the payment change is caused by a rate change that is uniformly scheduled every 60 days (or more frequently), the institution must provide disclosures to consumers between 25 and 120 days before the first payment at the new rate;

iii. For adjustable-rate mortgages originated before January 10, 2015, where the interest rate and payment are calculated based on an index that is available less than 45 days before the change, an institution must provide disclosures between 25 and 120 days before the first payment at the new rate is due; and

iv. For adjustable-rate mortgages where the payment adjustment occurs within 60 days of consummation and the new interest rate after adjustment provided at consummation was an estimate, disclosure are required as soon as practical, but no later than 25 days before the first payment at the new rate is due.

(§ [1026.20\(c\)](#))

NOTE: The requirements of § [1026.20\(c\)](#) do not apply to: ARMS with terms of one year or less; first interest rate adjustments to an ARM if the first adjusted payment is due within 210 days after consummation and the new interest rate disclosed at consummation was not an estimate; or the credit union, assignee or servicer when the servicer is subject to the Fair Debt Collections Practices Act (FDCPA) and the consumer has notified the servicer to cease communication under [FDCPA section 805\(c\)](#).

(§ [1026.20\(c\)\(1\)\(ii\)](#))

f. Notice of new creditor. On or before the 30th calendar day after the acquisition. (§ [1026.39](#))

g. For private education loans subject to Subpart F, determine that: (§ [1026.46](#))

- i. The institution provided application or solicitation disclosures on or with any application or solicitation; (§ [1026.46\(d\)\(1\)\(i\)](#))
 - ii. The institution provided approval disclosures before consummation on or with any notice of approval provided to the consumer; and (§ [1026.46\(d\)\(2\)](#))
 - iii. The institution provided final disclosures after the consumer accepts the loan and at least three business days before disbursing the private education loan funds. (§ [1026.46\(d\)\(3\)](#))
- h. Determine that the issuer provides a written over-the-limit notice before assessing any over-the-limit fee or charge on a consumer's account. (§ [1026.56\(d\)\(1\)\(i\)](#))
- i. Determine that, if a consumer consents to the card issuer's payment of any over-the-limit transaction by oral or electronic means, the card issuer provides the required written notice immediately before obtaining that consent. (§ [1026.56\(d\)\(1\)\(ii\)](#))
- j. Determine that the institution provides the notice confirming the consumer's consent no later than the first periodic statement sent after the consumer has consented to the card issuer's payment of over-the-limit transactions. The credit union must not assess an over-the-limit fee on the consumer's account without first providing written confirmation. (§ [1026.56\(d\)\(2\)](#))
- k. Determine that the institution provides the consumer notice in writing of the right to revoke consent following the assessment of an over-the-limit fee or charge is provided on the front of any page of each periodic statement that reflects the assessment of an over-the-limit fee or charge on a consumer's account. (§ [1026.56\(d\)\(3\)](#))
- l. For home-equity plans subject to the requirements of § [1026.40](#), whenever any term required to be disclosed under § [1026.6\(a\)](#) is changed or the required minimum periodic payment is increased, determine that the credit union mails or delivers written notice of the change to each consumer who may be affected. Determine that the notice is mailed or delivered at least 15 days before the effective date of the change. If the consumer has agreed to the change, determine that the notice is given before the effective date of the change. (§ [1026.9\(c\)\(1\)\(i\)](#))
- m. Notice to restrict credit. For home-equity plans subject to the requirements of § [1026.40](#), if the credit union prohibits additional extensions of credit or reduces the credit limit under §§ [1026.40\(f\)\(3\)\(i\)](#) or [\(f\)\(3\)\(vi\)](#), determine that the credit union mails or delivers written notice of the action to each consumer who will be affected not later than three business days after the action is taken and contains specific reasons for the action. If the credit union requires the consumer to request reinstatement of credit privileges, determine that the notice states that fact. (§ [1026.9\(c\)\(1\)\(iii\)](#))

Mortgage Loans Secured by Real Property or a Cooperative Unit—Early Disclosures (Loan Estimates)

1. **Provision of disclosures.** For closed-end consumer loans secured by real property or a cooperative unit, other than a reverse mortgage subject to § [1026.33](#), determine whether the credit union provides the consumer with good faith estimates on the Loan Estimate (§ [1026.37](#)), or if the credit union satisfies its obligation by ensuring that a mortgage broker providing the Loan Estimate complied with all requirements of § [1026.19\(e\)](#).

NOTE: Partial exemption. The special disclosure requirements of § [1026.19\(e\)](#) do not apply if the following criteria are met:

- (i) The transaction is secured by a subordinate lien,*
- (ii) The transaction is for buyer assistance such as down payments or closing costs, rehabilitation loans, energy efficiency assistance, or foreclosure prevention,*
- (iii) The credit contract does not require the payment of interest,*
- (iv) The credit contract provides for repayment is forgiven, deferred for 20 years, or deferred until the property is sold or is no longer the consumer's principal dwelling, and*
- (v) the costs payable by the consumer in connection with the transaction at consummation are limited to recording fees, transfer taxes, a reasonable application fee, and a reasonable fee for housing counseling services; and the total of costs payable by the consumer for the application and housing counseling services is less than 1% of the amount of credit extended.*

In addition to these requirements, the credit union must comply with other requirements of TILA, including the disclosures in § [1026.18](#). However, the credit union is permitted to provide the integrated disclosures (Loan Estimate and Closing Disclosure) as an alternative to providing the disclosure of the cost of credit under § [1026.18](#), and does not need to provide the special information booklet, Good Faith Estimate, or HUD-1 settlement statement. (§ [1026.3\(h\)](#); [Comment 1026.3\(h\)-1](#))

2. **Timing after application.** Determine whether the credit union delivers or places in the mail the Loan Estimate not later than the third business day after receiving the consumer's application. As defined in § [1026.2\(a\)\(3\)](#), an application consists of the submission for purposes of obtaining an extension of credit of the consumer's name, income, social security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount sought. (§ [1026.19\(e\)\(1\)\(iii\)\(A\)](#))

NOTE: When a consumer uses an online application system that allows the information to be saved, the timing requirements for the Loan Estimate are not triggered until the application is submitted.

3. **Timing before consummation.** Determine whether the credit union delivers or places in the mail the Loan Estimate not later than the seventh business day before consummation (other than for transactions secured by a consumer's interest in a timeshare plan). (§ [1026.19\(e\)\(1\)\(iii\)\(B\)](#))

NOTE: Business day is defined differently for purposes of §§ [1026.19\(e\)\(1\)\(iii\)\(A\)](#) and [\(B\)](#). For § [1026.19\(e\)\(1\)\(iii\)\(A\)](#) business day is defined based on whether the credit union's offices are open to the public for carrying on substantially all of its business functions on that day. For § [1026.19\(e\)\(1\)\(iii\)\(B\)](#), a business day is all days except Sundays and federal holidays. (§ [1026.2\(a\)\(6\)](#)).

4. **Waive waiting period.** Determine whether the consumer waived the waiting period before consummation under § [1026.19\(e\)\(1\)\(iii\)\(B\)](#) by providing a dated written statement describing a bona-fide personal financial emergency, specifically modifying or waiving the waiting period, signed by all the consumers who are primarily liable on the obligation. (§ [1026.19\(e\)\(1\)\(v\)](#))

NOTE: Preprinted forms for this purpose are prohibited. (§ [1026.19\(a\)\(3\)](#))

5. **Shopping for settlement service providers.** Determine whether a credit union permits a consumer to shop for a settlement service and if so, identifies the settlement services the consumer is permitted to shop for. If so, determine whether the credit union provides a written list identifying at least one available provider for each settlement service for which the consumer may shop and stating that the consumer may choose a different provider for that service. Determine that the credit union provides the written list separately from initial Loan Estimate but in accordance with the same timing requirements. The settlement service providers identified on the written list must correspond to required settlement services for which the consumer may shop, disclosed under § [1026.37\(f\)\(3\)](#). (§ [1026.19\(e\)\(1\)\(vi\)](#); [Comment 1026.19\(e\)\(1\)\(vi\)-3](#))
6. **Fee restriction.** Determine that the credit union does not charge any fees before the consumer receives the Loan Estimate and before the consumer indicated to the credit union an intent to proceed with the transaction, except for bona fide and reasonable credit report fees. (§ [1026.19\(e\)\(2\)\(i\)\(A\)](#))
7. **Disclaimer on early estimates.** Determine whether a credit union that provides a consumer with a written estimate of terms or costs specific to that consumer before the consumer receives the Loan Estimate clearly and conspicuously states on the first page in no smaller than 12-point font “Your actual rate, payment, and costs could be higher. Get an official Loan Estimate before choosing a loan,” and that the estimate does not use a format or content substantially similar to the Loan Estimate (form H-24 or H-25 of [Appendix H](#)). (§ [1026.19\(e\)\(2\)\(ii\)](#))
8. **Verification of information.** Determine whether the credit union requires a consumer to submit documents verifying information related to the consumer's application before providing the credit union provides the Loan Estimate. (§ [1026.19\(e\)\(2\)\(iii\)](#))
9. **Permissible variations.** Determine whether the credit union disclosed estimated closing costs in good faith and consistent with the best information reasonably available to the credit union at the time the disclosures are provided. The estimated closing costs are in good faith if the amount charged to the consumer at closing does not exceed the estimated closing costs disclosed on the Loan Estimate, unless one of the following exceptions apply. (§ [1026.19\(e\)\(3\)](#))
10. **Ten percent cumulative increase permitted.** Estimates for third party services or a recording fee are in good faith if:
 - a. The aggregate charges do not exceed the aggregate estimate for those charges by more than 10 percent (§ [1026.19\(e\)\(3\)\(ii\)\(A\)](#) [Comment 1026.19\(e\)\(3\)\(ii\)-2](#));
 - b. The third party service charge is not paid to the credit union or affiliate of the credit union (§ [1026.19\(e\)\(3\)\(ii\)\(B\)](#)); and
 - c. The credit union permits the consumer to shop for the third party service. (§ [1026.19\(e\)\(3\)\(ii\)\(C\)](#))
 - i. A credit union may permit a consumer to shop even if a credit union fails to issue the written list of providers

- required by § [1026.19\(e\)\(1\)\(vi\)\(C\)](#).
- ii. Determine whether the credit union permits the consumer to shop consistent with § [1026.19\(e\)\(1\)\(vi\)\(A\)](#) based on all the relevant facts and circumstances.
11. **Variations permitted for certain charges.** For the following, determine whether the estimate has been made in good faith. An estimate is in good faith if it is consistent with the best information reasonably available to the credit union at the time it is disclosed, regardless of whether the amount paid by the consumer exceeds the amount disclosed in the Loan Estimate, even if such charges are paid to the credit union or affiliates of the credit union, as long as the charges are bona fide: (§ [1026.19\(e\)\(3\)\(iii\)](#))
- a. Prepaid interest; (§ [1026.19\(e\)\(3\)\(iii\)\(A\)](#))
 - b. Property insurance premiums; (§ [1026.19\(e\)\(3\)\(iii\)\(B\)](#))
 - c. Amounts placed into an escrow, impound, reserve, or similar account; (§ [1026.19\(e\)\(3\)\(iii\)\(C\)](#))
 - d. Charges paid to third-party service providers the consumer selected that are not on the list provided by the credit union; and (§ [1026.19\(e\)\(3\)\(iii\)\(D\)](#))
 - e. Property taxes and other charges paid for third-party services not required by the credit union. (§ [1026.19\(e\)\(3\)\(iii\)\(E\)](#))
12. **Revised loan estimates.** Determine whether the credit union may use a revised estimate of charges, instead of the estimate of charges originally disclosed to the consumer, to compare charges actually paid by or imposed on the consumer for purposes of determining good faith. Credit unions are permitted to use a revised estimate for this purpose (i.e., to reset tolerances) for any of the following reasons: (§ [1026.19\(e\)\(3\)\(iv\)](#))
- a. *Changed circumstances affecting settlement charge.* Changed Circumstances that cause the estimated settlement charges to increase or, in the case of estimated charges identified in § [1026.19\(e\)\(3\)\(ii\)](#), cause the aggregate amount of such charges to increase by more than 10 percent. (§ [1026.19\(e\)\(3\)\(iv\)\(A\)](#)) For purposes of this and the following procedure, “changed circumstance” means:
 - i. An extraordinary event beyond the control of any interested party or other unexpected event specific to the consumer or transaction; (§ [1026.19\(e\)\(3\)\(iv\)\(A\)\(1\)](#))
 - ii. Information specific to the consumer or transaction that the credit union relied upon when providing the Loan Estimate and that was inaccurate or changed after the disclosures were provided; or (§ [1026.19\(e\)\(3\)\(iv\)\(A\)\(2\)](#))
 - iii. New information specific to the consumer or transaction that the credit union did not rely on when providing the original Loan Estimate. (§ [1026.19\(e\)\(3\)\(iv\)\(A\)\(3\)](#))
 - b. *Changed circumstance affecting eligibility.* The consumer is ineligible for an estimated charge previously disclosed because a changed circumstance affected the consumer's creditworthiness or the value of the security for the loan. (§ [1026.19\(e\)\(3\)\(iv\)\(B\)](#))
 - c. *Revisions requested by the consumer.* The consumer requests revisions to the credit terms or the settlement that cause an estimated charge to increase. (§ [1026.19\(e\)\(3\)\(iv\)\(C\)](#))

- d. *Interest rate dependent charges.* The points or lender credits change because the interest rate was not locked when the Loan Estimate was provided. (§ [1026.19\(e\)\(3\)\(iv\)\(D\)](#))
- e. *Intent to Proceed.* The consumer indicates an intent to proceed with the transaction more than 10 business days after the Loan Estimate is provided or within an extended period of time if the credit union has voluntarily extended the expiration date either orally or in writing. (§ [1026.19\(e\)\(3\)\(iv\)\(E\)](#))
- f. *Construction loan.* The loan involves new construction where settlement is not expected to occur until more than 60 days after the Loan Estimate has been provided to the consumer and the credit union states clearly and conspicuously that a revised disclosure may be used at any time prior to 60 days before consummation, unless otherwise provided by § [1026.19\(e\)\(3\)\(iv\)](#). (§ [1026.19\(e\)\(3\)\(iv\)\(F\)](#))

NOTE: A loan involves “new construction” if it is a loan for the purchase of a home that has yet to be constructed, or a loan to purchase a home under construction (i.e., construction is currently underway). ([Comment 1026.19\(e\)\(3\)\(iv\)\(F\)-1](#))

NOTE: A credit union may issue a revised disclosure for informational purposes, even if the revised disclosure may not be used for purposes of determining good faith under §§ [1026.19\(e\)\(3\)\(i\)](#) and [\(ii\)](#). ([Comment 1026.19\(e\)\(3\)\(iv\)-4](#))

- 13. **Revised disclosures.** Determine whether the revised disclosures, even those provided only for informational purposes (i.e., not to reset tolerances), were based on the best information reasonably available to the credit union at the time the disclosure was provided to the consumer. (§ [1026.17\(c\)\(2\)\(i\)](#)).
- 14. **Provision and receipt of revised closing disclosures.** Determine whether the credit union has already provided a Closing Disclosure in accordance with § [1026.19\(f\)\(1\)\(i\)](#).

NOTE: If the credit union has provided a Closing Disclosure, the credit union may not provide a revised version of the Loan Estimate on or after the date on which it provided the Closing Disclosure. (§ [1026.19\(e\)\(4\)\(ii\)](#)) Instead, the credit union may use the initial or a corrected Closing Disclosure to reset tolerances for purposes of determining good faith if one of the reasons for a revised estimate is present. (§ [1026.19\(e\)\(4\)\(i\)](#))

- 15. **Provision and receipt of revised disclosures.** Determine whether the credit union provides revised disclosures within three business days of receiving information sufficient to establish a reason for a revised estimate such as a changed circumstance or other reason pursuant to § [1026.19\(e\)\(3\)\(iv\)](#). (§ [1026.19\(e\)\(4\)\(i\)](#))

NOTE: If not provided to the consumer in person, the revised disclosure is considered to have been received three business days after the credit union delivers or places the revised disclosure in the mail. (§ [1026.19\(e\)\(4\)](#))

- 16. **Special information booklet at time of application.** Determine whether the credit union mailed or delivered a copy of the special information booklet titled “[Your Home Loan Toolkit – A Step-by-Step Guide](#),” which was designed by the CFPB to replace the,

“Shopping for Your Home Loan: Settlement Cost Booklet.” The booklet is required by §§ [1026.19\(g\)](#), [1024.5](#), and [1024.6](#). The booklet must be delivered or placed in the mail within three business days after receiving the consumer’s application for a purchase transaction, unless the credit union denies the application before the end of the three business day period.

NOTE: If the consumer uses a mortgage broker, the mortgage broker must provide the special information booklet and the credit union need not do so. (§ [1026.19\(g\)](#))

Mortgage loans secured by real property or a Cooperative Unit— Final Disclosures (Closing Disclosures)

1. Determine whether, for closed-end consumer loans secured by real property or a cooperative unit, other than a reverse mortgage subject to § [1026.33](#) or loans otherwise excepted under § [1026.3\(h\)](#), the credit union provides the consumer with the Closing Disclosure (§ [1026.38](#)), reflecting the actual terms of the transaction. (§ [1026.19\(f\)\(1\)\(i\)](#))

NOTE: There is a partial exemption in § [1026.3\(h\)](#) from the requirement to provide the Loan Estimate and Closing Disclosure if

(i) the transaction is secured by a subordinate lien,

(ii) the loan is for buyer assistance such as down payments or closing costs, rehabilitation loans, energy efficiency assistance, or foreclosure prevention,

(iii) the loan does not require the payment of interest,

(iv) the loan provides for repayment that is forgiven, deferred for 20 years, or deferred until the property is sold or is no longer the consumer’s principal dwelling, and

(v) the costs payable by the consumer in connection with the transaction at consummation are limited to recording fees, transfer taxes, a reasonable application fee, and a reasonable fee for housing counseling services, and fees for the application and housing counseling are less than 1% of the amount of credit extended.

For those transactions, credit unions must comply with all TILA requirements pertaining to disclosures. They may do so by complying with the disclosure requirements of § [1026.18](#), or in the alternative, where criteria for the partial exemption are satisfied, they may provide a compliant Loan Estimate and Closing Disclosure, and do not need to provide a Good Faith Estimate or HUD-1 settlement statement. (§ [1026.3\(h\)](#)).

2. Determine whether the credit union ensures that the consumer receives the Closing Disclosure no later than three business days before consummation (except for transactions secured by a timeshare, which the credit union must ensure the consumer receives no later than consummation). (§ [1026.19\(f\)\(1\)\(ii\)](#))

NOTE: If the credit union mails the disclosure six business days prior to consummation, it can assume that it was received three business days after sending, and therefore three business days prior to consummation. (§ [1026.19\(f\)\(1\)\(iii\)](#); see [Comment 1026.19\(f\)\(1\)\(iii\)](#))

“Business day” for purposes of the Closing Disclosure is the rescission-based business day definition, and means all calendar days except Sundays and legal public holidays.
(§ [1026.2\(a\)\(6\)](#), § [1026.19\(f\)\(1\)\(ii\)\(A\)](#))

3. Determine whether the consumer waived the waiting period before consummation by providing a dated written statement describing a bona fide personal financial emergency, specifically modifying or waiving the waiting period and signed by all the consumers who are primarily liable on the obligation. (§ [1026.19\(f\)\(1\)\(iv\)](#))

NOTE: Preprinted forms for this purpose are prohibited. (§ [1026.19\(f\)\(1\)\(iv\)](#))

4. If a settlement agent provides the consumer with the Closing Disclosure, determine whether the credit union ensures that the disclosures were provided in accordance with § [1026.19\(f\)](#). (§ [1026.19\(f\)\(1\)\(v\)](#))
5. Determine whether the credit union is relying on the Closing Disclosure to reset tolerances for purposes of determining good faith under § [1026.19\(e\)\(3\)](#). If so, confirm:
 - a. A changed circumstance or other reason set forth in § [1026.19\(e\)\(3\)\(iv\)](#) is present;
 - b. The revised disclosures were based on the best information reasonably available to the credit union at the time the disclosure was provided to the consumer (§ [1026.17\(c\)\(2\)\(i\)](#)); and
 - c. The credit union provided the revised disclosures within three business days of receiving information sufficient to establish a reason for a revised estimate. (§ [1026.19\(e\)\(4\)](#))
6. For subsequent changes, determine whether the credit union provides a corrected Closing Disclosure where a disclosure has become inaccurate before consummation, so that the consumer receives a corrected Closing Disclosure at or before consummation. Determine whether the credit union permits the consumer to inspect the corrected disclosure during the business day prior to consummation.

NOTE: The corrected Closing Disclosure must be completed to set forth items known to the credit union at the time of this inspection, but may omit from inspection items related only to the seller’s transaction. (§ [1026.19\(f\)\(2\)\(i\)](#))

7. Determine whether the credit union provides a corrected Closing Disclosure and a new three business day waiting period before consummation if:
 - a. The APR disclosed in the Loan Estimate under § [1026.38\(o\)\(4\)](#) becomes inaccurate, as defined in § [1026.22](#); (§ [1026.19\(f\)\(2\)\(ii\)\(A\)](#))
 - b. The loan product is changed, causing the information disclosed in the Loan Estimate under § [1026.38\(a\)\(5\)\(iii\)](#) to become inaccurate; (§ [1026.19\(f\)\(2\)\(ii\)\(B\)](#))
 - c. A prepayment penalty is added, causing the statement regarding a prepayment penalty required under § [1026.38\(b\)](#) to become inaccurate. (§ [1026.19\(f\)\(2\)\(ii\)\(C\)](#))
8. Determine whether the credit union is relying on the corrected Closing Disclosure to reset tolerances for purposes of determining good faith under § [1026.19\(e\)\(3\)](#). If so, confirm:
 - a. A changed circumstance or other reason set forth in § [1026.19\(e\)\(3\)\(iv\)](#) is present;

- b. The revised disclosures were based on the best information reasonably available to the credit union at the time the disclosure was provided to the consumer (§ [1026.17\(c\)\(2\)\(i\)](#)); and
 - c. The credit union provided the revised disclosures within three business days of receiving information sufficient to establish a reason for a revised estimate. (§ [1026.19\(e\)\(4\)](#))
9. Determine whether, when an event in connection with the settlement causes the Closing Disclosure to become inaccurate during the 30-day period following consummation, and that inaccuracy results in a change to an amount actually paid by the consumer from the amount disclosed, the credit union delivers or places in the mail corrected disclosures not later than 30 days from receiving the information to establish that the event occurred. (§ [1026.19\(f\)\(2\)\(iii\)](#))

NOTE: A credit union does not violate § [1026.19\(f\)\(1\)\(i\)](#) if the disclosures contain non-numeric clerical errors, provided the credit union delivers or places in the mail corrected disclosures no later than 60 days after consummation. (§ [1026.19\(f\)\(2\)\(iv\)](#))

10. Determine whether the credit union charged the consumer for any amounts that exceeded the estimated charges beyond the applicable permissible variations set forth in § [1026.19\(e\)\(3\)\(i\)](#) (no variation permitted for the charge) and (ii) (charge subject to a 10 percent aggregate limit). For any such charges, determine if the credit union refunds the excess amounts no later than 60 days after consummation, and delivers or places in the mail corrected disclosures reflecting the refund no later than 60 days after consummation. (§ [1026.19\(f\)\(2\)\(v\)](#))
11. Determine whether the credit union or settlement service provider imposes a charge on the consumer for more than the settlement service provider actually received. If the credit union charges the average charge for settlement services, determine whether the credit union meets the following:
- a. The average charge is no more than the average amount paid for that service by or on behalf of all consumers and sellers for a class of transactions; (§ [1026.19\(f\)\(3\)\(ii\)\(A\)](#))
 - b. The class of transactions is defined by appropriate period of time, geographic area, and type of loan; (§ [1026.19\(f\)\(3\)\(ii\)\(B\)](#))
 - c. The same average charge is used for every transaction within the class; and (§ [1026.19\(f\)\(3\)\(ii\)\(C\)](#))
 - d. The average charge is not used for any type of insurance, any charge based on the loan amount or property value, and is not otherwise prohibited by law. (§ [1026.19\(f\)\(3\)\(ii\)\(D\)](#))
12. Determine whether the settlement agent provides the seller with the Closing Disclosure no later than the day of consummation. If during the 30-day period following consummation, an event in connection with the settlement of the transaction occurs that causes disclosures to become inaccurate and the inaccuracy results in a change to the amount actually paid by the seller from that previously disclosed, determine whether the settlement agent has delivered or placed in the mail corrected disclosures not later than 30 days after receiving information sufficient to establish that such an event has occurred. (§ [1026.19\(f\)\(4\)](#))

13. Determine whether a credit union or servicer imposes a fee on any person as part of settlement costs or otherwise, for preparing or delivering Closing Disclosures. (§ [1026.19\(f\)\(5\)](#))
14. Assess compliance for an institution's electronic disclosure requirements.
15. An institution may provide disclosures to the consumer in electronic form, subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act). ([15 U.S.C. 7001 et seq.](#)) The E-Sign Act does not mandate that institutions or consumers use or accept electronic records or signatures. It permits institutions to satisfy any statutory or regulatory requirements by providing the information electronically after obtaining the consumer's affirmative consent. Before consent can be given, an institution must provide consumers with the following information:
 - a. Any right or option to have the information provided in paper or non-electronic form;
 - b. The right to withdraw the consent to receive information electronically and the consequences, including fees, of doing so;
 - c. The scope of the consent (for example, whether the consent applies only to a particular transaction or to identified categories of records the consumer or institution may provide during the course of the parties' relationship);
 - d. The procedures to withdraw consent and to update information needed to contact the consumer electronically; and
 - e. The methods a consumer may use to obtain, upon request, a paper copy of an electronic record after the consumer has given consent to receive the information electronically and whether the institution will charge any fee.
16. The consumer must consent electronically or confirm consent electronically in a manner that "reasonably demonstrates that the consumer can access information in the electronic form that will be used to provide the information that is the subject of the consent." After the consent, if an institution changes the hardware or software requirements such that a consumer may be prevented from accessing and keeping information electronically, the institution must notify the consumer of the new requirements and must allow the consumer to withdraw consent without charge.
17. If the credit union makes its disclosures available to consumers in electronic form, determine that the forms comply with the appropriate regulations including: § [1026.5\(a\)\(1\)](#); § [1026.15\(b\)](#); § [1026.16\(c\)](#); §§ [1026.17\(a\)\(1\)](#) and [\(g\)](#); § [1026.19\(c\)](#); § [1026.23\(b\)\(1\)](#); § [1026.24\(d\)](#); § [1026.31\(b\)](#); § [1026.40\(a\)\(3\)](#); and § [1026.60\(a\)\(2\)\(v\)](#).
18. Card issuers may provide credit card agreements in electronic form under §§ [1026.58\(d\)-\(e\)](#) without regard to the consumer notice and consent requirements of section 101(c) of the E-Sign Act. (§ [1026.58\(f\)](#))

College Student Open-End Credit - Annual Report to the CFPB

1. If the card issuer was a party to one or more college credit card agreements in effect at any

time during a calendar year, verify that the card issuer submits to the CFPB an annual report regarding those agreements in the form and manner prescribed by the CFPB.

(§ [1026.57\(d\)\(1\)](#))

NOTE: A college credit card agreement is any business, marketing, or promotional agreement between a card issuer and an institution of higher education (or an affiliated alumni organization or foundation) for which credit cards are issued to college students at that institution of higher education. (§ [1026.57\(a\)\(5\)](#))

2. The annual report to the CFPB must include the following: (§ [1026.57\(d\)\(2\)](#))
 - a. Identifying information about the card issuer and the agreements submitted, including the issuer's name, address, and identifying number (such as an RSSD ID number or tax identification number);
 - b. A copy of any college credit card agreement the card issuer was a party to that was in effect at any time during the period covered by the report;
 - c. A copy of any memorandum of understanding in effect at any time during the period covered by the report between the card issuer and an institution of higher education or affiliated organization that directly or indirectly relates to the college credit card agreement or that controls or directs any obligations or distribution of benefits between any such entities;
 - d. The total dollar amount of any payments under a college credit card agreement from the card issuer to an institution of higher education or affiliated organization during the period covered by the report, and the method or formula used to determine such amounts;
 - e. The total number of credit card accounts opened under any college credit card agreement during the period covered by the report; and
 - f. The total number of credit card accounts opened under any such agreement that were open at the end of the period covered by the report.

3. If the card issuer is subject to reporting, determine if the card issuer submits its annual report for each calendar year to the CFPB by the first business day on or after March 31 of the following calendar year. (§ [1026.57\(d\)\(3\)](#))

Internet Postings of Credit Card Agreements

The Submission of Agreements to the CFPB

1. For card issuers that issue credit cards under a credit card account under an open-end (not home-secured) consumer credit plan, determine that the card issuer makes quarterly submissions to the CFPB in the form and manner specified by the CFPB that contain:
 - a. Identifying information about the card issuer and the agreements submitted, including the issuer's name, address, and identifying number (such as an RSSD ID number or tax identification number); (§ [1026.58\(c\)\(1\)\(i\)](#))
 - b. The credit card agreements that the card issuer offered to the public as of the last business day of the preceding calendar quarter that the card issuer has not previously submitted to the CFPB; (§ [1026.58\(c\)\(1\)\(ii\)](#))
 - c. Any credit card agreement previously submitted to the CFPB that was amended during the preceding calendar quarter and that the card issuer offered to the public as

of the last business day of the preceding calendar quarter as described in § [1026.58\(c\)\(3\)](#); (§ [1026.58\(c\)\(1\)\(iii\)](#))

- d. Notification regarding any credit card agreement previously submitted to the CFPB that the issuer is withdrawing, as described in §§ [1026.58\(c\)\(4\)-\(7\)](#). (§ [1026.58\(c\)\(1\)\(iv\)](#))
2. Verify that the issuer sent quarterly submissions to the CFPB no later than the first business day on or after January 31, April 30, July 31, and October 31, of each year. (§ [1026.58\(c\)\(1\)](#))
3. If a credit card agreement that the issuer previously submitted to the CFPB is amended, verify that the card issuer submits the entire amended agreement to the CFPB, in the form and manner specified by the CFPB, by the first quarterly submission deadline after the last day of the calendar quarter in which the change became effective. (§ [1026.58\(c\)\(3\)](#))

NOTE: If a credit card agreement has been submitted to the CFPB, the agreement has not been amended and the card issuer continues to offer the agreement to the public, no additional submission regarding that agreement is required.

4. If a card issuer no longer offers to the public a credit card agreement that previously has been submitted to the CFPB, ensure that the card issuer notifies the CFPB by the first quarterly submission deadline after the last day of the calendar quarter in which the issuer ceased to offer the agreement. (§ [1026.58\(c\)\(4\)](#))

NOTE: A card issuer is not required to submit any credit card agreements to the CFPB if the card issuer had fewer than 10,000 open credit card accounts as of the last business day of the calendar quarter. (§ [1026.58\(c\)\(5\)\(i\)](#))

5. If an issuer that previously qualified for the *de minimis* exception ceases to qualify, determine that the card issuer begins making quarterly submissions to the CFPB no later than the first quarterly submission deadline after the date as of which the issuer ceased to qualify. (§ [1026.58\(c\)\(5\)\(ii\)](#))
6. If a card issuer that did not previously qualify for the *de minimis* exception qualifies for the *de minimis* exception, determine that the card issuer continues to make quarterly submissions to the CFPB until the issuer notifies the CFPB that the card issuer is withdrawing all agreements it previously submitted to the CFPB. (§ [1026.58\(c\)\(5\)\(iii\)](#))
7. A card issuer is not required to submit a credit card agreement to the CFPB if, as of the last business day of the calendar quarter, the agreement is offered for accounts under one or more private label credit card plans each of which has fewer than 10,000 open accounts and is not offered to the public other than for accounts under such a plan. (§ [1026.58\(c\)\(6\)\(i\)](#))

NOTE: A private label credit card is one that is usable only at a single merchant or affiliated group of merchants. A private label credit card plan is all private label credit card accounts issued by a particular issuer with credit cards usable at the same single merchant or affiliated group of merchants. (§ [1026.58\(b\)\(8\)](#))

8. If an agreement that previously qualified for the private label credit card exception ceases to qualify, determine that the card issuer submits the agreement to the CFPB no later than the first quarterly submission deadline after the date as of which the agreement ceased to qualify. (§ [1026.58\(c\)\(6\)\(ii\)](#))
9. If an agreement that did not previously qualify for the private label credit card exception qualifies for the exception, determine that the card issuer continues to make quarterly submissions to the CFPB with respect to that agreement until the issuer notifies the CFPB that the agreement is being withdrawn. (§ [1026.58\(c\)\(6\)\(iii\)](#))

NOTE: A card issuer is not required to submit a credit card agreement to the CFPB if, as of the last business day of the calendar quarter, the agreement is offered as part of a product test offered to only a limited group of consumers for a limited period of time, is used for fewer than 10,000 open accounts, and is not offered to the public other than in connection with such a product test. (§ [1026.58\(c\)\(7\)\(i\)](#))

10. If an agreement that previously qualified for the product testing exception ceases to qualify, determine that the card issuer submits the agreement to the CFPB no later than the first quarterly submission deadline after the date as of which the agreement ceased to qualify. (§ [1026.58\(c\)\(7\)\(ii\)](#))
11. If an agreement that did not previously qualify for the product testing exception qualifies for the exception, determine that the card issuer continues to make quarterly submissions to the CFPB for that agreement until the issuer notifies the CFPB that the agreement is being withdrawn. (§ [1026.58\(c\)\(7\)\(iii\)](#))
12. Verify that each agreement contains the provisions of the agreement and the pricing information in effect as of the last business day of the preceding calendar quarter. (§ [1026.58\(c\)\(8\)\(i\)\(A\)](#))
13. Verify that agreements do not include any personally identifiable information relating to any cardholder, such as name, address, telephone number, or account number. (§ [1026.58\(c\)\(8\)\(i\)\(B\)](#))
14. Verify that agreements are presented in a clear and legible font. (§ [1026.58\(c\)\(8\)\(i\)\(D\)](#))
15. Verify that pricing information is set forth in a single addendum to the agreement that contains only the pricing information. (§ [1026.58\(c\)\(8\)\(ii\)\(A\)](#))

NOTE: With respect to information other than the pricing information that may vary between cardholders depending on creditworthiness, state of residence, or other factors, issuers may, but are not required to, include that information in a single addendum (the optional variable terms addendum) to the agreement separate from the pricing addendum. (§ [1026.58\(c\)\(8\)\(iii\)](#))

16. If pricing information varies from one cardholder to another depending on the cardholder's creditworthiness or state of residence or other factors, verify that the pricing information is disclosed either by setting forth all the possible variations (such as purchase APRs of 13

percent, 15 percent, 17 percent, and 19 percent) or by providing a range of possible variations (such as purchase APRs ranging from 13 percent to 19 percent). (§ [1026.58\(c\)\(8\)\(ii\)\(B\)](#))

17. If a rate included in the pricing information is a variable rate, verify that the issuer identifies the index or formula used in setting the rate and the margin. (§ [1026.58\(c\)\(8\)\(ii\)\(C\)](#))
18. If rates vary from one cardholder to another, verify that the issuer discloses such rates by providing the index and the possible margins (such as the prime rate plus 5 percent, 8 percent, 10 percent, or 12 percent) or range of margins (such as the prime rate plus from 5 to 12 percent). (§ [1026.58\(c\)\(8\)\(ii\)\(C\)](#))

NOTE: The value of the rate and the value of the index are not required to be disclosed.

19. Determine that issuers do not provide provisions of the agreement or pricing information in the form of change-in-terms notices or riders (other than the pricing information addendum and the optional variable terms addendum). (§ [1026.58\(c\)\(8\)\(iv\)](#))
20. Determine that changes in provisions or pricing information are integrated into the text of the agreement, the pricing information addendum or the optional variable terms addendum, as appropriate. (§ [1026.58\(c\)\(8\)\(iv\)](#))

The Posting of Agreements Offered to the Public

1. Determine that the card issuer posts and maintains on its publicly available website the credit card agreements that the issuer is required to submit to the CFPB under § [1026.58\(c\)](#). (§ [1026.58\(d\)\(1\)](#))
2. With respect to an agreement offered solely for accounts under one or more private label credit card plans (and the issuer does not post and maintain the agreements on its publicly available website), determine that the issuer posts and maintains the agreement on the publicly available website of at least one of the merchants where cards issued under each private label credit card plan with 10,000 or more open accounts may be used. (§ [1026.58\(d\)\(1\)](#))
3. Verify that agreements posted under § [1026.58\(d\)](#) conform to the form and content requirements for agreements submitted to the CFPB specified in § [1026.58\(c\)\(8\)](#). (§ [1026.58\(d\)\(2\)](#))
4. Determine that agreements are posted in an electronic format that is readily usable by the general public. (§ [1026.58\(d\)\(3\)](#))
5. Verify that agreements are placed in a location on its website that is prominent and readily accessible by the public and accessible without submission of personally identifiable information. (§ [1026.58\(d\)\(3\)](#))
6. Determine that the card issuer updates the agreements posted on its website at least as frequently as the quarterly schedule required for submission of agreements to the CFPB

under § [1026.58\(c\)](#). (§ [1026.58\(d\)\(4\)](#))

NOTE: If the issuer chooses to update the agreements on its website more frequently, the agreements posted on the issuer's website may contain the provisions of the agreement and the pricing information in effect as of a date other than the last business day of the preceding calendar quarter.

The Posting of Agreements for “Open” Accounts

1. For any open (i.e., the cardholder can obtain extensions or there is an outstanding balance on the account that has not been charged off) credit card account, determine that the card issuer either:
 - a. Posts and maintains the cardholder's agreement on its website; or
 - b. Promptly provides a copy of the cardholder's agreement to the cardholder upon the cardholder's request.
2. If the card issuer makes an agreement available upon request, ensure that the issuer provides the cardholder with the ability to request a copy of the agreement both by:
 - a. Using the issuer's website, such as by clicking on a clearly identified box to make the request, and (§ [1026.58\(e\)\(1\)\(ii\)](#))
 - b. Calling a readily available telephone line the number for which is displayed on the issuer's website and clearly identified as to purpose. (§§ [1026.58\(e\)\(1\)\(ii\)](#)-[\(e\)\(2\)](#))
3. If an issuer does not maintain a website from which cardholders can access specific information about their individual accounts determine that the issuer makes agreements available upon request by providing the cardholder with the ability to request a copy of the agreement by calling a readily available telephone line the number for which is:
(§ [1026.58\(e\)\(2\)](#))
 - a. Displayed on the issuer's website and clearly identified as to purpose; or
 - b. Included on each periodic statement sent to the cardholder and clearly identified as to purpose.
4. Verify that the card issuer sends to the cardholder or otherwise make available to the cardholder a copy of the cardholder's agreement in electronic or paper form no later than 30 days after the issuer receives the cardholder's request. (§ [1026.58\(e\)\(1\)\(ii\)](#))
5. Determine that agreements posted on the card issuer's website or made available upon the cardholder's request conform to the form and content requirements for agreements submitted to the CFPB specified in § [1026.58\(c\)\(8\)](#). (§ [1026.58\(e\)\(3\)\(i\)](#))
6. If the card issuer posts an agreement on its website or otherwise provides an agreement to a cardholder electronically, verify that the agreement is posted or provided in an electronic format that is readily usable by the general public and is placed in a location that is prominent and readily accessible to the cardholder. (§ [1026.58\(e\)\(3\)\(ii\)](#))
7. If agreements the issuer posts or otherwise provides contain personally identifiable information relating to the cardholder, such as name, address, telephone number, or account number, ensure that the issuer takes appropriate measures to make the agreement accessible

only to the cardholder or other authorized persons. (§ [1026.58\(e\)\(3\)\(iii\)](#))

8. Determine that agreements the issuer posts or otherwise provides set forth the specific provisions and pricing information applicable to the particular cardholder.
(§ [1026.58\(e\)\(3\)\(iv\)](#))
9. Determine that provisions and pricing information are complete and accurate as of a date no more than 60 days before: (§ [1026.58\(e\)\(3\)\(iv\)](#))
 - a. The date the agreement is posted on the card issuer's website under § [1026.58\(e\)\(1\)\(i\)](#);
 - b. The date the issuer receives the cardholder's request under §§ [1026.58\(e\)\(1\)\(ii\)](#) or [\(e\)\(2\)](#).

NOTE: Card issuers may provide credit card agreements in electronic form under §§ [1026.58\(d\)](#) and [\(e\)](#) without regard to the consumer notice and consent requirements of section 101(c) of the Electronic Signatures in Global and National Commerce Act (E-Sign Act) ([15 U.S.C. 7001](#) et seq.). (§ [1026.58\(f\)](#))

Advertising (Open- and Closed-End)

1. For open- and closed-end loans, sample advertising copy, including any electronic advertising, since the previous examination and verify that the terms of credit are accurate, clear, balanced, and conspicuous. If the institution uses triggering terms, determine that it makes the required disclosures (§§ [1026.16](#) and [1026.24](#)).
 - a. For advertisements for closed-end credit:
 - i. If a rate of finance charge was stated, determine that it was stated as an APR.
 - ii. If an APR will increase after consummation, verify that a statement to that fact is made.
 - iii. Determine whether there are deceptive or misleading statements or practices.
 - b. Determine that the credit union does not offer college students any tangible item to induce such students to apply for or open an open-end consumer credit plan offered by such credit union, if such offer is made:
 - i. On the campus of an institution of higher education;
 - ii. Near the campus of an institution of higher education; or
 - iii. At an event sponsored by or related to an institution of higher education.
(§ [1026.57\(c\)](#))
 - c. If an open-end credit advertisement refers to an APR as "fixed" (or similar term), determine 1) that the advertisement also specifies a time period that the rate will be fixed and 2) that the rate will not increase during that period. (§ [1026.16\(f\)](#))
 - d. If an open-end credit advertisement used the word "fixed" or a similar word and no time period is specified in which the rate will be fixed, determine that the rate will not increase while the plan is open. (§ [1026.16\(f\)](#))
 - e. For any advertisement of an open-end (not home-secured) plan, if an APR or fee that the institution may apply to the account is an introductory rate or introductory fee, determine that the term introductory or intro is in immediate proximity to each listing

of the introductory rate or introductory fee in a written or electronic advertisement. (§ [1026.16\(g\)\(3\)](#))

- f. For any advertisement of an open-end (not home-secured) plan, if any APR or fee that the institution may apply to the account is a promotional rate under § [1026.16\(g\)\(2\)\(i\)](#) or any fee that it may apply to the account is a promotional fee under § [1026.16\(g\)\(2\)\(iv\)](#), determine that the following information is stated in a clear and conspicuous manner in the advertisement: (§ [1026.16\(g\)\(4\)](#))
- i. When the promotional rate or promotional fee will end; and
 - ii. The annual percentage rate that will apply after the end of the promotional period.

NOTE: If such rate is variable, determine that the annual percentage rate complies with the accuracy standards in §§ [1026.60\(c\)\(2\)](#), [\(d\)\(3\)](#), [\(e\)\(4\)](#), or [1026.16\(b\)\(1\)\(ii\)](#), as applicable. If such rate cannot be determined at the time disclosures are given because the rate depends at least in part on a later determination of the consumer's creditworthiness, determine that the advertisement discloses the specific rates or the range of rates that might apply. (§ [1026.16\(g\)\(4\)\(ii\)](#)) Further, if the promotional rate or fee is stated in a written or electronic advertisement, determine that the information in §§ [1026.16\(g\)\(4\)\(i\)](#), and, as applicable, [1026.16\(g\)\(4\)\(ii\)](#), or [\(g\)\(4\)\(iii\)](#) are also stated in a prominent location closely proximate to the first listing of the promotional rate or promotional fee.

- g. If a deferred interest offer is advertised for an open-end account not subject to § [1026.40](#), determine that the deferred interest period is stated in a clear and conspicuous manner in the advertisement. If the phrase “no interest” or similar term regarding the possible avoidance of interest obligations under the deferred interest program is stated, determine that the term “if paid in full” is also stated in a clear and conspicuous manner preceding the disclosure of the deferred interest period in the advertisement. If the deferred interest offer is included in a written or electronic advertisement, determine that the deferred interest period and, if applicable, the term “if paid in full” are stated in immediate proximity to each statement of “no interest,” “no payments,” “deferred interest,” “same as cash,” or similar term regarding interest or payments during the deferred interest period. (§ [1026.16\(h\)\(3\)](#))
- h. If any deferred interest offer is advertised for an open-end account not subject to § [1026.40](#), determine that the language (of § [1026.16\(h\)\(4\)](#)) is stated in the advertisement and is similar to Sample G-24 in [Appendix G](#). If the deferred interest offer is included in a written or electronic advertisement, determine that this information is stated in a prominent location close to the first statement of “no interest,” “no payments,” “deferred interest,” “same as cash,” or similar term regarding interest or payments during the deferred interest period. (§ [1026.16\(h\)\(4\)](#))

NOTE: The requirements in § [1026.16\(h\)\(4\)](#) apply to any advertisement of an open-end credit plan not subject to § [1026.40](#) (requirements for home equity plans) § [1026.16\(h\)\(1\)](#). However, the requirements do not apply to an envelope or other enclosure in which an application or solicitation is mailed, or to a banner advertisement or pop-up advertisement linked to an application or solicitation provided electronically. (§ [1026.16\(h\)\(5\)](#))

C. Transactional Testing

NOTE: When verifying APR accuracies, use the [FFIEC Federal Computational Tool](#).

Review the credit union's closed-end and open-end transactions to ensure accuracy and completeness.

Closed-End Credit Transactional Testing Procedures

1. For each type of closed-end loan being tested, determine the accuracy of the disclosures by comparing the disclosures to the contract and other credit union documents. (§ [1026.17](#))
2. Determine whether the institution made the required disclosures before consummation of the transaction and ensure the presence and accuracy of the items below, as applicable. (§ [1026.18](#))
 - a. Credit union and loan originator name with Nationwide Mortgage Licensing System and Registry (NMLSR) IDs on required documents as required under § [1026.36](#)
 - b. Amount financed
 - c. Itemization of the amount financed (RESPA GFE may substitute)
 - d. Finance charge
 - e. APR
 - f. Variable rate information as follows for loans not secured by a principal dwelling or secured by a principal dwelling with terms of one year or less:
 - i. Circumstances which permit rate increase
 - ii. Limitations on the increase (periodic or lifetime)
 - iii. Effect of the increase
 - iv. Hypothetical example of new payment terms that would result from an increase
 - g. Payment schedule including the number, amount, and timing of payments.
 - h. Total of payments
 - i. Demand feature
 - j. Total sale price (credit sale)
 - k. Prepayment
 - l. Late payment
 - m. Security interest
 - n. Insurance and debt cancellation
 - o. Certain security interest charges
 - p. Contract reference
 - q. Assumption policy
 - r. Required deposit
 - s. Interest rate and payment summary for mortgage transactions
 - t. No-guarantee-to-refinance statement
3. For adjustable-rate mortgages, verify that the credit union, assignee, or servicer provides disclosures for the initial interest rate adjustment under the contract and for rate changes that result in corresponding changes in payment.

4. For adjustable-rate mortgages, verify that the credit union, assignee, or servicer includes the appropriate content (as identified in the Closed-End Credit Disclosure Forms Review Procedures section above).
5. For adjustable-rate mortgages, verify that the credit union, assignee, or servicer provides the disclosures consistent with timing requirements (see Timing Requirements section of the procedures above).

NOTE: The accuracy of the adjusted interest rates and indexes must be verified by comparing them with the contract and early disclosures. Refer to the Additional Variable Rate Testing section of these examination procedures.

6. Determine, for each type of closed-end rescindable loan being tested, the institution provides the appropriate number of copies of the rescission notice to each person whose ownership interest is or will be subject to the security interest. The credit union must deliver two copies of the notice of right to rescind to each consumer entitled to rescind. The rescission notice must disclose the items listed below. (§ [1026.23\(b\)\(1\)](#))
 - a. Security interest taken in the consumer's principal dwelling
 - b. Consumer's right to rescind the transaction
 - c. How to exercise the right to rescind, with a form for that purpose, designating the address of the credit union's place of business
 - d. Effects of rescission
 - e. Date the rescission period expires
7. Ensure funding was delayed until the rescission period expired. (§ [1026.23\(c\)](#))
8. Determine if the consumer has waived the three-day right to rescind since the previous examination. If applicable, test rescission waivers. (§ [1026.23\(e\)](#))
9. Determine whether the maximum interest rate in the contract is disclosed for any consumer credit contract secured by a dwelling if the APR may increase after consummation. (§ [1026.30\(a\)](#))
10. For private student loans with a right to cancel, review cancellation requests to determine if they were properly handled. (§ [1026.47\(c\)](#))

Minimum Standards for Transactions Secured by a Dwelling

1. Determine whether the credit union is a credit union that originates covered transactions. Covered transactions are transactions secured by a dwelling, including any real property attached to a dwelling. They do not include: home equity lines of credit; timeshare loans or for purposes of §§ [1026.43\(c\)-\(f\)](#); reverse mortgages; temporary, bridge, or construction loans of 12 months or less; renewable or non-renewable construction loans of 12 months or less that are a part of a construction-to-permanent transaction; or an extension of credit under a program administered by a Housing Finance Agency (defined in [24 CFR 266.5](#)); by community development or non-profit lenders specified in § [1026.43\(a\)\(3\)\(v\)](#); or in connection with certain federal emergency economic stabilization programs. (§ [1026.43\(a\)](#))

2. Determine if a loan is a streamline refinance under § [1026.20\(a\)](#) and Official Interpretation to § [1026.20\(a\)](#) and whether it qualifies under § [1026.43\(d\)](#), below.

Refinancing Non-Standard Mortgages

1. Determine whether a credit union that has refinanced a non-standard mortgage defined in § [1026.43\(d\)\(i\)](#) (an ARM with an introductory rate fixed for a year or more, an interest-only loan, or a negative amortization loan) into a standard mortgage as defined in § [1026.43\(d\)\(ii\)](#) has considered whether the standard mortgage likely will prevent a default by the consumer once the loan is recast. In addition, determine that the following conditions are met: (§ [1026.43\(d\)\(3\)](#))
 - a. At the time of the refinance, the credit union for the standard mortgage is the current holder of the existing non-standard mortgage or the servicer acting on behalf of the current holder; (§ [1026.43\(d\)\(2\)\(i\)](#))
 - b. The monthly payment for the standard mortgage is materially lower (a payment reduction of 10 percent or more is sufficient) than the monthly payment for the non-standard mortgage using the payment calculation rules in § [1026.43\(d\)\(5\)](#); (§ [1026.43\(d\)\(2\)\(ii\)](#))
 - c. The credit union received the consumer's written application for the standard mortgage no later than two months after the non-standard mortgage had recast; (§ [1026.43\(d\)\(2\)\(iii\)](#))
 - d. The consumer had made no more than one payment more than 30 days late on the non-standard mortgage during the 12 months immediately before the credit union receives the consumer's written application for the standard mortgage; (§ [1026.43\(d\)\(2\)\(iv\)](#))
 - e. The consumer had made no payments more than 30 days late during the six months immediately before the credit union received the consumer's written application for the standard mortgage; and (§ [1026.43\(d\)\(2\)\(v\)](#))
 - f. If the non-standard mortgage was consummated on or after January 10, 2014, the non-standard mortgage was made according to the ability to repay or the qualified mortgage requirements (§§ [1026.43\(c\)](#) or [\(e\)](#)). (§ [1026.43\(d\)\(vi\)](#))

Ability to Repay

NOTE: For all covered transactions, except streamline refinances, credit unions must make a good faith determination that the consumer will have a reasonable ability to repay the loan, and must verify the information it relied on. A credit union can meet this obligation by complying with the ability-to-repay requirement in § [1026.43\(c\)](#) or by making qualified mortgages under §§ [1026.43\(e\)](#) and [\(f\)](#) (which limit certain risky loan features and practices), which are presumed to satisfy the ability-to-repay requirements.

1. Determine whether the credit union makes a reasonable and good faith determination at or before consummation that the consumer will have a reasonable ability to repay the loan according to its terms, based (except as otherwise provided for loans under §§ [1026.43\(d\)](#), [\(e\)](#), and [\(f\)](#) for refinancing non-standard to standard mortgages, qualified mortgages, and certain balloon qualified mortgages respectively), at a minimum, on the criteria set forth below. (§ [1026.43\(c\)\(1\)](#))

2. Determine whether the credit union considered the following, at a minimum, in determining the consumer's ability to repay: (§ [1026.43\(c\)\(2\)](#))
 - a. The consumer's current or reasonably expected income or assets (other than the value of the dwelling, including any real property attached to the dwelling, that secures the loan); (§ [1026.43\(c\)\(2\)\(i\)](#))
 - b. If the credit union relies on employment income, the consumer's current employment status; (§ [1026.43\(c\)\(2\)\(ii\)](#))
 - c. The consumer's monthly payment on the covered transaction, calculated according to § [1026.43\(c\)\(5\)](#); (§ [1026.43\(c\)\(2\)\(iii\)](#)) (see g. below)
 - d. The consumer's monthly payment on any simultaneous loan that the credit union knows or has reason to know will be made, calculated according to § [1026.43\(c\)\(6\)](#); (§ [1026.43\(c\)\(2\)\(iv\)](#))
 - e. The consumer's monthly payment for mortgage-related obligations; (§ [1026.43\(c\)\(2\)\(v\)](#))
 - f. The consumer's current debt obligations, alimony, and child support; (§ [1026.43\(c\)\(2\)\(vi\)](#))
 - g. The consumer's monthly debt-to-income ratio or residual income according to § [1026.43\(c\)\(7\)](#) and §§ [1026.43\(c\)\(2\)\(vii\)](#) and [\(viii\)](#); and
 - h. The consumer's credit history. (§ [1026.43\(c\)\(2\)\(viii\)](#))
3. Determine whether the credit union verified the information it relied on when considering the eight factors listed above using reliable third-party records, except that special rules apply for verifying income or assets, employment, and current debt obligations that are not shown on the consumer's credit report.

Income and Assets, Employment and Debt Obligations

1. Determine that the credit union verified the information that it relied on using reliable third-party records except that:
 - a. A credit union may verify a consumer's employment status orally if the credit union prepares a written record of the information obtained orally; and (§ [1026.43\(c\)\(3\)\(ii\)](#))
 - b. A credit union that relies on a credit report to verify a consumer's current obligations need not independently verify obligations that the consumer lists on the application that are not in the consumer's credit report. (§ [1026.43\(c\)\(3\)\(iii\)](#))
2. Determine whether the credit union verified the income or assets it relied on, by using third-party records that provide reliable evidence, (§ [1026.43\(c\)\(4\)](#)) such as:
 - a. A tax-return transcript issued by the Internal Revenue Service (IRS); (§ [1026.43\(c\)\(4\)](#))
 - b. Copies of tax returns the consumer filed with the IRS or a state taxing authority; (§ [1026.43\(c\)\(4\)\(i\)](#))
 - c. IRS Form W-2s or similar IRS forms used for reporting wages or tax withholding; (§ [1026.43\(c\)\(4\)\(ii\)](#))
 - d. Payroll statements, including military Leave and Earnings Statements; (§ [1026.43\(c\)\(4\)\(iii\)](#))
 - e. Credit union records; (§ [1026.43\(c\)\(4\)\(iv\)](#))

- f. Records from the consumer's employer or a third party that obtained information from the employer; (§ [1026.43\(c\)\(4\)\(v\)](#))
 - g. Records from a federal, state, or local government agency stating the consumer's income from benefits or entitlements; (§ [1026.43\(c\)\(4\)\(vi\)](#))
 - h. Receipts from the consumer's use of check cashing services; and (§ [1026.43\(c\)\(4\)\(vii\)](#))
 - i. Receipts from the consumer's use of a funds transfer service. (§ [1026.43\(c\)\(4\)\(viii\)](#))
3. For employment status, if the credit union orally verified employment status, determine whether the credit union prepared a written record of the information obtained orally. (§ [1026.43\(c\)\(3\)\(ii\)](#))

Monthly payment calculation

1. Determine whether the credit union calculated the monthly payment (except for balloon payment, interest-only and negative amortization loans) by using:
 - a. The fully indexed rate or any introductory interest rate, whichever is greater; and monthly, fully amortizing payments that are substantially equal. (§[1026.43\(c\)\(5\)](#))
 - b. For a loan with a balloon payment:
 - i. The maximum payment scheduled during the first five years after the date the first regular periodic payment will be due for a loan that is not a higher-priced covered transaction as defined under § [1026.43\(b\)\(4\)](#); or (§ [1026.43\(c\)\(5\)\(ii\)\(A\)\(1\)](#))
 - ii. The maximum payment in the payment schedule, including any balloon payment, for a higher-priced covered transaction. (§ [1026.43\(c\)\(5\)\(ii\)\(A\)\(2\)](#))
 - c. For an interest-only loan:
 - i. The fully indexed rate or any introductory interest rate, whichever is greater; and
 - ii. Substantially equal, monthly payments of principal and interest that will repay the loan amount over the term of the loan remaining as of the date the loan is recast. (§ [1026.43\(c\)\(5\)\(ii\)\(B\)](#))
 - d. For a negative amortization loan:
 - i. The fully indexed rate or any introductory interest rate, whichever is greater; and
 - ii. Substantially equal, monthly payments of principal and interest that will repay the maximum loan amount as defined in § [1026.43\(b\)\(7\)](#) over the term of the loan remaining as of the date the loan is recast. (§ [1026.43\(c\)\(5\)\(ii\)\(C\)](#))

Monthly payment calculation for simultaneous loans

1. For the purposes of Ability to Repay calculation of monthly payment (2(d) above), determine whether the credit union calculated the monthly payment on any simultaneous loan that it used to determine the consumer's repayment ability, including any mortgage-related obligations, as follows:
 - a. For a simultaneous loan that is a covered transaction, using the payment calculation rules for covered transactions, described above (§ [1026.43\(c\)\(6\)\(i\)](#)); or

- b. For a home equity line of credit, by using the periodic payment required under the terms of the plan and the amount of credit drawn at or before consummation of the covered transaction. (§ [1026.43\(c\)\(6\)\(ii\)](#)).

Monthly debt-to-income ratio or residual income

2. When a credit union considers the consumer's monthly debt-to-income ratio, determine whether the credit union considered the ratio of the consumer's total monthly debt obligations to the consumer's total monthly income. (§ [1026.43\(c\)\(7\)\(ii\)\(A\)](#))
 - a. Total monthly debt obligations means the total of: the monthly payment on the covered transaction (as required by §§ [1026.43\(c\)\(2\)\(iii\)](#) and [\(c\)\(5\)](#)), simultaneous loans (as required by §§ [1026.43\(c\)\(2\)\(iv\)](#) and [\(c\)\(6\)](#)), mortgage-related obligations (as required by § [1026.43\(c\)\(2\)\(v\)](#)), and current debt obligations, alimony, and child support (as required by § [1026.43\(c\)\(2\)\(vi\)](#)).
 - b. Total monthly income means the total of the consumer's current or reasonably expected income, including any income from assets (as required by §§ [1026.43\(c\)\(2\)\(i\)](#) and [\(4\)](#)).
3. If a credit union considers the consumer's monthly residual income, determine whether the credit union considered the consumer's remaining income after subtracting the consumer's total monthly debt obligations from the consumer's total monthly income. (§ [1026.43\(c\)\(7\)\(ii\)\(B\)](#)) Total monthly debt obligations and total monthly income are defined in §§ [1026.43\(c\)\(7\)\(i\)\(A\)](#) and [\(B\)](#).

Qualified Mortgages

1. Determine whether the credit union has complied with the ability-to-repay requirements of § [1026.43\(c\)](#) by making a loan that is a qualified mortgage, including a higher- priced qualified mortgage, under the general qualified mortgage definition in § [1026.43\(e\)](#) or by making loans that are qualified mortgages because they are made pursuant to rules promulgated by HUD or VA pursuant to [15 U.S.C. 1639c\(b\)](#) for loans insured or guaranteed loans by those agencies.⁷ (§ [1026.43\(e\)](#))
2. Except as provided in §§ [1026.43\(e\)\(4-6\)](#), or [\(f\)](#) (all discussed below), a qualified mortgage is a covered transaction:
 - a. That provides for regular, substantially equal, periodic payments, except for the effect any interest rate change after consummation has on adjustable-rate mortgages or step- rate mortgages (§ [1026.43\(e\)\(2\)\(i\)](#)) that do not:
 - i. Result in an increase of the principal balance (§ [1026.43\(e\)\(2\)\(i\)\(A\)](#)), or
 - ii. Allow balloon payments or deferment of principal payments (except for balloon- payment qualified mortgages described in §§ [1026.43\(f\)](#) and [\(e\)\(6\)](#)); (§§ [1026.43\(e\)\(2\)\(i\)\(B\)](#) and [\(C\)](#)).

⁷ HUD issued its final QM rule, effective 1/10/2014 ([78 Fed. Reg. 75215](#), December 11, 2013), and VA issued its interim final QM rule, effective 5/9/2014 ([79 Fed. Reg. 26620](#), May 9, 2014).

- b. For which the loan term does not exceed 30 years; (§ [1026.43\(e\)\(2\)\(ii\)](#))
- c. For which the total points and fees (as defined in § [1026.32\(b\)\(1\)\(i\)](#)) :
 - i. Do not exceed the applicable thresholds: (§§ [1026.43\(e\)\(2\)\(iii\)](#) and [\(3\)](#))
 - A. \$100,000 or over: 3 percent of the total loan amount (§ [1026.32\(b\)\(4\)\(i\)](#));
 - B. \$60,000 or over but less than \$100,000: \$3,000;
 - C. \$20,000 or over but less than \$60,000: 5 percent of the total loan amount;
 - D. \$12,500 or over but less than \$20,000: \$1,000;
 - E. Less than \$12,500: 8 percent of the total loan amount.

NOTE: These numbers will be annually adjusted for inflation on January 1.

- ii. For transactions consummated on or before January 10, 2021, if the credit union or assignee determined after consummation that the points and fees exceeded the applicable threshold, the loan is not precluded from being a qualified mortgage if:
 - A. The loan otherwise meets the requirements of §§ [1026.43\(e\)\(2\)](#), [\(e\)\(4\)](#), [\(e\)\(5\)](#), [\(e\)\(6\)](#), or [\(f\)](#), as applicable;
 - B. The credit union or assignee paid to the consumer certain amounts, described below, within 210 days after consummation and prior to any of the following events:
 - i. The consumer institutes an action in connection with the loan;
 - ii. The consumer provides a written notice to the credit union, assignee or servicer that the transaction's total points and fees exceed the applicable threshold; or
 - iii. The consumer becomes 60 days past due on the legal obligation; and
 - C. The amount paid to the consumer is not less than the sum of the following:
 - i. The dollar amount by which the transaction's total points and fees exceeds the applicable limit, and
 - ii. Interest on the amount of excess points and fees, calculated using the contract interest rate applicable during the period from consummation until the payment is made to the consumer; and
 - D. The credit union or assignee, as applicable, maintains and follows policies and procedures for post-consummation review of points and fees for making the above-described payments to consumers. (§§ [1026.43\(e\)\(3\)\(iii\)](#) and [\(iv\)](#))

NOTE: The points and fees cure provision applies to the points and fees limits for all of the qualified mortgage types defined in TILA.

- d. For which the credit union underwrites the loan, taking into account the monthly payment for mortgage-related obligations, using: (§ [1026.43\(e\)\(2\)\(iv\)](#))
 - i. The maximum interest rate that may apply during the first 5 years after the

- date on which the first regular periodic payment will be due; and
- ii. Periodic payments of principal and interest that will repay either:
 - a. The outstanding principal balance over the remaining term of the loan. This must be calculated as of the date the interest rate adjusts to the maximum interest rate that may apply during the first 5 years after the date on which the first regular periodic payment will be due, assuming the consumer will have made all required payments as due before that date; or
 - b. The loan amount over the loan term;
 - e. For which the credit union considers and verifies at or before consummation the following: (§ [1026.43\(e\)\(2\)\(v\)](#))
 - i. The consumer's current or reasonably expected income or assets other than the value of the dwelling (including any real property attached to the dwelling) that secures the loan, according to [Appendix Q](#) and §§ [1026.43\(c\)\(2\)\(i\)](#) and [\(c\)\(4\)](#); and
 - ii. The consumer's current debt obligations, alimony, and child support according to [Appendix Q](#) and §§ [1026.43\(c\)\(2\)\(vi\)](#) and [\(c\)\(3\)](#); and
 - f. For which the ratio of the consumer's total monthly debt to total monthly income at the time of consummation does not exceed 43 percent. For purposes of § [1026.43\(e\)\(2\)\(vi\)](#), the ratio of the consumer's total monthly debt to total monthly income is determined: (§[1026.43\(e\)\(2\)\(vi\)](#)) according to the standards in [Appendix Q](#) (§[1026.43\(e\)\(2\)\(vi\)\(A\)](#)), except the credit union calculates the consumer's monthly payment on: (§[1026.43\(e\)\(2\)\(vi\)\(B\)](#))
 - i. The covered transaction, including the monthly payment for mortgage-related obligations, according to § [1026.43\(e\)\(2\)\(iv\)](#); and
 - ii. Any simultaneous loan that the credit union knows or has reason to know will be made, according to §§ [1026.43 \(c\)\(2\)\(iv\)](#) and [\(c\)\(6\)](#).

Temporary Category of Qualified Mortgages⁸

1. Determine whether the credit union has complied with the ability-to-repay requirements of § [1026.43\(c\)](#) by making loans:
 - a. Meeting the requirements of §§ [1026.43\(e\)\(2\)\(i\)-\(iii\)](#) (i.e., have substantially equal, periodic payments; restrictions on loan features; a maximum 30-year term; and points and fees—generally limited to a 3 percent threshold); and,
 - b. Eligible (except with regard to matters wholly unrelated to ability to repay) to be purchased, guaranteed, or insured by the listed federal government sponsored entities or agencies.⁹ (§ [1026.43\(e\)\(4\)](#))

⁸ The temporary QM rule does not apply to HUD loans or to VA loans because they are qualified mortgages pursuant to [15 U.S.C. § 1639c\(b\)\(3\)\(B\)\(ii\)\(I\)-\(II\)](#), which authorizes HUD and VA to promulgate QM rules. HUD issued its final QM rule, effective 1/10/2014 ([78 Fed. Reg. 75215](#), December 11, 2013), and VA issued its interim final QM rule, effective 5/9/2014 ([79 Fed. Reg. 26620](#), May 9, 2014).

⁹ Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac), operating under the conservatorship or receivership of the Federal Housing Finance Agency pursuant to section 1367(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 ([12 U.S.C. 4617\(a\)](#)); or any limited-life regulatory entity succeeding the charter of either the Fannie Mae or Freddie Mac pursuant to section 1367(i) of the Federal Housing Enterprises Financial Safety and

Small Creditor Portfolio Loan Qualified Mortgages

1. Determine whether a credit union has complied with the ability-to-repay requirements of § [1026.43\(c\)](#) by making a qualified mortgage as follows:
 - a. The credit union satisfies the credit union requirements of §§ [1026.35\(b\)\(2\)\(iii\)\(B\)-\(C\)](#), which require that: (§ [1026.43\(e\)\(5\)\(D\)](#))
 - ii. During the preceding calendar year, the credit union, together with its affiliates, originated 500 or fewer first-lien covered transactions; and
 - iii. As of the end of the preceding calendar year, the credit union had total assets of less than \$2.069 billion (Adjusted annually - Including assets of certain affiliates)).

NOTE: This category of qualified mortgages does not require a small creditor to operate predominantly in a rural or underserved area.

- b. The credit union makes a loan that meets the requirements for a qualified mortgage in § [1026.43\(e\)\(2\)](#), other than § [1026.43\(e\)\(2\)\(vi\)](#), and without regard to the standards in [Appendix Q](#): (§ [1026.43\(e\)\(5\)\(A\)](#)), and

NOTE: This means, among other things, that the loan does not have negative amortization, interest-only, or balloon payment features (§ [1026.43\(e\)\(2\)\(i\)](#)); has a loan term of 30 years or less (§ [1026.43\(e\)\(2\)\(ii\)](#)); points and fees are under certain thresholds (generally 3 percent) (§ [1026.43\(e\)\(2\)\(iii\)](#)); and the credit union underwrites the loan, taking into account the monthly payment for mortgage related obligations (§ [1026.43\(e\)\(2\)\(iv\)](#)). Further, the credit union considers and verifies at or before consummation: the consumer's current or expected income or assets other than the value of the dwelling (including any real property attached to the dwelling) that secures the loan, according to the general repayment ability standards; and the consumer's current debt obligations, alimony, and child support according to the general repayment ability standards (§ [1026.43\(e\)\(5\)\(B\)](#))

- c. Considers at or before consummation, the consumer's monthly debt-to-income ratio or residual income and verifies the debt obligations and income used to determine that ratio according to the repayment ability requirements of § [1026.43\(c\)\(7\)](#), except that the calculation of the payment for determining the consumer's total monthly debt obligations in § [1026.43\(c\)\(7\)\(i\)\(A\)](#) is determined according to § [1026.43\(e\)\(2\)\(iv\)](#) (based on the maximum interest rate in the first five years after the date the first periodic payment is due) instead of § [1026.43\(c\)\(5\)](#) (fully indexed rate); (§ [1026.43\(e\)\(5\)\(B\)](#))
- d. The loan was not subject to a forward commitment at consummation, except to a person that satisfies the requirements of §§ [1026.35\(b\)\(2\)\(iii\)\(B\)-\(C\)](#) (i.e., small

Soundness Act of 1992 ([12 U.S.C. 4617\(i\)](#)); the U.S. Department of Housing and Urban Development under the National Housing Act; U.S. Department of Veterans Affairs; the U.S. Department of Agriculture pursuant to [42 U.S.C. 1472\(h\)](#); or the Rural Housing Service. This provision expires on the effective date of a rule issued by each respective agency pursuant to its authority under TILA §129C(b)(3)(ii) to define a qualified mortgage. These special rules in §[1026.43\(e\)\(4\)](#) are available only for covered transactions consummated on or before January 10, 2021.

creditors) (§ [1026.43\(e\)\(5\)\(C\)](#)).

2. Determine whether the credit union portfolio mortgage does not have a qualified mortgage status because it was subject to a forward commitment at consummation, or the credit union has transferred it in any circumstances other than where the transfer was:
 - a. Three years or more after consummation;
 - b. To a credit union that satisfies the requirements of § [1026.43\(e\)\(5\)\(i\)\(D\)](#) of this section (i.e., small creditors under §§ [1026.35\(b\)\(2\)\(iii\)\(B\)](#) and [\(C\)](#));
 - c. Made under a capital restoration plan or other action under [12 U.S.C. 1831o](#), or to actions or instructions of a conservator, receiver, or bankruptcy trustee, or to orders by or agreements with a state or federal governmental agency with jurisdiction to examine the credit union; or
 - d. Made under a merger of the credit union and another person or the acquisition of the credit union by another person, or the credit union's acquisition of another person. (§ [1026.43\(e\)\(5\)\(ii\)](#)).

NOTE: If a credit union portfolio qualified mortgage has lost its qualified mortgage status, the credit union must have complied with the general ability-to-repay requirements under § [1026.43\(c\)](#).

Balloon-Payment Qualified Mortgages Made By Certain Small Creditors

1. Determine whether a credit union has complied with the ability-to-repay requirements of § [1026.43\(c\)](#) by making a qualified mortgage that provides for a balloon payment as follows:
 - a. The credit union satisfies the creditor requirements of §§ [1026.35\(b\)\(2\)\(iii\)\(A\)](#), [\(B\)](#), and [\(C\)](#), which require that: (§ [1026.43\(f\)\(1\)\(vi\)](#))
 - ii. During any of the three preceding calendar years, the credit union extended more than 50 percent of its first-lien covered transactions on properties that are located in “rural” or “underserved” counties;
 - iii. During the preceding calendar year, the credit union, together with its affiliates, originated 500 or fewer first-lien covered transactions; and
 - iv. As of the end of the preceding calendar year, the credit union had total assets of less than \$2.069 billion (Adjusted annually - Including assets of certain affiliates).
 - b. The credit union makes a loan that meets the requirements for a qualified mortgage in § [1026.43\(e\)\(2\)\(i\)\(A\)](#) (substantially equal payments or ARMs or step-rate mortgages that do not increase the principal balance), § [1026.43\(e\)\(2\)\(ii\)](#) (loan term 30 years or less), § [1026.43\(e\)\(2\)\(iii\)](#) (points and fees under certain thresholds), and § [1026.43\(e\)\(2\)\(v\)](#) (income, assets, and obligations are considered and verified), but without regard to the standards in [Appendix Q](#): (§ [1026.43\(f\)\(1\)\(iv\)\(A\)](#));
 - c. The credit union determines that the consumer can make all of the scheduled payments under the loan and the monthly payments for all mortgage-related obligations (excluding the balloon payment) from the consumer's current or

- reasonably expected income or assets (other than the dwelling that secures the loan); (§ [1026.43\(f\)\(1\)\(ii\)](#))
- d. The credit union considers at or before consummation, the consumer's monthly debt-to-income ratio or residual income and verifies the debt obligations and income used to determine that ratio according to the repayment ability requirements of § [1026.43\(c\)\(7\)](#), except that the calculation of the payment for determining the consumer's total monthly debt obligations in § [1026.43\(c\)\(7\)\(i\)\(A\)](#) is based on the scheduled payments for the balloon-payment qualified mortgage in according to § [1026.43\(f\)\(1\)\(iv\)\(A\)](#), together with the consumer's monthly payments for all mortgage-related obligations other than the balloon payment; (§ [1026.43\(f\)\(1\)\(iii\)](#))
 - e. The legal obligation provides for:
 - i. Scheduled payments that are substantially equal, calculated using an amortization period that does not exceed 30 years, with
 - ii. An interest rate that does not increase over the term of the loan, and
 - iii. A loan term of five years or longer; (§§ [1026.43\(f\)\(1\)\(iv\)\(A\)-\(C\)](#))
 - f. The loan was not subject to a forward commitment at consummation, except to a person that satisfies the requirements of §§ [1026.35\(b\)\(2\)\(iii\)\(A\)-\(C\)](#) (i.e., small creditors serving rural or underserved counties).
2. Determine whether the balloon-payment qualified mortgage does not have qualified mortgage status because it was subject to a forward commitment at consummation, or the credit union has transferred it in any circumstances other than where the transfer was:
- a. Three years or more after consummation;
 - b. To a creditor that satisfies the requirements of § [1026.43\(f\)\(1\)\(vi\)](#) (i.e., meets the definition of §§ [1026.35\(b\)\(2\)\(iii\)\(A\)-\(C\)](#), establishing criteria for small creditors serving rural or underserved counties);
 - c. Made under a capital restoration plan or other action under [12 U.S.C. 1831o](#), or to actions or instructions of a conservator, receiver or bankruptcy trustee, or to orders by or agreements with a state or federal governmental agency with jurisdiction to examine the credit union; or
 - d. Due to a merger of the credit union with another person or the acquisition of the credit union by another person or another person by the credit union. (§§ [1026.43\(f\)\(2\)\(i\)](#) and [\(iv\)](#))

NOTE: If a balloon-payment qualified mortgage has lost its qualified mortgage status, the credit union must comply with the general ability-to-repay requirements under § [1026.43\(c\)](#).

Temporary Balloon-Payment Qualified Mortgages Made By Small Creditors

Determine whether a credit union has complied with the ability-to-repay requirements of § [1026.43\(c\)](#) by making a qualified mortgage that meets the requirements of the small creditor balloon-payment qualified mortgage definition in § [1026.43\(f\)](#) (above), except that the creditor requirement in § [1026.35\(b\)\(2\)\(iii\)\(A\)](#) (operate predominantly in a rural or underserved area) does not apply.

NOTE: This temporary qualified mortgage category applies only to loans that are consummated on or before January 10, 2016.

Qualified Mortgage— Covered Institution Portfolio loans—15 U.S.C. 1639c(b)(2)(F)¹⁰

1. Determine whether a credit union has complied with the ability-to-repay requirements of 15 U.S.C. 1639c(a) by making a qualified mortgage as follows:
 - a. The credit union satisfies the creditor requirements of 15 U.S.C. 1639c(b)(2)(F), which require that the creditor is an insured depository institution or credit union that, together with its affiliates has less than \$10 billion in total consolidated assets (covered institution)
 - b. The credit union makes a loan with total points and fees not exceeding 3 percent that it retains in portfolio. Such a loan must not contain terms under the legal obligation for:
 - i. Prepayment penalties for paying all or a part of the principal following consummation, unless the prepayment penalty does not exceed three percent.,.
 - ii. Periodic payments that will result in an increase in the principal balance.
 - iii. One or more of the periodic payments to be applied solely to accrued interest and not to principal.
 - c. The credit union considers and documents the debt, income, and financial resources of the consumer. NOTE: Consideration and documentation requirements need not be as required by Appendix Q of § 1026; multiple methods of documentation are permitted.
2. Determine whether a credit union's qualified mortgage loan no longer retains its qualified mortgage status because the credit union has transferred it in any circumstances other than where the transfer was:
 - a. Due to bankruptcy or failure of the covered institution;
 - b. To another covered institution so long as that institution retains the loan in portfolio;
 - c. Made pursuant to a merger or acquisition to or by another person, so long as the loan is retained in portfolio; or
 - d. To a wholly owned subsidiary of the covered entity, so long as the loan is considered to be an asset of the covered institution for regulatory accounting purposes.

Prepayment Penalties

1. Determine whether a mortgage is a covered transaction (which excludes HELOCs and timeshares but, for purposes of the prepayment penalty provisions, includes reverse

¹⁰This statutory provision is effective without any requirement to adopt regulations, and TILA has not been amended to incorporate this provision as of the date of these procedures.

mortgages, temporary loans, and loans made by certain community development, non-profit, and other lenders otherwise excluded from ability-to-repay provisions under § [1026.43\(a\)](#)). If yes, then the loan may not have a prepayment penalty unless:

- a. It is a qualified mortgage under §§ [1026.43\(e\)\(2\)](#), [\(e\)\(4\)](#), [\(e\)\(5\)](#), [\(e\)\(6\)](#), or [\(f\)](#);
- b. The prepayment penalty is otherwise allowed by law;
- c. The mortgage has an APR that cannot increase after consummation; and
- d. The loan is not a higher-priced mortgage loan, as defined in § [1026.35\(a\)](#). (§ [1026.43\(g\)\(1\)](#)).

NOTE: Covered transactions are generally prohibited from having prepayment penalties unless certain conditions are met.

1. Determine if the prepayment penalty improperly exceeds the following percentages of the outstanding balance prepaid:
 - a. 2 percent during the first two years following consummation;
 - b. 1 percent during the third year following consummation; and
 - c. 0 percent thereafter. (§ [1026.43\(g\)\(2\)](#))
2. Determine whether a credit union offering a consumer a mortgage with a prepayment penalty has also offered the consumer an alternative without a prepayment penalty and the alternative: (§ [1026.43\(g\)\(3\)](#))
 - a. Has an APR that cannot increase after consummation and has the same type of interest rate (fixed or step rate) as the loan with a prepayment penalty;
 - b. Has the same loan term as the loan with a prepayment penalty;
 - c. Satisfies the periodic payment conditions under § [1026.43\(e\)\(2\)\(i\)](#);
 - d. Satisfies the points and fees conditions under § [1026.43\(e\)\(2\)\(iii\)](#), based on the information known to the credit union at the time of the offer; and
 - e. Is a loan for which the credit union has a good faith belief that the consumer likely qualifies, based on the information known to the credit union at the time the credit union offers the loan without a prepayment penalty. (§ [1026.43\(g\)\(3\)](#))
3. Determine whether a credit union offering a loan with a prepayment penalty through a mortgage broker:
 - a. Presents the mortgage broker an alternative covered transaction without a prepayment penalty that satisfies the requirements of § [1026.43\(g\)\(3\)](#); and
 - b. Establishes by agreement that the mortgage broker must present the consumer an alternative covered transaction without a prepayment penalty offered by the credit union that satisfies the requirements of § [1026.43\(g\)](#); or another creditor, if the other creditor offers a lower interest rate or a lower total dollar amount of discount points and origination points or fees. (§ [1026.43\(g\)\(4\)](#))
4. Determine whether a credit union that is a loan originator, as defined in § [1026.36\(a\)\(1\)](#), who presents a covered transaction with a prepayment penalty offered by another person to whom the loan would be assigned after consummation also presents the consumer an

alternative covered transaction without a prepayment penalty that satisfies the requirements of § [1026.43\(g\)](#), offered by the assignee; or another person offering a lower interest rate or a lower total dollar amount of origination discount points and points or fees.
(§ [1026.43\(g\)\(5\)](#))

Evasion of Minimum Standards for Loans Secured By a Dwelling

1. Determine whether the credit union has structured credit secured by a dwelling that does not meet the definition of open-end credit in § [1026.2\(a\)\(20\)](#) as an open-end plan to evade the requirements for minimum standards for loans secured by a dwelling. (§ [1026.43\(h\)](#))

High-Cost Mortgages, Reverse Mortgages, and Higher- Priced Mortgages Loans

1. Determine whether the credit union originates consumer credit transactions subject to Subpart E of TILA; specifically, high-cost mortgages (§ [1026.32](#)), reverse mortgages (§ [1026.33](#)), and “higher-priced mortgage loans” (§ [1026.35](#)).
2. In addition to reviewing high-cost mortgages, reverse mortgages, and higher-priced mortgage loans for compliance with requirements in other subparts of TILA (for example, disclosure timing requirements under § [1026.19\(a\)](#)), review such mortgages to ensure the following:
 - a. Required disclosures are provided to consumers in addition to, not in lieu of, the disclosures contained in other subparts of TILA. (§ [1026.31\(a\)](#))
 - b. Disclosures are clear and conspicuous, in writing, and in a form that the consumer may keep. (§ [1026.31\(b\)](#))
 - c. Disclosures are furnished at least three business days before consummation or account opening of a high-cost mortgage or a closed-end reverse mortgage transaction (or at least three business days before the first transaction under an open-end reverse mortgage). (§ [1026.31\(c\)](#))

NOTE: For a high cost mortgage, the three business day waiting period requirement does not apply where the credit union extends a second offer with a lower annual percentage rate to the consumer. ([15 U.S.C. 1639\(b\)\(3\)](#)).

- d. Disclosures reflect the terms of the legal obligation between the parties. (§ [1026.31\(d\)](#))
 - e. If the transaction involves more than one creditor, that only one creditor provided the disclosures. Where the obligation involves multiple consumers, ensure that the credit union provided the disclosures to any consumer who is primarily liable on the obligation. Further, for rescindable transactions, verify that the credit union provided the disclosures to each consumer who has the right to rescind. (§ [1026.31\(e\)](#))
 - f. The APR is accurately calculated and disclosed according to the requirements and within the tolerances allowed in § [1026.22](#) for closed-end credit transactions and § [1026.6\(a\)](#) for open-end credit plans. (§ [1026.31\(g\)](#))
3. For high-cost mortgages (§ [1026.32](#)), ensure that, in addition to other required disclosures,

the credit union discloses the following at least three business days before consummation or account opening (See model disclosure at [Appendix H-16](#)):

- a. Notice containing the prescribed language. (§ [1026.32\(c\)\(1\)](#))
- b. The APR. (§ [1026.32\(c\)\(2\)](#))

NOTE: For a high cost mortgage, the three business day waiting period requirement does not apply where the credit union extends a second offer with a lower annual percentage rate to the consumer. ([15 U.S.C. 1639\(b\)\(3\)](#))

- c. Regular payment and balloon payment. (§ [1026.32\(c\)\(3\)](#)).
- d. For a closed-end credit transaction, the amount of regular loan payment and the amount of any balloon payment. The disclosed regular payment must be treated as accurate if it is based on an amount borrowed that is deemed accurate under § [1026.32\(c\)\(5\)](#). (§ [1026.32\(c\)\(3\)](#))
- e. For an open-end credit plan:
 - i. An example showing the first minimum periodic payment for the draw period, the first minimum periodic payment for any repayment period, and the balance outstanding at the beginning of any repayment period. (§ [1026.32\(c\)\(3\)\(ii\)\(A\)](#))

NOTE: The example must be based on the assumption that the consumer borrows the full credit line at account opening and does not obtain any additional extensions of credit, that the consumer makes only the minimum periodic payments during the draw period and any repayment period, and that the APR used to calculate the example payments remains the same during the draw period and any repayment period. Credit unions must provide the minimum period payment example based on the APR, except that if an introductory APR applies, the credit union must use the rate that will apply to the plan after the introductory rate expires. (§§ [1026.32\(c\)\(3\)\(ii\)\(A\)-\(C\)](#))

- ii. If the credit contract provides for a balloon payment, a disclosure of that fact and an example showing the amount of the balloon payment based on the assumptions described in the note above. (§ [1026.32\(c\)\(3\)\(ii\)\(B\)](#))
 - iii. A statement that the example payments show the first minimum periodic payments at the current annual percentage rate if the consumer borrows the maximum credit available when the account is opened and does not obtain any additional extensions of credit, or similar statement. (§ [1026.32\(c\)\(3\)\(ii\)\(C\)](#))
 - iv. A statement that the example payments are not the consumer's actual payments and that the actual minimum periodic payments will depend on the amount the consumer borrows, the interest rate applicable to that period, and whether the consumer pays more than the required minimum periodic payment, or a similar statement. (§ [1026.32\(c\)\(3\)\(ii\)\(D\)](#))
- f. For variable rate transactions, a statement that the interest rate and monthly payment may increase, and the amount of the single maximum monthly payment allowed under the contract based on the maximum rate required to be disclosed under

- § [1026.30](#). (§ [1026.32\(c\)\(4\)](#))
- g. For a closed-end credit transaction, the total amount the consumer will borrow (the face amount of the note) and if this amount includes financed charges that are not prohibited under § [1026.34\(a\)\(10\)](#), that fact. This disclosure must be treated as accurate if within \$100 of the actual amount borrowed. For an open-end credit plan, the credit limit for the plan when the account is opened. (§ [1026.32\(c\)\(5\)](#))
4. For high-cost mortgages (§ [1026.32](#)), ensure that the credit union follows these additional rules concerning the disclosures required by § [1026.32\(c\)](#):
- Determine if a new disclosure is required if, after providing the additional disclosure but before consummation or account opening, the credit union changes any terms that make the disclosures inaccurate. For example, if a consumer finances the payment of premiums or other charges as permitted under § [1026.34\(a\)\(10\)](#) and, as a result, the monthly payment differs from the payment previously disclosed, re-disclosure is required and a new three-day waiting period applies. (§ [1026.31\(c\)\(1\)\(i\)](#))
 - Determine if a credit union provides new disclosures by telephone when the consumer initiates a change in terms, then before or at consummation or account opening the credit union must provide new written disclosures and both parties must sign a statement that these new disclosures were provided by telephone at least three days before consummation or account opening. (§ [1026.31\(c\)\(1\)\(ii\)](#))
 - If a consumer waives the right to a three-day waiting period to meet a bona fide personal financial emergency, the consumer's waiver must be a dated written statement (not a pre-printed form) describing the emergency and bearing the signature of all the consumers entitled to the waiting period (a consumer can waive *only after* receiving the required disclosures and before consummation or account opening). (§ [1026.31\(c\)\(1\)\(iii\)](#))
5. For high-cost mortgages (§ [1026.32](#)) determine that the credit union has not included any of the following loan terms:
- A payment schedule that provides for a balloon payment (with exceptions). (§§ [1026.32\(d\)\(1\)\(i\)-\(iii\)](#))
 - Negative amortization. (§ [1026.32\(d\)\(2\)](#))
 - Advance payments from the proceeds of more than 2 periodic payments. (§ [1026.32\(d\)\(3\)](#))
 - Increased interest rate after default. (§ [1026.32\(d\)\(4\)](#))
 - A rebate of interest, arising from a loan acceleration due to default, calculated by method less favorable than the actuarial method. (§ [1026.32\(d\)\(5\)](#))
 - Prepayment penalty as defined in § [1026.32\(b\)\(6\)](#).
 - A due-on-demand clause that permits the credit union to terminate the loan in advance of maturity and accelerate the balance, except in cases of fraud or material misrepresentation by the consumer, failure by the consumer to meet the repayment terms of the agreement for any outstanding balance, or action or inaction by the consumer that adversely affects the credit union's security interest in the loan. (§ [1026.32\(d\)\(8\)](#))

6. For high-cost mortgages under § [1026.32](#), determine that the credit union is not engaged in the following acts and practices:
- a. Home improvement contracts – Paying a contractor under a home improvement contract from the proceeds of a mortgage unless certain conditions are met. (§ [1026.34\(a\)\(1\)](#))
 - b. Notice to assignee – Selling or otherwise assigning a high-cost mortgage without providing the required statement to the purchaser or assignee. (§ [1026.34\(a\)\(2\)](#))
 - c. Refinancing within one year of extending credit – Within one year of making a high-cost mortgage, a credit union may not refinance any high-cost mortgage to the same consumer into another high-cost mortgage that is not in the consumer’s interest. This also applies to assignees that hold or service the high-cost mortgage. Official Interpretations to § [1026.34\(a\)\(3\)](#) has examples applying the refinancing prohibition and addressing “consumer’s interest.” (§ [1026.34\(a\)\(3\)](#))
 - d. Extending high-cost mortgage credit without regard to the consumer’s repayment ability. (Temporary or bridge loans with a term of 12 months or less are exempt from this requirement.) (§ [1026.34\(a\)\(4\)](#)):
 - i. For closed-end credit transactions that are high-cost mortgages, ensure the credit union is complying with the repayment ability requirements set forth in § [1026.43](#)
 - ii. For open-end credit plans that are high-cost mortgages, ensure the credit union is not extending credit without regard to the consumer’s repayment ability as of account opening, including the consumer’s current and expected income, current obligations, assets other than collateral, and employment. A credit union must determine repayment ability for open-end high-cost mortgages by:
 - A. Verifying amounts of income or assets that it relies on to determine repayment ability, including expected income or assets, by the consumer’s Internal Revenue Service Form W-2, tax returns, payroll receipts, credit union records, or other third-party documents that provide reasonably reliable evidence of the consumer’s income or assets.
 - B. Verifying the consumer’s current obligations, including any mortgage-related obligations that are required by another credit obligation undertaken before or at account opening and secured by the same dwelling that secures the high-cost mortgage.
 - iii. Alternatively determines whether the credit union complies with the repayment ability requirement by:
 - A. Verifying repayment ability as described above;
 - B. Determining the consumer’s repayment ability by using the largest required minimum periodic payment based on the assumptions that:
 - i. The consumer borrows the full credit line at account opening with no additional extensions of credit;
 - ii. The consumer makes only required minimum periodic payments during the draw period and any repayment period
 - iii. If the annual percentage rate can increase during the plan, the

maximum percentage rate that is included in the contract; and

C. Assessing the consumer's repayment ability, taking into account at least one of the following: the ratio of total debt obligations to income (including any mortgage-related obligations that are required by another credit obligation undertaken before or at account opening, and are secured by the same dwelling that secures the high-cost mortgage transaction, or the income the consumer will have after paying debt obligations. (§ [1026.34\(a\)\(4\)](#)).

- e. *Pre-loan counseling* – Determine whether the credit union extending a high-cost mortgage received written certification confirming that the consumer received approved home ownership counseling after receiving the initial GFE or, for open-end credit plans, the initial TILA disclosure required by § [1026.40](#), or if neither of those disclosures are provided, after receiving the disclosures required by § [1026.32\(c\)](#). (§ [1026.34\(a\)\(5\)](#)). Requirements include:
- i. Verify that home ownership counseling was not provided by an employee or affiliate of the credit union.
 - ii. If the credit union paid fees associated with homeownership counseling, confirm that the payment was not contingent upon the consumer obtaining the high-cost mortgage or receipt of a counseling certification.
 - iii. Verify that the counseling certificate contains the name of the consumer, date of counseling, name and address of the counselor, and statements required by § [1026.34\(a\)\(5\)\(iv\)](#).

7. *Late Fees* – For high-cost mortgages, confirm that late payment charges are disclosed in the terms of the loan contract or open-end credit agreement and that such fees do not exceed four percent of the amount past due. An institution may not impose such charges more than once for a single late payment. (§ [1026.34\(a\)\(8\)](#))

Higher-priced mortgage loans: Appraisals¹¹

1. For higher-priced mortgage loans secured by principal dwelling that are not exempt under § [1026.35\(c\)\(2\)](#), determine whether, before consummation, the credit union obtained a written appraisal from a state-licensed or certified appraiser that included a physical visit to the interior of the dwelling. (§ [1026.35\(c\)\(3\)](#))

NOTE: § [1026.35\(c\)\(2\)](#) exempts several types of loans from the appraisal requirements, including qualified mortgages under § [1026.43](#).

2. Determine whether the credit union is deemed to comply with the requirement by:
 - a. Ordering that the appraiser perform the appraisal in conformity with the Uniform Standards of Professional Appraisal Practice and Title XI of FIRREA and any implementing regulations. (§ [1026.35\(c\)\(3\)\(ii\)\(A\)](#))
 - b. Verifying through the National Registry that the appraiser who signed the

¹¹ The higher-priced mortgage loans appraisal requirement was adopted under an interagency rulemaking conducted by the Board, the CFPB, the FDIC, FHFA, NCUA and OCC. The Board codified the rule at [12 CFR 226.43](#), and the OCC codified the rule at [12 CFR Part 34](#). There is no substantive difference among these sets of rules.

- appraiser's certification was a certified or licensed appraiser in the state in which the appraised property is located as of the date the appraiser signed the appraiser's certification. (§ [1026.35\(c\)\(3\)\(ii\)\(B\)](#))
- c. Confirming that the appraisal includes elements set forth in [Appendix N](#). (§ [1026.35\(c\)\(ii\)\(3\)\(C\)](#))
 - d. Having no actual knowledge contrary to the facts or certifications contained in the written appraisal.
3. Assess whether the credit union exercised reasonable diligence in determining if a second interior appraisal was necessary (see m. below for testing to verify second appraisal was obtained when required). A credit union can exercise reasonable diligence by basing its determination on written source documents such as:
 - a. A copy of the recorded deed from the seller.
 - b. A copy of a property tax bill.
 - c. A copy of any owner's title insurance policy the seller obtained.
 - d. A copy of the RESPA settlement statement from the seller's acquisition.
 - e. A property sales history report or title report from a third-party reporting service.
 - f. Sales price data recorded in multiple listing services.
 - g. Tax assessment records or transfer tax records obtained from local governments.
 - h. A written appraisal performed in compliance with § [1026.35\(c\)\(3\)\(i\)](#) for the same transaction.
 - i. A copy of a title commitment report detailing the seller's ownership of the property.
 - j. A property abstract. (§§ [1026.35\(c\)\(4\)\(i\)](#) and [\(vi\)](#) and [Appendix O](#))
 4. For higher-priced mortgage loans that are not exempt under § [1026.35\(c\)\(2\)](#) or § [1026.35\(c\)\(4\)\(vii\)](#), determine whether a second written interior appraisal from a state certified or licensed appraiser was both required and performed because the seller acquired the property 180 days or less before the consumer's purchase agreement, and the sales price increased:
 - a. Greater than 10 percent over the previous purchase price, if acquired 90 or fewer days before the consumer's purchase agreement; (§ [1026.35\(c\)\(4\)\(i\)\(A\)](#)) or
 - b. Greater than 20 percent over the previous purchase price, if acquired 91 to 180 days before the consumer's purchase agreement. (§ [1026.35\(C\)\(4\)\(i\)\(B\)](#))

NOTE: § [1026.35\(c\)\(4\)\(vii\)](#) provides for eight exemptions from the second appraisal requirement, such as for extensions of credit to finance the acquisition of property from a local, state, or federal government agency.
 5. For higher-priced mortgage loans (that are not exempt under § [1026.35\(c\)\(2\)](#) or § [1026.35\(c\)\(4\)\(vii\)](#)) where the credit union is required to obtain a second interior appraisal:
 - a. Confirm that the credit union obtained an appraisal from a different state certified or licensed appraiser than the one who conducted the first appraisal. (§ [1026.35\(c\)\(4\)\(ii\)](#))

- b. Confirm that the credit union charged the consumer for only one of the appraisals. (§ [1026.35\(c\)\(4\)\(v\)](#))

NOTE: Reviewing the HUD-1 may assist in identifying whether the credit union charged a second appraisal fee to the consumer.

- c. For higher-priced mortgage loans that are not exempt under § [1026.35\(c\)\(2\)](#), determine that the credit union provided a written disclosure in a timely manner informing consumers that an appraisal may be necessary and that there is a cost associated with the appraisal, as specified in § [1026.35\(c\)\(5\)](#).
 - i. The credit union must provide disclosures to consumers within three business days after receipt of an application for a higher-priced mortgage loan. A credit union can meet this requirement by placing the disclosure in the mail within three business days after receipt of the application for a higher-priced mortgage loan. (§ [1026.35\(c\)\(5\)\(ii\)](#))
 - ii. If the loan becomes a higher-priced mortgage loan during the application process, but after initial receipt of the application, a credit union has three business days from the time the loan became a higher priced mortgage loan to provide the necessary disclosure. (§ [1026.35\(c\)\(5\)\(ii\)](#))
- d. Confirm that the credit union provided consumers with a free copy of any written appraisal performed for a higher-priced mortgage loan that is not exempt under § [1026.35\(c\)\(2\)](#). (§ [1026.35\(c\)\(6\)](#))
 - i. Determine whether the credit union is providing consumers with a copy of their appraisal(s) no later than three business days before consummation of the loan; (§ [1026.35\(c\)\(6\)\(ii\)\(A\)](#)) or
 - ii. If the loan is not consummated, determine whether the credit union is providing consumers with a copy of the appraisal(s) within 30 days after determining that the loan will not be consummated. (§ [1026.35\(c\)\(6\)\(ii\)\(B\)](#))

NOTE: The credit union can satisfy this disclosure requirement by providing the disclosure required in Regulation B (§ [1002.14\(a\)\(2\)](#)) related to a free copy of the appraisal. (§ [1026.35\(c\)\(5\)](#)). However, unlike the waiver provision in Regulation B, a consumer may not waive the timing requirement to receive a copy of the appraisal under § [1026.35\(c\)\(6\)\(i\)](#). In addition, the credit union must use the earliest applicable timing requirement to comply with each regulation's appraisal/valuation disclosure requirements.

Higher-priced mortgage loans: Escrow Accounts

- 1 For most higher-priced mortgage loans secured by a first lien on a principal dwelling escrow accounts must be established before consummation for property taxes and premiums for mortgage-related insurance required by the credit union. (§ [1026.35\(b\)\(1\)](#))
2. For higher-priced mortgage loans where the credit union did not establish an escrow

account, determine whether the transaction or the credit union would fall into an exemption. (§ [1026.35\(b\)\(2\)](#))

- a. Is the transaction secured by shares in a cooperative (§ [1026.35\(b\)\(2\)\(i\)\(A\)](#));
- b. Is the transaction to finance the initial construction of the dwelling (§ [1026.35\(b\)\(2\)\(i\)\(B\)](#));
- c. Is the transaction a temporary or “bridge” loan with a term less than 12 months (§ [1026.35\(b\)\(2\)\(i\)\(C\)](#));
- d. Is the transaction a reverse mortgage transaction under section 1026.33 (§ [1026.35\(b\)\(2\)\(i\)\(D\)](#));

NOTE: There is a limited exemption for transactions secured by a dwelling in a condominium, planned unit development, or other “common interest community” where a dwelling ownership requires participation in a governing association that is obligated to maintain a master insurance policy insuring all dwellings. In these common interest communities, credit unions must maintain an escrow account for the payment of taxes only.

(§ [1026.35\(b\)\(2\)\(ii\)](#))

- e. Does the credit union, or loan originator, qualify for an exemption under §§ [1026.35\(b\)\(2\)\(iii\)\(A\)-\(D\)](#):
 - i. During any of the three preceding calendar years, it made over half its covered transactions in counties that meet the definition of “rural” or “underserved” as laid out in § [1026.35\(b\)\(2\)\(iv\)](#);
 - ii. Together with any affiliates, it did not make more than 500 covered transactions in the preceding calendar year;
 - iii. It had less than the annually adjusted total asset threshold (\$2.069 billion in 2017) as of the end of the preceding calendar year; and,
 - iv. Neither the credit union nor its affiliate maintains an escrow account of the type described in § [1026.35\(b\)\(1\)](#) for any extension of consumer credit secured by real property or a dwelling that the credit union or its affiliate currently services, other than:
 - a. Escrow accounts established for first-lien higher-priced mortgage loans on or after April 1, 2010, and before January 1, 2014; or
 - b. Escrow accounts established after consummation as an accommodation to distressed consumers to assist such consumers in avoiding default or foreclosure.

NOTE: The asset threshold will adjust automatically each year, based on the year- to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million dollars ([Comment 1026.35\(b\)\(2\)\(iii\)\(1\)\(iii\)\(E\)](#) for the current threshold).

3. Evasion of requirements: Ensure that the credit union does not structure a higher-priced mortgage loan as an open-end plan (“spurious open-end credit”) to evade the requirements of TILA. (§ [1026.35\(d\)](#))

Prohibited Payments to Loan Originators

1. Determine that, for a closed-end consumer credit transaction secured by a dwelling,¹² no loan originator receives and no person pays to a loan originator, directly or indirectly, compensation¹³ that is based on:

NOTE: The term “loan originator” means, a person who, in expectation of direct or indirect compensation or other monetary gain or for direct or indirect compensation or other monetary gain: takes an application, offers, arranges, and assists a consumer in obtaining or applying to obtain, negotiates, or otherwise obtains or makes an extension of consumer credit for another person; or through advertising or other means of communication represents to the public that such person can or will perform any of these activities. The term “loan originator” includes an employee, agent, or contractor of the creditor or loan originator organization if the employee, agent, or contractor meets this definition. The term “loan originator” also includes a creditor that engages in loan origination activities if the creditor does not finance the transaction at consummation out of the creditor’s own resources, including by drawing on a bona fide warehouse line of credit or out of deposits held by the creditor.

NOTE: A person is not a loan originator who does not take a consumer credit application or offer or negotiate credit terms available from a creditor to that consumer based on the consumer’s financial characteristics, but who performs only administrative or clerical tasks on behalf of a person who does engage in such activities. A retailer of manufactured or modular homes or an employee of such a retailer who does not receive compensation or gain for engaging in loan originator activities in excess of any compensation or gain received in a comparable cash transaction, and who does not directly negotiate with the consumer or lender on loan terms (including rates, fees, and other costs), is not a loan originator if such retailer or employee discloses to the consumer in writing, any corporate affiliation with the creditor. Where the retailer has a corporate affiliation with the creditor, at least one unaffiliated creditor must also be disclosed. ([15 U.S.C. 1602 \(dd\)\(2\)\(C\)\(ii\)](#)). For purposes of § [1026.36\(a\)](#), “credit terms” include rates, fees or other costs, and a consumer’s financial characteristics include any factors that may influence a credit decision, such as debts, income, assets or credit history.

- a. A term of a transaction, the terms of multiple transactions by an individual loan originator, or the terms of multiple transactions by multiple individual loan originators, or

NOTE: For purposes of § [1026.36\(d\)\(1\)](#) only, a “term of a transaction” is any right or obligation of the parties to a credit transaction. The amount of

¹² §§ [1026.36\(d\)](#) and [\(e\)](#) do not apply to a home-equity line of credit subject to § [1026.40](#) or to a loan that is secured by a consumer’s interest in a timeshare plan described in [11 U.S.C. 101\(53D\)](#). ([§1026.36\(b\)](#))

¹³ Compensation includes salaries, commissions, and any financial or similar incentive, such as an annual or periodic bonus or awards of merchandise, services, trips, or similar prizes. See § [1026.36\(a\)\(3\)](#) and [Comment 1026.36\(a\)-5](#).

credit extended is not a term of a transaction or a proxy for a term of a transaction, if compensation received by or paid to a loan originator, directly or indirectly, is based on a fixed percentage of the amount of credit extended; however, such compensation may be subject to a minimum or maximum dollar amount. (§ [1026.36\(d\)\(1\)\(ii\)](#))

- b. A proxy¹⁴ for a term of a transaction. (§ [1026.36\(d\)\(1\)\(i\)](#))
2. Determine that a loan originator that receives a contribution to a defined contribution, tax-advantaged plan that meets the applicable requirements of the Internal Revenue Code does not receive a contribution that is directly or indirectly based on the terms of the individual loan originator's transactions. (§ [1026.36\(d\)\(1\)\(iii\)](#))
3. Determine whether an individual loan originator receives compensation under a non-deferred, profits-based compensation plan only if:
 - a. The compensation paid to an individual loan originator is not directly or indirectly based on the terms of that individual loan originator's transactions that are subject to § [1026.36\(d\)](#); and
 - b. At least one of the following conditions is satisfied:
 - i. The compensation paid to an individual loan originator does not, in total, exceed 10 percent of the individual loan originator's total compensation corresponding to the time period for which the compensation under the non-deferred profits-based compensation plan is paid; or
 - ii. The individual loan originator was a loan originator for ten or fewer transactions consummated during the 12-month period before the date of the compensation determination.

Prohibition on Dual Compensation - If any loan originator receives compensation directly from a consumer in a closed-end consumer credit transaction secured by a dwelling, determine that (§ [1026.36\(d\)\(2\)](#)):

- a. No loan originator receives compensation, directly or indirectly, from any person other than the consumer for the transaction (§ [1026.36\(d\)\(2\)\(i\)\(A\)\(1\)](#)) except that a loan originator organization may receive compensation from a consumer and pay compensation to its individual loan originator ; and
- b. No person who knows or has reason to know of the consumer-paid compensation to the loan originator (other than the consumer) pays any compensation to a loan originator, directly or indirectly, for the transaction. (§ [1026.36\(d\)\(2\)\(i\)\(A\)\(2\)](#))

NOTE: Loan originator organizations are permitted to compensate their employees if the organization receives compensation directly from a consumer, subject to the prohibition on payments to loan originators in § [1026.36\(d\)\(1\)](#).

Prohibition on Steering - Determine that, for a consumer credit transaction secured by a

¹⁴ A factor that is not itself a term of a transaction is a proxy for a term of the transaction if the factor consistently varies with that term over a significant number of transactions, and the loan originator has the ability, directly or indirectly, to add, drop, or change the factor in originating the transaction. (§ [1026.36\(d\)\(1\)\(i\)](#))

dwelling, a loan originator does not direct or “steer” a consumer to consummate a transaction based on the fact that the originator will receive greater compensation from the credit union in that transaction than in other transactions the originator offered or could have offered to the consumer, unless the consummated transaction is in the consumer’s interest. (§ [1026.36\(e\)\(1\)](#))

NOTE: The rule provides a safe harbor to facilitate compliance with the prohibition on steering in § [1026.36\(e\)\(1\)](#). The loan originator is deemed to comply with the anti-steering prohibition if the consumer is presented with loan options that meet all of the following conditions for each type of transaction in which the consumer expressed an interest:¹⁵

- a. The loan originator obtains loan options from a significant number of the creditors with which the originator regularly does business and, for each type of transaction in which the consumer expressed an interest, presents the consumer with loan options that include (§ [1026.36\(e\)\(3\)\(i\)](#)):
 - i. The loan with the lowest interest rate; (§ [1026.36\(e\)\(3\)\(i\)\(A\)](#))
 - ii. The loan with the lowest interest rate without negative amortization, a prepayment penalty, interest-only payments, a balloon payment in the first seven years of the life of the loan, a demand feature, shared equity, or shared appreciation; or, in the case of a reverse mortgage, a loan without a prepayment penalty, or shared equity or shared appreciation; and (§ [1026.36\(e\)\(3\)\(i\)\(B\)](#))
 - iii. The loan with the lowest total dollar amount of discount points, origination points or origination fees (or, if two or more loans have the same total dollar amount of discount points, origination points or origination fees, the loan with the lowest interest rate that has the lowest total dollar amount of discount points, origination points or origination fees). (§ [1026.36\(e\)\(3\)\(i\)\(C\)](#))
- b. The loan originator has a good faith belief that the options (presented to the consumer that are set forth, above) are loans for which the consumer likely qualifies. (§ [1026.36\(e\)\(3\)\(ii\)](#))
- c. For each type of transaction, if the originator presents to the consumer more than three loans, the originator highlights the loans that satisfy options 1.i, 1.ii, and 1.iii above. (§ [1026.36\(e\)\(3\)\(iii\)](#))

NOTE: If the requirements set forth in § [1026.36\(e\)](#) are met, the loan originator can, without steering, present fewer than three loans. (§ [1026.36\(e\)\(4\)](#))

Loan Originator¹⁶ Qualifications and Documentation

1. Determine whether the loan originator organization complies with all applicable state law requirements for legal existence and foreign qualification. (§ [1026.36\(f\)\(1\)](#))

¹⁵ The term “type of transaction” refers to whether: (i) A loan has an APR that cannot increase after consummation; (ii) A loan has an APR that may increase after consummation; or (iii) A loan is a reverse mortgage. (§ [1026.36\(e\)\(2\)](#))

¹⁶ For the purposes of §§ [1026.36\(f\)](#) and [\(g\)](#), all creditors are loan originators.

2. Determine whether the loan originator organization ensures that individual loan originators who work for it (e.g., employees, under a brokerage agreement) are licensed or registered as required by the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act), its implementing regulations (§§ [1007](#) and [1008](#)), and any state SAFE Act law. (§ [1026.36\(f\)\(2\)](#))

Note: If a non-depository loan originator organization employs an individual deemed to have temporary authority to act as a loan originator, determine whether both the loan originator organization and the loan originator comply with the requirements of TILA and applicable state law. ([12 U.S.C. 5117](#))

3. For individual loan originators who are its employees and who are not required to be licensed and are not licensed as a loan originator under § [1008.103](#) or state SAFE Act implementing law, determine whether the loan originator organization, before allowing the individual to act as a loan originator:
 - a. Obtained a copy of the individual's background check through the Nationwide Mortgage Licensing System and Registry (NMLSR) or a criminal background check from a law enforcement agency or commercial service; (§ [1026.36\(f\)\(3\)\(i\)\(A\)](#))
 - b. Obtained a credit report from a consumer reporting agency in compliance with [FCRA section 604\(b\)](#); (§ [1026.36\(f\)\(3\)\(i\)\(B\)](#))
 - c. Obtained information from the NMLSR, or from the individual as applicable, about administrative, civil, or criminal findings against the individual; (§ [1026.36\(f\)\(3\)\(i\)\(C\)](#))
 - d. Determined on the basis of obtained information or any other information reasonably available that the individual has not been convicted of, plead guilty or *nolo contendere* to a felony in a domestic or military court during the preceding seven year period; (§ [1026.36\(f\)\(3\)\(ii\)\(A\)\(I\)](#))
 - e. Determined on the basis of obtained information or any other information reasonably available that the individual has not been convicted of, plead guilty or *nolo contendere* to a felony involving an act of fraud, dishonesty, breach of trust, or money laundering, at any time; (§ [1026.36\(f\)\(3\)\(ii\)\(A\)\(I\)](#))
 - f. Confirmed that if the individual has a felony conviction and is employed as an individual loan originator, that the FDIC (or FRB, as applicable), NCUA, or Farm Credit Administration has provided consent to employ the individual under their own statutory authorities; (§ [1026.36\(f\)\(ii\)\(A\)\(2\) \(iii\)](#))
 - g. Confirmed that the individual demonstrated financial responsibility, character, and general fitness such as to warrant a determination that the individual loan originator will operate honestly, fairly, and efficiently; (§ [1026\(f\)\(3\)\(ii\)\(B\)](#))
 - h. Provides periodic training covering federal and state law requirements that apply to the individual loan originator's loan origination activities. (§ [1026.36\(f\)\(3\)\(iii\)](#))

NOTE: Paragraph (c) only applies to an individual loan originator hired on after January 1, 2014 (or an individual loan originator the loan originator organization hired before this date but for whom there were no applicable statutory or regulatory background standards in effect at the time of hire or used to screen the individual) or an individual loan originator regardless of when hired who, based on reliable information known to the loan originator organization, likely does not meet the qualification standards.

4. Verify that the loan originator organization and individual loan originator include their names and NMLSR IDs on all required loan documentation, including: (§ [1026.36\(g\)](#))
 - a. The credit application;
 - b. The disclosures required by § [1026.19\(e\) and \(f\)](#);
 - c. The note or loan contract; and
 - d. The security instrument.

Policies and Procedures for Depository Institutions to Ensure and Monitor Compliance

Verify that loan originator organizations that are depositories (including credit unions) have established and maintained written policies and procedures reasonably designed (i.e., appropriate to the nature, size, complexity and scope of the mortgage lending activities of the depository and its subsidiaries) to ensure that the depository, its subsidiaries and their collective employees comply with the loan originator requirements of §§ [1026.36\(d\)–\(g\)](#). (§ [1026.36\(j\)](#))

Prohibition on Mandatory Arbitration Clauses and Waiver of Certain Consumer Rights

1. Verify that the contract or other agreement for a consumer credit transaction secured by a dwelling (including a home equity line of credit secured by the consumer's principal dwelling) does not include terms that require arbitration or any other non-judicial procedure to resolve any controversy or settle any claims arising out of the transaction. (§ [1026.36\(h\)\(1\)](#))
2. Verify that the contract or other agreement relating to a consumer credit transaction secured by a dwelling (including a home equity line of credit secured by the consumer's principal dwelling) has not been applied or interpreted to bar a consumer from bringing a claim in court under any provision of law for damages or other relief in connection with any alleged violation of any federal law. (§ [1026.36\(h\)\(2\)](#))

Prohibition on Financing Credit Insurance

Determine that the credit union does not finance, directly or indirectly, premiums or fees for credit insurance (including credit life, credit disability, credit unemployment, or credit property insurance, or any other accident, loss-of-income, life, or health insurance or direct or indirect payment for debt cancellation/suspension) on the transaction secured by a dwelling (including a home equity line of credit secured by a principal dwelling). (§ [1026.36\(i\)](#))

NOTE: Credit unemployment insurance is not subject to this prohibition where the premiums are reasonable, the credit union receives no direct or indirect compensation for the premiums, and the premiums are paid under a separate insurance contract and are not paid to an affiliate of the credit union. Additionally, this prohibition does not apply to credit insurance that is paid in full monthly.

Negative Amortization Counseling

Verify that the credit union received documentation that first-time borrowers received pre-loan counseling from a HUD certified or approved counselor on each negative amortizing mortgage loan to before originating the loan. (§ [1026.36\(k\)](#))

NOTE: This restriction does not apply to reverse mortgages covered under § [1026.33](#) or transactions secured by a timeshare plan. [Comments §1026.36\(k\)](#).

Servicing Requirements for Certain Home Mortgages Subject to Subpart E

1. Determine if the servicer is a small servicer under § [1026.41\(e\)\(4\)\(ii\)](#). The following steps two through five regarding periodic statements for closed-end loans secured by a dwelling are not applicable if the servicer is a small servicer.

NOTE: A small servicer is defined as (1) a servicer that, together with any affiliates, services 5,000 or fewer loans, for all of which the servicer or any affiliate is the creditor or assignee; (2) a servicer that is a housing finance agency under [24 CFR 266.5](#); or (3) a nonprofit entity (defined in § [1026.41\(e\)\(4\)\(ii\)\(C\)\(1\)](#)) that services 5,000 or fewer mortgage loans, including any mortgage loans serviced on behalf of associated nonprofit entities (defined in § [1026.41\(e\)\(4\)\(ii\)\(C\)\(2\)](#)), for all of which the servicer or an associated nonprofit is the creditor. Small servicer status is generally based on the loans serviced by the servicer and any affiliates as of January 1 for the remainder of the year. However, to determine small servicer status under the nonprofit small servicer definition, a nonprofit servicer should be evaluated based on the mortgage loans serviced by the servicer (and not those serviced by associated nonprofit entities) as of January 1 for the remainder of the calendar year. Servicers that cease to qualify as a small servicer will have the later of six months after the date they ceased to qualify, or until the next January 1 to come into compliance. The following mortgage loans are

not considered in determining whether a servicer qualifies as a small servicer: (a) mortgage loans voluntarily serviced by the servicer for a non-affiliate of the servicer and for which the servicer does not receive any compensation or fees; (b) reverse mortgage transactions; (c) mortgage loans secured by consumers' interests in timeshare plans; and (d) certain seller-financed transactions that meet the criteria identified in § [1026.36\(a\)\(5\)](#). (§ [1026.41\(e\)\(4\)\(iii\)](#))

2. Determine whether the credit union, assignee, or servicer provides consumers with reasonably prompt periodic statements for closed-end loans secured by a dwelling. (§ [1026.41](#))

NOTE: "Consumer" includes a confirmed successor in interest as defined in § [1026.2\(a\)\(27\)](#). (§ [1026.2\(a\)\(11\)](#)). If there is a confirmed successor in interest, determine whether the exemption from the requirement to provide a periodic statement to the confirmed successor in interest applies. (§ [1026.41\(g\)](#)).

This requirement does not apply to reverse mortgages under § [1026.33](#), timeshare plans, fixed-rate loans where the servicer currently provides consumers with coupon books that contain account payment, fees, and contact information specified under § [1026.41\(e\)\(3\)](#), small servicers under § [1026.41\(e\)\(4\)](#) or, as specified in § [1026.41\(e\)\(5\)](#) for mortgages while the consumer is a debtor in bankruptcy under Title 11 of the US Code. Servicers, however, must provide modified periodic statements and coupon books to certain consumers in bankruptcy as specified in § [1026.41\(f\)](#). Servicers are exempt from providing periodic statements for charged-off mortgage loans if the requirements of § [1026.41\(e\)\(6\)](#) are met.

NOTE ALSO: When examining a credit union or assignee that continues to own the loan, or a servicer, if the entity states that another entity has the obligation to provide the disclosures, examiners must determine whether the examined entity takes steps to ensure that the other party (a creditor, assignee, or servicer) is complying with the obligation to provide the disclosures.

3. Verify that the periodic statements contain:
 - a. The payment due date; the amount of any late payment fee, and the date the credit union or assignee will impose that fee; and the amount due (the latter shown more prominently than other disclosures on the page and, if the transaction has multiple payment options, the amount due under each of the payment options), grouped together in close proximity to each other and located at the top of the first page; (§ [1026.41\(d\)\(1\)](#))
 - i. If the balance of a mortgage loan was accelerated but the servicer was willing to accept a lesser amount to reinstate the loan, verify that the amount due on the periodic statement identified only the lesser amount that the servicer would have accepted to reinstate the loan. ([Comment 1026.41\(d\)\(1\)-1](#));
 - ii. If the consumer had agreed to a temporary loss mitigation program, verify that the amount due identified either the payment due under the temporary

loss mitigation program or the amount due according to the loan contract. ([Comment 1026.41\(d\)\(1\)-2](#)).

- iii. If the loan contract had been permanently modified, verify that the amount due identified only the amount due under the modified loan contract. ([Comment 1026.41\(d\)\(1\)-3](#)).

NOTE: Servicers may modify the sample forms for periodic statements provided in [Appendix H](#), Sample forms H-30(A) through H-30(F), to remove language that could suggest liability under the mortgage loan agreement if such language is not applicable. For example, in the case of a confirmed successor in interest who has not assumed the mortgage loan obligation under State law and is not otherwise liable on the mortgage loan obligation, a servicer may modify the forms to:

- Use “this mortgage” or “the mortgage” instead of “your mortgage.”
- Use “The payments on this mortgage are late” instead of “You are late on your mortgage payments.”
- Use “This is the amount needed to bring the loan current” instead of “You must pay this amount to bring your loan current.” ([Comment 1026.41\(c\)-5](#))

- b. The monthly payment amount, including a breakdown of how it will be applied to principal, interest, and escrow, and if a mortgage loan has multiple payment options along with information regarding how each payment will affect the principal, a breakdown of each of the payment options; the total sum of any fees or charges a credit union imposed since the last statement; and any payment amount past due, grouped together in close proximity to each other and located at the top of the first page. (§ [1026.41\(d\)\(2\)](#))
 - i. If the balance of a mortgage loan was accelerated but the servicer was willing to accept a lesser amount to reinstate the loan, verify that the explanation of amount due on the periodic statement listed both the reinstatement amount and the accelerated amount. Verify that the periodic statement also included an explanation that the reinstatement amount would be accepted through the “as of (date),” as applicable along with any special instructions for submitting the payment. The explanation should be on the front page of the statement or, alternatively, may be included on a separate page enclosed with the periodic statement ([Comment 1026.41\(d\)\(2\)-1](#)).
 - ii. If the consumer had agreed to a temporary loss mitigation program and the amount due identified the payment due under the temporary loss mitigation program, verify that the explanation of amount due included both the amount due according to the loan contract and the payment due under the temporary loss mitigation program. Also verify that the statement included an explanation that the amount due was being disclosed as a different amount because of the temporary loss mitigation program. The explanation should be on the front page of the statement or, alternatively, may be included on a separate page enclosed with the periodic statement or in a separate letter. ([Comment 1026.41\(d\)\(2\)-2](#)).

- c. The total of all payments received since the last statement, including a breakdown showing how the payment was applied to principal, interests, escrow, fees and charges, and any amount sent to a suspense or unapplied funds account grouped together in close proximity to each other and located at the top of the first page; (§ [1026.41\(d\)\(3\)\(i\)](#))
- d. The total of all payments received for the calendar year, including a breakdown of how those payments were applied to principal, interest, escrow, fees. and charges and any amount currently held in a suspense or unapplied funds account, grouped together in close proximity to each other and located at the top of the first page; (§ [1026.41\(d\)\(3\)\(ii\)](#))
- e. A list of transaction activity that occurred since the last statement, including the date, amount, and brief description of the transaction. Transaction activity includes any activity that caused a credit or debit to the amount currently due; (§ [1026.41\(d\)\(4\)](#))
- f. For statements where a partial payment was received and the credit union or servicer held the partial payment in a suspense or unapplied funds account, information explaining what must be done for the funds to be applied to the balance, located on the front page or a separate page of the statement or in a separate letter; (§ [1026.41\(d\)\(5\)](#))
- g. A toll-free number, and if applicable, an email address, that consumers may use to obtain account information located on the front page; (§ [1026.41\(d\)\(6\)](#))
- h. The amount of the outstanding principal balance; (§ [1026.41\(d\)\(7\)\(i\)](#))
- i. The current interest rate for the mortgage; (§ [1026.41\(d\)\(7\)\(ii\)](#))
- j. The date that the interest may change (if applicable); (§ [1026.41\(d\)\(7\)\(iii\)](#))
- k. Information regarding whether the loan contains a prepayment penalty; (§ [1026.41\(d\)\(7\)\(iv\)](#))
- l. The web address to the CFPB or HUD’s list of homeownership counselors or counseling organizations and HUD’s toll-free telephone number to obtain contact information for counselors or counseling organizations; (§ [1026.41\(d\)\(7\)\(v\)](#))
- m. For consumers more than 45 days delinquent, creditors, assignees, or servicers also must provide on the first page or on a separate page of the statement or in a separate letter:
 - i. The date that the consumer’s account became delinquent; (§ [1026.41\(d\)\(8\)\(i\)](#))
 - ii. A notification of the possible risks, such as foreclosure, and expenses that may occur if the consumer does not become current; (§ [1026.41\(d\)\(8\)\(ii\)](#))
 - iii. An account history showing the shorter of the previous six months or from the time the account was last current, the amount of payment that is past due from each billing cycle; (§ [1026.41\(d\)\(8\)\(iii\)](#))

NOTE: If any payment was accepted as a full payment, the credit union or servicer must show that the payment was credited to the consumer’s account and the date that the payment was credited.

- iv. A notice indicating any loss mitigation program that the consumer has agreed to; (§ [1026.41\(d\)\(8\)\(iv\)](#))
- v. A notice of whether the servicer has initiated foreclosure proceedings; (§ [1026.41\(d\)\(8\)\(v\)](#))

- vi. The total payment amount needed to bring the account current; and (§ [1026.41\(d\)\(8\)\(vi\)](#))
 - vii. A reference to homeownership counseling information required under § [1026.41\(d\)\(7\)\(v\)](#). (§ [1026.41\(d\)\(8\)\(vii\)](#))
4. Unless the servicer is otherwise exempt as noted below, while any consumer on a mortgage loan is a debtor in bankruptcy under Title 11 of the United States Code, or if such consumer had discharged personal liability for the mortgage loan pursuant Chapter 7, 11, 12, or 13, determine whether the servicer provided a modified periodic statement or coupon book in compliance with § [1026.41\(f\)](#). Specifically, the periodic statement:
- a. May omit the information set forth in §§ [1026.41\(d\)\(1\)\(ii\)](#) and [1026.41\(d\)\(8\)\(i\), \(ii\), and \(v\)](#). The requirement in § [1026.41\(d\)\(1\)\(iii\)](#) of this section that the amount due must be shown more prominently than other disclosures on the page shall not apply. (§ [1026.41\(f\)\(1\)](#));
 - b. Must include the following bankruptcy notices:
 - i. A statement identifying the consumer’s status as a debtor in bankruptcy or the discharged status of the mortgage loan; and
 - ii. A statement that the periodic statement is for informational purposes only. (§ [1026.41\(f\)\(2\)](#));
 - c. For Chapter 12 and Chapter 13 consumers:
 - i. May omit (in addition to information listed in § [1026.41\(f\)\(1\)](#)) the information in § [1026.41\(d\)\(8\)\(iii\), \(iv\), \(vi\), and \(vii\)](#). (§ [1026.41\(f\)\(3\)\(i\)](#));
 - ii. May limit the amount due information set forth in § [1026.41\(d\)\(1\)](#) to the date and amount of the post-petition payments due and any post-petition fees and charges imposed by the servicer. (§ [1026.41\(f\)\(3\)\(ii\)](#));
 - iii. May limit the explanation of amount due information set forth in § [1026.41\(d\)\(2\)](#) to:
 - a. The monthly post-petition payment amount, including a breakdown showing how much, if any, would be applied to principal, interest, and escrow;
 - b. The total sum of any post-petition fees or charges imposed since the last statement; and
 - c. Any post-petition payment amount past due. (§ [1026.41\(f\)\(3\)\(iii\)](#)).
 - iv. Must include all payments that the servicer received since the last statement, including all post-petition and pre-petition payments, payments of post-petition fees and charges, and all post-petition fees and charges that the servicer imposed since the last statement. The brief description of the activity need not identify the source of any payments. (§ [1026.41\(f\)\(3\)\(iv\)](#));
 - v. Must disclose the following pre-petition arrearage information, if applicable, grouped in close proximity to each other and located on the first page of the statement or on a separate page enclosed with the periodic statement or in a separate letter:
 - a. The total of all pre-petition payments received since the last statement;

- b. The total of all pre-petition payments received since the beginning of the consumer's pre-petition arrearage; and
- c. The current balance of the consumer's pre-petition arrearage. (§ [1026.41\(f\)\(3\)\(v\)](#)).
- vi. Must include, as applicable:
 - a. A statement that the amount due includes only post-petition payments and does not include other payments that may be due under the terms of the consumer's bankruptcy plan;
 - b. If the consumer's bankruptcy plan requires the consumer to make the post-petition mortgage payments directly to a bankruptcy trustee, a statement that the consumer should send the payment to the trustee and not to the servicer;
 - c. A statement that the information disclosed on the periodic statement may not include payments the consumer has made to the trustee and may not be consistent with the trustee's records;
 - d. A statement that encourages the consumer to contact the consumer's attorney or the trustee with questions regarding the application of payments; and
 - e. If the consumer is more than 45 days delinquent on post-petition payments, a statement that the servicer has not received all the payments that became due since the consumer filed for bankruptcy. (§ [1026.41\(f\)\(3\)\(vi\)](#)).

NOTES:

- *Multiple obligors.* The servicer may provide the modified statement to any or all of the primary obligors, even if a primary obligor to whom the servicer provides the modified statement is not a debtor in bankruptcy. (§ [1026.41\(f\)\(4\)](#)).
- *Coupon books.* A servicer that provides a coupon book instead of a periodic statement must include in the coupon book (or on a separate page enclosed with the coupon book) the disclosures set forth in §§ [1026.41\(f\)\(2\)](#) and [1026.\(f\)\(3\)\(vi\)](#), as applicable. (§ [1026.41\(f\)\(5\)](#)).
- Under §[1026.41\(e\)\(5\)\(i\)](#), a servicer is exempt from providing a periodic statement to certain consumers in bankruptcy if:
 - Any consumer on the mortgage loan is a debtor in bankruptcy under Title 11 of the United States Code or has discharged personal liability for the mortgage loan pursuant to Chapter 7 ([11 U.S.C. 727](#)), Chapter 11 ([11 U.S.C. 1141](#)), Chapter 12 ([11 U.S.C. 1228](#)), or Chapter 12 ([11 U.S.C. 1328](#)); and
 - With regard to any consumer on the mortgage loan:
 - The consumer requests in writing that the servicer cease providing a periodic statement or coupon book;
 - The consumer's bankruptcy plan provides that the consumer will surrender the dwelling securing the mortgage loan, provides for the avoidance of the lien securing the mortgage loan, or otherwise does not

provide for, as applicable, the payment of pre-bankruptcy arrearage or the maintenance of payments due under the mortgage loan;

- *A court enters an order in the bankruptcy case providing for the avoidance of the lien securing the mortgage loan, lifting the automatic stay pursuant to [11 U.S.C. 362](#) with regard to the dwelling securing the mortgage loan, or requiring the servicer to cease providing a periodic statement or coupon book; or*
- *The consumer files with the court overseeing the bankruptcy case a statement of intention pursuant to [11 U.S.C. 521\(a\)](#) identifying an intent to surrender the dwelling securing the mortgage loan and a consumer has not made any partial or periodic payment on the mortgage loan after the commencement of the consumer's bankruptcy case.*

A servicer ceases to qualify for the exemption pursuant to § [1026.41\(e\)\(5\)\(i\)](#) with respect to a mortgage loan if the consumer reaffirms personal liability for the loan or any consumer on the loan requests in writing that the servicer provide a periodic statement or coupon book, unless a court enters an order in the bankruptcy case requiring the servicer to cease providing a periodic statement or coupon book. (§ [1026.41\(e\)\(5\)\(ii\)](#))

5. If the servicer has ceased providing periodic statements for charged-off mortgage loans, determine whether the following exemption requirements of § [1026.41\(e\)\(6\)\(i\)](#) are met:
 - b. The servicer charged off the loan in accordance with loan-loss provisions and has not charged any additional fees or interest on the account; and
 - c. The servicer provided, within 30 days of charge-off or the most recent periodic statement, a periodic statement, clearly and conspicuously labeled “Suspension of Statements & Notice of Charge Off—Retain This Copy for Your Records.” The periodic statement clearly and conspicuously explained the following (as applicable):
 - i. The mortgage loan was charged off and the servicer will not charge any additional fees or interest on the account;
 - ii. The servicer will no longer provide the consumer a periodic statement for each billing cycle;
 - iii. The lien on the property remains in place and the consumer remains liable for the mortgage loan obligation and any obligations arising from or related to the property, which may include property taxes;
 - iv. The consumer may be required to pay the balance on the account in the future, for example, upon sale of the property;
 - v. The balance on the account is not being canceled or forgiven; and
 - vi. The loan may be purchased, assigned, or transferred.

Note: If a servicer fails at any time to treat a mortgage loan that is exempt under § [1026.41\(e\)\(6\)\(i\)](#) as charged off or charges any additional fees or interest on the account, the servicer must resume providing a periodic statement. (§ [1026.41\(e\)\(6\)\(ii\)\(A\)](#)). A servicer may not retroactively assess fees or interest on the account for the period of time during which the exemption in § [1026.41\(e\)\(6\)\(i\)](#) applied. (§ [1026.41\(e\)\(6\)\(ii\)\(B\)](#)).

6. For high-cost mortgages, ensure the credit union or servicer does not charge any fee to modify, renew, extend, or amend a high-cost mortgage, or to defer any payment due under the terms of the mortgage. (§ [1026.34\(a\)\(7\)](#))
7. For high-cost mortgages, determine whether the credit union or servicer charged a late payment greater than four percent of the payment past due. (§ [1026.34\(a\)\(8\)\(i\)](#))
8. For high-cost mortgages, determine that the credit union or servicer did not impose any late fee or delinquency charge in connection with a payment, when the only delinquency was due to late fees or delinquency charges assessed on an earlier payment, and the payment is otherwise a full payment for the applicable period and is paid on its due date or within any applicable grace period (§ [1026.34\(a\)\(8\)\(iii\)](#)).
9. For high-cost mortgages, determine whether the credit union or servicer assessed any fees for providing consumers with a payoff statement related to the high-cost mortgage. (§ [1026.34\(a\)\(9\)](#))

NOTE: Creditors or servicers are permitted to assess a processing fee if the payoff statement is provided by courier or by fax, the fee is comparable to fees for similar services provided for non-high-cost mortgages, and the creditor or servicer discloses that payoff statements are available by an alternative method free of charge. Additionally, within a calendar year, if the creditor or servicer has already provided four payoff statements in compliance with section [1026.34\(a\)\(9\)](#), it may assess fees for additional statements.

10. For high-cost mortgages, determine that the credit union or servicer is providing payoff statements within five business days after receiving a request from the consumer (or consumer's authorized representative). (§ [1026.34\(a\)\(9\)\(v\)](#))
11. For higher-priced mortgage loans that are subject to the escrow account requirements, ensure the credit union or servicer maintains the consumer's escrow account for a minimum of five years after consummation of the loan, unless: (1026.35(b)(3))
 - a. The credit union or servicer terminated the escrow account upon termination of the underlying debt obligation (§ [1026.35\(b\)\(3\)\(i\)\(A\)](#)); or
 - b. The credit union or servicer terminated the escrow account upon request from the consumer, no earlier than five years after consummation of the loan. (§ [1026.35\(b\)\(3\)\(i\)\(B\)](#))

NOTE: Upon request from the consumer, the credit union or servicer must verify that the unpaid principal balance of the higher-priced mortgage loan is less than 80 percent of the original value of the property securing the

loan and that the consumer is not delinquent or in default on the loan, before cancelling the escrow account. (§[1026.35\(b\)\(3\)\(ii\)](#))

12. For consumer credit transactions secured by a consumer's principal dwelling, determine that the credit union or servicer credited consumer's periodic payments as of the date it received the payment or ensured that any delay in crediting did not result in any charge to the consumer or in the reporting of any negative information to a consumer reporting agency. (§§[1026.34\(a\)\(8\)-\(9\)](#) and [1026.36\(c\)\(1\)\(i\)](#))
13. For consumers performing under a permanent loan modification of a consumer credit transaction secured by a consumer's principal dwelling, determine whether the credit union or servicer credited the payments according to the terms of the modified loan contract. ([Comment 1026.36\(c\)\(1\)\(i\)-5](#)).

NOTE: For consumers performing under temporary loss mitigation programs, a creditor must continue to credit payments according to the loan contract and could, if appropriate, credit the payments as partial payments. ([Comment 1026.36\(c\)\(1\)\(i\)-4](#)).

14. For consumer credit transactions secured by a consumer's principal dwelling, determine whether the credit union or servicer uses a suspense or unapplied payment account for partial payments.
 - a. For credit unions or servicers that use suspense or unapplied payment accounts for consumers' partial payments, verify that the credit union or servicer discloses to consumers that amount held in the suspense account on the periodic statement required by § [1026.41\(d\)\(3\)](#) if one is required (§ [1026.36\(c\)\(1\)\(ii\)\(A\)](#)); and
 - b. Verify that credit unions or servicers credit a periodic payment to the consumer's account once the amount in the suspense account equals a periodic payment. (§ [1026.36\(c\)\(1\)\(ii\)\(B\)](#))
15. For consumer credit transactions secured by a consumer's principal dwelling, and for credit unions or servicers that accept non-conforming payments from consumers, verify that the credit union or servicer credited the non-conforming payment to the consumer's account as of five days after receipt of the payment. (§ [1026.36\(c\)\(1\)\(iii\)](#))
16. Determine whether there were any prohibited acts or practices in connection with credit secured by a consumer's principal dwelling (§ [1026.36\(c\)](#)). For example, imposing on the consumer any late fee or delinquency charge in connection with a payment, when the only delinquency was due to late fees or delinquency charges assessed on an earlier payment (pyramiding of late fees), and the payment is otherwise a periodic payment for the applicable period and the credit union receives it on its due date or within any applicable courtesy period (§ [1026.36\(c\)\(2\)](#)).
17. For consumer credit transactions secured by a dwelling (including a home equity line of credit secured by a dwelling), verify that the credit union, assignee, or servicer provided, within a reasonable time, but no later than seven business days after receiving a written request from the consumer or person acting on behalf of the consumer, an accurate statement of the total outstanding balance that would be required to pay the consumer's

obligation in full as of a specific date except when a delay is because a loan is in bankruptcy or foreclosure, the loan is a reverse or shared appreciation mortgage, or because of a natural disaster, in which case the credit union, assignee, or servicer must provide a payoff statement within a reasonable period of time. (§§ [1026.36\(b\)](#) and [\(c\)\(3\)](#))

Valuation Independence

1. Determine that the covered person did not attempt to directly or indirectly cause the value assigned to the consumer's principal dwelling to be based on any factor other than the independent judgment of a person that prepares valuations. Examples of such attempts include (§ [1026.42\(c\)](#)):
 - a. Seeking to influence a person that prepares a valuation to report a minimum or maximum value for the consumer's principal dwelling;
 - b. Withholding or threatening to withhold timely payment to a person that prepares a valuation or performs valuation management functions because the person does not value the consumer's principal dwelling at or above a certain amount;
 - c. Implying to a person that prepares valuations that current or future retention of the person depends on the amount at which the person estimates the value of the consumer's principal dwelling;
 - d. Excluding a person that prepares a valuation from consideration for future engagement because the person reports a value for the consumer's principal dwelling that does not meet or exceed a predetermined threshold; and
 - e. Conditioning the compensation paid to a person that prepares a valuation on consummation of the covered transaction.

2. Determine that the valuation does not materially misrepresent the value of the consumer's principal dwelling. (§ [1026.42\(c\)\(2\)\(i\)](#))

NOTE: A misrepresentation is material if it is likely to significantly affect the value assigned to the consumer's principal dwelling. A bona fide error must not be a misrepresentation.

3. Determine that a valuation was not falsified or materially altered. (§ [1026.42\(c\)\(2\)\(ii\)](#))

NOTE: An alteration is material if it is likely to significantly affect the value assigned to the consumer's principal dwelling.

4. Determine that the covered person does not induce a person to materially misrepresent or falsify the value of a consumer's principal dwelling (in violation of § [1026.42\(c\)\(2\)\(i\)](#) or (ii)). (§[1026.42\(c\)\(2\)\(iii\)](#))
5. Prohibition on conflicts of interest. To the extent applicable, determine that the person who prepared the valuations or performed the valuation management functions for a covered transaction did not have a direct or indirect interest, financial or otherwise, in the property or transaction for which the valuation is or will be performed.

(§ [1026.42\(d\)\(1\)\(i\)](#))

6. For any consumer credit transaction secured by the consumer's principal dwelling in which the credit union had assets of more than \$250 million as of December 31st for both of the past two calendar years, determine that a person subject to § [1026.42\(d\)\(1\)\(i\)](#) who is employed by or affiliated with the credit union does not have a conflict of interest in violation of § [1026.42\(d\)\(1\)\(i\)](#) based solely on the person's employment or affiliate relationship with the credit union if (§ [1026.42\(d\)\(2\)](#)):
 - a. The compensation of the person preparing a valuation or performing valuation management functions is not based on the value arrived at in any valuation;
 - b. The person preparing a valuation or performing valuation management functions reports to a person who is not part of the credit union's loan production function, as defined in § [1026.42\(d\)\(5\)\(i\)](#), and whose compensation is not based on the closing of the transaction to which the valuation relates; and
 - c. No employee, officer or director in the credit union's loan production function, as defined in § [1026.42\(d\)\(5\)\(i\)](#), is directly or indirectly involved in selecting, retaining, recommending or influencing the selection of the person to prepare a valuation or perform valuation management functions, or to be included in or excluded from a list of approved persons who prepare valuations or perform valuation management functions.

7. For any covered transaction in which the credit union had assets of \$250 million or less as of December 31st for either of the past two calendar years, determine that a person subject to § [1026.42\(d\)\(1\)\(i\)](#) who is employed by or affiliated with the credit union does not have a conflict of interest in violation of § [1026.42\(d\)\(1\)\(i\)](#) based solely on the person's employment or affiliate relationship with the credit union if (§ [1026.42\(d\)\(3\)](#)):
 - a. The compensation of the person preparing a valuation or performing valuation management functions is not based the value arrived at in any valuation; and
 - b. The credit union requires that any employee, officer or director of the credit union who orders, performs, or reviews a valuation for a covered transaction abstain from participating in any decision to approve, not approve, or set the terms of that transaction.

8. For any covered transaction, determine that a person who prepares a valuation or performs valuation management functions in addition to performing another settlement service for the transaction, or whose affiliate performs another settlement service for the transaction, does not have a conflict of interest in violation of § [1026.42\(d\)\(1\)\(i\)](#) as a result of the person or the person's affiliate performing another settlement service for the transaction if (§ [1026.42\(d\)\(4\)](#)):
 - a. The credit union had assets of more than \$250 million as of December 31st for both of the past two calendar years and the conditions in §§ [1026.42\(d\)\(2\)\(i\)-\(iii\)](#) are met; or
 - b. The credit union had assets of \$250 million or less as of December 31st for either of the past two calendar years and the conditions in §§ [1026.42\(d\)\(3\)\(i\)-\(ii\)](#) are met.

9. If the credit union did know at or before consummation of a violation of §§ [1026.42\(c\)](#) or [\(d\)](#) in connection with a valuation, determine that the credit union did not extend credit based on the valuation, unless the credit union documented that it acted with reasonable diligence to determine that the valuation did not materially misstate or misrepresent the value of the consumer's principal dwelling. (§ [1026.42\(e\)](#))

NOTE: For purposes of § [1026.42\(e\)](#), a valuation materially misstates or misrepresents the value of the consumer's principal dwelling if the valuation contains a misstatement or misrepresentation that affects the credit decision or the terms on which credit is extended.

10. Customary and reasonable compensation. For any covered transaction, determine that the credit union and its agents compensated a fee appraiser for performing appraisal services at a rate that is customary and reasonable for comparable appraisal services performed in the geographic market of the property being appraised. (§ [1026.42\(f\)\(1\)](#))

NOTE: Voluntary donation of appraisal services by a fee appraiser to an organization eligible to receive tax deductible charitable contributions is deemed customary and reasonable. ([15 U.S.C.1639e\(i\)\(2\)\(B\)](#))

For purposes of § [1026.42\(f\)](#), "agents" of the credit union do not include any fee appraiser as defined in § [1026.42\(f\)\(4\)\(i\)](#). An "agent" could be an appraisal management company to which the credit union has outsourced the valuation function.

11. If the credit union reasonably believes an appraiser has not complied with the Uniform Standards of Professional Appraisal Practice or ethical or professional requirements for appraisers under applicable state or federal statutes or regulations, determine that the credit union referred the matter within a reasonable period of time to the appropriate state agency if the failure to comply is material. (§ [1026.42\(g\)\(1\)](#))

NOTE: For purposes of § [1026.42\(g\)](#), a failure to comply is material if it is likely to significantly affect the value assigned to the consumer's principal dwelling.

Open-End Credit Transactional Testing Procedures

1. For each open-end credit product tested, determine the accuracy of the disclosures by comparing the disclosure with the contract and other credit union documents. (§ [1026.5\(c\)](#))
2. Review the credit union's policies, procedures, and practices to determine whether it provides appropriate disclosures for credit union-initiated direct mail applications and solicitations to open charge card accounts, telephone applications and solicitations to open charge card accounts, and applications and solicitations made available to the general public to open charge card accounts. (§ [1026.60\(b\)](#), [\(c\)](#), and [\(d\)](#))

3. Determine for all home equity plans with a variable rate that the APR is based on an independent index. Further, ensure home equity plans are terminated or terms changed only if certain conditions exist. (§ [1026.40\(f\)](#))
4. Determine that, if any consumer rejected a home equity plan because a disclosed term changed before the plan was opened, all fees were refunded. Verify that the credit union, assignee, or servicer did not impose non-refundable fees until three business days after the consumer received the required disclosures and brochure. (§ [1026.40\(g\)](#) and [\(h\)](#))
5. Review consecutive periodic billing statements for each major type of open-end credit activity offered (overdraft and home-equity lines of credit, credit card programs, etc.). Determine whether disclosures were calculated accurately and are consistent with the initial disclosure statement furnished for the accounts (or any subsequent change in terms notice) and the underlying contractual terms governing the plan(s).
6. Determine whether the consumer was given notice of the right to reject the significant change, with the exception of:
 - a. An increase in the required minimum periodic payment (§ [1026.9\(c\)\(2\)\(iv\)\(B\)](#)),
 - b. A change in the APR (§ [1026.9\(c\)\(2\)\(iv\)\(B\)](#)),
 - c. A change in the balance computation method necessary to comply with § [1026.54](#), which sets forth certain limitations on the imposition of finance charges as a result of a loss of a grace period, or
 - d. Increase in fee for evaluation under § [1026.52](#) or adjustment to safe harbors
 - e. Increase in fees previously reduced under Servicemembers Civil Relief Act
 - f. When the change results from the credit union not receiving the required minimum periodic payment within 60 days after the due date for that payment. (§ [1026.9\(c\)\(2\)\(iv\)\(B\)](#))
7. Determine that the credit union did not increase the rate applicable to the consumer's account to the penalty rate if the outstanding balance did not exceed the credit limit on the date set forth in the notice. (§ [1026.9\(g\)\(4\)](#))
8. Determine, for each type of open-end rescindable loan being tested, the credit union, assignee, or servicer provide the appropriate number of copies of the rescission notice to each person whose ownership interest is or will be subject to the security interest and perform the procedures 12, 13, and 14 under Closed-End Credit section. (§ [1026.15\(b\)](#), [\(c\)](#) and [\(e\)](#))
9. Additional variable rate testing: Verify that when accounts were opened or loans were consummated that the credit union correctly recorded the loan contract terms in the credit union's calculation systems (e.g., its computer). Determine the accuracy of the following recorded information:
 - a. Index value,
 - b. Margin and method of calculating rate changes,
 - c. Rounding method, and

- d. Adjustment caps (periodic and lifetime).
10. Using a sample of periodic disclosures for open-end variable rate accounts (e.g., home equity accounts) and closed-end rate change notices for adjustable rate mortgage loans:
 - a. Compare the rate-change date and rate on the credit obligation to the actual rate-change date and rate imposed.
 - b. Determine that the index disclosed and imposed is based on the terms of the contract (example: the weekly average of one-year Treasury constant maturities, taken as of 45 days before the change date). (§§ [1026.7\(a\)](#) and [1026.20\(c\)\(2\)](#))
 - c. Determine that the new interest rate is correctly disclosed by adding the correct index value with the margin stated in the note, plus or minus any contractual fractional adjustment. (§§ [1026.7\(g\)](#) and [1026.20\(c\)\(1\)](#))
 - d. Determine that the new payment disclosed (§ [1026.20\(c\)\(4\)](#)) was based on an interest rate and loan balance in effect at least 25 days before the payment change date (consistent with the contract). (§ [1026.20\(c\)](#))

Crediting a Consumer's Account

1. Ensure that the credit union credits payment to a consumer's account as of the date of receipt, except when a delay in crediting does not result in a finance charge or other charge. (§ [1026.10\(a\)](#))
2. If a credit union specifies requirements for payments, determine that they are reasonable and enable most consumers to make conforming payments. (§ [1026.10\(b\)](#))
3. Except as provided by § [1026.10\(b\)\(4\)\(ii\)](#), if a credit union specifies, on or with the periodic statement, requirements for the consumer to follow in making payments as permitted under § [1026.10](#), but accepts a payment that does not conform to the requirements, determine that the payment is credited within five days of receipt. (§ [1026.10\(b\)\(4\)\(i\)](#))
4. If the credit union promotes a method for making payments, determine that the credit union considers such payments conforming payments according to § [1026.10\(b\)](#) and that they are credited to the consumer's account as of the date of receipt, except when a delay in crediting does not result in a finance charge or other charge. (§ [1026.10\(b\)\(4\)\(ii\)](#))
5. If the credit union sets a cut-off time for payments to be received by mail, by electronic means, by telephone, or in person, verify that the cut-off time is 5 p.m. or later on the payment due date at the location specified by the credit union for the receipt of such payments. (§ [1026.10\(b\)\(2\)\(ii\)](#))
6. For in-person payments on a credit card account under an open-end (not home-secured) consumer credit plan at a credit union branch or office that accepts such payments, a card issuer must not impose a cut-off time earlier than the close of business for any such payments made in person at any branch or office of the card issuer at which such

payments are accepted. However, a card issuer may impose a cut-off time earlier than 5 p.m. for such payments, if the close of business of the branch or office is earlier than 5 p.m. (§ [1026.10\(b\)\(3\)\(i\)](#))

7. If a credit union fails to credit a payment as required and imposes a finance or other charge, ensure that the credit union credits the charge(s) to the consumer's account during the next billing cycle. (§ [1026.10\(c\)](#))
8. If (due to a weekend or holiday, for example) a credit union does not receive or accept payments by mail on the due date for payments, determine that the credit union treats as timely a payment it receives on the next business day. (§ [1026.10\(d\)\(1\)](#))

NOTE: If a credit union accepts or receives payments made on the due date by a method other than mail, such as electronic or telephone payments, the credit union is not required to treat a payment made by that method on the next business day as timely.

9. For credit card accounts under an open-end (not home-secured) consumer credit plan, determine that the credit union does not impose a separate fee to allow consumers to make a payment by any method, such as mail, electronic, or telephone payments, unless such payment method involves an expedited service by a customer service representative of the credit union. (§ [1026.10\(e\)](#))
10. If a card issuer makes a material change in the address for receiving payments or procedures for handling payments, and such change causes a material delay in the crediting of a payment to a consumer's account during the 60-day period following the date on which such change took effect, ensure that the card issuer does not impose any late fee or finance charge for a late payment on the credit card account during the 60-day period following the date the change took effect. (§ [1026.10\(f\)](#))

Treatment of Credit Balances, Account Termination

1. Determine institution's treatment of credit balances. Specifically, if the account's credit balance is in excess of \$1, the institution must take the actions listed below. (§ [1026.11](#))
 - a. Credit the amount to the consumer's account; and
 - b. Either:
 - i. Refund any part of the remaining credit balance within seven business days from receiving a written request from the consumer; or
 - ii. If no written request is received and the credit remains for more than six months, make a good faith effort to refund the amount of the credit to the consumer by cash, check, money order, or credit to a deposit account of the consumer. No further action is required if the consumer's current location is not known to the credit union and cannot be traced through the consumer's last known address or telephone number.
2. Determine that institution has not terminated an account before its expiration date solely because the consumer did not incur a finance charge. However, a credit union is not

prohibited from closing an account that, for three consecutive months, no credit has been extended (such as by purchase, cash advance, or balance transfer) and the account has had no outstanding balance. (§ [1026.11\(b\)](#))

3. Determine that, for credit card accounts under an open-end (not home-secured) consumer credit plan, the card issuer has adopted written policies and procedures to ensure that an administrator of an estate of a deceased account holder can determine the amount of and pay any balance on the account in a timely manner. (§ [1026.11\(c\)\(1\)\(i\)](#))

NOTE: This does not apply to the account of a deceased consumer if a joint account holder remains on the account.

4. Ensure that, upon request by the administrator of an estate, the card issuer provides the administrator with the amount of the balance on a deceased consumer's account in a timely manner. (§ [1026.11\(c\)\(2\)\(i\)](#))

NOTE: Providing the amount of the balance on the account within 30 days of receiving the request is deemed to be timely.

5. Verify that, after receiving a request from the administrator of an estate for the amount of the balance on a deceased consumer's account, the card issuer does not impose any fees on the account (such as a late fee, annual fee, or over the-limit fee) or increase any annual percentage rate, except as provided by § [1026.55\(b\)\(2\)](#) (i.e., due to the operation of an index). (§ [1026.11\(c\)\(3\)\(i\)](#))
6. Determine that, if the card issuer receives payment in full of the disclosed balance, under § [1026.11\(c\)\(2\)](#), within 30 days after disclosure, the card issuer waives or rebates any additional finance charge due to a periodic interest rate. (§ [1026.11\(c\)\(3\)\(ii\)](#))

Billing Error Resolution

1. Determine whether the credit union mailed or delivered a written acknowledgment to the consumer within 30 days of receiving a billing error notice in accordance with § [1026.13\(c\)\(1\)](#) if it has not complied with the appropriate resolution procedures provided in §§ [1026.13\(e\)](#) and [\(f\)](#), as applicable.
2. Determine whether the credit union complied with the appropriate resolution procedures provided in §§ [1026.13\(e\)](#) and [\(f\)](#), as applicable, within two complete billing cycles (but in no event later than 90 days) after receiving a billing error notice.
3. Determine if the institution engaged in any of the prohibited conduct provided in § [1026.13\(d\)](#) while a billing error resolution was pending.
4. If the credit union determined that a consumer owed all or part of the disputed amount and related finance or other charges, determine whether the credit union complied with the requirements provided in § [1026.13\(g\)](#).

Special Credit Card Provisions and Billing Error Resolution

Review a sample of billing error resolution files and a sample of consumers who have asserted a claim or defense against the credit union for a credit card dispute regarding property or services.

Verify the following (§§ [1026.12](#) and [1026.13](#)):

1. The institution issues credit cards only upon request;
2. Liability for unauthorized credit card use is limited to \$50;
3. Disputed amounts are not reported delinquent unless remaining unpaid after the dispute has been settled;
4. Offsetting credit card indebtedness is prohibited; and
5. Errors are resolved within two complete billing cycles.

Ability to Make the Required Minimum Payments

1. Determine that the card issuer does not open a credit card account for a consumer under an open-end (not home-secured) consumer credit plan, or increase any credit limit applicable to such account, unless the card issuer considers the ability of the consumer to make the required minimum periodic payments under the terms of the account based on the consumer's income or assets and current obligations. (§ [1026.51\(a\)\(1\)\(i\)](#))
2. Verify that the card issuer establishes and maintains reasonable written policies and procedures to consider a consumer's income or assets and current obligations. Reasonable policies and procedures to consider a consumer's ability to make the required payments include a consideration of at least one of the following: (§ [1026.51\(a\)\(1\)\(ii\)](#))
 - a. The ratio of debt obligations to income;
 - b. The ratio of debt obligations to assets; or
 - c. The income the consumer will have after paying debt obligations.

NOTE: Reasonable written policies and procedures may include treating any income and assets to which the consumer has a reasonable expectation of access as the consumer's income or assets, or may be limited to consideration to the consumer's independent income and assets.

3. Confirm that the card issuer does not issue a credit card to a consumer who does not have any income or assets, and that the credit does not issue a credit card without reviewing any information about a consumer's income, assets, or current obligations. (§ [1026.51\(a\)\(1\)\(ii\)](#))

NOTE: A card issuer may consider the consumer's income or assets based on information the consumer provides, in connection with the credit card account or any other financial relationship the card issuer or its affiliates has with the consumer, subject to any applicable information-sharing rules, and information obtained through third parties, subject to any applicable information-sharing rules. A card issuer may

also consider information obtained through any empirically derived, demonstrably and statistically sound model that reasonably estimates a consumer's income or assets.
(Comment [1026.51\(a\)-5](#))

4. Determine that the card issuer uses a reasonable method for estimating the minimum periodic payments the consumer would be required to pay under the terms of the account. (§ [1026.51\(a\)\(2\)\(i\)](#))
5. A card issuer's estimate of the minimum periodic payment is compliant (i.e., receives the benefit of a safe harbor) if it uses the following method (§ [1026.51\(a\)\(2\)\(ii\)](#)):
 - a. The card issuer assumes utilization, from the first day of the billing cycle, of the full credit line that the issuer is considering offering to the consumer; and
 - b. The card issuer uses a minimum payment formula the issuer employs for the product the issuer is considering offering to the consumer or, in the case of an existing account, the minimum payment formula that currently applies to that account, if:
 - i. If the applicable minimum payment formula includes interest charges, the card issuer estimates those charges using an interest rate that the issuer is considering offering to the consumer for purchases or, in the case of an existing account, the interest rate that currently applies to purchases; and
 - ii. If the applicable minimum payment formula includes mandatory fees, the card issuer must assume that such fees have been charged to the account.
6. Rules affecting young consumers: If the card issuer opens a credit card account under an open-end (not home-secured) consumer credit plan for a consumer less than 21 years old, verify that the issuer requires that such consumers:
 - a. Submit a written application; and
 - b. Either possess an independent ability to make the required minimum periodic payments on the proposed extension of credit for the account under § [1026.51\(b\)\(1\)\(i\)](#) or provide a signed agreement of a cosigner, guarantor, or joint applicant who is at least 21 years old who has the ability to make the required minimum periodic payments on such debts, and be either jointly liable with the consumer for any debt on the account, or secondarily liable for any debt on the account the consumer incurs before the consumer turns 21 under §§ [1026.51\(b\)\(1\)\(ii\)\(A\)](#) and [\(B\)](#).
7. If a credit card account was opened for such consumer without a cosigner, guarantor, or joint applicant under § [1026.51\(b\)\(1\)](#), determine that the issuer does not increase the credit limit on the account before the consumer turns 21 unless:
 - a. At the time of the contemplated increase, the consumer has an independent ability to make the required minimum periodic payments; or
 - b. A cosigner, guarantor, or joint account holder who is at least 21 years old and has the ability to make the required minimum periodic payments agrees in writing to assume liability for any debt incurred on the account. (§ [1026.51\(b\)\(2\)\(i\)](#))

8. If a credit card account was opened for such a consumer with a cosigner, guarantor, or joint applicant under § [1026.51\(b\)\(1\)\(ii\)](#), determine that the issuer does not increase the credit limit on such account before the consumer turns 21 unless the cosigner, guarantor, or joint account holder who assumed liability at account opening agrees in writing to assume liability on the increase. (§ [1026.51\(b\)\(2\)](#))

Limitations on Fees

1. During the first year after the opening of a credit card account under an open-end (not home-secured) consumer credit plan, determine whether the card issuer required the consumer to pay covered fees in excess of the 25 percent of the credit limit in effect when the account is opened. (§ [1026.52\(a\)\(1\)](#))

NOTE: The 25 percent limitation on fees does not apply to fees assessed before opening the account.

NOTE ALSO: An account is considered opened no earlier than the date the consumer first may use to engage in transactions.

Covered fees include fees (Comment [1026.52\(a\)\(2\)-1](#)):

- a. For the issuance or availability of credit, including any fees based on account activity or inactivity;
- b. For insurance, debt cancellation or debt suspension coverage, if the terms of the account require insurance or debt cancellation or suspension coverage the terms of the account;
- c. The consumer is required to pay to engage in transactions using the account, such as:
 - i. Cash advance fees;
 - ii. Balance transfer fees;
 - iii. Foreign transaction fees; and
 - iv. Fees for using the account for purchases.
- d. Fees the consumer is required to pay for violating the terms of the account, except to the extent they are specifically excluded (see below);
- e. Fixed finance charges; and
- f. Minimum charges the issuer imposes if a charge would otherwise have been determined by applying a periodic interest rate to a balance except for the fact that such charge is smaller than the minimum.

NOTE: § [1026.52\(a\)](#) does not authorize the imposition or payment of fees or charges otherwise prohibited by law. (§ [1026.52\(a\)\(3\)](#))

2. Fees not covered by this limitation include: (§ [1026.52\(a\)\(2\)\(i\)](#))
 - a. Late payment fees, over-the-limit fees, and returned-payment fees; or
 - b. Fees that the consumer is not required to pay with respect to the account, such as:

- i. An expedited payment fee;
 - ii. Fees for optional services like travel insurance;
 - iii. Fees for reissuing a lost or stolen card; or
 - iv. Statement reproduction fees.
3. Review penetration rates of various optional services to determine if they are truly optional and therefore not covered by the 25 percent limitation.
4. Ensure that the card issuer does not impose a fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan unless the dollar amount of the fee is consistent with §§ [1026.52\(b\)\(1\)](#) and [\(b\)\(2\)](#). (§[1026.52\(b\)](#))
5. Determine that a card issuer imposes a fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan only if the dollar amount of the fee is consistent with either § [1026.52\(b\)\(1\)\(i\)](#) or § [1026.52\(b\)\(1\)\(ii\)](#). (§ [1026.52\(b\)\(1\)](#))
6. *Cost determination.* A card issuer may impose a fee for a particular violation (e.g., late payment) if the card issuer has determined that the fee represents a reasonable proportion of the total costs the issuer incurs as a result of that type of violation. If a card issuer is relying on a cost determination instead of the safe harbors (see below), review (§ [1026.52\(b\)\(1\)\(i\)](#)):
 - a. The number of violations of a particular type the card issuer experiences during a prior period of reasonable length (e.g., a 12-month period).
 - b. The costs the card issuer incurs during that period as a result of those violations. Losses and associated costs (including the cost of holding reserves against potential losses and the cost of funding delinquent accounts) must be excluded from this analysis.
 - c. If the card issuer used when making its determination:
 - i. The number of fees the card issuer imposed as a result of the type of violation during the period that the issuer reasonably estimates it will be unable to collect.
 - ii. Reasonable estimates for an upcoming period of changes in the number of violations of the relevant type, the resulting costs, and the number of fees that the card issuer will be unable to collect.
 - d. If applicable, whether the card issuer has reevaluated the items in 1-3 above at least once during the prior 12 months. If as a result of the reevaluation the card issuer determines that a lower fee represents a reasonable proportion of the total costs the card issuer incurred as a result of that type of violation, determine that the card issuer begins imposing the lower fee within 45 days after completing the reevaluation.

NOTE: If as a result of the reevaluation the card issuer determines that a higher fee represents a reasonable proportion of the total costs the card issuer incurred as a result of that type of violation, the card issuer may begin imposing the higher fee after complying with the notice requirements in § [1026.9](#). (§ [1026.52\(b\)\(1\)\(i\)](#))

7. *Safe harbors.* A card issuer may impose a fee for violating the terms or other requirements of the account if the dollar amount of the fee does not exceed, as applicable (§§ [1026.52\(b\)\(1\)\(ii\)\(A\)-\(C\)](#)):
- a. \$28.00,
 - b. \$39.00 if the card issuer previously imposed a fee under § [1026.52\(b\)\(1\)\(ii\)\(A\)](#) for a violation of the same type that occurred during the same billing cycle or one of the next six billing cycles or
 - c. Three percent of the delinquent balance on a charge card account that requires payment of outstanding balances in full at the end of each billing cycle if the card issuer has not received the required payment for two or more consecutive billing cycles.

NOTE: The dollar amounts in a and b above may be adjusted annually by the CFPB to the extent that changes in the Consumer Price Index warrant an increase or decrease of a whole dollar. The amounts were increased to \$28 and \$39, respectively, effective January 1, 2019, as reflected here. Further adjustments may be made in subsequent years

8. Determine that the card issuer does not impose a fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan that exceeds the dollar amount associated with the violation. (§ [1026.52\(b\)\(2\)\(i\)\(A\)](#))
9. Determine that a card issuer does not impose a fee for violating the terms or other requirements of a credit card account under an open end (not home-secured) consumer credit plan when there is no dollar amount associated with the violation. For purposes of § [1026.52\(b\)\(2\)\(i\)](#), there is no dollar amount associated with the following violations (§ [1026.52\(b\)\(2\)\(i\)\(B\)](#)):
- a. Transactions that the card issuer declines to authorize;
 - b. Account inactivity; and
 - c. The closure or termination of an account.
10. Determine that the card issuer does not impose more than one fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan based on a single event or transaction. (§ [1026.52\(b\)\(2\)\(ii\)](#))

Allocation of Payments

1. Determine whether, when a consumer makes a payment in excess of the required minimum periodic payment, the card issuer allocates the excess amount:
 - a. First to the balance with the highest APR, and
 - b. Any remaining portion to the other balances in descending order based on the applicable APR.

2. For balances on a credit card account subject to a deferred interest or similar program, determine whether the card issuer allocated any amount the consumer paid in excess of the required minimum periodic payment:
 - a. Consistent with the general requirement discussed in (a) above, except that, during the two billing cycles immediately preceding expiration of the deferred interest period, the issuer must allocate the excess amount first to the balance subject to the deferred interest or similar program and any remaining portion allocated to any other balances consistent with § [1026.53\(a\)](#) (§ [1026.53\(b\)\(1\)\(i\)](#)), or
 - b. In the manner the consumer requests (§ [1026.53\(b\)\(1\)\(ii\)](#)).
3. When a balance on a credit card account is secured, the card issuer may at its option allocate any amount the consumer paid in excess of the required minimum periodic payment to that balance if the consumer requests. (§ [1026.53\(b\)\(2\)](#))

Loss of a Grace Period

1. Determine whether the card issuer imposed finance charges as a result of the loss of a grace period on a credit card account under an open-end (not home-secured) consumer credit plan based on:
 - a. Balances for days in billing cycles that precede the most recent billing cycle, a prohibited practice; or
 - b. Any portion of a balance subject to a grace period that was repaid before the expiration of the grace period. (§ [1026.54](#)).
2. With respect to the prohibition in a.2 above, issuers are not required to follow any specific methodology, but an issuer is in compliance if it applies the consumer's payment to the balance subject to the grace period and calculates interest charges on the amount of the balance that remains unpaid. (Comment [1026.54\(a\)\(1\)-5](#))

Exceptions: This rule does not apply to adjustments to the finance charge as a result of:

- a. The resolution of a dispute under § [1026.12](#), unauthorized use, or § [1026.13](#), billing error; or
- b. The return of a payment.

Limitations on Increasing Annual Percentage Rates, Fees, and Charges

1. With respect to a credit card account under an open-end (not home-secured) consumer credit plan, determine that the card issuer did not increase an APR or fee or charge required to be disclosed under §§ [1026.6\(b\)\(2\)\(ii\)](#) ([fee for issuance or availability \(e.g., an annual fee\)](#)), [\(b\)\(2\)\(iii\)](#) ([fixed finance charge or minimum interest charge](#)), or [\(b\)\(2\)\(xii\)](#) ([fee for required insurance, debt cancellation, or debt suspension coverage](#)),

unless as permitted by one of the six exceptions:

- a. Temporary rate, fee, or charge exception;
 - b. Variable rate exception;
 - c. Advance notice exception;
 - d. Delinquency exception;
 - e. Workout and temporary hardship arrangement; and
 - f. Servicemembers Civil Relief Act exception (§§ [1026.55\(a\)-\(b\)](#)).
2. To assess whether the temporary rate, fee, or charge exception applies (§ [1026.55\(b\)\(1\)](#)), determine whether:
- a. The card issuer increased the APR, fee, or charge upon the expiration of a specified period of six months or longer and
 - b. Before the commencement of that period, the card issuer disclosed in writing to the consumer, in a clear and conspicuous manner, the length of the period and the APR, fee, or charge that would apply after expiration of the period.
3. If the temporary rate exception applies, determine that the card issuer:
- a. Did not apply an APR, fee, or charge to transactions that occurred before the period that exceeds the APR, fee, or charge that applied to those transactions before the period;
 - b. Provided the required notice, but did not apply an APR, fee, or charge (to transactions that occurred within 14 days after provision of the notice) that exceeds the APR, fee, or charge that applied to that category of transactions before provision of the notice; and
 - c. Did not apply an annual percentage rate to transactions that occurred during the period that exceeds the increased APR, fee, or charge.
4. If the variable rate exception applies (§ [1026.55\(b\)\(2\)](#)), determine that the card issuer did not increase an APR unless:
- a. The increase in the APR is due to an increase in the index; and
 - b. The annual percentage rate varies according to an index that is not under the card issuer's control and is available to the general public.

NOTE: For purposes of qualifying under this exception, an index is considered under the card issuer's control if the card issuer applies a minimum rate or floor below which the rate cannot decrease. However, because there is no disadvantage to consumers, issuers are not prevented from setting a maximum rate or ceiling. (Comment [1026.55\(b\)\(2\) – 2\(ii\)](#))

5. If the advance notice exception applies (§ [1026.55\(b\)\(3\)](#)), determine that the card issuer:
- a. Did not apply that increased APR, fee, or charge to transactions that occurred before provision of the notice;
 - b. Did not apply the increased APR, fee, or charge to transactions that occurred

- before or within 14 days after provision of the notice; and
- c. Did not increase the APR, fee, or charge during the first year after the account is opened.
6. If the delinquency exception applies (§ [1026.55\(b\)\(4\)](#)), determine that the card issuer:
 - a. Disclosed in a clear and conspicuous manner in the required notice a statement of the reason for the increase, and
 - b. Will cease the increase if the card issuer receives six consecutive required minimum periodic payments on or before the payment due date, beginning with the first payment due following the effective date of the increase.
 7. If the delinquency exception applies and the card issuer received six consecutive required minimum periodic payments on or before the payment due date beginning with the first payment due following the effective date of the increase, determine that the card issuer reduces any APR, fee, or charge (increased pursuant to the delinquency exception) to the original APR, fee, or charge that applied before the increase with respect to transactions that occurred before or within 14 days after provision of the required notice.
 8. If the workout and temporary hardship arrangement exception applies (§ [1026.55\(b\)\(5\)](#)), determine that:
 - a. Before commencement of the arrangement (except as provided in § [1026.9\(c\)\(2\)\(v\)\(D\)](#)) the card issuer provided the consumer with a clear and conspicuous written disclosure of the terms of the arrangement (including any increases due to the completion or failure of the arrangement); and
 - b. Upon the completion or failure of the arrangement, the card issuer did not apply to any transactions that occurred before commencement of the arrangement an APR, fee, or charge that exceeds the APR, fee, or charge that applied to those transactions before commencement of the arrangement.
 9. If the Servicemembers Civil Relief Act exception applies (§ [1026.55\(b\)\(6\)](#)), determine that the card issuer increased the APR, fee, or charge only after [50 U.S.C. 3937](#) or a similar federal or state statute or regulation no longer applied. Further, determine that the issuer did not apply to any transactions that occurred before the decrease an APR, fee, or charge that exceeded the APR, fee, or charge that applied to those transactions before the decrease.
 10. For protected balances (§ [1026.55\(c\)](#)), determine that the card issuer did not require repayment using a method that is less beneficial to the consumer than one of the following methods:
 - a. The method of repayment for the account before the effective date of the increase;
 - b. An amortization period of not less than five years, beginning no earlier than the effective date of the increase; or
 - c. A required minimum periodic payment that includes a percentage of the balance

that is equal to no more than twice the percentage required before the effective date of the increase.

11. If a card issuer promotes the waiver or rebate of finance charges due to a periodic interest rate or fees or charges (§§ [1026.6\(b\)\(2\)\(ii\)](#), [\(b\)\(2\)\(iii\)](#), or [\(b\)\(2\)\(xii\)](#)) and applies the waiver or rebate to a credit card account under an open-end (not home-secured) consumer credit plan, any cessation of the waiver or rebate on that account constitutes an increase in an annual percentage rate, fee, or charge for purposes of § [1026.55](#).

Requirements for Over-the-Limit Transactions

1. **Joint Relationships.** Determine that, if two or more consumers are jointly liable on a credit card account under an open-end (not home-secured) consumer credit plan, the card issuer treats the affirmative consent of any of the joint consumers as affirmative consent for that account. Similarly, determine that the card issuer treats a revocation of consent by any of the joint consumers as revocation of consent for that account. (§ [1026.56\(f\)](#))
2. Notwithstanding a consumer's affirmative consent to a card issuer's payment of over-the-limit transactions, determine that the card issuer does not (§ [1026.56\(j\)](#)):
 - a. Impose more than one over-the-limit fee or charge on a consumer's credit card account per billing cycle, and, in any event, only if the credit limit was exceeded during the billing cycle. In addition, the card issuer may not impose an over-the-limit fee or charge on the consumer's credit card account for more than three billing cycles for the same over-the-limit transaction where the consumer has not reduced the account balance below the credit limit by the payment due date for either of the last two billing cycles.

NOTE: There is an exception to the latter prohibition if another over-the-limit transaction occurred in the last two billing cycles.

- b. Impose an over-the-limit fee or charge solely because of the card issuer's failure to promptly replenish the consumer's available credit following the crediting of the consumer's payment following the crediting of the consumer's payment under § [1026.10](#).
- c. Condition the amount of a consumer's credit limit on the consumer affirmatively consenting to the card issuer's payment of over-the-limit transactions if the card issuer assesses a fee or charge for such service.
- d. Impose an over-the-limit fee or charge for a billing cycle if a consumer exceeds a credit limit solely because of fees or interest the card issuer charged (defined as charges imposed as part of the plan under § [1026.6\(b\)\(3\)](#)) to the consumer's account during that billing cycle.

Reevaluation of Rate Increases

1. If a card issuer increases an APR that applies to a credit card account under an open-end (not home-secured) consumer credit plan, based on the credit risk of the consumer, market conditions, or other factors, or increased such a rate on or after January 1, 2009, and 45 days' advance notice of the rate increase is required under §§ [1026.9\(c\)\(2\)](#) or [\(g\)](#), determine that the card issuer (§ [1026.59\(a\)\(1\)](#)):
 - a. Evaluates the factors described in § [1026.59\(d\)](#); and
 - b. Based on its review of such factors, reduces the APR applicable to the consumer's account, as appropriate.
2. If a card issuer is required to reduce the rate applicable to an account under § [1026.59\(a\)\(1\)](#), determine that the card issuer reduces the rate not later than 45 days after completion of the evaluation described in § [1026.59\(a\)\(1\)](#). (§ [1026.59\(a\)\(2\)\(i\)](#))

NOTE: Any reduction in an APR required under § [1026.59\(a\)\(1\)](#) shall apply to (§ [1026.59\(a\)\(2\)\(ii\)](#)):

- a. Any outstanding balances to which the increased rate described in § [1026.59\(a\)\(1\)](#) has been applied; and
 - b. New transactions that occur after the effective date of the rate reduction that would otherwise have been subject to the increased rate.
3. Determine that the card issuer has reasonable written policies and procedures in place to conduct the review described in section [1026.59\(a\)](#). (§[1026.59\(b\)](#))
4. Determine that a card issuer that is subject to § [1026.59\(a\)](#) conducts the review described in § [1026.59\(a\)\(1\)](#) at least once every six months after the rate increase. (§[1026.59\(c\)](#))
5. Except as provided in § [1026.59\(d\)\(2\)](#), determine that the card issuer reviews either (§ [1026.59\(d\)\(1\)](#)):
 - a. The factors on which the increase in an APR was originally based; or
 - b. The factors that the card issuer currently considers when determining the APRs applicable to similar new credit card accounts under an open-end (not home-secured) consumer credit plan.
6. For rate increases imposed between January 1, 2009 and February 21, 2010, determine that an issuer considered the factors described in § [1026.59\(d\)\(1\)\(ii\)](#) when conducting the first two reviews required under § [1026.59\(a\)](#), unless the rate increase subject to § [1026.59\(a\)](#) was based solely upon factors specific to the consumer, such as a decline in the consumer's credit risk, the consumer's delinquency or default, or a violation of the terms of the account. (§ [1026.59\(d\)\(2\)](#))
7. If an issuer increases a rate applicable to a consumer's account under § [1026.55\(b\)\(4\)](#) based on the card issuer not receiving the consumer's required minimum periodic

payment within 60 days after the due date, note that the issuer is not required to perform the review described in § [1026.59\(a\)](#) before the sixth payment due date after the effective date of the increase. However, if the APR applicable to the consumer's account is not reduced according to § [1026.55\(b\)\(4\)\(ii\)](#), determine that the card issuer performs the review described in § [1026.59\(a\)](#). Determine that the first such review occurs no later than six months after the sixth payment due following the effective date of the rate increase. (§ [1026.59\(e\)](#))

8. The obligation to review factors described in §§ [1026.59\(a\)](#) and [\(d\)](#) ceases to apply (§ [1026.59\(f\)](#)):
 - a. If the issuer reduces the APR applicable to a credit card account under an open-end (not home-secured) consumer credit plan to the rate applicable immediately before the increase, or, if the rate applicable immediately before the increase was a variable rate, to a variable rate determined by the same formula (index and margin) that the issuer used to calculate the rate applicable immediately before the increase; or
 - b. If the issuer reduces the APR to a rate that is lower than the rate described in § [1026.59\(f\)\(1\)](#) of this section.
9. Except as provided in § [1026.59\(g\)\(2\)](#), § [1026.59](#) applies to credit card accounts that have been the card issuer acquired from another card issuer. (§ [1026.59\(g\)](#))
10. Determine that a card issuer that complies with this section by reviewing the factors described in § [1026.59\(d\)\(1\)\(i\)](#) reviews the factors the card issuer from which it acquired the accounts considered in connection with the rate increase. (§ [1026.59\(g\)\(1\)](#))
11. If, not later than six months after the acquisition of such accounts, a card issuer reviews all of the credit card accounts it acquires according to the factors that it currently considers in determining the rates applicable to its similar new credit card accounts (§ [1026.59\(g\)\(2\)](#)):
 - a. Except as provided in § [1026.59\(g\)\(2\)\(iii\)](#), determine that the card issuer conducts reviews described in § [1026.59\(a\)](#) for rate increases that it imposes as a result of its review under this paragraph.
 - b. Except as provided in § [1026.59\(g\)\(2\)\(iii\)](#), note that the card issuer is not required to conduct reviews according to § [1026.59\(a\)](#) for any rate increases made before the card issuer's acquisition of such accounts.
 - c. Note that if as a result of the card issuer's review, an account is subject to, or continues to be subject to, an increased rate as a penalty, or due to the consumer's delinquency or default, the requirements of § [1026.59\(a\)](#) apply.

Servicemembers Civil Relief Act exception: Note that the requirements of § [1026.59](#) do not apply to increases in an APR that was previously decreased under the Servicemembers Civil Relief Act ([50 U.S.C. app. 527](#)), if such a rate increase is made according to § [1026.55\(b\)\(6\)](#). (§[1026.59\(h\)\(1\)](#))

Charged off accounts exception: Note that the requirements of § [1026.59](#) do not apply to accounts that the card issuer has charged off according to loan-loss provisions. (§ [1026.59\(h\)\(2\)](#))

NOTE: [Appendix G to part 1026](#) is amended by revising Forms G-10(B), G-10(C), G-10(E), G-17(B), G-17(C), G-18(B), G-18(D), G-18(F), G-18(G), G-20, G-21, G-22, G-25(A), and G-25(B).

Administrative Enforcement

If there is non-compliance involving understated finance charges or understated APRs subject to reimbursement under TILA Section 108:

- a. Determine the date of the preceding examination.
- b. If the non-compliance involves indirect (third-party paper) disclosure errors and affected consumers have not been reimbursed.
- c. Prepare comments, discussing the need for improved internal controls to be included in the report of examination.
- d. Notify your supervisor for follow up with the regulator that has primary responsibility for the original credit union.
- e. If the non-compliance involves direct credit:
 - i. Make an initial determination whether the violation is a pattern or practice.
 - ii. Calculate the reimbursement for the loans or accounts in an expanded sample of the identified population.
 - iii. Estimate the total impact on the population based on the expanded sample.
 - iv. Inform management that reimbursement may be necessary TILA Section 108, and discuss all substantive facts including the sample loans and calculations.
 - v. Inform management of the credit union's options under section 130 of the TILA for avoiding civil liability and of its option under Section 108 (e)(6) of TILA for avoiding a regulatory agency's order to reimburse affected members.

HIGH-COST MORTGAGE (Section [1026.32](#)) WORKSHEET

Borrower's Name

Loan Number:

COVERAGE		
	Yes	No
Is the transaction secured by the consumer's principal dwelling? (§ 1026.2(a)(19) , § 1026.32(a)(1))		
If the answer is No, STOP HERE. The transaction is not a high-cost mortgage.		
Is the transaction:		
1. A reverse mortgage transaction (§ 1026.32(a)(2)(i)) 2. A transaction to finance the initial construction of a dwelling (§ 1026.32(a)(2)(ii)) 3. A transaction originated and financed by a Housing Finance Agency (§ 1026.32(a)(2)(iii)) 4. A transaction originated under the USDA's rural development section 502 direct loan program (§ 1026.32(a)(2)(iv))		
If the answer is Yes to Box 1, 2, 3 or 4, STOP HERE. If No, continue to Test 1, APR.		

TEST 1 – APR		
<p>A. Determine the APR for testing high-cost mortgage coverage:</p> <ol style="list-style-type: none"> 1. For fixed-rate transactions, calculate the APR using the interest rate in effect on the date the interest rate for the transaction was set. 2. For transactions where the interest rate varies with an index, use the greater of the introductory interest rate (if any) or the fully-indexed rate (i.e., the interest rate that results from adding the maximum margin permitted at any time during the term of the transaction to the value of the index rate in effect on the date the interest rate for the transaction was set). 3. For transactions where the interest rate may or will vary other than in accordance with an index, such as in a step-rate loan, use the maximum rate that the applicant may pay during the term of the transaction. <p>(§ 1026.32(a)(3))</p>		
<p>B. Determine the Average Prime Offer Rate (APOR):</p> <p>Determine the APOR for a comparable transaction as of the last rate lock on the transaction. Determine the APOR for a HELOC by identifying the most closely comparable closed-end transaction. APOR tables are published at http://www.ffiec.gov/ratespread/aportables.htm. (§ 1026.32(a)(1)(i) and Comments 1026.32(a)(1)(i)-1 through -3)</p>		
<p>C. Add one of the following amounts to APOR (Box B), as applicable:</p> <ol style="list-style-type: none"> 1. 6.5 percentage points for most first-lien transactions; 2. 8.5 percentage points for first-lien transactions secured by personal property (e.g., manufactured housing titled as personal property, RVs, houseboats) where the loan amount is less than \$50,000; or 3. 8.5 percentage points for subordinate-lien transactions <p>(§ 1026.32(a)(1)(i)(A)-(C))</p>		
	Yes	No
D. Is Box A greater than Box C?		
If Yes, the transaction is a high-cost mortgage. If No, continue to Test 2, Points and Fees.		

HIGH-COST MORTGAGE (Section 1026.32) WORKSHEET

TEST 2 – POINTS AND FEES¹⁷

STEP 1: Identify all charges payable for the transaction and known at or before consummation or account opening.

A. Items included in the finance charge (§ [1026.4\(a\)](#) and [\(b\)](#)), except for the following:

- Interest, including per-diem interest, and time-price differential;
- All federal or state government-sponsored MIPs, e.g., up-front and annual FHA premiums, VA funding fees, and USDA guarantee fees;
- All monthly or annual PMI premiums;
- Up-front PMI premiums *if* the premiums are refundable on a prorated basis and the refund is automatically issued upon loan satisfaction. *However*, include any portion of the PMI premium that exceeds the up-front MIP for FHA loans;
- Bona fide third-party charges the credit union, loan originator, or an affiliate of either does not retain, unless specifically required to be included under Boxes A-H¹⁸; and
- Up to 1 or 2 bona fide discount points, if eligible.¹⁹

(§ [1026.32\(b\)\(1\)\(i\)](#) (closed-end); § [1026.32\(b\)\(2\)\(i\)](#) (open-end))

Finance Charge Items	Amount	Subtotals
Origination Charge/Points (unless excluded as bona fide)		
Mortgage Broker Fee		
Application Fee (if not charged to all applicants)		
Loan Administration Fee		
Rate-Lock Fee		

¹⁷ Test 2, Step 1, Boxes A-F and I (i.e., calculating points and fees for closed-end transactions) and Test 2, Step 2, Box A (i.e., calculating total loan amount for closed-end transactions) are the same tests used for the points and fees calculation for qualified mortgages.

¹⁸ Bona fide third-party charges not retained by credit union or loan originator, or an affiliate of either are excluded, unless these charges are included as PMI premiums, real estate-related fees, or credit-related insurance premiums. (§ [1026.32\(b\)\(1\)\(i\)\(D\)](#))

¹⁹ Discount points are bona fide if two conditions are met: 1) They must buy down the interest rate from the pre-discount rate, and 2) they must do so by an amount consistent with industry norms. The number of bona fide discount points that may be excluded depends on the pre-discount rate on the loan. Up to two bona fide discount points may be excluded if the interest rate before payment of those discount points did not exceed APOR by more than one percentage point. Up to one bona fide discount point may be excluded if the interest rate before payment of the discount point did not exceed APOR by more than two percentage points. (§§ [1026.32\(b\)\(1\)\(i\)\(E\)-\(F\)](#); [1026.32\(b\)\(3\)](#).)

Commitment Fee		
Underwriting Fee		
Loan-Level Price Adjustments (LLPAs) (if paid upfront)		
Non-Refundable Up-front PMI Premiums in Excess of Up-front MIP for FHA loans		
Other Fees Included in the Finance Charge		
Subtotal		
<p>B. Loan originator compensation – Include all compensation paid by a consumer or creditor directly or indirectly to a loan originator (§ 1026.36(a)(1)) that can be attributed to the transaction at the time the rate is set, but exclude:</p> <ul style="list-style-type: none"> - consumer payments to mortgage brokers that were counted under Box A; - compensation a creditor or mortgage broker paid to a loan originator employee; and - compensation a manufactured home retailer paid to its employee. <p>(§ 1026.32(b)(1)(ii) (closed-end); § 1026.32(b)(2)(ii) (open-end))</p>		
Subtotal		
<p>C. Certain non-finance charges under § 1026.4(c)(7) – Include fees <u>only</u> if the amount of the fee is unreasonable, or the credit union receives direct or indirect compensation from the charge, or the charge is paid to an affiliate of the credit union.</p> <p>(§ 1026.32(b)(1)(iii) (closed-end); § 1026.32(b)(2)(iii) (open-end))</p>		
Title Examination		
Title Insurance		
Property Survey		
Document Preparation Charge		
Notary and Credit Report		
Appraisal		
Fee for “Initial” Flood Hazard Determination		
Pest Inspection		
Any Other Fees Under § 1026.4(c)(7)		
Subtotal		

D. Premiums or other charges for optional or required insurance payable at or before consummation or account opening (§ 1026.32(b)(1)(iv) (closed-end); § 1026.32(b)(2)(iv) (open-end))		
Credit life		
Credit disability		
Credit unemployment		
Credit property		
Any other life, accident, health, loss-of-income insurance (if credit union is a beneficiary)		
Debt cancellation or suspension		
Subtotal		
E. Maximum prepayment penalty (§ 1026.32(b)(1)(v) (closed-end); § 1026.32(b)(2)(v) (open-end))		
Subtotal		
F. For a refinance transaction with the current holder, its servicer, or an affiliate of either, prepayment penalty paid for terminating prior transaction (§ 1026.32(b)(1)(vi) (closed-end); § 1026.32(b)(2)(vi) (open-end))		
Subtotal		
G. For open-end transactions, participation fees payable at or before account opening (§ 1026.32(b)(2)(vii))		
Subtotal		
H. For open-end transactions, per-transaction fee charged for drawing on credit line (assume at least one) (§ 1026.32(b)(2)(viii))		
Subtotal		
I. Total Points & Fees: Add Subtotals for A-F (Closed-End) or A-H (Open-End)		

TEST 2 – POINTS AND FEES (continued)	
STEP 2: Determine the Total Loan Amount (§ 1026.32(b)(4))	
A. Closed-End Transaction <ol style="list-style-type: none"> 1. Determine the Amount Financed (§ 1026.18(b)) <ul style="list-style-type: none"> o The full amount of principal repayable under the terms of the note or other loan contract o <u>Minus:</u> Prepaid finance charges (§ 1026.2(a)(23)) o <u>Equals:</u> Amount Financed 2. Deduct from the Amount Financed costs that are included in points and fees under Step 1, Boxes C, D, or F 3. Total Loan Amount (1 minus 2) 	
B. Open-End Transaction <ol style="list-style-type: none"> 1. Credit limit for the plan when the account is opened 	

TEST 2 – POINTS AND FEES (continued)		
STEP 3: Perform High-Cost Fee Calculation		
Determine which points and fees threshold applies according to the note amount (threshold cut-offs are adjusted annually for inflation) (§ 1026.32(a)(1)(ii)(A)-(B)) <i>(use the dollar amount corresponding to the year of origination or account opening)</i>		
Transactions for \$20,000 or more (2014)		
A. Calculate 5 percent of the total loan amount (Step 2, Box A (closed-end) or Box B (open-end))		
B. Total Points & Fees (Step 1, Box I)		
C. Does Box B exceed Box A?	Yes	No
Transactions for less than \$20,000 (2014)		
A. Calculate 8 percent of the total loan amount (Step 2, Box A (closed-end) or Box B (open-end))		
B. Annually adjusted dollar amount (§ 1026.32(a)(1)(ii)(B)) <i>2014: \$1,000 (use the dollar amount corresponding to the year of origination or account opening)</i>		
C. Total Points & Fees (Step 1, Box I)		
D. Does Box C exceed the lesser of Box A or Box B?	Yes	No
If Yes, the transaction is a high-cost mortgage. If No, continue to Test 3, Prepayment Penalty.		

TEST 3 – Prepayment Penalty		
STEP 1: Determine whether the transaction has a prepayment penalty (§ 1026.32(b)(6)(i)-(ii))	Yes	No
If No, STOP HERE, the transaction is not a high-cost mortgage. If Yes, continue to Step 2.		
STEP 2: Determine the amount and duration of any prepayment penalty²⁰		
A. Can prepayment penalties be imposed for longer than 36 months after consummation or account opening?		
B. Can prepayment penalties exceed two percent of the amount prepaid?		
If Yes, the transaction is a high-cost mortgage and is in violation of the prohibition against prepayment penalties for high-cost mortgages (§ 1026.32(d)(6)). If No, the transaction is not a high-cost mortgage.		

²⁰ If the credit union used an accounting method whereby it kept unearned interest charged for any period between payoff and the end of the month, this would be a prepayment penalty under the rule. In this case, the maximum prepayment penalty would be the maximum amount of interest that could be charged for the “phantom” (post-payoff) accrual period. For this purpose, the examiner would need to assume that the consumer makes the final payoff on the day of the month that yields the longest period of post-payoff interest that could be charged under the terms of the credit contract and is charged interest for the entire month, and that amount would be the maximum unearned interest prepayment penalty.

TRUTH IN LENDING ACT

(TILA)

CHECKLIST

	Yes	No	N/A
Closed-End Credit Advertising			
<p>1. Does the institution make all required disclosures clearly and conspicuously? (§ 1026.24(b))</p> <p><i>Note: Institutions may provide disclosures required by § 1026.24 to the consumer in electronic form without regard to consumer consent or other provisions of the E-Sign Act in the circumstances set forth in those sections. (§ 1026.17(a)(1))</i></p>			
2. If an advertisement for credit states specific credit terms, does it state only those terms that the credit union actually offers or will arrange or offer? (§ 1026.24(a))			
3. If the advertisement states a rate of finance charge, is it stated as an “annual percentage rate”? (§ 1026.24(c))			
4. Is the APR stated more conspicuously than (i) for dwelling-secured credit, the simple annual rate, or (ii) for non-dwelling-secured credit, the simple annual rate or periodic rate (if stated)? Does the advertisement refrain from stating any other rate? (§ 1026.24(c))			
5. If the APR is stated and may increase after consummation, does the advertisement state that fact? (§ 1026.24(c))			
<p>6. If the institutions used triggering terms (see § 1026.24(d)(1)), did the advertisement include, as applicable,</p> <p style="padding-left: 40px;">a. Amount or percentage of down payment? (§ 1026.24(d)(2)(i))</p> <p style="padding-left: 40px;">b. Repayment terms over the full term of the loan, including any balloon payment? (§ 1026.24(d)(2)(ii))</p> <p style="padding-left: 40px;">c. APR? (§ 1026.24(d)(2)(iii))</p> <p style="padding-left: 40px;">d. The fact that the APR may be increased after consummation, if applicable? (§ 1026.24(d)(2)(iii))</p>			
<p>7. If an advertisement for credit secured by a dwelling states a simple annual rate of interest and more than one simple annual rate of interest applies over the term of the advertised loan, does the advertisement disclose in a clear and conspicuous manner:</p> <p style="padding-left: 40px;">a. Each simple annual rate of interest that applies; for variable-rate transactions, are rates disclosed based on reasonably</p>			

	Yes	No	N/A
<p>current index and margin?</p> <p>b. Time period during which each simple annual rate of interest applies?</p> <p>c. APR for the loan; if the APR is variable, does the APR comply with accuracy standards in § 1026.17(c) and § 1026.22? (§ 1026.24(f)(2))</p>			
<p>8. If an advertisement for credit secured by a dwelling states the amount of any payment, does the advertisement disclose in a clear and conspicuous manner</p> <p>a. Amount of each payment that applies over the term of the loan, including any balloon payment; in variable-rate transactions, does the institution disclose payments based on a reasonably current index and margin?</p> <p>b. Period of time during which each payment applies?</p> <p>c. For first-lien loans, the fact that payments do not include amounts for taxes and insurance premiums, if applicable, and that actual payment obligation will be greater? (§ 1026.24(f)(3))</p> <p><i>Note: Steps 7 and 8 do not apply to an envelope in which an application or solicitation is mailed, or to a banner advertisement or pop-up advertisement linked to an application or solicitation provided electronically. (§ 1026.24(f)(4))</i></p> <p><i>Also, steps 7 and 8 do not apply to television and radio advertising; (§ 1026.23(g))</i></p>			
<p>9. If an advertisement distributed in paper form or through the Internet is for a loan secured by the consumer's principal dwelling, and the advertisement states that the advertised extension of credit may exceed the dwelling's fair market value, does the advertisement clearly and conspicuously state that</p> <p>a. The interest on the portion of the credit extension that is greater than the dwelling's fair market value is not tax deductible for federal income tax purposes? (§ 1026.24(h)(1))</p> <p>b. The consumer must consult a tax adviser for further information regarding the deductibility of interest and charges? (§ 1026.24(h)(2))</p>			
<p>10. Are advertisements for credit secured by a dwelling void of misleading statements, including:</p>			

	Yes	No	N/A
<p>a. Misleading advertising of “fixed” rates and payments? (§ 1026.24(i)(1))</p> <p>b. Misleading comparisons in advertisements? (§ 1026.24(i)(2))</p> <p>c. Misrepresentations about government endorsements? (§ 1026.24(i)(3))</p> <p>d. Misleading use of the current lender’s name? (§ 1026.24(i)(4))</p> <p>e. Misleading claims of debt elimination? (§ 1026.24(i)(5))</p> <p>f. Misleading use of the term “counselor”? (§ 1026.24(i)(6))</p> <p>g. Misleading foreign-language advertisements? (§ 1026.24(i)(7))</p>			
Open-End/Home Equity Line of Credit Advertising			
11. If credit terms are specific, are terms stated that the credit union actually offers or will arrange or offer? (§ 1026.16(a))			
<p>12. If the institution used triggering terms on any open-end plan advertisement (§ 1026.6(b)), did the advertisement also clearly and conspicuously include</p> <p>a. Any minimum, fixed, transaction, activity, or similar fee that is a finance charge that could be imposed? (§ 1026.16(b)(1)(i))</p> <p>b. Any periodic rates stated as an APR? (§ 1026.16(b)(1)(ii))</p> <p>c. The fact that the plan provides for a variable periodic rate, if applicable? (§ 1026.16(b)(1)(ii))</p> <p>d. Any membership or participation fee that could be imposed? (§ 1026.16(b)(1)(iii))</p> <p><i>Note: Credit unions may provide the disclosures required by §§ 1026.60, 1026.40, and 1026.16 to consumers in electronic form without regard to consumer consent or other provisions of the E-Sign Act in the circumstances set forth in those sections. (§ 1026.5(a)(iii))</i></p> <p><i>Also, there are alternative disclosure requirements allowed for radio and television advertisements. (§ 1026.16(e))</i></p>			
13. If an advertisement refers to an APR as fixed (or similar term), does the advertisement also specify a time period for which the rate will be fixed and not increase; or if the institution does not provide such time period, will the rate not increase while the plan is open?			

	Yes	No	N/A
(§ 1026.16(f))			
14. For open-end (not home-secured) plans, for any APR or fee that is an introductory rate or fee, is the term “introductory” or “intro” in immediate proximity to each listing of the introductory rate or fee? (§ 1026.16(g)(3))			
15. For open-end (not home-secured) plans, does the institution make the required disclosures for any promotional rate under § 1026.16(g)(2)(i) or any promotional fee under § 1026.16(g)(2)(iv) in a clear and conspicuous manner; and if the rate or fee is stated in a written or electronic advertisement, in a prominent location closely proximate to the first listing of the promotional rate or fee? (§ 1026.16(g)(4))			
16. For open-end (not home-secured) plans, do the disclosures for any promotional APR or promotional fee include, in a clear and conspicuous manner, when the promotional rate or promotional fee will end and what APR or fee will apply after the end of the promotional period? (§§ 1026.16(g)(4)(i), (ii), and (iii))			
17. If a deferred interest offer is advertised for an open-end credit plan not subject to § 1026.40 , is the deferred interest period stated in a clear and conspicuous manner in the advertisement? (§ 1026.16(h)(3))			
18. If any deferred interest offer is advertised for an open-end credit plan not subject to § 1026.40, are the language requirements of §§ 1026.16(h)(4)(i) and 1026.16(h)(4)(ii) stated in the advertisement and are they similar to Sample G-24 in Appendix G ? If the deferred interest offer is included in a written or electronic advertisement, does the institution state this information in a prominent location closely proximate to the first statement of “no interest,” “no payments,” “deferred interest,” “same as cash,” or similar term regarding interest or payments during the deferred interest period? (§ 1026.16(h)(4))			
19. Does the credit union refrain from offering a college student any tangible item to induce such student to apply for, or open, an open-end consumer credit plan if such offer is made on or near the campus of an institution of higher education, or at an event sponsored by or related to an institution of higher education? (§ 1026.57(c))			
Additional Requirements for Home Equity Lines of Credit			
20. If an institution used triggering terms (§ 1026.16(b)), or the payment terms were set forth for a HELOC, did the advertisement also include, clearly and conspicuously: <ul style="list-style-type: none"> a. Any loan fee that is a percentage of the credit limit? (§ 1026.16(d)(1)(i)) b. Aan estimate of any other fees for opening the plan 			

	Yes	No	N/A
<p>stated as a single dollar amount or reasonable range? (§ 1026.16(d)(1)(i))</p> <p>c. Any periodic rate stated as an APR? (§ 1026.16(d)(1)(ii))</p> <p>d. The highest APR that may be imposed for a variable-rate plan? (§ 1026.16(d)(1)(iii))</p> <p><i>Note: There are alternative disclosures allowed for radio and television advertising. (§ 1026.16(e))</i></p>			
Open-End/Home Equity Line of Credit Advertising			
21. For HELOCs, if a discounted or premium rate plan, does the advertisement state how long the initial APR will be in effect and provide a reasonably current, fully indexed APR with equal prominence and in close proximity to the initial rate? (§ 1026.16(d)(2))			
22. For HELOCs, if an institution discloses a minimum periodic payment, does the advertisement disclose, if applicable, and with equal prominence and in close proximity to the minimum periodic payment statement, the fact that a balloon payment may or will result and the amount and timing of the balloon payment if the consumer makes only minimum payments for the maximum permissible period? (§ 1026.16(d)(3))			
23. For HELOCs, if there is a reference to tax deductibility, does the reference refrain from misleading language? (§ 1026.16(d)(4))			
24. If an advertisement distributed in paper form or through the Internet is for a home-equity plan secured by the consumer's principal dwelling, and the advertisement states that the advertised extension of credit may exceed the fair market value of the dwelling, does the advertisement clearly and conspicuously state: <p>a. The interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for federal income tax purposes? (§ 1026.16(d)(4)(i))</p> <p>b. The consumer must consult a tax adviser for further information regarding the deductibility of interest and charges? (§ 1026.16(d)(4)(ii))</p>			
25. Does the advertisement refrain from misleading terms, such as referring to the HELOC as "free money"? (§ 1026.16(d)(5))			
26. For HELOCs, does the institution make the required disclosures for promotional APRs and payments and are they clear and conspicuous and with equal prominence and close proximity to each listing of the promotional rate or payment?			

	Yes	No	N/A
(§ 1026.16(d)(6)(ii))			
27. For HELOCs, do the promotional disclosures include, in a clear and conspicuous manner, the period of time during which the promotional rate or promotional payment will apply? (§ 1026.16(d)(6)(ii)(A))			
28. For HELOCs, do the promotional rate disclosures include, in a clear and conspicuous manner, any APR that will apply under the plan? And, if such rate is variable, does the advertisement disclose the APR according to the accuracy standards in §§ 1026.40 or 1026.16(b)(1)(ii) , as applicable? (§ 1026.16(d)(6)(ii)(B))			
29. For HELOCs, does the advertisement disclose the amounts and time period of any promotional payments that will apply under the plan in a clear and conspicuous manner? In variable-rate transactions, does the advertisement disclose the payments that will be determined based on application of an index and margin based on a reasonably current index and margin? (§ 1026.16(d)(6)(ii)(C))			
30. For television and radio advertisements stating any of the terms requiring additional disclosures under §§ 1026.16(b)(1) or 1026.16(d)(1) , did the advertisement either (a) comply as required by §§ 1026.16(b)(1) or (d)(1) ; or (b) state the information required by §§ 1026.16(b)(1)(ii) or (d)(1)(ii) , as applicable and list a toll-free telephone number or any telephone number that allows a consumer to reverse the phone charges when calling for information, along with a reference that such number may be used by consumers to obtain the additional cost information? (§ 1026.16(e))			
Closed-End Credit Disclosure Forms – For transactions under §§ 1026.19(e) and (f)			
31. For a closed-end credit transaction subject to §§ 1026.19(e) and (f) (real property or a cooperative unit), does the credit union provide disclosures required under § 1026.37 (Loan Estimate) and § 1026.38 (Closing Disclosure)? (§§ 1026.19(e) and 1026.19(f)) <ul style="list-style-type: none"> a. For loans subject to § 1026.19(e), does the credit union provide the good faith disclosures in the form required by 1026.37 and conforming to the Loan Estimate in Appendix H? (§§ 1026.19(e), 1026.37(o)) b. For loans subject to § 1026.19(f), does the credit union provide the Closing Disclosure in the form required by § 1026.38 and conforming to the Closing Disclosure in Appendix H? (§§ 1026.19(f), 1027.38(t)) <p><i>NOTE: Use of the Loan Estimate and Closing Disclosure is mandatory for RESPA- covered transactions other than reverse mortgages. § 1024.5(d)(2), cross-referenced to § 1026.3(h), contains a partial RESPA exemption for certain mortgage loans, generally those associated with certain housing assistance loans for low- and moderate-income consumers. Though exempt from the § 1026.19 requirements, disclosures prescribed by § 1026.18 are required. For these</i></p>			

	Yes	No	N/A
<i>transactions, the Loan Estimate and Closing Disclosure may be considered a model form.</i>			
Loan Estimate § 1026.37(a) (Page 1 of the Loan Estimate)			
<p>32. Do the disclosures required for the Loan Estimate include the following: (§ 1026.37(a)(2)):</p> <ul style="list-style-type: none"> a. The statement, “Save this Loan Estimate to compare with your Closing Disclosure”? (§ 1026.37(a)(2)) b. Name and address of credit union? (§ 1026.37(a)(3)) c. Date Issued? (§ 1026.37(a)(4)) d. Applicants? (§ 1026.37(a)(5)) e. Property - The property address, including zip code? (§ 1026.37(a)(6)); f. The Contract Sale Price (if there is a seller) or the Estimated Property Value (if there is no seller), as defined by § 1026.37(a)(6)? (§ 1026.37(a)(7)) g. Loan Term - Stated in years, months, or both, as applicable? (§ 1026.37(a)(8)) h. Purpose - Loan purpose, categorized as “Purchase,” “Refinance,” or “Construction.” All other loan purposes must be categorized as “Home Equity Loan”? (§ 1026.37(a)(9)) i. Product? Product type, including the type of interest rate categorized as – “Adjustable Rate,” “Step Rate,” or “Fixed Rate.” – This disclosure must be preceded by the type of feature that may change the consumer’s periodic payment, such as “Negative Amortization,” “Interest Only,” “Step Payment,” “Balloon Payment,” or “Seasonal Payment,” with the duration of any introductory rate or payment period and the first adjustment period if applicable (§ 1026.37(a)(10)) j. Loan Type - Categorized as “Conventional,” “FHA,” “VA,” or “Other”? (§ 1026.37(a)(11)) k. Loan ID #? (§ 1026.37(a)(12)) and l. Rate Lock? A statement of whether the disclosed interest rate is locked for a specific period. If so, the date and time (including time zone) that the lock will expire, along with an accompanying statement that the interest rate, any points and any lender credits may change unless the interest rate has been locked (§ 1026.37(a)(13)). 			
Loan Terms - § 1026.37(b) (Page 1 of the Loan Estimate)			
<p>33. Determine whether, a separate table under the heading “Loan Terms,” contains the following required disclosures : (§ 1026.37(b)):</p> <ul style="list-style-type: none"> a. Loan Amount? (§ 1026.37(b)(1)) b. Interest Rate? (§ 1026.37(b)(2)) 			

	Yes	No	N/A
<p>c. Principal and Interest? The initial periodic payment amount that will be due under the terms of the legal obligation and the applicable unit period (i.e., bi-weekly, monthly, yearly) preceeding the label “Principal and Interest” (§ 1026.37(b)(3))</p> <p>d. Prepayment Penalty? A statement of whether the loan contains a prepayment penalty, an affirmative or negative response to the question, the maximum amount of the prepayment penalty that may be imposed, and the date on which the penalty may no longer be applied. (§§ 1026.37(b)(4), 1026.37(b)(7)(i)) If the date is disclosed (for an affirmative response), determine whether it is disclosed as the year in which the event occurs, counting from the date of consummation? (§ 1026.37(b)(8)(iii))</p> <p>e. Balloon Payment? A statement of whether the loan contains a balloon payment, an affirmative or negative response to the question, the maximum amount of the balloon payment and the due date of such payment. (§§ 1026.37(b)(5), 1026.37(b)(7)(ii)) If the date is disclosed (for an affirmative response), determine whether it is disclosed as the year in which the event occurs, counting from the due date of the initial periodic payment (§ 1026.37(b)(8)(ii)) and</p> <p>f. Whether the loan amount, interest rate or monthly principal and interest can increase after closing (§ 1026.37(b)(6)), and if so, the information required by §§ 1026.37(b)(6)(i)-(iii) and 1026.37(b)(8)(i)-(ii)?</p>			
Projected Payments – § 1026.37(c) (Page 1 of the Loan Estimate)			
<p>34. Does the disclosure include the following under the Header “Projected Payments”: (see § 1026.37(c)):</p> <p>a. All required fields in the table are completed, follow the formatting and statement requirements, are accurate, and itemize the periodic payments or range of payments together with an itemized estimate of taxes, insurance, assessments, and payments to be made with escrow account funds? (§§ 1026.37(c)(1) – (5))</p> <p><i>NOTE: If accurate, a credit union can indicate that a portion of taxes, insurance and assessments will be paid with escrow account funds, such as by using the word “some.” (Comment 1026.37(c)(4)(iv)-2)</i></p> <p>b. Each separate periodic payment or range of payments itemized as follows (§ 1026.37(c)(2)):</p> <p>i. Principal and Interest - The amount payable for principal and interest labeled “Principal & Interest,” including the term “only interest” if</p>			

	Yes	No	N/A
<p>the payment or range of payments includes any interest only payment? (§ 1026.37(c)(2)(i))</p> <p>A. Adjustable Rate Loans - The maximum principal and interest payment determined by assuming that the interest rate in effect throughout the loan term is the maximum possible interest rate? The minimum amounts must be determined by assuming that the interest rate in effect throughout the loan term is the minimum possible interest rate (§ 1026.37(c)(2)(i)(A))</p> <p>B. Adjustable Rate and Negative Amortization Loans - The maximum principal and interest amounts (after the loan term period for which the loan principal balance may increase) determined by assuming the maximum principal amount permitted under the terms of the legal obligation at the end of the loan term period? The minimum amounts must be determined by assuming that the interest rate in effect throughout the loan term is the minimum possible interest rate (§ 1026.37(c)(2)(i)(B))</p> <p>ii. Mortgage Insurance. Is the maximum amount payable for mortgage insurance premiums corresponding to the principal and interest payment disclosed, labeled “Mortgage Insurance”? (§ 1026.37(c)(2)(ii))</p> <p>iii. Escrow. Does the amount payable into an escrow account to pay some or all of the charges described in § 1026.37(c)(4)(ii), labeled escrow, with a statement that the amount disclosed can increase over time (§ 1026.37(c)(2)(iii),?)</p> <p>iv. Total Monthly Payment - Is the total periodic payment, calculated as the sums disclosed as the “Principal & Interest,” “Mortgage Insurance,” and “Escrow,” labeled “Total Monthly Payment”? (§ 1026.37(c)(2)(iv))</p> <p>c. If the amount of a periodic monthly payment may change, did the credit union disclose the additional, separate periodic payments or range of payments have been disclosed? (§ 1026.37(c)(1)(i)) Events requiring</p>			

	Yes	No	N/A
<p>additional disclosure(s) include:</p> <ul style="list-style-type: none"> i. The change of the periodic principal and interest payment or range of such payments, ii. A scheduled balloon payment, iii. The automatic termination of mortgage insurance, or iv. The anniversary of the due date of the initial periodic payment or range of payments immediately following the occurrence of a change in the principal and interest payment or range of such payments <p>d. Has the credit union met the following in disclosing a range of payments (§ 1026.37(c)(1)(iii)):</p> <ul style="list-style-type: none"> i. The credit union has disclosed both the minimum and maximum amount for both the principal and interest payment and the total periodic payment? (§ 1026.37(c)(1)(iii)) ii. The credit union has accurately disclosed a range of payments where multiple events are combined into a single range of payments in order to meet the requirement that only four disclosures may be made? (§ 1026.37(c)(1)(iii)(A)) iii. The credit union has accurately disclosed a range of payments where multiple events occur during a single year or an event occurs during the same year as the initial periodic payment or range of payments? If the event occurs during the same year as the initial periodic payment or range of payments, the credit union disclosed the range that would apply during the year in which the events will occur? (§ 1026.37(c)(1)(iii)(B)) <p><i>NOTE: If multiple changes to periodic principal and interest payments would result in more than one separate periodic payment or range of payments in a single year, the credit union must combine the changes and disclose them as a single range of payments. (Comment 37(c)(1)(iii)(B)-1);</i></p> <ul style="list-style-type: none"> iv. The credit union has accurately disclosed a range of payments if the periodic principal and interest payment may adjust based on index rates at the time an interest rate adjustment may occur? (§ 1026.37(c)(1)(iii)(C)) <p>e. Has the credit union not disclosed more than four</p>			

	Yes	No	N/A
<p>separate periodic payments or ranges of payments? (§ 1026.37(c)(1)(ii))</p> <p>i. If additional separate periodic payments or range of payments disclosures are required after the third separate periodic payment or range of payment disclosure, and the transaction does not involve a balloon payment, has the credit union disclosed the additional separate periodic payment or range of payments as a single fourth range of payments disclosure? (§ 1026.37(c)(1)(ii))</p> <p>ii. If additional separate periodic payments or range of payments disclosures are required and the transaction involves a final balloon payment, has the credit union disclosed the additional separate periodic payment or range of payments as a single range of payments after the second separate periodic payment disclosure? Disclosure of the final balloon payment must appear as the final disclosure, under the heading “Final Payment.” (§§ 1026.37(c)(1)(ii)(A), 1026.37(c)(3)(iii)) and</p> <p>iii. Did the credit union disclose the automatic termination of mortgage insurance with an additional separate periodic payment or range of payments only if the total number of separate periodic payments or ranges of payments does not exceed three? (§ 1026.37(c)(1)(ii)(B))</p> <p>iv. Is each separate periodic payment or range of payments disclosed under a subheading stating the years of the loan during which that payment or range of payments will apply? The years must be disclosed in sequence of whole years from the due date of the initial periodic payment (1026.37(c)(3)(ii))</p> <p>f. Taxes, Insurance & Assessments. Has the credit union accurately disclosed: (§ 1026.37(c)(4))</p> <p>i. The sum of all mortgage related obligations, expressed as a monthly amount, even if no escrow account for the payment of some or any of such charges will be established, labeled “Taxes, Insurance & Assessments?” (§ 1026.37(c)(4)(i)-(ii))</p> <p>ii. A statement that the mortgage related obligations disclosed can increase over time</p>			

	Yes	No	N/A
<p><u>(§ 1026.37(c)(4)(iii))</u>? If estimates are used for property taxes and homeowner’s insurance, they must reflect <u>(§ 1026.37(c)(5))</u>:</p> <p>A. The taxable assessed value of the real property or cooperative unit securing the transaction after consummation, including the value of any improvements on the property or to be constructed on the property, if known. The disclosure must be made whether or not such construction will be financed from the proceeds of the transaction for property taxes <u>(§ 1026.37(c)(5)(i))</u>; and</p> <p>B. The replacement costs of the property during the initial year after the transaction for premiums or other charges for insurance against loss of or damage to property, or against liability arising out of the ownership or use of property <u>(§ 1026.37(c)(5)(ii))</u></p> <p>iii. A statement of whether the mortgage related obligations include payments for property taxes; premiums or other charges for insurance against loss of or damage to property, or against liability arising out of the ownership or use of property; or as otherwise identified by <u>§ 1026.43(b)(8)</u>? The credit union must disclose whether the amounts will be paid by the credit union using escrow account funds. <u>(§ 1026.37(c)(4)(iv))</u></p> <p><i>NOTE: If only a portion of such amounts are to be paid with escrow account funds, a credit union may so indicate, such as by using the word “some”. (Comment 1026.37(c)(4)(iv)-2);</i></p> <p>iv. A statement that the consumer must pay separately any mortgage related obligations that are not paid by the credit union using escrow account funds? <u>(§ 1026.37(c)(4)(v))</u></p> <p>v. A reference to the escrow account information contained on page 2 of the Loan Estimate, captioned “Initial Escrow Payment at Closing”? <u>(§ 1026.37(c)(4)(vi))</u></p>			
Costs at Closing – § 1026.37(d) (Page 1 of the Loan Estimate)			
35. Costs at Closing. Under the heading “Costs at Closing” does the credit union disclose the Estimated Closing Costs (including Loan Costs and Other Costs, less Lender Credits) and the Estimated Cash to Close (including Closing Costs), based upon the calculations required by §§ <u>1026.37(f), (g), and (h)</u> (and found on page two of the Loan			

	Yes	No	N/A
Estimate)? (§ 1026.37(d)(1))			
<p>36. Optional Alternative Table for Transactions without a Seller or for simultaneous subordinate financing. For transactions that do not involve a seller or for simultaneous subordinate financing, does the credit union chose to use the alternative “Cash to Close” table? If so, determine whether the amount is calculated in accordance with § 1026.37(h)(2)(iv) (Calculating Cash to Close), includes a statement of whether the disclosed estimated amount is due from or to the consumer; and includes a statement referring the consumer to the alternative “Calculating Cash to Close” table pursuant to § 1026.37(h)(2). (§ 1026.37(d)(2))?</p> <p><i>NOTE: In a purchase transaction, the optional alternative disclosure may be used for the simultaneous subordinate financing Loan Estimate only if the first-lien Closing Disclosure will record the entirety of the seller’s transaction. (Comment 1026.37(d)(2)-1) Credit unions may only use this alternative estimated cash to close disclosure in conjunction with the alternative disclosure under § 1026.37(h)(2). (Comment 1026.37(d)(2)-1)</i></p>			
Website Disclosure - § 1026.37(e) (Page 1 of the Loan Estimate)			
<p>37. Website Reference. Does the credit union disclose that the consumer may obtain general information and tools on the Bureau’s website, and has included a link to the site specified in § 1026.37(e)? (§ 1026.37(e))?</p>			
Closing Cost Details: Loan Costs - § 1026.37(f) (Page 2 of the Loan Estimate)			
<p>38. Loan Costs. On page 2 under the heading “Loan Costs,” does the credit union have the following disclosures:(§ 1026.37(f)):</p> <ol style="list-style-type: none"> a. Origination charges? Accurately itemized to reflect each amount and a subtotal of all amounts that the consumer will pay to each creditor and loan originator for originating and extending the credit. Determine whether the points paid to the credit union to reduce the interest rate are itemized separately, as both a percentage of the amount of credit extended and a dollar amount, and using the label “__% of Loan Amount (Points).” Determine whether points paid is the first item listed. If points to reduce the interest rate are not paid, this disclosure must be left blank (§ 1026.37(f)(1)) b. Services You Cannot Shop For? An accurate itemization, limited to thirteen items, of each amount and subtotal of all amounts that the consumer will pay for settlement services that the consumer cannot shop for, and that are provided by persons other than the credit union or mortgage broker. Determine whether the terms related to title insurance include “Title” as an introductory description (§ 1026.37(f)(2)) 			

	Yes	No	N/A
<p>c. Services You Can Shop For? An accurate itemization, limited to fourteen items, of each amount and subtotal of all amounts that the consumer will pay for settlement services that the consumer can shop for and that are provided by persons other than the credit union or mortgage broker. Determine whether the terms related to title insurance include “Title” as an introductory description (§ 1026.37(f)(3))</p> <p>d. Total Loan Costs? An accurate sum of the subtotals required to be disclosed under § 1026.37(f) as Origination Charges, Services You Cannot Shop For and Services You Can Shop For (§ 1026.37(f)(4)) and</p> <p>e. Other than <i>Origination Charges</i> as noted above, determine that items are ordered alphabetically by label under the applicable subheading. If there are more than the maximum allowable number of line items, determine that the remaining charges are disclosed in the aggregate in the last line as “Additional Charges.” (§§ 1026.37(f)(5) and (f)(6))</p>			
Closing Cost Details: Other Costs - § 1026.37(g) (Page 2 of the Loan Estimate)			
<p>39. Other Costs. Does the credit union makes the following disclosures (§ 1026.37(g)):</p> <p>a. Taxes and Other Government Fees? Accurately itemized to reflect amounts to be paid to State and local governments for taxes and other government fees, including subtotals for recording fees and other taxes. A separate line must be included for transfer taxes paid by the consumer. If not charged to the consumer, these fields must be left blank (§ 1026.37(g)(1))</p> <p>b. Prepaids? Accurately itemized to reflect amounts to be paid by the consumer in advance of the first scheduled payment and the subtotals of all such amounts. The disclosures must follow the required order and include the number of months and the total dollar amount to be paid at consummation for homeowner’s insurance and mortgage insurance premiums, the prepaid interest to be paid at consummation, based on daily interest, number of days, interest rate and the total to be collected; the number of months for which property taxes are to be paid; and the amount the consumer will pay at consummation. If any of these items are not charged to the consumer, the field must be left blank. A maximum of three additional items may be disclosed (including applicable time</p>			

	Yes	No	N/A
<p>period covered by the payment at consummation and total to be paid) as Prepaids (§ 1026.37(g)(2))</p> <p>c. Initial Escrow Payment at Closing? Accurately itemized to reflect the amounts that the consumer will be expected to place into an escrow account at consummation to be applied to recurring periodic charges and subtotals of all amounts. The disclosure must provide the amount escrowed each month, the number of months of escrow, and the total amount to be paid into the escrow account by the consumer at consummation. Homeowner’s insurance premiums, mortgage insurance premiums, and property taxes must be separately subtotaled. If any of these items are not charged to the consumer, that field must be left blank. A maximum of five additional items may be disclosed as part of Initial Escrow Payment at Closing (§ 1026.37(g)(3))</p> <p>d. Other? An accurate itemization of costs that the consumer is likely to pay, or has contracted with a person other than the credit union or loan originator to pay, at closing and of which the credit union is aware at the time of issuing the Loan Estimate. Determine whether the credit union has used a descriptive label for each such amount, and provided the subtotal of all such amounts. Determine whether the terms related to title insurance include “Title” as an introductory description, and whether the parenthetical description “(optional)” is used at the end of the label for items disclosing any premiums paid for separate insurance, warranty, guarantee, or event-coverage products. A maximum of five items may be disclosed as “Other” (§ 1026.37(g)(4))</p> <p>e. Total Other Costs? An accurate sum of the subtotals for Taxes and Other Government Fees, Prepaids, Initial Escrow Payment at Closing, and Other disclosed pursuant to § 1026.37(g)(1) through (4) (§ 1026.37(g)(5))</p> <p>f. Total Closing Costs? Accurate component amounts and sum of the following (§ 1026.37(g)(6)):</p> <ul style="list-style-type: none"> i. D+I. A sum of the Total Loan Costs and Total Other Costs (§ 1026.37(g)(6)(i)); and ii. Lender Credits. The amount of any lender credits, disclosed as a negative number. If no such amount is disclosed, this line must be left blank (§ 1026.37(g)(6)(ii)) and <p>g. Do the items follow the alphabetical ordering and addenda restrictions of §§ 1026.37(g)(7) and (g)(8)?</p>			

	Yes	No	N/A
Closing Cost Details: Calculating Cash to Close - § 1026.37(h) (Page 2 of the Loan Estimate)			
<p>40. Calculating Cash to Close. Under the heading “Calculating Cash to Close,” does the credit union accurately disclose the total amount of cash or other funds that must be provided by the consumer at consummation, itemized into the following component amounts: (§ 1026.37(h)(1))</p> <p>a. Total Closing Costs - Disclosed as the sum of the loan costs, other costs and lender credits, labeled “Total Closing Costs”;? (§ 1026.37(h)(1)(i))</p> <p>b. Closing Costs Financed (Paid from your Loan Amount)? The amount of any closing costs to be paid out of loan proceeds, disclosed as a negative number , labeled “Closing Costs Financed (Paid from your Loan Amount)”. (§ 1026.37(h)(1)(ii)) Determined by subtracting the estimated total amount of payments to third parties not otherwise disclosed under §§ 1026.37(f) and (g) from the loan amount disclosed under § 1026.37(b)(1).</p> <p><i>NOTE: (1) If the result of the calculation is zero or negative, the amount of \$0 is disclosed. (2) If the result of the calculation is a positive number, the amount is disclosed as a negative number, but only to the extent that the absolute value of the number does not exceed the total amount of closing costs; (Comment 1026.37(h)(1)(ii)-1)</i></p> <p>c. Downpayment/Funds from Borrower? Labeled “Down Payment/Funds from Borrower:”</p> <p>i. In a purchase transaction, as defined in § 1026.37(a)(9)(i), disclosed as the amount determined by subtracting the sum of the loan amount disclosed under § 1026.37(b)(1) and any amount of existing loans assumed or taken subject to that will be disclosed under § 1026.38(j)(2)(iv), from the sale price of the property disclosed under § 1026.37(a)(7)(i), except as required by § 1026.38(h)(1)(iii)(A)(2). (§ 1026.37(h)(1)(iii)(A)(1))</p> <p>ii. For a purchase transaction as defined in § 1026.37(a)(9)(i) that is a simultaneous subordinate financing transaction, a transaction involving or improvements to be made on the property, or when the sum of the loan amount disclosed under § 1026.37(b)(1) and any amount of existing loans assumed or taken subject to on the Closing Disclosure under § 1026.38(j)(2)(iv) exceeds the sale price of the</p>			

	Yes	No	N/A
<p>property disclosed under § 1026.37(a)(7)(i), disclosed as the amount of estimated funds from the consumer determined in accordance with § 1026.37(h)(1)(v); (§ 1026.37(h)(1)(iii)(A)(2))</p> <p>iii. For all other transactions, disclosed as the amount of estimated funds from the consumer determined in accordance with § 1026.37(h)(1)(v) (§ 1026.37(h)(1)(iii)(B))?</p> <p>d. Deposit – Are deposits:</p> <p>i. For a purchase transaction, disclosed as the amount that is paid to the seller or held in trust or escrow by an attorney or other party under the terms of the agreement for the sale of the property, as a negative number, labeled “Deposit”?</p> <p>ii. for all other transactions, disclosed as \$0? (§ 1026.37(h)(1)(iv))</p> <p>e. Funds for Borrower - Disclosed as the amount of funds for the consumer, labeled “Funds for Borrower.” Determined in accordance with § 1026.37(h)(1)(v) by subtracting the sum of the loan amount disclosed under § 1026.37(b)(1) and any amount of existing loans assumed or taken subject to that will be disclosed on the Closing Disclosure under § 1026.38(j)(2)(iv) (excluding any closing costs financed disclosed under § 1026.37(h)(1)(ii)) from the total amount of all existing debt being satisfied in the transaction. The total amount of all existing debt being satisfied in the transaction is the sum of the amounts that will be disclosed on the Closing Disclosure in the summaries of transactions table under §§ 1026.38(j)(1)(ii), (iii), and (v), as applicable:</p> <p>i. If the calculation yields a positive number, that amount is disclosed under the heading “Down Payment/Funds from Borrower,” (§§ 1026.37(h)(1)(iii)(A)(2) or (B), as applicable) and \$0 is disclosed under the heading “Funds for Borrower,” under § 1026.37(h)(1)(v)? (§ 1026.37(h)(1)(v)(A))</p> <p>ii. If the calculation yields a negative amount, the credit union discloses that amount as a negative number under the heading “Funds for Borrower,” (§ 1026.37(h)(1)(v)) and as \$0 under the heading “Down Payment/Funds from Borrower under §§ 1026.37(h)(1)(iii)(A)(2) or (B), as applicable)? (§ 1026.37(h)(1)(v)(B))</p>			

	Yes	No	N/A
<p>iii. If the calculation yields “0,” is \$0 disclosed under both headings under §§ 1026.37(h)(1)(iii)(A)(2) or (B), as applicable and (h)(1)(v)? (1026.37(h)(1)(v)(C))</p> <p>f. Seller Credits - Determined by totaling the amount the seller will pay for Total Loan Costs under § 1026.37(f)(4) and Total Other Costs under § 1026.37(g)(5), disclosed as a negative number, to the extent known by the credit union at the time of the delivery of the Loan Estimate, labeled “Seller Credits”;? This must be disclosed as a negative number (§ 1026.37(h)(1)(vi))</p> <p>g. Adjustments and Other Credits - Determined by combining the Total Loan Costs (determined under § 1026.37(f)) and Total Other Costs (determined under § 1026.37(g)) that are paid by persons other than the loan originator, credit union, consumer, or seller, together with any other amounts not otherwise disclosed under §§ 1026.37(f) or (g) that are required to be paid by the consumer at closing in a transaction using the downpayment/funds from borrower calculation under § 1026.37(h)(1)(iii)(A)(I), or pursuant to a purchase and sale contract, labeled “Adjustments and Other Credits?” (§ 1026.37(h)(1)(vii))</p> <p>h. Estimated Cash to Close - The sum of the amounts of the components required for Calculating Cash to Close disclosed as under §§ 1026.37(h)(1)(i) - (vii)? (§ 1026.37(h)(1)(viii)).</p>			
<p>Closing Cost Details: Optional Alternative Calculating Cash to Close Table for Transactions without a Seller or for simultaneous subordinate financing - § 1026.37(h)(2) (Page 2 of the Loan Estimate)</p>			
<p>41. Optional Alternative Calculating Cash To Close Table for Transactions Without a Seller or for simultaneous subordinate financing. If the transaction does not involve a seller or for Simultaneous Subordinate Financing, and the credit union has chosen to provide the optional alternative Cash to Close table modeled in Form H-24(G) in Appendix H, did the credit union accurately disclose the total amount of cash or other funds that must be provided by the consumer at consummation, itemized into the following component amounts (§ 1026.37(h)(2)):</p> <p>a. Loan Amount? (§ 1026.37(h)(2)(i))</p> <p>b. Total Closing Costs - Disclosed as a negative number if the amount disclosed under § 1026.37(g)(6) is a positive number and disclosed as a positive number if the amount disclosed under § 1026.37(g)(6) is a negative number? (§ 1026.37(h)(2)(ii))</p>			

	Yes	No	N/A
<p>c. Total Payoffs and Payments - Disclosed as the total amount of payoffs and payments to be made to third parties that are not otherwise disclosed? (§ 1026.37(h)(2)(iii))</p> <p>d. Cash to Close - Disclosed as the amount of cash or other funds due from or to the consumer and a statement of whether the disclosed estimated amount is due from or to the consumer? The amount must be calculated as the sum of the amounts disclosed under “Loan Amount,” “Total Closing Costs,” and “Total Payoffs and Payments.” (§ 1026.37(h)(2)(iv))</p> <p>e. Closing Costs Financed (Paid from your Loan Amount) - Disclosed as the sum of the amounts under “Loan Amount,” and “Total Payoffs and Payments?” The sum is disclosed only to the extent it is greater than “0,” and it is less than or equal to the amount disclosed under “Total Closing Costs.” (§ 1026.37(h)(2)(v))</p> <p><i>NOTE: The optional alternative calculating Cash to Close table may only be provided in transactions without a seller or for simultaneous subordinate financing.</i></p>			
<p>Closing Cost Details: Adjustable Payment (AP) Table - § 1026.37(i) (Page 2 of the Loan Estimate)</p>			
<p>42. Adjustable Payment (AP) Table. For loans where the periodic principal and interest payment may change after consummation based on a factor other than an interest rate adjustment, or for seasonal payment products as described in § 1026.37(a)(10)(ii)(E), does the credit union disclose a separate table under the master headings “Closing Cost Details” and “Adjustable Payment (AP) Table” that contains the following information and satisfies the following requirements:</p> <p>a. Interest Only Payments - The disclosure states yes or no to the question of whether the transaction is an interest only product under § 1026.37(a)(10)(ii)(B) and, if the answer is yes, the disclosure states the period during which interest only periodic payments are scheduled? (§ 1026.37(i)(1))</p> <p>b. Optional Payments - The disclosure states yes or no to the question whether the terms of the legal obligation expressly provide that the consumer may elect to pay a specified periodic principal and interest payment in an amount other than the scheduled amount of the payment, and, if the answer is yes, the disclosure states the period during which the consumer may elect to make such payments? (§ 1026.37(i)(2))</p>			

	Yes	No	N/A
<p>c. Step Payments - The disclosure states yes or no to the question whether the transaction is a step payment product under § 1026.37(a)(10)(ii)(C) and, if the answer is yes, the disclosure states the period during which the regular periodic payments are scheduled to increase? (§ 1026.37(i)(3))</p> <p>d. Seasonal Payments - The disclosure states yes or no to the question whether the transaction is a seasonal payment product under § 1026.37(a)(10)(ii)(E) and, if the answer is yes, the disclosure states the period during which periodic payments are not scheduled? (§ 1026.37(i)(4))</p> <p>e. Principal and Interest Payments - This label is immediately preceded by the applicable unit period? The disclosures must also contain the following information:</p> <ul style="list-style-type: none"> i. The number of the payment of the first periodic principal and interest payment that may change under the terms of the legal obligation (counting from the first periodic payment due after consummation), and the amount or range of the periodic principal and interest payment for such payment, labeled “First Change/Amount;” (§ 1026.37(i)(5)(i)) ii. The frequency of subsequent changes to the periodic principal and interest payment, labeled “Subsequent Changes;” (§ 1026.37(i)(5)(ii)) and iii. The maximum periodic principal and interest payment that may occur during the term of the transaction, and the first periodic principal and interest payment that can reach such maximum, counting from the first periodic payment due after consummation, labeled “Maximum Payment.” (§ 1026.37(i)(5)(iii)) 			
<p>Closing Cost Details: Adjustable Interest Rate (AIR) Table - § 1026.37(j) (Page 2 of the Loan Estimate)</p>			
<p>43. Adjustable Interest Rate (AIR) Table. If the interest rate may increase after consummation, does the credit union disclose, as a separate table under the master headings “Closing Cost Details” and “Adjustable Interest Rate (AIR) Table,” the following information and satisfied the following requirements: (§ 1026.37(j))</p> <ul style="list-style-type: none"> a. Index + Margin - Disclosed if the interest rate may adjust and the product type is not a “Step Rate” under § 1026.37(a)(10)(i)(B)? The disclosure must show the index upon which the adjustments to the interest rate are based and the margin that is added to the index to determine the interest 			

	Yes	No	N/A
<p>rate, if any, labeled “Index + Margin.” (§ 1026.37(j)(1))</p> <p>b. Interest Rate Adjustments - If the product type is a “Step Rate” and not also an “Adjustable Rate” under § 1026.37(a)(10)(i)(A)? The disclosure must show the maximum amount of any adjustments to the interest rate that are scheduled and pre-determined, labeled “Interest Rate Adjustments” (§ 1026.37(j)(2))</p> <p>c. Initial Interest Rate? The disclosure must show the initial interest rate at consummation of the loan transaction, labeled “Initial Interest Rate” (§ 1026.37(j)(3))</p> <p>d. Minimum and Maximum Interest Rates? The disclosure must show the minimum and maximum interest rates for the loan, after any introductory period expires, labeled “Minimum/Maximum Interest Rate” (§ 1026.37(j)(4))</p> <p>e. Frequency of Adjustments? The following information, under the subheading “Change Frequency” is disclosed:</p> <ul style="list-style-type: none"> i. The month when the interest rate after consummation may first change, calculated from the date interest for the first scheduled periodic payment begins to accrue, labeled “First Change”; and ii. The frequency of interest rate adjustments after the initial adjustment to the interest rate, labeled, “Subsequent Changes” (§ 1026.37(j)(5)) <p>f. Limits on Interest Rate Changes? The following information, under the subheading “Limits on Interest Rate Changes,” is disclosed:</p> <ul style="list-style-type: none"> i. The maximum possible change for the first adjustment of the interest rate after consummation, labeled “First Change”; and ii. The maximum possible change for subsequent adjustments of the interest rate after consummation, labeled “Subsequent Changes.” (§ 1026.37(j)(6)) 			
<p>Additional Information About This Loan; Contact information - § 1026.37(k) (Page 3 of the Loan Estimate)</p>			
<p>44. Does the credit union accurately disclose, under the master heading, “Additional Information About This Loan,” the following information:</p> <p>a. Lender/Mortgage Broker - The name and “NMLS ID/License ID” for the credit union (labeled “Lender”) and the mortgage broker (labeled “Mortgage Broker”), if any? If the credit union</p>			

	Yes	No	N/A
<p>or mortgage broker has not been assigned an NMLSR ID, the license number or other unique identifier issued to the credit union or mortgage broker by the applicable jurisdiction or regulating body must be disclosed, with the abbreviation for the State of the applicable jurisdiction or regulatory body stated before the word “License” in the label, if any (§ 1026.37(k)(1))</p> <p>b. Loan Officer - The name and NMLSR ID of the individual loan officer (labeled “Loan Officer” and “NMLS ID/License ID,” respectively) of the credit union and the mortgage broker, if any, who is the primary contact for the consumer? If the individual loan officer has not been assigned an NMLSR ID, the license number or other unique identifier issued by the applicable jurisdiction or regulating body with which the loan officer is licensed and/or registered shall be disclosed, with the abbreviation for the State of the applicable jurisdiction or regulatory body stated before the word “License” in the label, if any (§ 1026.37(k)(2)) and</p> <p>c. Email/Phone (respectively) - The email address and telephone number of the loan officer? (§ 1026.37(k)(3))</p>			
<p>Additional Information About This Loan: Comparisons - § 1026.37(l) (Page 3 of the Loan Estimate)</p>			
<p>45. Comparisons. Does the credit union accurately disclose the following information for comparison purposes and includes the statement “Use these measures to compare this loan with other loans?” (§ 1026.37(l))</p> <p>a. In 5 years - (§ 1026.37(l)(1))</p> <p>i. The total principal, interest, mortgage insurance, and loan costs scheduled to be paid through the end of the 60th month after the due date of the first periodic payment, expressed as a dollar amount, along with the statement “Total you will have paid in principal, interest, mortgage insurance, and loan costs”?; and</p> <p>ii. The principal scheduled to be paid through the end of the 60th month after the due date of the first periodic payment, expressed as a dollar amount, along with the statement “Principal you will have paid off”?;</p> <p>b. Annual Percentage Rate (APR) - Expressed as a percentage, and the following statement: “Your costs over the loan term expressed as a rate. This is not your interest rate”? (§ 1026.37(l)(2)) and</p>			

	Yes	No	N/A
<p>c. Total Interest Percentage (TIP) - The Total Amount of Interest that the consumer will pay over the life of the loan, expressed as a percentage of the amount of credit extended, using the term "Total Interest Percentage," the abbreviation "TIP," and the statement "The total amount of interest that you will pay over the loan term as a percentage of your loan amount?" (§ 1026.37(1)(3))</p>			
<p>Additional Information About This Loan: Other Considerations - § 1026.37(m) (Page 3 of the Loan Estimate)</p>			
<p>46. Other Considerations. Does the credit union accurately disclose the following (§ 1026.37(m)):</p> <p>a. Appraisal - For transactions subject to 15 U.S.C. 1639h or 1691(e), as implemented in this part or Regulation B, 12 CFR Part 1002, respectively, a statement, labeled "Appraisal," that (§ 1026.37(m)(1)):</p> <p style="margin-left: 40px;">i. The credit union may order an appraisal to determine the value of the property identified in § 1026.37(a)(6) and may charge the consumer for that appraisal?</p> <p style="margin-left: 40px;">ii. The credit union will promptly provide the consumer a copy of any appraisal, even if the transaction is not consummated? and</p> <p style="margin-left: 40px;">iii. The consumer may choose to pay for an additional appraisal of the property for the consumer's use?</p> <p>b. Assumption - A statement of whether a subsequent purchaser of the property may be permitted to assume the remaining loan obligation on its original terms? (§ 1026.37(m)(2));</p> <p>c. Homeowner's Insurance - At the option of the credit union, a statement that homeowner's insurance is required on the property and that the consumer may choose the insurance provider? (§ 1026.37(m)(3))</p> <p>d. Late Payment - A statement detailing any charge that may be imposed for a late payment; stated as a dollar amount or percentage charge of the late payment amount; and the number of days that a payment must be late to trigger the late payment fee? (§ 1026.37(m)(4))</p> <p>e. Refinance - The following statement: "Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan?" (§ 1026.37(m)(5))</p>			

	Yes	No	N/A
<p>f. Servicing - A statement of whether the credit union intends to service the loan or transfer the loan to another servicer? (§ 1026.37(m)(6))</p> <p>g. Liability after Foreclosure - If the purpose of the credit transaction is to refinance an extension of credit as described in § 1026.37(a)(9)(ii), a brief statement that certain State law protections against liability for any deficiency after foreclosure may be lost, the potential consequences of the loss of such protections, and a statement that the consumer should consult an attorney for additional information? (§ 1026.37(m)(7)) and</p> <p>h. Construction Loans - In a transaction that involves a new construction, if the credit union reasonably expects settlement will occur more than 60 days after the Loan Estimate is issued and wishes to retain the option to provide a revised disclosure, a clear and conspicuous statement that a revised disclosure may be issued any time prior to 60 days before consummation pursuant to § 1026.19(e)(3)(iv)(F)? (§ 1026.37(m)(8))</p>			
<p>Additional Information About This Loan: Confirm Receipt – § 1026.37(n) (Page 3 of the Loan Estimate)</p>			
<p>47. Confirm Receipt. If the credit union chooses to provide a signature statement, does the credit union accurately provides the following: “By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.” If the credit union does not include a line for the consumer's signature, the credit union discloses the following statement, labeled “Loan Acceptance:” “You do not have to accept this loan because you have received this form or signed a loan application.”? (§ 1026.37(n))</p>			
<p>Form of Disclosures - § 1026.37(o)</p>			
<p>48. Form of disclosures. Does the credit union make the disclosures required by § 1026.37 clearly and conspicuously in writing, in a form that the consumer may keep, with disclosures grouped together and segregated from everything else, containing only the information required by §§ 1026.37 (a) through (n), made in the same order, and positioned relative to the master headings, headings, subheadings, labels, and similar designations in the same manner, as shown in form H-24, set forth in appendix H? (§§ 1026.37(o)(1) and (2)):</p> <p><i>NOTE: Limited changes to the disclosure forms are permitted, including substitution of “monthly” with the applicable unit period, making disclosures in languages other than English, and using the credit union’s logo in the space allotted for the identification of the credit union.</i></p>			

	Yes	No	N/A
<p>(§ 1026.37(o)(5))</p> <p>a. Form H-24 required - For a transaction subject to § 1026.19(e) that is a federally related mortgage loan, as defined in Regulation X, 12 CFR 1024.2, does the credit union use form H-24, set forth in appendix H? (§ 1026.37(o)(3)(i))</p> <p>b. Substantially similar disclosures – Does the credit union provide the disclosures with headings, content, and format substantially similar to form H-24, set forth in appendix H for any other transaction subject to § 1026.37 ? (1026.37(o)(3)(ii))</p> <p>c. Rounding - nearest dollar. Does the credit union accurately round the following figures to the nearest whole dollar disclosed pursuant to sections: (§ 1026.37(o)(4)(i)(A))</p> <ol style="list-style-type: none"> i. The dollar amounts for Loan Terms required by § 1026.37(b)(6)-(7), (i.e., adjustments after consummation and details about prepayment penalty and balloon payments)? ii. The dollar amounts for Projected Payments or range of payments required by § 1026.37(c)(1)(iii) (i.e., minimum and maximum amounts of principal and interest for projected periodic payments or range of payments)? iii. The dollar amounts for Mortgage Insurance required to be disclosed by § 1026.37(c)(2)(ii) (i.e., itemization of maximum amount of mortgage insurance premiums)? iv. The dollar amounts for Escrow required to be disclosed by § 1026.37(c)(2)(iii)? v. The dollar amounts for Taxes, Insurance & Assessments required to be disclosed by § 1026.37(c)(4)(ii)? vi. The dollar amounts for Loan Costs required to be disclosed by § 1026.37(f) (i.e., Origination charges, Services you cannot shop for, Services you can shop for and Total loan costs)? vii. The dollar amounts for Other Costs required by § 1026.37(g) (i.e., Taxes and other government fees, Prepays (other than per diem prepaid interest), Initial escrow payment at closing (other than monthly amounts of initial escrow payments), Other, Total other costs, and Total closing costs) except as noted for percentages? viii. The dollar amounts for Calculating Cash to Close required to be disclosed by § 1026.37(h)? and ix. The dollar amounts for the Adjustable Payment (AP) Table required to be disclosed by § 1026.37(i)? 			

	Yes	No	N/A
<p>x. The dollar amounts for Comparisons required to be disclosed by § 1026.37(l)?</p> <p>d. Rounding – nearest whole cent Does the credit union round or truncate the following to the nearest whole cent pursuant to § 1026.37(o)(4)(i)(A)</p> <p>i. The per diem amount required by § 1026.37(g)(2)(iii) (prepaid interest paid per day)? and</p> <p>ii. The figures disclosed pursuant to § 1026.37(g)(3)(i)-(iii) (initial escrow payment at closing for homeowner’s insurance, mortgage insurance, and property taxes) and § 1026.37(g)(3)(v) (additional escrow items)?</p> <p>e. Loan amount. Does the credit union not round the loan amount disclosed pursuant to § 1026.37(b)(1), and truncated whole numbers at the decimal point? (§ 1026.37(o)(4)(i)(B))</p> <p>f. Total periodic payment. Does the credit union accurately round the total periodic payment disclosed pursuant to § 1026.37(c)(2)(iv), if any of the component amounts of the figures disclosed pursuant to § 1026.37(o)(4)(i)(A) are rounded to the nearest whole dollar? (§ 1026.37(o)(4)(i)(C))</p> <p>g. Percentages. Does the credit union disclose the following percentages by rounding the exact amounts to three decimal places and then dropping any trailing zeros that occur to the right of the decimal point. (§ 1026.37(o)(4)(ii)). This procedure applies to the following:</p> <p>i. Interest rate and adjustments after consummation - disclosed pursuant to §§ 1026.37(b)(2) and (6)?</p> <p>ii. Points as a percentage of the loan amount – disclosed pursuant to § 1026.37(f)(1)(i)?</p> <p>iii. Percentage of prepaid interest to be paid per day – disclosed pursuant to § 1026.37(g)(2)(iii)?</p> <p>iv. Index + Margin, Initial Interest Rate, Minimum/Maximum Interest Rate, and Limits on Interest Rate Changes (as disclosed on the Adjustable Interest Rate (AIR) Table) – disclosed pursuant to § 1026.37(j)?;</p> <p>v. Annual percentage rate – disclosed pursuant to § 1026.37(l)(2)? and</p> <p>vi. Total interest percentage – disclosed pursuant to § 1026.37(l)(3)? (§ 1026.37(o)(4)(ii))</p>			
Closing Disclosure – § 1026.38(a)			

	Yes	No	N/A
49. Does the credit union accurately complete the Closing Disclosure? (§ 1026.38(a))			
50. Does the Closing Disclosure include the form purpose with the statement: “This form is a statement of final loan terms and closing costs - Compare this document with your Loan Estimate”? (§ 1026.38(a)(2))			
Closing Information - § 1026.38(a)(3) (Page 1 of the Closing Disclosure)			
51. Are all the following Closing Information fields complete and accurate: a. Date Issued. Indicating the date disclosures are delivered? (§ 1026.38(a)(3)(i)) b. Closing Date? (§ 1026.38(a)(3)(ii)) c. Disbursement Date? (§ 1026.38(a)(3)(iii)) d. Settlement Agent? (§ 1026.38(a)(3)(iv)) e. File #. – Disclosing the identification number assigned to the transaction by the settlement agent? (§ 1026.38(a)(3)(v)) f. Property. The address or location of the property as disclosed in the Loan Estimate? (§ 1026.38(a)(3)(vi)) g. Sale Price. For transactions where there is a seller, the sale price, labeled “Sale Price,” and where there is no seller, the appraised property value, labeled “Appraised Prop. Value.”? (§§ 1026.38(a)(3)(vii)(A)-(B)) <i>NOTE: If the credit union has not obtained an appraisal, the credit union may disclose the estimated value of the property, using the label “Estimated Prop. Value”?</i> (Comment 1026.38.(a)(3)(vii)-1)			
Transaction Information - § 1026.38(a)(4) (Page 1 of the Closing Disclosure)			
52. Are all the following Transaction information fields complete and accurate: a. Borrower. The consumer’s name and mailing address, labeled “Borrower?” (§ 1026.38(a)(4)(i)) b. Seller. Where applicable, the seller’s name and mailing address, labeled “Seller?” (§ 1026.38(a)(4)(ii)) c. Lender. The name of the credit union making the disclosure, labeled “Lender?” (§ 1026.38(a)(4)(iii))			
Loan Information - § 1026.38(a)(5) (Page 1 of the Closing Disclosure)			
53. Are all of the following Loan Information fields complete and accurate:			

	Yes	No	N/A
<p>a. Loan Term? (§ 1026.38(a)(5)(i))</p> <p>b. Purpose? (§ 1026.38(a)(5)(ii))</p> <p>c. Product? (§ 1026.38(a)(5)(iii))</p> <p>d. Loan Type? (§ 1026.38(a)(5)(iv))</p> <p>e. Loan ID #? (§ 1026.38(a)(5)(v))</p> <p>f. MIC #. The case number for any mortgage insurance policy, if required by the credit union? (§ 1026.38(a)(5)(vi))</p>			
Loan Terms - § 1026.38(b) (Page 1 of the Closing Disclosure)			
54. Does the credit union disclose, in a separate table labeled “Loan Terms,” the information required to be disclosed on the Loan Estimate under § 1026.37(b) reflecting the terms of the legal obligation at consummation? (§ 1026.38(b))			
Projected Payments - § 1026.38(c) (Page 1 of the Closing Disclosure)			
55. Does the credit union disclose, in a separate table labeled “Projected Payments,” the projected payments or range of payments (in the same manner as required on the Loan Estimate under §§ 1026.37(c)(1) through (4)(v)) reflecting the terms of the legal obligation at consummation?			
56. Does the credit union refer to the Escrow Account disclosure required by § 1026.38(l)(7) ?			
57. Does the credit union calculate escrow payments: (1026.38(c)(1)-(2))			
<p>a. For transactions subject to RESPA, under the escrow account analysis described in Regulation X, § 1024.17? (§ 1026.38(c)(1)(i))</p> <p>b. For transactions not subject to RESPA, either calculated under the escrow account analysis described in Regulation X, § 1024.17, or in the manner set forth in § 1026.37(c)(5)? (§ 1026.38(c)(1)(ii))</p>			
Costs at Closing - § 1026.38(d) (Page 1 of the Closing Disclosure)			
58. Does the credit union accurately disclose Closing Costs as the sum of the dollar amounts disclosed on page two of the Closing Disclosure, pursuant to §§ 1026.38(f)(4) (Loan Costs), 1026.38(g)(5) (Other Costs), and 1026.38(h)(3) (Lender Credits), together with a statement referring the consumer to the disclosures on page two, the dollar amounts of “Loan Costs” (§ 1026.38(f)(4)), “Other Costs” (§ 1026.38(g)(5)), and “Lender Credits” (§ 1026.38(h)(3)), and a statement referring the consumer to the “Closing Cost Details” table described in §§ 1026.38(f)-(g) ? (§§ 1026.38(d)(i)(A)-(E))			

	Yes	No	N/A
59. Does the credit union accurately disclose Cash to Close as the sum of the dollar amounts calculated in accordance with the Calculating Cash to Close table (§ 1026.38(i)(9)(ii)), together with a statement referring the consumer to the disclosures on page two and the “Calculating Cash to Close” table described in § 1026.38(i) ? (§§ 1026.38(d)(ii)(A) – (B))			
60. For simultaneous subordinate financing, does the credit union accurately disclose the amount calculated according to § 1026.38(e)(5)(ii) , together with a statement of whether the amount is due from or to the consumer and a reference to the alternative calculating Cash to Close table required pursuant to § 1026.38(e) ? (§§ 1026.38(d)(2)(i) – (iii))			
Closing Costs Details: Loan Costs – § 1026.38(f) (Page 2 of the Closing Disclosure)			
61. Does the credit union disclose all costs associated with the transaction with columns stating whether the charge was borrower-paid at or before closing, seller-paid at or before closing or paid by others, under the following subheadings: <ul style="list-style-type: none"> a. Origination Charges. Itemized amounts paid for charges disclosed on the Loan Estimate (§ 1026.37(f)(1)) and the total of borrower-paid amounts paid at or before closing; together with: <ul style="list-style-type: none"> a. The compensation paid by the credit union to a third-party loan originator? b. The name of the third-party loan originator receiving payment? (§ 1026.38(f)(1)) b. Services Borrower Did Not Shop For. Itemized costs for each settlement service the credit union required but did not allow the consumer to shop for, with name of recipient, amount, and total costs designated borrower-paid at or before closing. Items listed in the Loan Estimate (§ 1026.37(f)(3)) are disclosed here if the consumer was provided a written list of settlement service providers under § 1026.19(e)(1)(vi)(C) and the consumer selected a settlement service provider from that written list? (§ 1026.38(f)(2)) c. Services Borrower Did Shop For. Itemized costs for each service required by the credit union, that the consumer shopped for in accordance with § 1026.19(e)(1)(vi)(A), with the amount, the name of recipient, and the total costs designated as borrower-paid at or before closing. If these items were disclosed on the Loan Estimate pursuant to § 1026.37(f)(3), they are disclosed here if the consumer was provided a written list of settlement service providers and did not select a settlement service provider from that written list? (§ 1026.38(f)(3)) 			

	Yes	No	N/A
<p>d. Total Loan Costs (Borrower-Paid). The sum of the amounts disclosed under § 1026.38(f)(5) as borrower-paid for the origination charge, services the borrower did not shop for and services the borrower did shop for? (§ 1026.38(f)(4))</p> <p>e. Loan Costs Subtotals. Calculation of the total borrower-paid costs at or before closing, showing each subtotal for the origination charge, services the borrower did not shop for, and services the borrower did shop for? (§ 1026.38(f)(5))</p>			
Closing Cost Details: Other Costs - § 1026.38(g) (Page 2 of the Closing Disclosure)			
<p>62. Does the credit union accurately disclose all of the following other costs associated with the transaction (other than those disclosed in the “Loan Costs” table) with columns stating whether the charge was borrower-paid at or before closing, seller-paid at or before closing or paid by others:</p> <p>a. Taxes and Other Government Fees - All taxes and government fees to be paid by the borrower at or before closing, including the total amount of fees for recording deeds and, separately, the total amount of fees for recording security instruments and transfer taxes, accurately itemized. Determine that the itemized transfer tax is accompanied by the name of the government entity assessing the transfer tax? (§ 1026.38(g)(1)(i)-(ii))</p> <p>b. Prepaids - Accurately itemized prepaid charges described in the borrower’s Loan Estimate as required by § 1026.37(g)(2); the name of the person ultimately receiving the prepaid payment or the government entity assessing the property tax charged; and the total of all amounts designated as borrower-paid at or before closing? (1026.38(g)(2))</p> <p>c. Initial Escrow Payment at Closing - Accurate itemizations of each escrow amount required at closing as described on the borrower’s Loan Estimate pursuant to § 1026.37(g)(3) (e.g., homeowner’s insurance, mortgage insurance, property taxes, etc.); applicable aggregate adjustments pursuant to § 1024.17(d)(2); and the total of all amounts designated as borrower-paid at or before closing? (§ 1026.38(g)(3))</p> <p>d. Other - All charges, accurately itemized, for services required or related to the borrower’s transaction that are in addition to the charges disclosed in the Loan Costs table (§ 1026.38(f)) and in the Other Costs table (§§ 1026.38(g)(1)-(3)), for services required or obtained in the real estate closing by the consumer, the seller, or other party; the name of the person</p>			

	Yes	No	N/A
<p>ultimately receiving the payment; and the total of all such itemized amounts that are designated borrower-paid at or before closing, with the applicable designations for items that are optional or are components of title insurance services? (§§ 1026.38(g)(4)(i)-(ii))</p> <p>e. Total Other Costs (Borrower-Paid) - Accurately totaled and disclosed sum of all amounts disclosed as borrower-paid? (§ 1026.38(g)(5))</p> <p>f. Other Costs Subtotals - Accurately added the individual subtotals in this “Closing Costs Details – Other Costs” table disclosed under §§ 1026.38(g)(1)-(4) to produce the total? (§ 1026.38(g)(6))</p>			
Closing Cost Details: Total Closing Costs - § 1026.38(h) (Page 2 of the Closing Disclosure)			
63. Are Total Closing Costs, paid by the borrower, disclosed in a table showing description, labeling, and ordering requirements? (§ 1026.38(h)(4))			
64. Does the credit union accurately disclose the following closing cost totals: <p>a. <i>Total Closing Costs (Borrower Paid)</i> - The sum of subtotals for Closing Costs (§ 1026.38(h)(2)) and Lender Credits (§ 1026.38(h)(3)) (i.e., the following two items in this list)? (§ 1026.38(h)(1))</p> <p>b. <i>Closing Costs Subtotals.</i> Consisting of the sum of “Loan Cost Subtotals” (§ 1026.38(f)(5)) and the “Other Costs Subtotals” (§ 1026.38(g)(6)), designated as Borrower-Paid at or before closing; and the sum of costs paid at and before closing by the seller or other parties (as disclosed pursuant to §§ 1026.38(f) and (g)). (§ 1026.38(h)(2))</p> <p>c. <i>Lender Credits.</i> For general credits from the credit union for closing costs (as described in § 1026.37(g)(6)(ii), shown as a negative number, and designated as Borrower-Paid at closing. (§ 1026.38(h)(3))</p>			
Calculating Cash to Close - § 1026.38(i) (Page 3 of the Closing Disclosure)			
65. Does the credit union accurately include the amount from the most recent Loan Estimate provided to the consumer, compared to the amount disclosed in the “Final” column, and provide the necessary answer to the question “Did This Change?” (with items in the latter column disclosed more prominently than other disclosures) for each of the following: (§§ 1026.38(i)(1)(i)-(iii))			

	Yes	No	N/A
<p>a. Total Closing Costs - The Total Closing Costs on the Calculating Cash to Close table of the most recent Loan Estimate disclosed under § 1026.37(h)(1)(i) compared to the final “Total Closing Costs” disclosed under § 1026.38(h)(1)?</p> <p>i. If the amounts are different (unless due to rounding), has the credit union provided: (§§ 1026.38(i)(1)(i)-(ii))</p> <p>a. A statement of that fact? (§ 1026.38(i)(1)(iii)(A)(I))</p> <p>b. If the difference in the “Total Closing Costs” is attributable to differences in itemized charges that are included in either or both subtotals, does the credit union state that the consumer should see the total loan costs (under § 1026.38(f)(4)) and total other costs (under § 1026.38(g)(5)) subtotals (together with references to such disclosures), as applicable? (§ 1026.38(i)(1)(A)(2))</p> <p>c. If the increase exceeds the limitations on increases in closing costs under § 1026.19(e)(3), does the credit union state that such increase exceeds the legal limits by the dollar amount of the excess?</p> <ul style="list-style-type: none"> • If any refund is provided pursuant to § 1026.19(f)(2)(v), does the credit union provide a statement directing the consumer to the disclosure required under § 1026.38(h)(3)? • If a principal reduction is used to provide the refund, does the credit union provide a statement directing the consumer to the principal reduction disclosure required under § 1026.38(j)(1)(v)? • Does the dollar amount equal the sum total of all excesses of the limitations on increases in closing costs under § 1026.19(e)(3), taking into account the different methods of calculating excesses of the limitations on increases in closing costs under §§ 1026.19(e)(3)(i) and (ii) (§ 1026.38(i)(1)(iii)(A)(3)) <p>d. If the amount disclosed under § 1026.38(i)(1)(ii) (i.e., amount in the Final column) is equal to the amount disclosed under § 1026.38(i)(1)(i) (i.e., amount copied over from the most recent Loan Estimate), does the credit union state that fact? (§ 1026.38(i)(1)(iii)(B))</p>			
b. Closing Costs Paid Before Closing - Under the subheading			

	Yes	No	N/A
<p>“Loan Estimate,” the dollar amount “\$0,” compared to the final amount of “Total Closing Costs” disclosed under § 1026.38(h)(2) and designated as borrower-paid before closing, stated as a negative number? (§§ 1026.38(i)(2)(i)-(iii)):</p> <p>a. If these amounts are different (unless the difference is due to rounding), does the credit union provide a statement of that fact, along with a statement that the consumer paid such amounts prior to consummation of the transaction (§ 1026.38(i)(2)(iii)(A))</p> <p>b. If the amount disclosed under § 1026.38(i)(2)(ii) (i.e., amount in the Final column) is equal to the amount disclosed under § 1026.38(i)(2)(i) (i.e., \$0), does the credit union state that fact? (§ 1026.38(i)(2)(iii)(B))</p> <p>c. Closing Costs Financed (Paid from your Loan Amount) - Under the subheading “Loan Estimate,” the amount disclosed on Calculating Cash to Close table on the most recent Loan Estimate under § 1026.37(h)(1)(ii), compared to the actual amount of the closing costs that are to be paid out of loan proceeds, if any, stated as a negative number, under the subheading “Final”? (§§ 1026.38(i)(3)(i)-(iii))</p> <p>a. If the amounts are different (unless the difference is due to rounding), does the credit union state that fact, along with a statement that the consumer included the closing costs in the loan amount, which increased the loan amount? (§ 1026.38(i)(3)(iii)(A))</p> <p>b. If the amount disclosed under § 1026.38(i)(3)(ii) (i.e., amount in the Final column) is equal to the amount disclosed pursuant to § 1026.38(i)(3)(i) (i.e., amount copied over from the most recent Loan Estimate), does the credit union state that fact? (§ 1026.38(i)(3)(iii)(B))</p> <p>d. Down Payment/Funds from Borrower</p> <p>a. under the subheading “Loan Estimate,” the amount disclosed on the most recent Loan Estimate in the Calculating Cash to Close table under 1026.37(h)(1)(iii), labeled “Down Payment/Funds from Borrower.” (§ 1026.38(i)(4)(ii))?</p> <p>b. Under the subheading “Final,”</p> <p>a. In a purchase transaction as defined in § 1026.38(a)(9)(i), the amount determined by subtracting the sum of the loan amount disclosed under § 1026.38(b) and any amount of existing loans assumed or taken subject to that is disclosed under § 1026.38(j)(2)(iv) from the sale price of the property disclosed under</p>			

	Yes	No	N/A
<p>§ 1026.38(a)(3)(vii)(A), labeled “Down Payment/Funds from Borrower,” except as required by § 1026.38(i)(4)(ii)(A)(2)?</p> <p>b. In a purchase transaction that is a simultaneous subordinate financing or that involves improvements to be made on the property, or when the sum of the loan amount disclosed under § 1026.38(b) and any amount of existing loans assumed or taken subject to that is disclosed under § 1026.38(j)(2)(iv) exceeds the sale price disclosed under § 1026.38(a)(3)(vii)(A), the amount of funds from the consumer as determined in accordance with § 1026.38(i)(6)(iv) labeled “Down Payment/Funds from Borrower,”?; or</p> <p>c. In all other transactions, the amount of funds from the consumer as determined in accordance with § 1026.38(i)(6)(iv), labeled “Down Payment/Funds from Borrower.”?</p> <p>c. Under the subheading, “Did this change?,” disclosed more prominently than the other disclosures under 1026.38(i)(4):</p> <p>a. If the amount disclosed under § 1026.38(i)(4)(ii) (i.e., amount in the Final column) is different, unless due to rounding, from the amount disclosed under § 1026.38(i)(4)(i) (i.e., amount copied over from the most recent Loan Estimate), does the credit union state that fact, along with a statement that the consumer increased or decreased this payment and can see further details in the “Summaries of Transactions” table? (§ 1026.38(i)(4)(iii)(A))</p> <p>b. If the amount disclosed under § 1026.38(i)(4)(ii) is equal to the amount disclosed under § 1026.38(i)(4)(i), does the credit union state that fact? (§ 1026.38(i)(4)(iii)(B))</p> <p>e. Deposit –</p> <p>a. Under the subheading “Loan Estimate,” the Deposit amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § 1026.37(h)(1)(iv), labeled “Deposit”</p> <p>b. Under the subheading “Final,” on the Summaries of</p>			

	Yes	No	N/A
<p>Transactions table on the Closing Document, the amount under § 1026.38(j)(2)(ii), stated as a negative number? (§ 1026.38(i)(5))</p> <p>c. Under the subheading “Did this Change?” disclosed more prominently than the other disclosures under § 1026.38(i)(5):</p> <p>a. If the amounts are different, unless due to rounding, does the credit union state that fact, along with a statement that the consumer increased or decreased this payment, as applicable, and that the consumer should see the details disclosed under § 1026.38(j)(2)(ii) (i.e., in Section L in the Summaries of Transactions table)?</p> <p>b. If the amount disclosed under § 1026.38(i)(5)(ii) (i.e. amount in the Final column) is equal to the amount disclosed § 1026.38(i)(5)(i) (i.e. amount copied over from the most recent Loan Estimate), does the credit union state that fact? (§ 1026.38(i)(5)(iii)(B))</p> <p>f. Funds for Borrower § 1026.38(i)(6)</p> <p>a. Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § 1026.37(h)(1)(v), labeled “Funds for Borrower”? (§§ 1026.38(i)(6)(i)-(iii))</p> <p>iii. Under the subheading “Final,” the “Funds for Borrower,” labeled using that term, as determined in accordance with § 1026.38(i)(6)(iv)</p> <p>iv. Under the subheading “Did this Change?,” disclosed more prominently than the other disclosures under § 1026.38(i)(6): Changes between the “Loan Estimate” and “Final” column amounts are noted in the “Did this Change?” column in accordance with the requirements of § 1026.38(i)(6)(iii):</p> <p>A. If the amounts are different, unless due to rounding, does the credit union state that fact, along with a statement that the consumer's available funds from the loan amount have increased or decreased, as applicable? (§ 1026.38(i)(6)(iii)(A))</p> <p>B. If the amount disclosed under § 1026.38(i)(6)(ii) (i.e., amount in the Final column) is equal to the amount disclosed § 1026.38(i)(6)(i) (i.e., amount copied over from the most recent Loan Estimate),</p>			

	Yes	No	N/A
<p>does the credit union state that fact? <u>(§ 1026.38(i)(6)(iii)(B))</u></p> <p>g. Seller Credits § <u>1026.38(i)(7)</u></p> <p>a. Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § <u>1026.37(h)(1)(vi)</u>, labeled “Seller Credit”</p> <p>b. Under the subheading “Final,” the amount disclosed pursuant to § <u>1026.38(j)(2)(v)</u>, stated as a negative number?</p> <p>c. Under the subheading, “Did this Change?” disclosed more prominently than the other disclosures under § <u>1026.38(i)(7)</u>:</p> <p>a. If the amounts are different, unless due to rounding, does the credit union disclose a statement that the consumer should see the details disclosed either (1) under § <u>1026.38(j)(2)(v)</u> (i.e., in the summaries of transactions table and the seller-paid column of the closing cost details table under §§ <u>1026.38(f) or (g)</u>; or (2) if the difference is attributable only to general seller credits disclosed under § <u>1026.38(j)(2)(v)</u>, or only to specific seller credits disclosed in the seller-paid column of the closing cost details table under § <u>1026.38(j)(2)(v)</u>, under only the applicable provision; (§§ <u>1026.38(i)(7)(iii)(A)(1) and (2)</u>);, or</p> <p>b. If the amount disclosed under § <u>1026.38(i)(7)(ii)</u> (i.e. amount in the Final column) is equal to the amount disclosed under § <u>1026.38(i)(7)(i)</u> (i.e. amount copied over from the most recent Loan Estimate), does the credit state that fact? (<u>1026.38(i)(7)(iii)(B)</u>)</p> <p>h. <i>Adjustments and Other Credits</i> - Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § <u>1026.37(h)(1)(vii)</u>, compared to the amount listed pursuant to §§ <u>1026.38(j)(1)(v) through (x)</u> (to the extent these amounts were not included in the calculation required by §§ <u>1026.38(i)(4) or (6)</u>), and § <u>1026.38(j)(1)(vi)</u> (see exam procedures below on Itemizations of Amounts Due From Borrower) reduced by the total of the amounts disclosed under §§ <u>1026.38(j)(2)(vi)-(xi)</u> (see exam procedures below on Itemization Of Amounts Already Paid By Or On Behalf Of</p>			

	Yes	No	N/A
<p>Borrower)? (§§ 1026.38(i)(8)(i)-(ii))</p> <p><i>NOTE: If the calculation yields a negative number, the amount is disclosed as a negative number. (Comment 38(i)(8)(ii)-1)</i></p> <p>a.If the amounts are different, unless due to rounding, does the credit union state that fact, along with a statement that the consumer should see the details disclosed under §§ 1026.38(j)(1)(v) through (x) and (j)(2)(vi) through (xi) (i.e., in Sections K and L in the Summaries of Transactions table)? (§ 1026.38(i)(8)(iii)(A))</p> <p>b.If the amount disclosed under § 1026.38(i)(8)(ii) (i.e. amount in the Final column) is equal to the amount disclosed § 1026.38(i)(8)(i) (i.e. amount copied over from the most recent Loan Estimate), does the credit union state that fact? (§ 1026.38(i)(8)(iii)(B))</p> <p>i. <i>Cash to Close</i> - Under the subheading “Loan Estimate,” the amount disclosed on the Calculating Cash to Close table on the most recent Loan Estimate under § 1026.37(h)(1)(viii), compared to the “Final” amount listed pursuant to §§ 1026.38(i)(1) through (i)(8), and each disclosed more prominently than the other disclosures in this section? (§§ 1026.38(i)(9)(i)-(ii))</p>			
Alternative Cash to Close Table for Transactions Without a Seller or for Simultaneous Subordinate Financing- § 1026.38(e) (Page 3 of the Closing Disclosure)			
66. Does the credit union properly uses the optional Alternative Cash to Close table? (§ 1026.38(e))			
67. Is the table is disclosed under the heading “Calculating Cash to Close,” together with the statement “Use this table to see what has changed from your Loan Estimate?” (§ 1026.38(e))			
68. Does the table includes: <p>a. Loan Amount? Labeled “Loan Amount:”</p> <p>i. Under the subheading “Loan Estimate,” the loan amount disclosed on the most recent Loan Estimate under § 1026.37(b)(1)</p> <p>ii. Under the subheading “Final,” the loan amount disclosed under § 1026.38(b), Disclosed more prominently than other disclosures in this section, under the subheading “Did this change?”</p>			

	Yes	No	N/A
<p>A. If the amounts are different (unless due to rounding), a statement of that fact along with a statement of whether this amount increased or decreased.</p> <p>B. If there is no change, a statement of that fact. (§§ 1026.38(e)(1)(i) – (iii))</p> <p>b. Total Closing Costs? Labeled “Total Closing Costs”: (§ 1026.38(e)(2))</p> <p>i. Under the subheading “Loan Estimate,” the amount disclosed on the most recent Loan Estimate under § 1026.37(h)(2)(ii);</p> <p>ii. Under the subheading “Final,” the final Total Closing Costs disclosed under § 1026.38(h)(1), disclosed as a negative number if the amount disclosed under § 1026.38(h)(1) is a positive number and disclosed as a positive number if the amount disclosed under § 1026.38(h)(1) is a negative number; and</p> <p>iii. Disclosed more prominently than other disclosures, with the question “Did this change?”:</p> <p>A. If there is a change because of differences in itemized charges that are included in either or both subtotals, a statement that the consumer should look at the Total Loan Costs and Total Other Costs subtotals disclosed below, together with references to those disclosures (§ 1026.38(e)(2)(iii)(A)(2)); and</p> <p>B. If the increase exceeds the legal limits for increases in closing costs under § 1026.19(e)(3); a statement of that fact, the dollar amount of the excess; and, if any refund is provided, a reference to the disclosure required for including the refund in a lender credit under § 1026.38(h)(3), or if applicable, a statement directing the consumer to the principal reduction disclosure under § 1026.38(t)(5)(vii)(B). (§ 1026.38(e)(2)(iii)(A)(3))</p> <p>c. Closing Costs Paid before Closing? Labeled “Closing Costs Paid Before Closing:” (§ 1026.38(e)(3))</p> <p>i. Under the subheading “Loan Estimate,” the amount of \$0;</p>			

	Yes	No	N/A
<p>ii. Under the subheading “Final,” any amount designated as Borrower-Paid before closing under § 1026.38(h)(2), disclosed as a positive number;</p> <p>iii. Disclosed more prominently than other disclosures, under the subheading “Did This Change?” (§ 1026.38(e)(3))</p> <p style="padding-left: 40px;">A. If the amount disclosed under § 1026.38(e)(3)(ii) is different than the amount disclosed under § 1026.38(e)(3)(i), unless due to rounding, a statement of that fact along with a statement that the consumer paid such amounts prior to consummation (§ 1026.38(e)(3)(iii)(A)); or</p> <p style="padding-left: 40px;">B. If the amount disclosed under § 1026.38(e)(3)(ii) is equal to the amount disclosed under § 1026.38(e)(3)(i), a statement of that fact. (§ 1026.38(e)(3)(iii)(B))</p> <p>d. Total Payoffs and Payments? Labeled “Total Payoffs and Payments.” (§ 1026.38(e)(4))</p> <p style="padding-left: 40px;">i. Under the subheading “Loan Estimate,” the amount disclosed on the most recent Loan Estimate under § 1026.37(h)(2)(iii)</p> <p style="padding-left: 40px;">ii. Under the subheading “Final,” the total amount of payoffs and payments made to third parties not otherwise disclosed under § 1026.38(t)(5)(vii)(B), to the extent known, disclosed as a negative number if the total amount disclosed under § 1026.38(t)(5)(vii)(B) is a positive number and disclosed as a positive number if the total amount disclosed under § 1026.38(t)(5)(vii)(B) is a negative number.</p> <p style="padding-left: 40px;">ii. Are these disclosures more prominent than other disclosures under this paragraph under the subheading “Did This Change?”</p> <p style="padding-left: 80px;">A. If the amount disclosed under § 1026.38(e)(4)(ii) is different than the amount disclosed under § 1026.38(e)(4)(i) (unless the difference is due to rounding), a statement of that fact, along with a reference to the “Payoffs and Payments” table that may be added pursuant to § 1026.38(t)(5)(viii)(B) (§ 1026.38(e)(4)); or</p> <p style="padding-left: 80px;">B. If the amount disclosed under § 1026.38(e)(4)(ii) is equal to the amount disclosed under</p>			

	Yes	No	N/A
<p>§ 1026.38(e)(4)(i), a statement of that fact. (§ 1026.38(e)(4)(iii)(B))</p> <p>e. Cash to or from consumer. Labeled “Cash to Close”: (§ 1026.38(e)(5)).</p> <p>i. Under the subheading “Loan Estimate,” a statement of whether the estimated amount is due from or to the consumer, as disclosed under § 1026.37(h)(2)(iv) on the most recent Loan Estimate; and</p> <p>ii. Under the subheading “Final.” a disclosure of the final amount due from or to the consumer, disclosed as a positive number. (§§ 1026.38(e)(5)(i) – (ii))</p> <p>f. <i>Closing Costs Financed (Paid from your Loan Amount)</i>. Labeled “Closing Costs Financed (Paid from your Loan Amount).” Disclosed as the sum of the amounts disclosed under §§ 1026.38(e)(1)(ii) and (e)(4)(ii) (i.e., the amounts in the Final Column of the Loan Amount and Total Payoffs and Payments). However, the amount is disclosed only to the extent that the sum is greater than zero and less than or equal to the sum disclosed under § 1026.38(h)(1) (Total Closing Costs) minus the sum disclosed under § 1026.38(h)(2) designated as Borrower-Paid before closing. (§ 1026.38(e)(6))</p>			
Borrower’s Transaction (Page 3 of the Closing Disclosure)			
69. Does the credit union accurately disclose the total amount due from the consumer at closing, calculated as the sum of items required to be disclosed by § 1026.38(j)(1)(ii) through (x) (i.e., the items described in this procedure), excluding items paid from funds other than closing funds as described in section § 1026.38(j)(4)(i) ?			
70. Does the summary of the borrower’s transaction include the following: (§ 1026.38(j)(1))			
<p>a. Sale Price of Property - The amount of the contract sales price of the property being sold in a purchase real estate transaction, excluding the price of any tangible personal property if the consumer and seller have agreed to a separate price for such items? (§ 1026.38(j)(1)(ii))</p> <p><i>NOTE: On the simultaneous subordinate financing Closing Disclosure, no contract sales price is disclosed under 1026.38(j)(1)(ii); (Comment 38(j)(1)(ii)-1)</i></p> <p>b. Sale Price of Any Personal Property Included in Sale - The amount of the sales price of any tangible personal property excluded from the contract sales price pursuant to section § 1026.38(j)(1)(ii)? (§ 1026.38(j)(1)(iii))</p> <p>c. Closing Costs Paid at Closing - The total amount of closing</p>			

	Yes	No	N/A
<p>costs disclosed that are designated borrower-paid at closing, calculated pursuant to section § 1026.38(h)(2) (see procedure above regarding Closing Costs Subtotals)? (§ 1026.38(j)(1)(iv))</p> <p>d. Contractual Adjustments and Other Consumer Charges - A description and the amount of any additional items that the seller has paid prior to the real estate closing, but reimbursed by the consumer at the real estate closing, and a description and the amount of any other items owed by the consumer at the real estate closing not otherwise disclosed pursuant to section § 1026.38(f),(g) or (j)? (§ 1026.38(j)(1)(v))</p> <p>e. The description “Adjustments for Items Paid by Seller in Advance”? (§ 1026.38(j)(1)(vi))</p> <p>f. City/Town Taxes - The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(j)(1)(vii))</p> <p>g. County Taxes - The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(j)(1)(viii))</p> <p>h. Assessments - The prorated amount of any prepaid assessments due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(j)(1)(ix))</p> <p>i. A description and the amount of any additional items paid by the seller prior to the real estate closing that are due from the consumer at the real estate closing? (§ 1026.38(j)(1)(x))</p>			
<p>71. Does the credit union accurately disclose the sum of the amounts disclosed in §§ 1026.38(j)(2)(ii)-(xi) (i.e., the items described in this procedure), excluding items paid from funds other than closing funds as described in § 1026.38(j)(4)(i)?</p>			
<p>72. Does the summary of borrower’s transaction accurately disclose the following: (§ 1026.38(j)(2)(i))</p> <p>a. Deposit - Any amount that is paid to the seller or held in trust or escrow by an attorney or other party under the terms of the agreement for the sale of the property? (§ 1026.38(j)(2)(ii))</p>			

	Yes	No	N/A
<p>b. Loan Amount - The amount of the consumer's new loan amount or first user loan as disclosed pursuant to section § 1026.38(b)? (§ 1026.38(j)(2)(iii))</p> <p>c. Existing Loan(s) Assumed or Taken Subject To - The amount of any existing loans that the consumer is assuming, or any loans subject to which the consumer is talking title to the property? (§ 1026.38(j)(2)(iv))</p> <p>d. Seller Credit - The total amount of money that the seller will provide at the real estate closing as a lump sum not otherwise itemized to pay for loan costs as determined by § 1026.38(f) and other costs as determined by § 1026.38(g) and any other obligations of the seller to be paid directly to the consumer? (§ 1026.38(j)(2)(v))</p> <p>e. Other Credits - A description and amount of other items paid by or on behalf of the consumer and not otherwise disclosed pursuant to §§ 1026.38(f)-(h), (j)(2) labeled "Other Credits"; and amounts and descriptions of any additional amounts owed the consumer but payable to the seller before the real estate closing, under the heading "Adjustments."? (§ 1026.38(j)(2)(vi))</p> <p>f. The description "Adjustments for Items Unpaid by Seller"? (§ 1026.38(j)(2)(vii))</p> <p>g. <i>City/Town Taxes</i> - The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(j)(2)(viii))</p> <p>h. <i>County Taxes</i> - The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(j)(2)(ix))</p> <p>i. <i>Assessments</i> - The prorated amount of any unpaid assessments due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding that amount? (§ 1026.38(j)(2)(x))</p> <p>j. A description and the amount of any additional items which have not yet been paid and which the consumer is expected to pay after the real estate closing, but which are attributable in part to a period of time prior to the real estate closing? (§ 1026.38(j)(2)(xi))</p>			

	Yes	No	N/A
<p>73. Does the calculation of borrower’s transaction accurately disclose the following calculations: (§ 1026.38(j)(3))</p> <p>a. Total Due from Borrower at Closing - The amount disclosed in the Closing Disclosure, on the line captioned “Due from Borrower at Closing”? (§ 1026.38(j)(3)(i))</p> <p>b. Total Paid Already by or on Behalf of Borrower at Closing - The amount disclosed in the Closing Disclosure, on the line captioned “Paid Already by or on behalf of Borrower at Closing,” if any, disclosed as a negative number? (§ 1026.38(j)(3)(ii))</p> <p>c. Cash to Close - A statement that the disclosed amount is due from or to the consumer, and the amount due from or to the consumer at the real estate closing, calculated by the sum of the amounts disclosed as the “Total Due from Borrower at Closing” and “Total Paid Already by or on Behalf of Borrower at Closing”? (§ 1026.38(j)(3)(iii))</p>			
<p>74. Does the credit union disclose costs that are not paid from closing funds, but would otherwise be disclosed; describe the funds as “Paid Outside of Closing” or the abbreviation “P.O.C.,” and include the name of the party making the payment? (§ 1026.38(j)(4)(i))</p>			
Seller’s Transaction Summary (Page 3 of the Closing Disclosure)			
<p>75. Does the credit union accurately disclose the total amount due to the seller at the real estate closing, calculated as the sum of items required to be disclosed pursuant to §§ 1026.38(k)(1)(ii)-(ix) (i.e., the items in this procedure), excluding items paid from funds other than closing funds as described in § 1026.38(k)(4)(i)?</p>			
<p>76. Does the summary of seller’s transaction accurately disclose the following: (§ 1026.38(k)(1)(i)):</p> <p>a. <i>Sale Price of Property.</i> The amount of the contract sales price of the property being sold, excluding the price of any tangible personal property if the consumer and seller have agreed to a separate price for such items? (§ 1026.38(k)(1)(ii))</p> <p>b. <i>Sale Price of Any Personal Property Included in Sale.</i> The amount of the sales price of any tangible personal property excluded from the contract sales price pursuant to § 1026.38(k)(1)(ii)? (§ 1026.38(k)(1)(iii))</p> <p>c. A description and the amount of other items paid to the seller by the consumer pursuant to the contract of sale or</p>			

	Yes	No	N/A
<p>other agreement, such as charges that were not disclosed pursuant to § 1026.37 on the Loan Estimate or items paid by the seller prior to the real estate closing but reimbursed by the consumer at the real estate closing? (§ 1026.38(k)(1)(iv))</p> <p>d. The description “Adjustments for Items Paid by Seller in Advance”? (§ 1026.38(k)(1)(v))</p> <p>e. <i>City/Town Taxes</i>. The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(k)(1)(vi))</p> <p>f. <i>County Taxes</i>. The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(k)(1)(vii))</p> <p>g. <i>Assessments</i>. The prorated amount of any unpaid assessments due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding that amount? (§ 1026.38(k)(1)(viii))</p> <p>h. A description and the amount of additional items paid by the seller prior to the real estate closing that are reimbursed by the consumer at the real estate closing? (§ 1026.38(k)(1)(ix))</p>			
<p>77. Does the credit union accurately disclose the sum of the amounts disclosed in §§ 1026.38(k)(2)(ii)-(xiii) (i.e., the items in this procedure), excluding items paid from funds other than closing funds described in § 1026.38(k)(4)(i)?</p>			
<p>78. Does the summary of the seller’s transaction accurately disclose the following: (§ 1026.38(k)(2)(i))</p> <p>a. Excess Deposit. The amount of any excess deposit disbursed prior to closing? (§ 1026.38(k)(2)(ii))</p> <p>b. Closing Costs Paid at Closing. The amount of closing costs designated seller-paid at closing and disclosed pursuant to § 1026.38(h)(2)? (§ 1026.38(k)(2)(iii))</p> <p>c. Existing Loan(s) Assumed or Taken Subject To. The amount of any existing loans assumed or taken subject to by the consumer? (§ 1026.38(k)(2)(iv))</p>			

	Yes	No	N/A
<p>d. Payoff of First Mortgage Loan. The amount of a first lien loan secured by the property being sold that will be paid off at closing? (§ 1026.38(k)(2)(v))</p> <p>e. Payoff of Second Mortgage Loan. The amount of any loan secured by a second lien on the property that will be paid off as part of the real estate closing? (§ 1026.38(k)(2)(vi))</p> <p>f. Seller Credit. The total amount of seller funds to be provided at closing as a lump sum that has not otherwise been itemized to pay for loan costs as determined by § 1026.38(f) and other costs as determined by § 1026.38(g) and any other obligations of the seller to be paid directly to the consumer? (§ 1026.38(k)(2)(vii))</p> <p>g. A description and amount of all other items paid to be paid by the seller at closing, including any lien-related payoffs, fees, or obligations? (§ 1026.38(k)(2)(viii))</p> <p>h. The description “Adjustments for Items Unpaid by Seller”? (§ 1026.38(k)(2)(ix))</p> <p>i. City/Town Taxes. The prorated amount of unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(k)(2)(x))</p> <p>j. County Taxes. The prorated amount of any unpaid taxes due from the seller to the consumer at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(k)(2)(xi))</p> <p>k. Assessments. The prorated amount of any unpaid assessments due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount? (§ 1026.38(k)(2)(xii))</p> <p>l. A description and the amount of any additional items which have not yet been paid and which the consumer is expected to pay after the real estate closing, but which are attributable in part to a period of time prior to the real estate closing? (§ 1026.38(k)(2)(xiii))</p>			
79. Does the calculation of the seller’s transaction accurately disclose the following: (§ 1026.38(k)(3))			

	Yes	No	N/A
<p>a. Total Due to Seller Closing. The amount disclosed in the Closing Disclosure, on the line captioned “Due from Seller at Closing”? (§ 1026.38(k)(3)(i))</p> <p>b. Total Due from Seller at Closing. The amount disclosed in the Closing Disclosure on the line captioned “Due from Seller at Closing,” disclosed as a negative number? (§ 1026.38(k)(3)(ii))</p> <p>c. Cash. A statement that the disclosed amount is due from or to the seller and the amount due, calculated by the sum of the amounts disclosed as the “Total Due to Seller at Closing” and “Total Due from Seller at Closing”? (§ 1026.38(k)(3)(iii))</p>			
<p>80. Does the credit union accurately disclose other costs that are not paid out of closing funds, but would otherwise be disclosed in the Summaries of Transactions: Seller’s Transaction table; describing the funds as “Paid Outside of Closing” or the abbreviation “P.O.C.,” and included the name of the party making the payment? (§ 1026.38(k)(4)(i))</p> <p><i>NOTE: For purposes of § 1026.38(k), “closing funds” means funds collected and disbursed at real estate closing. (§ 1026.38(k)(4)(ii))</i></p>			
Additional Information About This Loan (Page 4 of the Closing Disclosure)			
<p>81. Does the credit union accurately provide the following required loan disclosures: (§ 1026.38(l))</p> <p>a. Assumption. Whether the loan obligations may be assumed by a subsequent purchaser? (§ 1026.38(l)(1))</p> <p>b. Demand Feature. Whether the legal obligation includes a demand feature, and, if it does, a reference to the note or other loan contract for details? (§ 1026.38(l)(2))</p> <p>c. Late Payment. The dollar amount or percentage charge of any fee designated as a late payment (information required on the Loan Estimate by § 1026.37(m)(4) and the number of days after which such a charge will be triggered? (§ 1026.38(l)(3))</p> <p>d. Negative Amortization (Increase in Loan Amount). Whether the regular period payments may cause the principal balance to increase?</p> <p>i. If the regular periodic payments do not cover all of the interest due, does the credit union provide a statement that the borrower’s principal balance will increase, such balance will likely become larger than the original loan amount, and increases in such balance lower the consumer’s equity in the property?</p>			

	Yes	No	N/A
<p>ii. If the consumer may make regular periodic payments that do not cover all of the interest due, does the credit union provide a statement that, if the consumer chooses a monthly payment option that does not cover all of the interest due, the principal balance may become larger than the original loan amount and the increases in the principal balance lower the consumer's equity in the property? (§ 1026.38(l)(4)(i)-(ii))</p> <p>e. Partial Payments. If the credit union accepts less than the full amount due has it provided a statement that the "lender," (using that label) may accept partial payments and apply such payments to the consumer's loan?</p> <p>i. If periodic payments that are less than the full amount due are accepted but not applied to a consumer's loan until the consumer pays the remainder of the full amount due, a statement that the lender, may hold partial payments in a separate account until the consumer pays the remainder of the payment and then apply the full periodic payment to the consumer's loan?</p> <p>ii. If periodic payments that are less than the full amount due are not accepted, the lender, does not accept any partial payments?</p> <p>iii. A statement that, if the loan is sold, the new lender, may have a different policy? (§ 1026.38(l)(5)(i)-(iv))</p> <p>f. Security Interest. Whether the credit union states that the consumer is granting a security interest in the property securing the transaction, and that the borrower may lose the property if required payments are not made or otherwise fails to satisfy the requirements of the legal obligation.</p> <p>g. Does the credit union included the property address and zip code? (§ 1026.38(l)(6))</p> <p>h. Escrow Account. Under the subheading "Escrow Account": whether the credit union provides:</p> <p>i. Under the reference "For now,":</p> <p>(§ 1026.38(l)(7)(i)(A)(1)-(4))</p> <p>A. Whether the credit union provides a statement that an escrow account may also be called an impound or trust account, whether the credit union has established or will establish, at or before consummation, an escrow account in connection with the transaction;</p> <p>B. A statement that the creditor may be liable for penalties and interest if it fails to make a</p>			

	Yes	No	N/A
<p>payment for any cost for which the escrow account is established;</p> <p>C. a statement that the consumer would have to pay such costs directly in the absence of the escrow account;</p> <p>D. A table, entitled “Escrow,” that contains: “Escrowed Property Costs over Year 1”, “Non-escrowed Property Costs over Year 1”, “Other Costs, Initial Escrow Payment at Closing”, and “Monthly Escrow Payment”?</p> <p>ii. No Escrow. If an escrow account will not be established for the consumer, does the credit union:</p> <p>A. Provide a statement that the consumer will not have an escrow account?</p> <p>B. Provide the reason why an escrow account will not be established?</p> <p>C. Provide a statement that the consumer must pay all property costs, such as taxes and homeowner's insurance, directly?</p> <p>D. Provide a statement that the consumer may contact the credit union to inquire about the availability of an escrow account; and</p> <p>E. Provide a table, titled “No Escrow,” that itemizes the estimated total amount the consumer will pay directly for the mortgage related obligations described in § 1026.43(b)(8) during the first year after consummation that are known to the credit union and a statement that, without an escrow account, the consumer must pay the identified costs, possibly in one or two large payments, labeled “Property Costs over Year 1;” and the amount of any fee the credit union imposes on the consumer for not establishing an escrow account in connection with the transaction, labeled “Escrow Waiver Fee?” (1026.38(l)(7)(i)(B))</p> <p>iii. Under the reference “In the future” does the credit union disclose under the reference “In the future”: (§ 1026.38(l)(7)(ii))</p> <p>A. A statement that the consumer's property costs may change and that, as a result, the consumer's escrow payment may change? (§ 1026.38(l)(7)(ii)(A))</p> <p>B. A statement that the consumer may be able to cancel any escrow account that has been</p>			

	Yes	No	N/A
<p>established, but that the consumer is responsible for directly paying all property costs in the absence of an escrow account? (§ 1026.38(l)(7)(ii)(B))</p> <p>C. A description of the consequences if the consumer fails to pay property costs, including the actions that a State or local government may take if property taxes are not paid and the actions the credit union may take if the consumer does not pay some or all property costs, such as adding amounts to the loan balance, adding an escrow account to the loan, or purchasing a property insurance policy on the consumer's behalf that may be more expensive and provide fewer benefits than what the consumer could obtain directly? (§ 1026.38(l)(7)(ii)(C))</p>			
82. Does the credit union accurately provide the Adjustable Payment Table as required for the Loan Estimate under § 1026.37(i) ? (§ 1026.38(m))			
83. Does the credit union accurately provide the Adjustable Interest Rate Table as required for the Loan Estimate by § 1026.37(j) ? (§ 1026.38(n))			
Loan Calculations (Page 5 of the Closing Disclosure)			
<p>84. Does the credit union accurately disclose the following information in a separate table: (§ 1026.38(o))</p> <p>a. <i>Total of Payments</i>. Expressed as a dollar amount, and a statement that the disclosure is the total the consumer will have paid after making all payments of principal, interest, mortgage insurance, and loan costs, as scheduled? (§ 1026.38(o)(1)) The disclosed total of payments for each transaction shall be treated as accurate if the amount disclosed as the total of payments:</p> <p style="padding-left: 40px;">i. Is understated by no more than \$100? or</p> <p style="padding-left: 40px;">ii. Is greater than the amount required to be disclosed? (§ 1026.38(o)(1))</p> <p>b. <i>Finance Charge</i>. Expressed as a dollar amount, and including the statement “The dollar amount the loan will cost you”?</p> <p>c. Is the finance charge and other disclosures affected by the disclosed finance charge (including the amount financed and the</p>			

	Yes	No	N/A
<p>annual percentage rate) accurately calculated if the amount disclosed as the finance charge:</p> <ul style="list-style-type: none"> i. Is understated by no more than \$100? or ii. Is greater than the amount required to be disclosed? (§ 1026.38(o)(2)) <p>d. <i>Amount Financed</i>. Expressed as a dollar amount, and the following statement: “The loan amount available after paying your upfront finance charge”? (§ 1026.38(o)(3))</p> <p>e. <i>Annual Percentage Rate (APR)</i>. Expressed as a percentage, with the following statement: “Your costs over the loan term expressed as a rate. This is not your interest rate”? (§ 1026.38(o)(4));</p> <p>f. <i>Total Interest Percentage (TIP)</i>. Expressed as a percentage; with the following statement: “The total amount of interest that you will pay over the loan term as a percentage of your loan amount”? (§ 1026.38(o)(5))</p>			
Other Disclosures (Page 5 of the Closing Disclosure)			
<p>85. Does the credit union accurately provides the following other disclosures:</p> <ul style="list-style-type: none"> a. <i>Appraisal</i>. For transactions subject to 15 U.S.C. 1639h or 1691(e), as implemented in this part or Regulation B, Part 1002, respectively, under the subheading “Appraisal:”? (§ 1026.38(p)(1)) <ul style="list-style-type: none"> i. If there was an appraisal of the property in connection with the loan, does the credit union provide the consumer with a copy at no additional cost to the consumer at least three days prior to consummation? (§ 1026.38(p)(1)(i)) ii. If the consumer has not yet received a copy of the appraisal, a statement that the consumer should contact the credit union using the information disclosed in the Closing Disclosure? (§ 1026.38(p)(1)(ii)) b. <i>Contract Details</i>. A statement that the consumer should refer to the appropriate loan document and security instrument for information about nonpayment, what constitutes a default under the legal obligation, circumstances under which the credit union may accelerate the maturity of the obligation, and prepayment rebates and penalties? (§ 1026.38(p)(2)) c. <i>Liability after Foreclosure</i>. A brief statement of whether, and the conditions under which, the consumer may remain 			

	Yes	No	N/A
<p>responsible for any deficiency after foreclosure under applicable State law, a brief statement that certain protections may be lost if the consumer refinances or incurs additional debt on the property, and a statement that the consumer should consult an attorney for additional information? (§ 1026.38(p)(3))</p> <p>d. Refinance. The statement required on the Loan Estimate by § 1026.37 (m)(5) that “Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan”? (§ 1026.38(p)(4))</p> <p>e. Tax Deductions. A statement that, if the extension of credit exceeds the fair market value of the property, the interest on the portion of the credit extension that is greater than the fair market value of the property is not tax deductible for Federal income tax purposes and a statement that the consumer should consult a tax adviser for further information? (§ 1026.38(p)(5))</p> <p>f. Loan Acceptance. If the credit union does not provide a line for the consumer's signature, does the credit union include with the other disclosures the same statement required in the Loan Estimate (pursuant to 1026.37(n)(2)) that “You do not have to accept this loan because you have received this form or signed a loan application”? (§ 1026.38(s)(2))</p>			
Questions notice (Page 5 of the Closing Disclosure)			
86. Does the credit union provide a separate questions notice?			
87. If so, does the credit union include a prominent question mark, a statement directing the consumer to use the contact information for questions, and a reference to CFPB’s website for more information and to submit a complaint, and a link to www.consumerfinance.gov/mortgage-closing ? (§ 1026.38(q)(1)-(3))			
Contact Information (Page 5 of the Closing Disclosure)			
88. Does the credit union provide the required contact information for each lender, mortgage broker, consumer's real estate broker, seller's real estate broker, and settlement agent participating in the transaction, the name of the person, address, NMLSR ID number, or if none, State and “License ID,” the name of the natural person who is the primary contact for the consumer at each entity, identified as “Contact,” along with that person’s Contact NMLS ID or Contact License ID, email address, and phone number? (§§ 1026.38(r)(1)-(7))			
Confirm Receipt (Page 5 of the Closing Disclosure)			

	Yes	No	N/A
<p>89. If the credit union choses to provide a signature statement, does the credit union disclose above the signature line the statement: “By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.”? (§ 1026.38(s)(1))</p> <p><i>NOTE: If the credit union does not provide a line for the consumer's signature, the credit union must include the following statement, labeled “Loan Acceptance:” “You do not have to accept this loan because you have received this form or signed a loan application.” (§ 1026.38(s)(2))</i></p>			
Form of Disclosures			
<p>90. Does the credit union follow the format and content of form H-25, set forth in appendix H (1026.38(t)(1) and (3)), changes formatting only if there is an exception, including acceptable modifications in appendix H for transactions without a seller or for simultaneous subordinate financing (§ 1026.38(t)(5))?</p>			
<p>91. Does the credit union comply with the following rounding rules for dollar amounts and percentages:</p> <p>a. Rounding - nearest dollar. The following dollar amounts are rounded to the nearest whole dollar (§ 1026.38(t)(4)(i)):</p> <p>i. The dollar amounts for Loan Terms (required to be disclosed by § 1026.38(b)) that are required to be rounded by § 1026.37(o)(4)(i)(A) when disclosed under §§ 1026.37(b)(6) and (7) (i.e., adjustments after consummation and details about prepayment penalty and balloon payments)?</p> <p>ii. The dollar amounts for projected payments or range of payments required by § 1026.38(c) that are required to be rounded by § 1026.37(o)(4)(i)(A) when disclosed under § 1026.37(c)(1)(iii) (i.e., minimum and maximum amounts of principal and interest for projected periodic payments or range of payments)?</p> <p>iii. The dollar amounts required to be disclosed by § 1026.38(e) (alternative calculating Cash to Close table for transactions without a seller or for simultaneous subordinate financing) and § 1026.38(i) (calculating Cash to Close table) under the subheading “Loan Estimate”?</p> <p>iv. The dollar amounts required to be disclosed by § 1026.38(m) (adjustable payment table)?</p> <p>v. The dollar amounts required to be disclosed by § 1026.38(c) (projected payments) that are required to</p>			

	Yes	No	N/A
<p>be rounded by § 1026.37(o)(4)(i)(C) when disclosed under § 1026.37(c)(2)(iv) (i.e., total monthly payment)?</p> <p>b. Percentages. Are the percentage amounts required to be disclosed under §§ 1026.38(b), 1026.38 (f)(1), 1026.38 (n), and 1026.38 (o)(4) and (5) of this section disclosed by rounding the exact amounts to three decimal places and then dropping any trailing zeros to the right of the decimal point? (§ 1026.38(t)(4)(ii))</p> <p>c. Loan amount. The dollar amount required to be disclosed by § 1026.38(b) as required by § 1026.37(b)(1) is disclosed as an unrounded number, except that if the amount is a whole number then the amount disclosed is truncated at the decimal point? (1026.38(t)(4)(iii))</p>			
Construction or Construction-Permanent Loan Disclosures			
<p>92. Does the credit union deliver or place in the mail the Loan Estimate not later than the third business day after receiving the consumer's application and not later than the seventh business day before consummation of the transaction for construction loans? (§ 1026.19(e)(1)(iii))</p>			
<p>93. Does the credit union allocate fees and charges in construction-permanent loan or multiple-advance construction-only loan disclosures for purposes of calculating disclosures as below: (§ 1026.17(c)(6))</p> <p>a. CP Loan-Separate. The finance charges and points and fees that would not be imposed but for the construction financing are allocated to the construction phase, and all other finance charges and points and fees are allocated to the permanent financing?</p> <p>b. CP Loan-Separate. If a credit union charges a greater origination fee for construction-permanent financing than for construction-only financing, the fee difference is allocated to the permanent phase?</p> <p>c. CP Loan-Separate. Fees and charges that are not used to compute the finance charge under § 1026.4 or points and fees under § 1026.32(b)(1) may be allocated between the transactions in any manner the credit union chooses?</p>			
<p>94. Is the sales price or property value disclosed as required on the following documents:</p> <p>a. Loan Estimate</p> <p>i. For transactions that involve a seller, is the contract sale price of the property is disclosed? (§ 1026.37(a)(7)(i))</p>			

	Yes	No	N/A
<p>ii. For transactions that do not involve a seller, is the estimated value of the property is disclosed as “Prop. Value?” (§ 1026.37(a)(7)(ii))</p> <p>b. Closing Disclosure</p> <p>i. If there is a seller, has the credit union disclosed the contract sale price of the property? (§ 1026.38(a)(3)(vii)(A))</p> <p>ii. Where there is no seller, has the credit union disclosed the appraised value of the property used to determine approval of the credit transaction? (§ 1026.38(a)(3)(vii)(B))</p>			
95. Does the credit union disclose the term to maturity of the credit transaction? (§§ 1026.37(a)(8) , 1026.38(a)(5)(i))			
96. Does the loan product description include: <p>a. “Adjustable rate,” “Step rate,” or “Fixed rate,” as applicable, and the features that may change the periodic payment (Negative amortization, Interest only, Step payment, Balloon payment, Seasonal payment)? (§§ 1026.37(a)(10), 1026.38(a)(5)(iii))</p> <p>b. “Interest Only” feature is disclosed if one or more regular periodic payments may be applied only to interest accrued and not to the loan principal? (§§ 1026.37(a)(10)(ii)(B), 1026.38(a)(5)(iii))</p> <p>c. “Adjustable Rate” if the interest rate may increase after consummation, but the rates that will apply or the periods for which they will apply are not known at consummation? (§ 1026.37(a)(10)(i)(A))</p>			
97. Does the credit union disclose that the interest rate will be applicable to the transaction at consummation; and if the interest rate at consummation is not known for an adjustable rate transaction, is the fully-indexed rate (i.e., the interest rate calculated using the index value and margin at the time of consummation)? (§ 1026.37(b)(2))			
98. Does the credit union, in a separate table, itemize each separate periodic payment (or range), together with estimated taxes, insurance and assessments, and escrow account payments. (§§ 1026.37(c) , 1026.38(c))			
99. Does the credit union disclose construction costs on the following disclosures: <p>a. <i>Loan Estimate</i>. On the Loan Estimate, does the credit union factor construction costs into the “funds for borrower” calculation in the Calculating Cash to Close table or the</p>			

	Yes	No	N/A
<p>“Payoffs and Payments” calculation in the optional alternative calculating cash to close table for transactions without a seller or for simultaneous subordinate financing? (§ 1026.37(h); Comment 1026 Appendix D-7.vi.B)</p> <p>b. Closing Disclosure. On the Closing Disclosure, does the credit union include construction costs in the “Itemization of amounts due from borrower” in the “Summary of Borrower’s Transaction” (§ 1026.38(j)(1)(v)), and factor them into the “Down payment/funds from borrower” and “Funds for borrower” calculations of the Calculating Cash to Close table or in the “Payoffs and Payments” section of the Closing Cost details in the optional alternative Calculating Cash to Close Table for transactions without a seller or for simultaneous subordinate financing? (§ 1026.38(e) as modified under § 1026.38(t)(5)(vii)(B)). (Comment 1026 Appendix D-7.vi.C)</p>			
100. Does the credit union include inspection and handling fees, which are Loan Costs (§§ 1026.37(f) , 1026.38(f)), in the Loan Cost table (or an addendum) and certain disclosures, including “In 5 Years” (§ 1026.37(l)(1)) and “Total of Payments”? (§ 1026.38(o)(1))?			
Closed-End Credit Forms Review			
101. Are required disclosures clear, conspicuous, grouped together, segregated, limited to information directly related to the required disclosures under §§ 1026.18 and 1026.47 , and in writing in a form the consumer can keep and as a separate document from all other written materials? (§ 1026.17(a)(1))			
102. Except for private education loan disclosures, are the terms “finance charge” and “APR” together with the corresponding amount or percentage rate more conspicuous than other terms, except for the credit union’s identity? (§ 1026.17(a)(2))			
103. For private education loan disclosures, is the term “APR” and the corresponding rate less conspicuous than the term “finance charge” and corresponding amount under § 1026.18(d) , interest rate, and notice of right to cancel? (§ 1026.17(a)(2))			
104. Is the credit union identified (may be apart from other disclosures)? (§ 1026.18(a))			
105. Is the “amount financed” (using that term) included and briefly described? (§ 1026.18(b))			
106. Is there a separate itemization of the amount financed or a statement that the consumer may request and receive a written itemization? An itemization of the amount financed is required (except as provided in § 1026.18(c)(2) or (c)(3)),			

	Yes	No	N/A
unless the loan is subject to § 1026.19(e) and (f) (i.e., most closed-end mortgage loans). (§ 1026.18(c))			
107. Is the “finance charge” (using that term) included and briefly described? (§ 1026.18(d))			
108. Is the “annual percentage rate” (using that term) included and briefly described, unless exempt? (§ 1026.18(e))			
109. Do the disclosures for variable rate loans that are not secured by the customer’s principal dwelling or, if secured by the consumer’s principal dwelling, that have a term of one year or less, include <ul style="list-style-type: none"> a. Circumstances that permit rate increases? (§ 1026.18(f)(1)(i)) b. Limits on the increase? (§ 1026.18(f)(1)(ii)) c. Effects of increase? (§ 1026.18(f)(1)(iii)) d. Hypothetical example of new payment terms? (§ 1026.18(f)(1)(iv)) 			
110. Unless the loan is subject to § 1026.18(s) , does the institution include the specified payment schedule? (§ 1026.18(g))			
111. Unless it is a single payment loan, does the institution include and describe the “total of payments” (using that term)? (§ 1026.18(h))			
112. Does the institution disclose a demand feature, if applicable? (§ 1026.18(i))			
113. If a credit sale, is the “total sales price” (using that term) included and described? (§ 1026.18(j))			
114. Does the disclosure include whether or not the institution will impose a penalty or rebate for prepayment? (§ 1026.18(k))			
115. Does the institution disclose a late payment charge (dollar amount or percent), if applicable? (§ 1026.18(l))			
116. Is there a security interest disclosure, if applicable? (§ 1026.18(m))			
117. If credit life insurance and debt cancellation premiums have been excluded from the finance charge, has the credit union: <ul style="list-style-type: none"> a. Disclosed that insurance coverage is not required? b. Disclosed the premium for the initial term? c. Obtained the customer’s signature or initials as an 			

	Yes	No	N/A
affirmative request for the insurance? (§§ 1026.18(n), 1026.4(d))			
118. If the property insurance premium has been excluded from the finance charge, has the credit union: <ul style="list-style-type: none"> a. Disclosed that the consumer may choose the insurance company? b. Disclosed the cost of the insurance for the initial term if obtained from or through the credit union? (§§ 1026.18(n), 1026.4(d)) 			
119. Does the institution provide the disclosures required under § 1026.4(e) to exclude certain fees required by law, such as a filing fee or certain insurance premiums from the finance charge? (§ 1026.18(o))			
120. Is there a statement referring to the contract document for specified information? (§ 1026.18(p))			
121. Is there an appropriate assumption disclosure for residential mortgage transactions? (§ 1026.18(q))			
122. If a deposit is required as a condition of the transaction, has the credit union disclosed that the APR does not reflect its effect? (§ 1026.18(r))			
123. For a closed-end transaction, including home construction loans, secured by real property or a dwelling (other than a transaction secured by a consumer’s interest in a time-share plan), did the credit union disclose the following information about the interest rate(s) and payments, as applicable: <ul style="list-style-type: none"> a. For a fixed-rate mortgage, the interest rate at consummation? (§ 1026.18(s)(2)(i)(A)) b. For an ARM or step-rate mortgage, <ul style="list-style-type: none"> i. The interest rate at consummation and the period of time until the first interest rate adjustment may occur, labeled as the “introductory rate and monthly payment”? (§ 1026.18(s)(2)(i)(B)(1)) ii. The maximum interest rate that may apply during the first five years after the date on which the first regular periodic payment will be due and the earliest date that rate may apply, labeled as “maximum during first five years”? (§ 1026.18(s)(2)(i)(B)(2)) iii. The maximum interest rate that may apply during the life of the loan and the earliest date that rate may apply, labeled as “maximum ever”? (§ 1026.18(s)(2)(i)(B)(3)) 			

	Yes	No	N/A
<p>c. For a loan that provides for payment increases occurring without regard to an interest rate adjustment (as described in § 1026.18(s)(3)(i)(B)), including interest-only loans as discussed in comment 1 to § 1026.18(s)(2)(i)(C), the interest rate in effect at the time the first such payment increase is scheduled to occur and the date on which the increase will occur, labeled as “first adjustment” if the loan is an ARM or, otherwise, labeled as “first increase”? (§ 1026.18(s)(2)(i)(C))</p> <p>d. For a negative amortization loan,</p> <ul style="list-style-type: none"> i. The interest rate at consummation and, if it will adjust after consummation, the length of time until it will adjust, and the label “introductory” or “intro”? ii. (§ 1026.18(s)(2)(ii)(A)) iii. The maximum interest rate that could apply when the consumer must begin making fully amortizing payments under the terms of the legal obligation? (§ 1026.18(s)(2)(ii)(B)) iv. If the minimum required payment will increase before the consumer must begin making fully amortizing payments, the maximum interest rate that could apply at the time of the first payment increase and the date the increase is scheduled to occur? (§ 1026.18(s)(2)(ii)(C)) v. If a second increase in the minimum required payment may occur before the consumer must begin making fully amortizing payments, the maximum interest rate that could apply at the time of the second payment increase and the date the increase is scheduled to occur? (§ 1026.18(s)(2)(ii)(D)) <p>e. For an amortizing ARM, if the interest rate at consummation is less than the fully indexed rate, the following (placed in a box directly beneath the table required by paragraph 18 (s)(1) of the regulation, in a format substantially similar to Model Clause H-4(I) in the regulation’s appendix H),</p> <ul style="list-style-type: none"> i. The interest rate that applies at consummation and the period of time for which it applies? (§ 1026.18(s)(2)(iii)(A)) ii. A statement that, even if market rates do not 			

	Yes	No	N/A
<p>change, the interest rate will increase at the first adjustment and a designation of the place in sequence of the month or year, as applicable, of such rate adjustment (e.g., “in the third year”)? (§ 1026.18(s)(2)(iii)(B))</p> <p>iii. The fully indexed rate? (§ 1026.18(s)(2)(iii)(C))</p> <p>f. If all periodic payments will be applied to accrued interest and principal, for each interest rate disclosed under § 1026.18(s)(2)(i), amortizing loans,</p> <p>i. The corresponding periodic P + I payment, labeled as “principal and interest”? (§ 1026.18(s)(3)(i)(A))</p> <p>ii. If the periodic payment may increase without regard to an interest rate adjustment, the payment that corresponds to the first such increase and the earliest date on which the increase could occur? (§ 1026.18(s)(3)(i)(B))</p> <p>iii. If an escrow account is established, an estimate of the amount of taxes and insurance, including any mortgage insurance, payable with each periodic payment? (§ 1026.18(s)(3)(i)(C))</p> <p>iv. The sum of the amounts disclosed under § 1026.18(s)(3)(i)(A) and (C) or (s)(3)(i)(B) and (C), as applicable, labeled as “total estimated monthly payment”? (§ 1026.18(s)(3)(i)(D))</p> <p>g. If the loan is an interest-only loan, for each interest rate disclosed under § 1026.18(s)(2)(i), amortizing loans, the corresponding periodic payment?</p> <p>h. If the payment will be applied to only accrued interest, the amount applied to interest, labeled as “interest payment,” and a statement that none of the payment is being applied to principal? (§ 1026.18(s)(3)(ii)(A))</p> <p>i. If the payment will be applied to accrued interest and principal, an itemization of the amount of the first such payment applied to accrued interest and to principal, labeled as “interest payment” and “principal payment,” respectively? (§ 1026.18(s)(3)(ii)(B))</p> <p>ii. The escrow information described in § 1026.18(s)(3)(i)(C)?</p> <p>iii. The sum of all amounts required to be disclosed under §§ 1026.18(s)(3)(ii)(A) and (C) or (s)(3)(ii)(B) and (C), as applicable, labeled as “total estimated monthly payment”?</p>			

	Yes	No	N/A
<p style="text-align: center;"><u>(§ 1026.18(s)(3)(ii)(D))</u></p> <p>i. If the loan is a negative amortization loan,</p> <p>j. The minimum periodic payment required until the first payment increase or interest rate increase, corresponding to the interest rate disclosed per <u>§ 1026.18(s)(2)(ii)(A)</u>? (<u>§ 1026.18(s)(4)(i)(A)</u>)</p> <p style="padding-left: 40px;">i. The minimum periodic payment that would be due at the first payment increase and the second, if any, corresponding to the interest rates described in <u>§ 1026.18(s)(2)(ii)(C) and (D)</u>? (<u>§ 1026.18(s)(4)(i)(B)</u>)</p> <p style="padding-left: 40px;">ii. A statement that the minimum payment pays only some interest, does not repay any principal, and will cause the loan amount to increase? (<u>§ 1026.18(s)(4)(i)(C)</u>)</p> <p style="padding-left: 40px;">iii. The fully amortizing periodic payment amount at the earliest time when such a payment must be made, corresponding to the interest rate disclosed under <u>§ 1026.18 (s)(2)(ii)(B)</u>? (<u>§ 1026.18(s)(4)(ii)</u>)</p> <p style="padding-left: 40px;">iv. If applicable, in addition to the payments in <u>§§ 1026.18(s)(4)(i) and 1026.18(s)(4)(ii)</u>, for each interest rate disclosed under <u>§ 1026.18(s)(2)(ii)</u>, the amount of the fully amortizing periodic payment, labeled as the “full payment option,” and a statement that these payments pay all principal and all accrued interest? (<u>§ 1026.18(s)(4)(iii)</u>)</p>			
<p>124. For a closed-end transaction secured by real property or a dwelling (other than a transaction secured by a consumer’s interest in a time-share plan described in 11 USC 101(53D)) that is a negative amortization loan, is the following information disclosed (in close proximity to the table required in <u>§ 1026.18(s)(1)</u>, with headings, content, and format similar to Model Clause H-4(G) in appendix H to this part):</p> <p style="padding-left: 40px;">a. The maximum interest rate, the shortest period of time in which such interest rate could be reached, the amount of estimated taxes and insurance included in each payment disclosed, and a statement that the loan offers payment options, two of which are shown? (<u>§ 1026.18(s)(6)(i)</u>)</p> <p style="padding-left: 40px;">b. The dollar amount of the increase in the loan’s principal balance if the consumer makes only the minimum required</p>			

	Yes	No	N/A
payments for the maximum possible time and the earliest date on which the consumer must begin making fully amortizing payments, assuming that the maximum interest rate is reached at the earliest possible time? (§ 1026.18(s)(6)(ii))			
125. For a closed-end transaction secured by real property or a dwelling (other than a transaction secured by a consumer’s interest in a time-share plan described in 11 USC 101(53D)) with balloon payments (defined as a payment that is more than two times a regular periodic payment), is the balloon payment disclosed as follows: <ul style="list-style-type: none"> a. Unless the balloon payment is scheduled to occur at the same time as another payment (see “b” below), the balloon payment is disclosed separately from other periodic payments disclosed in the table (i.e., it is outside the table and in a manner substantially similar to Model Clause H-4(J) in appendix H to the regulation)? (§ 1026.18(s)(5)(i)) b. If the balloon payment is scheduled to occur at the same time as another payment required to be disclosed in the table, the balloon payment must be disclosed in the table? (§ 1026.18(s)(5)(i)) 			
126. For a closed-end transaction secured by real property or a dwelling (other than a transaction secured by a consumer’s interest in a time-share plan described in 11 USC 101(53D)), did the credit union disclose a statement that there is no guarantee the consumer can refinance the transaction to lower the interest rate or periodic payments? (§ 1026.18(t)(1))			
127. Is the maximum interest rate disclosed (variable rate)? (§ 1026.30(a))			
128. Has the credit union kept evidence of compliance with TILA (other than the advertising requirements under §§ 1026.16 and 1026.24) for two years after the date the credit union was required to make disclosure or take action? (§ 1026.25(a))			
Closed-End Credit (ARM) Forms Review Disclosure at Time of Application: Special Early Disclosures (One for Each Program in Which the Consumer Expresses an Interest)			

	Yes	No	N/A
<p>129. Does the credit union provide variable-rate program disclosures at the time of application or before the consumer pays any nonrefundable fee, whichever is earlier, or if the application is received from a mortgage broker or over the telephone, are they mailed within three business days following receipt of the application? (§ 1026.19(b))</p> <p><i>Note: Examples of variable-rate transactions requiring special early disclosures include renewable balloon-payment loans (if the credit union is unconditionally obligated to renew and may increase the rate at renewal), preferred-rate loans, and “price-level-adjusted” mortgages. Graduated-payment and step-rate loans without a variable-rate feature are not variable-rate transactions. (Comment § 1026.19(b)-5)</i></p>			
<p>130. Do variable rate program disclosures provide:</p> <ul style="list-style-type: none"> a. The booklet titled “Consumer Handbook on ARMs” or a suitable substitute? (§ 1026.19(b)(1)) b. A statement that interest rate, payment, or the term can change? (§ 1026.19(b)(2)(i)) c. The index/formula with source of information disclosed? (§ 1026.19(b)(2)(ii)) d. An explanation of the interest rate/payment determination and margin? (§ 1026.19(b)(2)(iii)) e. A statement that consumers must ask for the current margin and interest rate? (§ 1026.19(b)(2)(iv)) f. The fact that interest rate is discounted, if applicable, and a statement that the consumer must ask about the amount of discount? (§ 1026.19(b)(2)(v)) g. The frequency of interest rate and payment changes? (§ 1026.19(b)(2)(vi)) h. The rules relating to changes in the index, outstanding balance, and limits on increases or decreases of the interest rate and payment amount? (§ 1026.19(b)(2)(vii)) <p><i>Note: A credit union must disclose, where applicable, the possibility of negative amortization. (Comment § 1026.19(b)(2)(vii)-2)</i></p> <ul style="list-style-type: none"> i. A historical example or the maximum interest 			

	Yes	No	N/A
rate and payment? (§ 1026.19(b)(2)(viii))			
j. An explanation of how the loan payment can be calculated based on the (above) example? (§ 1026.19(b)(2)(ix))			
k. The fact that the loan program contains a demand feature? (§ 1026.19(b)(2)(x))			
l. Information on, and timing of, adjustment notices? (§ 1026.19(b)(2)(xi))			
m. A statement that disclosures for other variable rate loan programs are available? (§ 1026.19(b)(2)(xii))			
Disclosures Before Consummation			
131. Is there a disclosure that the note contains a variable rate feature before consummation? (§ 1026.18(f)(2)(i))			
132. If the credit union provides the special early disclosures as required under § 1026.19(b)(2) , is there a statement that the credit union provided variable rate disclosures earlier? (§ 1026.17(b) , 1026.18(f)(2)(ii))			
Disclosures After Consummation: Initial Rate Adjustment Disclosures and Disclosures for Rate Adjustments With Corresponding Changes in Payment			
133. Does the credit union, assignee, or servicer provide the initial rate adjustment disclosures at least 210, but no more than 240, days before the first payment at the adjusted level is due; or if the first payment at the adjusted level is due within the first 210 days after consummation, does the credit union, assignee, or servicer provide the disclosures at consummation? (§ 1026.20(d))			
134. Does the credit union, assignee, or servicer provide the initial rate adjustment disclosures required above in the form of a table that is similar to forms H-4(D)(3) and (4) in Appendix H and as a separate document from all other written materials? (§§ 1026.20(d)(3) , 1026.17(a)(1))			
135. Do the initial rate adjustment disclosures include the following:			
a. The date of the disclosure? (§ 1026.20(d)(2)(i))			
b. An explanation that, by the loan terms, the current rate is scheduled to expire, the new rate's effective date and any resulting payment change, when future rate adjustments are scheduled to occur, and any other changes to loan terms, features, or options? (§ 1026.20(d)(2)(ii))			
c. A table explaining the current interest rate and payment, the			

	Yes	No	N/A
<p>new interest rate and payment, and the date the first new payment is due? (§ 1026.20(d)(2)(iii))</p> <p><i>Note: For interest-only and negative amortization ARMs, the table must include how the current and new rates and payment will be allocated to interest, principal, and escrow (if applicable). (§ 1026.20(d)(2)(iii)(C))</i></p> <p>d. An explanation of how the interest rate is determined, including the specific index or formula and a source of information about that index or formula; and the type and amount of any adjustment, including a margin and an explanation that a margin is the addition of a certain number of percentage points to the index? (§ 1026.20(d)(2)(iv))</p> <p>e. Any limit on rate or payment increases for each of the loan's rate adjustments, including the extent limits result in the credit union, assignee, or servicer forgoing any increase in the rate and the earliest date that such forgone interest rate increases may apply to future interest rate adjustments, subject to those limits? (§ 1026.20(d)(2)(v))</p> <p>f. An explanation of how the credit union, assignee, or servicer determined the new payment, including the index or formula used to determine the new interest rate? (§ 1026.20(d)(2)(vi)(A))</p> <p>g. Any adjustments to the index or formula the credit union, assignee, or servicer used to determine the new payment, such as the addition of a margin? (§ 1026.20(d)(2)(vi)(B))</p> <p>h. The expected loan balance on the date of the interest rate adjustment? (§ 1026.20(d)(2)(vi)(C))</p> <p>i. The remaining loan term expected on the date of the interest rate adjustment and any resulting changes to the term that may have occurred? (§ 1026.20(d)(2)(vi)(D))</p> <p>j. If the credit union, assignee, or servicer provided an estimated rate payment, a statement that the credit union is using an estimated rate and that it will provide a subsequent disclosure with the actual interest rate between two and four months before the first adjusted payment is due? (§ 1026.20(d)(2)(vi)(E))</p> <p>k. If applicable, a statement that the new payment will not be allocated to pay loan principal and will not reduce the</p>			

	Yes	No	N/A
<p>balance? If the new payment will result in negative amortization, a statement that the new payment will not be allocated to principal and that only part of the interest will be paid, which will add to the loan balance? If the new payment will result in negative amortization because of the rate adjustment, a statement of the payment required to fully amortize the remaining balance over the remainder of the term? (§ 1026.20(d)(2)(vii))</p> <p>l. The circumstances under which the credit union, assignee, or servicer may impose a prepayment penalty, the time period during which it may impose the penalty, and a statement that the consumer may contact the servicer for additional information? (§ 1026.20(d)(2)(viii))</p> <p>m. A telephone number of the credit union, assignee, or servicer if the consumer is unable to make the new payment and alternatives to paying at the new rate? (§§ 1026.20(d)(2)(ix), (x))</p> <p>n. A Web address to the CFPB’s or HUD’s approved list of homeownership counselors and counseling organizations, the HUD toll-free number to access the HUD list of homeownership counselors and counseling organizations, CFPB Web site to access state housing finance authorities’ contact information? (§ 1026.20(d)(2)(xi))</p>			
<p>136. If the adjustment of interest rates under the loan contract results in a corresponding adjustment to the payment (including an ARM conversion to fixed-rate if payments change), does the credit union, assignee, or servicer provide the following disclosures, unless otherwise exempt: (§ 1026.20(c))</p> <p>a. An explanation that, by the loan terms, the current rate is scheduled to expire, the new rate’s effective date and the resulting payment change, when future rate adjustments are scheduled to occur, and any other changes to loan terms, features or options? (§ 1026.20(c)(2)(i))</p> <p>b. A table explaining the current and new interest rates and payments, and the date the first new payment is due? (§ 1026.20(c)(2)(ii))</p> <p><i>Note: For interest-only and negative amortization ARMs, the table must include how the current and new rates and payment will be allocated to interest, principal, and escrow (if applicable). (§ 1026.20(c)(2)(ii)(C))</i></p>			

	Yes	No	N/A
<p>c. An explanation of how the interest rate is determined, including the specific index or formula and a source of information about that index, and the type and amount of any adjustment, including a margin and an explanation that a margin is the addition of a certain number of percentage points to the index and application of previously forgone rate increases? (§ 1026.20(c)(2)(iii))</p> <p>d. Any limit on rate or payment increases for each of the loan's rate adjustments, including the extent limits result in the credit union, assignee, or servicer forgoing any increase in the rate and the earliest date that such forgone interest rate increases may apply to future interest rate adjustments, subject to those limits? e. (§ 1026.20(c)(2)(iv))</p> <p>f. An explanation of how the new payment was determined, including the index or formula used to determine the new interest rate? (§ 1026.20(c)(2)(v)(A))</p> <p>g. Any adjustments to the index or formula, such as the addition of a margin? (§ 1026.20(c)(2)(v)(B))</p> <p>h. The expected loan balance on the date of the interest rate adjustment? (§ 1026.20(c)(2)(v)(C))</p> <p>i. The remaining loan term expected on the date of the interest rate adjustment and change to the term of the loan? (§ 1026.20(c)(2)(v)(D))</p> <p>j. If applicable, a statement that the new payment will not be allocated to pay loan principal and will not reduce the balance? If the new payment will result in negative amortization, a statement that the new payment will not be allocated to pay principal and will pay only part of the interest, thereby adding to the loan balance? If the new payment will result in negative amortization because of the rate adjustment, a statement of the payment required to fully amortize the remaining balance at the new rate over the remainder of the term? (§ 1026.20(c)(2)(vi))</p> <p>k. The circumstances under which the credit union, assignee, or servicer may impose a prepayment penalty, the time period during which it may impose the penalty, and a statement that the consumer may contact the servicer for additional</p>			

	Yes	No	N/A
<p>information? (§ 1026.20(c)(2)(vii))</p> <p><i>Note: A credit union, assignee, or servicer is not required to comply with this disclosure requirement if (1) it received the consumer's notification to cease communication under section 805(c) of the Fair Debt Collection Practices Act, or (2) for the first interest rate adjustment to an ARM, the first adjusted payment is due within 210 days after consummation and the new interest rate disclosed at consummation was not an estimate. (§ 1026.20(c)(1)(ii))</i></p>			
<p>137. Does the credit union, assignee, or servicer provide the rate adjustment disclosures required under § 1026.20(c) in the form of a table that is similar to forms H-4(D)(1) and (2) in appendix H to § 1026 and provided according to the following timing requirements? (§ 1026.20(c)(2), (3))</p> <p>a. If the payment changes with a rate change, the credit union, assignee, or servicer must provide disclosures to consumers between 60 and 120 days before the first payment at the new rate is due.</p> <p>b. If the payment change is caused by a rate change that is uniformly scheduled every 60 days (or more frequently), the credit union, assignee, or servicer must provide disclosures to consumers between 25 and 120 days before the first payment at the new rate.</p> <p>c. If the ARM was originated before January 10, 2015, where the interest rate and payment are calculated based on an index that is available less than 45 days before the change, the credit union, assignee, or servicer must provide disclosures between 25 and 120 days before the first payment at the new rate is due.</p> <p>d. If the payment adjustment occurs within 60 days of consummation and the new interest rate after adjustment provided at consummation was an estimate, disclosures are required as soon as practicable, but no later than 25 days before the first payment at the new rate is due.</p>			
<p>138. Has the credit union kept evidence of compliance with TILA for two years after it was required to make disclosures or take action? (§ 1026.25(a))</p>			
Closed-End Credit File Review			
<p>139. Except for private education loans and mail or telephone orders, does the credit union, assignee, or servicer provide disclosures before consummation? (§ 1026.17(b))</p>			

	Yes	No	N/A
<i>Note: There are special timing requirements for certain residential mortgage transactions and variable rate mortgage transactions. (§§ 1026.19(a), 1026.19(b), 1026.20(c), and 1026.20(d))</i>			
140. Is the amount financed disclosed and accurate? (§ 1026.18(b))			
141. Is there a separate itemization of the amount financed (RESPA-GFE, if applicable, may be substituted)? (§ 1026.18(c))			
142. Is the finance charge disclosed and accurate? (§§ 1026.4 , 1026.18(c) , and 1026.18(d))			
143. Is the APR disclosed and accurate? (§§ 1026.18(e) and 1026.22(a))			
144. Does the credit union, assignee, or servicer provide the following required disclosures on variable rate loans (other than those secured by the consumer's principal dwelling with a term of more than one year): a. Circumstances that permit rate increase? (§ 1026.18(f)(1)(i)) b. Limits on the increase: i. Periodic? (§ 1026.18(f)(1)(ii)) ii. Lifetime? (§ 1026.18(f)(1)(ii)) c. Effects of increase? (§ 1026.18(f)(1)(iii)) d. Hypothetical example of new payment terms? (§ 1026.18(f)(1)(iv))			
145. Does the credit union, assignee, or servicer provide the following required disclosures if the APR may increase after consummation on variable rate loan transaction secured by the consumer's principal dwelling with a term greater than one year: a. The fact that the transaction contains a variable-rate feature? b. A statement that the credit union, assignee, or servicer provided the variable-rate disclosures earlier? (§ 1026.18(f)(2))			
146. Has the credit union, assignee, or servicer provided the appropriate payment schedule or payment summary, and is it accurate? (§§ 1026.18(g) and 1026.18(s))			
147. Unless the loan is a single payment loan, did the credit union, assignee, or servicer provide the total of payments and is it accurate? (§ 1026.18(h))			
148. If the obligation has a demand feature, is that fact disclosed, and, if the disclosures are based on an assumption of one year as provided in § 1026.17(c)(5), does the credit union, assignee, or servicer disclose that fact? (§ 1026.18(i))			

	Yes	No	N/A
149. If a credit sale, is the total sale price accurate? (§ 1026.18(j))			
150. Does the credit union, assignee, or servicer disclose the prepayment penalty, if applicable? (§ 1026.18(k))			
151. Does the credit union, assignee, or servicer disclose the late payment charge (dollar amount or percent), if applicable? (§ 1026.18(l))			
152. Does the credit union, assignee, or servicer describe the security interest accurately, if applicable? (§ 1026.18(m))			
153. If fees listed at § 1026.4(e) are excluded from the finance charge, are these fees listed? (§ 1026.18(o))			
154. Is there a statement included that the consumer must refer to the appropriate contract document for information about nonpayment, default, the right to accelerate the maturity of the obligation, and prepayment rebates and penalties? (§ 1026.18(p))			
155. For a residential mortgage transaction, is there a statement whether or not a subsequent purchaser of the dwelling from the consumer may be permitted to assume the remaining obligation on its original terms? (§ 1026.18(q))			
156. Does the credit union, assignee, or servicer disclose the credit life insurance premium or debt cancellation fee for the initial term accurately, if applicable? (§§ 1026.18(n) and 1026.4(d))			
157. Does the credit union, assignee, or servicer accurately disclose the cost of property insurance for the initial term if from or through the credit union? (§§ 1026.18(n) and 1026.4(d))			
158. Does the credit union, assignee, or servicer accurately disclose deposits required for credit transactions? (§ 1026.18(r))			
159. Are residential mortgage transaction closing fees that are excluded from the disclosed finance charge bona fide and reasonable? (§ 1026.4(c)(7))			
160. For any consumer credit contract secured by a dwelling, is the maximum interest rate in the contract (variable rate mortgage) disclosed? (§ 1026.30(a))			
161. For mortgage transactions subject to RESPA secured by the consumer's dwelling (other than a HELOC or time-share plan), does the credit union provide a GFE of the disclosures required by § 1026.18 within three business days after receiving the consumer's written application? (§ 1026.19(a)(1)(i))			
162. In addition to the disclosures required by § 1026.18 , did the credit union provide the notice indicating the consumer is not required to complete the agreement merely because the consumer has received disclosures or signed a loan application? (§ 1026.19(a)(4))			
163. Did the credit union refrain from imposing a fee on a consumer in			

	Yes	No	N/A
connection with the mortgage application before the consumer has received the relevant disclosures required in § 1026.18 , except for a bona fide and reasonable fee for obtaining the consumer's credit history? (§ 1026.19(a)(1))			
164. Is the GFE in step 23 delivered or placed in the mail no later than the seventh business day before consummation of the transaction, unless the consumer modifies or waives the applicable waiting period due to a bona fide personal financial emergency? (§ 1026.19(a)(2))			
165. Did the credit union provide corrected disclosures of all changed terms, including the APR, if the APR stated in the GFE is not considered accurate under § 1026.22 when compared with the APR at consummation? (§ 1026.19(a)(2)(ii)) If yes, did the consumer receive the corrected disclosures no later than the third business day before consummation unless he or she modified or waived the applicable waiting period due to a bona fide personal financial emergency? (§ 1026.19(a)(3))			
166. Unless subject to the exceptions at § 1026.39(c) , for consumer credit transactions secured by the consumer's principal dwelling that were acquired by, or otherwise sold, transferred, or assigned to the creditor who is the new legal owner of the debt (covered person), did the covered person provide a written disclosure notice to the borrower within 30 calendar days of the transaction that includes the following: a. An identification of the loan that was sold, assigned, or otherwise transferred? (§ 1026.39(d)) b. Name, address, and telephone number of the covered person? (§ 1026.39(d)(1)) c. If there are multiple covered persons, has each of them provided contact information, unless one of them has been authorized to receive the consumer's notice of the right to rescind and resolve issues concerning the consumer's payments on the loan? (§ 1026.39(d)(1)(ii)) d. Date of transfer, which may, at the covered person's option, be either the date of acquisition recognized in the books and records of the acquiring party, or the date of transfer recognized in the books and records of the transferring party? (§ 1026.39(d)(2)) e. Name, address, and telephone number of an agent or party authorized to receive notice of the right to rescind and resolve			

	Yes	No	N/A
<p>issues concerning the consumer's payments on the loan, unless the consumer can use the information provided under (b) for this purpose? (§ 1026.39(d)(3))</p> <p>f. The location where the transfer of ownership of the debt to the covered person is or may be recorded?</p> <p><i>Note: If the transfer of ownership has not been recorded in public records at the time the disclosure is provided, the covered person complies with this paragraph by stating this fact. (§ 1026.39(d)(4))</i></p> <p>g. At the option of the covered person, any other information regarding the transaction? (§ 1026.39(e))</p> <p><i>Note: The notice is required even if the servicer did not change. In addition, if more than one consumer is liable on the obligation, the covered person may mail or deliver the disclosure notice to any consumer who is primarily liable. (§ 1026.39(b)(3))</i></p>			
167. Has the covered person provided the disclosure notice required by § 1026.39 clearly and conspicuously in writing, in a form that the consumer may keep? (§ 1026.39(b)(1))			
168. If a consumer credit transaction secured by the principal dwelling of a consumer is acquired by a covered person and subsequently sold, assigned, or otherwise transferred to another covered person and a single disclosure notice is provided on behalf of both covered persons, did the disclosure notice satisfy the timing (§ 1026.39(b)) and content (§ 1026.39(d)) requirements applicable to each covered person? (§ 1026.39(b)(4))			
169. If an acquisition involves multiple covered persons who jointly acquire the consumer credit transaction secured by the principal dwelling of a consumer, was a single disclosure notice provided on behalf of all covered persons? (§ 1026.39(b)(5))			
170. For private education loans, does the credit union, assignee, or servicer provide the application or solicitation disclosures (§ 1026.47(a)) clearly and conspicuously on or with any application or solicitation? (§ 1026.46(d))			

	Yes	No	N/A
<p>171. Do the application and solicitation disclosures for private education loans disclose the following:</p> <p>a. Accurate interest rate, including:</p> <ul style="list-style-type: none"> i. Rate or range, and if the rate depends in part on a determination of the borrower's creditworthiness or other factors, a statement to that effect? ii. Whether rate is fixed or variable? iii. If rate may increase after consummation, any limitations, or lack thereof, and if the limitation is imposed by law, that fact. Also, does the credit union state that the consumer's actual rate may be higher or lower than that disclosed, if applicable? iv. Whether the rate will typically be higher if the loan is not co-signed or guaranteed? (§ 1026.47(a)(1)) <p>b. An itemization of the fees and default or late payment costs? (§ 1026.47(a)(2))</p> <p>c. Repayment terms, including:</p> <ul style="list-style-type: none"> i. Term of the loan, which is the period during which regularly scheduled payments of principal and interest will be due? ii. Deferral options, or if consumer does not have the option to defer, that fact? iii. For each available deferral option applicable, information as to: <ul style="list-style-type: none"> A. Whether interest will accrue during deferral period? B. If interest accrues, whether payment of interest may be deferred and added to the principal balance? C. A statement that, if the consumer files bankruptcy, the consumer may still be required to repay the loan? (§ 1026.47(a)(3)) <p>d. Cost estimates, based on an example of the total cost of the loan, calculated</p> <ul style="list-style-type: none"> i. Using the highest disclosed interest rate and including all applicable finance charges? ii. Using an amount financed of \$10,000, or \$5,000, if the credit union offers loans less than \$10,000? iii. For each payment option? (§ 1026.47(a)(4)) <p>e. Eligibility (e.g., any age or school enrollment eligibility requirements) for the consumer or cosigner? (§ 1026.47(a)(5))</p>			

	Yes	No	N/A
<p>f. Alternatives to private education loans, including</p> <ul style="list-style-type: none"> i. A statement that the consumer may qualify for federal student loans? ii. The interest rates available for each program available under title IV of the Higher Education Act of 1965, and whether the rate is variable or fixed? iii. A statement that the consumer may obtain additional information regarding student federal financial assistance from the school or U.S. Department of Education, including an appropriate Web site? iv. A statement that a covered educational institution may have school specific educational loan benefits and terms not detailed in the loan disclosure forms? (§ 1026.47(a)(6)) <p>g. A statement that if the loan is approved, that the loan will be available for 30 days and the terms will not change, except for changes to the interest rate in the case of a variable rate and other changes permitted by law? (§ 1026.47(a)(7))</p> <p>h. A statement that before consummation, the borrower must complete a self-certification form obtained from the student's institution of higher education? (§ 1026.47(a)(8))</p>			
172. For private education loans, are the approval disclosures provided before consummation on or with any notice of approval provided to the consumer? (§ 1026.46(d)(2))			
<p>173. Do the approval disclosures for private education loans disclose the information required under § 1026.18 and the following:</p> <ul style="list-style-type: none"> a. Interest rate information, including <ul style="list-style-type: none"> i. Interest rate applicable to the loan? ii. Whether the interest rate is variable or fixed? iii. If the interest rate may increase after consummation, any limitations on the rate adjustments, or lack thereof? (§ 1026.47(b)(1)) b. Fees and default or late payment costs, including <ul style="list-style-type: none"> i. an itemization of the fees or range of fees required to obtain the loan? ii. any fees, changes to the interest rate, and adjustments to principal based on the consumer's defaults or late payments? (§ 1026.47(b)(2)) c. Repayment terms, including 			

	Yes	No	N/A
<ul style="list-style-type: none"> i. Principal amount? ii. Term of the loan? iii. A description of the payment deferral option the consumer chooses, if applicable, and any other payment deferral options that the consumer may elect at a later time? iv. Any payments required while the student is enrolled at the educational institution, based on the deferral option the consumer chooses? v. Amount of any unpaid interest that will accrue while the student is enrolled in school, based on the deferral option the consumer chooses? vi. A statement that if the consumer files for bankruptcy, the consumer may still be required to pay back the loan? vii. An estimate of the total amount of payments calculated based on the interest rate applicable to the loan (compliance with section § 1026.18(h) constitutes compliance with this requirement)? <ul style="list-style-type: none"> A. The maximum possible rate of interest for the loan, or, if a maximum rate cannot be determined, a rate of 25 percent? B. If a maximum rate cannot be determined, does the estimate of the total amount for repayment include a statement that there is no maximum rate and that the total amount for repayment disclosed is an estimate? viii. The maximum monthly payment based on the maximum rate of interest for the loan, or, if a maximum rate of interest cannot be determined, a rate of 25 percent? If a maximum cannot be determined, is there a statement that there is no maximum rate and that the monthly payment amount disclosed is an estimate and will be higher if the applicable interest rate increases? (§ 1026.47(b)(3)) <p>d. Alternatives to private education loans, including:</p> <ul style="list-style-type: none"> i. A statement that the consumer may qualify for federal student loans? ii. The interest rates available for each program available under title IV of the Higher Education Act of 1965, and whether the rate is variable or fixed? iii. A statement that the consumer may obtain additional information regarding student federal financial assistance from the school or the U.S. Department of Education, including an appropriate Web site? 			

	Yes	No	N/A
<p align="center">(§ 1026.47(b)(4))</p> <p>e. A statement that the consumer may accept the terms of the loan until the acceptance period under § 1026.48(c)(1) has expired. Does the statement include:</p> <ul style="list-style-type: none"> i. the specific date on which the acceptance period expires, based on the date on which the consumer receives the disclosures required under this subsection for the loan? ii. the method or methods the consumer may use to communicate the acceptance (written, oral, or by electronic means?) iii. a statement that except for changes to the interest rate and other changes permitted by law, the credit union may not change the rates and the terms of the loan during the 30-day acceptance period? (§ 1026.47(b)(5)) 			
<p>174. For private education loans, does the credit union provide the final approval disclosures after the consumer accepts the loan and at least three business days before disbursing the private education loan funds? (§ 1026.46(d)(3))</p>			
<p>175. In addition to the disclosures required under § 1026.18, do the final disclosures for private education loans disclose the following:</p> <ul style="list-style-type: none"> a. Interest rate, including: <ul style="list-style-type: none"> i. Interest rate applicable to the loan? ii. Whether the interest rate is variable or fixed? iii. If the interest rate may increase after consummation, any limitations on the rate adjustments, or lack thereof? (§ 1026.47(c)(1)) b. Fees and default or late payment costs, including: <ul style="list-style-type: none"> i. An itemization of the fees or range of fees required to obtain the loan? ii. Any fees, changes to the interest rate, and adjustments to principal based on the consumer's defaults or late payments? (§ 1026.47(c)(2)) c. Repayment terms, including: <ul style="list-style-type: none"> i. Principal amount? ii. Term of the loan? iii. A description of the payment deferral option the consumer chooses, if applicable, and any other payment deferral options that the consumer may elect 			

	Yes	No	N/A
<p>at a later time?</p> <p>iv. Any payments required while the student is enrolled at the educational institution, based on the deferral option the consumer chooses?</p> <p>v. Amount of any unpaid interest that will accrue while the student is enrolled in school, based on the deferral option the consumer chooses?</p> <p>vi. A statement that if the consumer files for bankruptcy, the consumer may still be required to pay back the loan?</p> <p>vii. An estimate of the total amount of payments calculated based on:</p> <p style="padding-left: 40px;">A. The interest rate applicable to the loan (compliance with section § 1026.18(h) constitutes compliance with this requirement)?</p> <p style="padding-left: 40px;">B. The maximum possible rate of interest for the loan, or, if a maximum rate cannot be determined, a rate of 25 percent?</p> <p style="padding-left: 40px;">C. If a maximum rate cannot be determined, the estimate of the total amount for repayment must include a statement that there is no maximum rate and that the total amount for repayment disclosed is an estimate?</p> <p>viii. The maximum monthly payment based on the maximum rate of interest for the loan, or, if a maximum rate of interest cannot be determined, a rate of 25 percent. If a maximum cannot be determined, is there a statement that there is no maximum rate and that the monthly payment amount disclosed is an estimate and will be higher if the applicable interest rate increases? (§ 1026.47(c)(3))</p> <p>d. In a text more conspicuous than any other required disclosure, except for the finance charge, the interest rate, and the credit union's identity, the following disclosures:</p> <p style="padding-left: 40px;">i. A statement that the consumer has the right to cancel the loan, without penalty, at any time before the midnight of the third business day following the date on which the consumer receives the final loan disclosures. Does the statement include the specific date on which the cancellation period expires and that the consumer may cancel by that date?</p> <p style="padding-left: 40px;">ii. A statement that the loan proceeds will not be disbursed until the cancellation period expires?</p> <p style="padding-left: 40px;">iii. The method or methods the consumer may use to cancel?</p> <p style="padding-left: 40px;">iv. If the credit union permits cancellation by mail, the</p>			

	Yes	No	N/A
statement specifying that the consumer’s mailed request will be deemed timely if placed in the mail not later than the cancellation date specified on the disclosures? (§ 1026.47(c)(4))			
176. Has the credit union kept evidence of compliance with TILA for two years after the date it was required to make disclosures or take action? (§ 1026.25(a))			
Closed-End Credit—ARM File Review			
177. Did the credit union provide timely early disclosures for residential mortgage transactions subject to RESPA? (§ 1026.19(a)(1))			
178. Unless subject to the exception at § 1026.19(d) , did the credit union provide the booklet titled “Consumer Handbook on ARMs” or a substitute for an ARM transaction secured by the principal dwelling and for a term greater than one year? (§ 1026.19(b)(1))			
179. If interest rate changes are tied to a particular index, did the contract disclose this fact and include the source of information about the index, or in the alternative, disclose that interest rate changes are at the credit union's discretion or describe any internally defined index? (§ 1026.19(b)(2)(ii) , Comments §§ 1026.19(b)(2)(ii)-1 and -2)			
180. For mortgage transactions subject to RESPA secured by the consumer’s dwelling, does the credit union provide a GFE of the disclosures required by § 1026.18 within three business days after receiving the consumer’s written application? (§ 1026.19(a)(1))			
181. In addition to the disclosures required by § 1026.18 , did the credit union provide the notice indicating the consumer is not required to complete the agreement merely because the consumer has received disclosures or signed a loan application? (§ 1026.19(a)(4))			
182. Did the credit union refrain from imposing a fee on a consumer in connection with the mortgage application before the consumer has received the relevant disclosures required in step 4, except for a bona fide and reasonable fee for obtaining the consumer’s credit history, unless the consumer modifies or waives the applicable waiting period due to a bona fide personal financial emergency? (§ 1026.19(a)(1))			
183. Is the GFE in step 4 delivered or placed in the mail no later than the seventh business day before consummation of the transaction? (§ 1026.19(a)(2))			
184. Did the credit union provide corrected disclosures of all changed terms, including the APR, that the consumer received no later than the third business day before consummation, if the APR stated in			

	Yes	No	N/A
the GFE is not considered accurate under § 1026.22 when compared with the APR at consummation? (§ 1026.19(a)(2)(ii))			
<p>185. Unless subject to the exceptions at § 1026.39(c), for consumer credit transactions secured by the consumer's principal dwelling that were acquired by, or otherwise sold, transferred, or assigned to, the credit union who is the new legal owner of the debt (covered person), did the covered person provide a written disclosure notice to the borrower within 30 calendar days of the transaction that includes the following:</p> <ul style="list-style-type: none"> a. An identification of the loan that was sold, assigned, or otherwise transferred? (§ 1026.39(d)) b. Name, address, and telephone number of the covered person? (§ 1026.39(d)(1)) c. Contact information for each person, if there are multiple covered persons, unless one of them has been authorized to receive the consumer's notice of the right to rescind and resolve issues concerning the consumer's payments on the loan? (§§ 1026.39(d)(1)(i), (ii)) d. Date of transfer, which may, at the covered person's option, be either the date of acquisition recognized in the books and records of the acquiring party or the date of transfer recognized in the books and records of the transferring party? (§ 1026.39(d)(2)) e. Name, address, and telephone number of an agent or party authorized to receive notice of the right to rescind and resolve issues concerning the consumer's payments on the loan, unless the consumer can use the information provided under (b) for this purpose? (§ 1026.39(d)(3)) f. The location where the transfer of ownership of the debt to the covered person is or may be recorded? (<i>Note: If the transfer of ownership has not been recorded in public records at the time the covered person provides the disclosure, the covered person complies with this paragraph by stating this fact.</i>) (§ 1026.39(d)(4)) g. At the option of the covered person, any other information regarding the transaction? (§ 1026.39(e)) 			
186. Is the disclosure notice required by § 1026.39 provided clearly and conspicuously in writing, in a form that the consumer may keep? (§ 1026.39(b)(1))			

	Yes	No	N/A
<i>Note: This disclosure notice may be combined with the RESPA servicing transfer notice (Comment § 1026.39(b)(1)-1).</i>			
187. If a consumer credit transaction secured by the principal dwelling of a consumer is acquired by a covered person and subsequently sold, assigned, or otherwise transferred to another covered person and a single disclosure notice is provided on behalf of both covered persons, did the disclosure notice satisfy the timing (§ 1026.39(b)) and content (§ 1026.39(d)) requirements applicable to each covered person? (§ 1026.39(b)(4))			
188. If an acquisition involves multiple covered persons who jointly acquire the consumer credit transaction secured by the principal dwelling of a consumer, was a single disclosure notice provided on behalf of all covered persons? (§ 1026.39(b)(5))			
Subsequent Disclosures			
189. Did the credit union, assignee, or servicer provide the initial rate adjustment disclosures at least 210, but no more than 240, days before the first payment at the adjusted level is due or if the first payment at the adjusted level is due within the first 210 days after consummation, does it provide the disclosures at consummation? (§ 1026.20(d))			
<p>190. Did the initial rate adjustment disclosures include the following:</p> <ul style="list-style-type: none"> a. Date of the disclosure? (§ 1026.20(d)(2)(i)) b. An explanation that, by the loan terms, the current rate is scheduled to expire, the new rate's effective date, and any resulting payment change, when future rate adjustments are scheduled to occur and any other changes to loan terms, features, or options? (§ 1026.20(d)(2)(ii)) c. A table explaining the current interest rate and payment, the new interest rate and payment, and the date the first new payment is due? (§ 1026.20(d)(2)(iii)) <p><i>Note: For interest-only and negative amortization ARMs, the table must include how the current and new rates and payment will be allocated to interest, principal, and escrow (if applicable).</i> (§ 1026.20(d)(2)(iii)(C))</p> <ul style="list-style-type: none"> d. An explanation of how the interest rate is determined, including the specific index or formula and a source of information about that index or formula; and the type and amount of any adjustment, including a margin and an 			

	Yes	No	N/A
<p>explanation that a margin is the addition of a certain number of percentage points to the index? (§ 1026.20(d)(2)(iv))</p> <p>e. Any limit on rate or payment increases for each of the loan's rate adjustments, including the extent limits result in the credit union, assignee, or servicer forgoing any increase in the rate and the earliest date that such forgone interest rate increases may apply to future interest rate adjustments, subject to those limits? (§ 1026.20(d)(2)(v))</p> <p>f. An explanation of how the new payment was determined, including the index or formula used to determine the new interest rate? (§ 1026.20(d)(2)(vi)(A))</p> <p>g. Any adjustments to the index or formula used to determine the new payment, such as the addition of a margin? (§ 1026.20(d)(2)(vi)(B))</p> <p>h. The expected loan balance on the date of the interest rate adjustment? (§ 1026.20(d)(2)(vi)(C))</p> <p>i. The remaining loan term expected on the date of the interest rate adjustment and any resulting changes to the term that may have occurred? (§ 1026.20(d)(2)(vi)(D))</p> <p>j. If the credit union provides an estimated rate payment, a statement that the credit union is using an estimated rate and will provide a subsequent disclosure with the actual interest rate between two and four months before the first adjusted payment is due? (§ 1026.20(d)(2)(vi)(E))</p> <p>k. If applicable, a statement that the new payment will not be allocated to pay loan principal and will not reduce the balance? If the new payment will result in negative amortization, a statement that the new payment will not be allocated to principal and that only part of the interest will be paid, which will add to the loan balance? If the new payment will result in negative amortization because of the rate adjustment, a statement of the payment required to fully amortize the remaining balance over the remainder of the term? (§ 1026.20(d)(2)(vii))</p> <p>l. The circumstances in which a prepayment penalty may be imposed, the time period during which it may be imposed, and a statement that the consumer may contact the servicer for additional information? (§ 1026.20(d)(2)(viii))</p>			

	Yes	No	N/A
<p>m. A telephone number of the credit union, assignee, or servicer if the consumer is unable to make the new payment and alternatives to paying at the new rate? (§§ 1026.20(d)(2)(ix), (x))</p> <p>n. A Web address to the CFPB’s or HUD’s approved list of homeownership counselors and counseling organizations, the HUD toll-free number to access the HUD list of homeownership counselors and counseling organizations, and CFPB Web site to access state housing finance authorities’ contact information? (§ 1026.20(d)(2)(xi))</p>			
<p>191. Did the credit union provide the initial rate adjustment disclosures required above the form of a table that is substantially similar to forms H-4(D)(3) and (4) in appendix H and provided as a separate document from all other written materials? (§§ 1026.20(d)(3), 1026.17(a)(1))</p>			
<p>192. If the adjustment of interest rates under the loan contract results in a corresponding adjustment to the payment (including an ARM conversion to fixed-rate if payments change), did the credit union, assignee, or servicer provide the following disclosures, unless otherwise exempt: (§ 1026.20(c))</p> <p>a. An explanation that, by the loan terms, the current rate is scheduled to expire, the new rate’s effective date, and the resulting payment change, when future rate adjustments are scheduled to occur and any other changes to loan terms, features, or options? (§ 1026.20(c)(2)(i))</p> <p>b. A table explaining the current and new interest rates and payments, and the date the first new payment is due? (§ 1026.20(c)(2)(ii))</p> <p style="text-align: center;"><i>Note: For interest-only and negative amortization ARMs, the table must include how the current and new rates and payment will be allocated to interest, principal, and escrow (if applicable).</i> (§ 1026.20(c)(2)(ii)(C))</p> <p>c. An explanation of how the interest rate is determined, including the specific index or formula and a source of information about that index; and the type and amount of any adjustment, including a margin and an explanation that a margin is the addition of a certain number of percentage points to the index and application of previously forgone rate increases? (§ 1026.20(c)(2)(iii))</p> <p>d. Any limit on rate or payment increases for each of the loan’s</p>			

	Yes	No	N/A
<p>rate adjustments, including the extent limits result in the credit union, assignee, or servicer forgoing any increase in the rate and the earliest date that such forgone interest rate increases may apply to future interest rate adjustments, subject to those limits?</p> <p>e. (§ 1026.20(c)(2)(iv))</p> <p>f. An explanation of how the new payment was determined, including the index or formula used to determine the new interest rate? (§ 1026.20(c)(2)(v)(A))</p> <p>g. Any adjustments to the index or formula, such as the addition of a margin? (§ 1026.20(c)(2)(v)(B))</p> <p>h. The expected loan balance on the date of the interest rate adjustment? (§ 1026.20(c)(2)(v)(C))</p> <p>i. The remaining loan term expected on the date of the interest rate adjustment and change to the term of the loan? (§ 1026.20(c)(2)(v)(D))</p> <p>j. If applicable, a statement that the new payment will not be allocated to pay loan principal and will not reduce the balance? If the new payment will result in negative amortization, a statement that the new payment will not be allocated to principal and that only part of the interest will be paid, which will add to the loan balance? If the new payment will result in negative amortization because of the rate adjustment, a statement of the payment required to fully amortize the remaining balance over the remainder of the term? (§ 1026.20(c)(2)(vi))</p> <p>k. The circumstances in which the credit union may impose a prepayment penalty, the time period during which it may impose the penalty, and a statement that the consumer may contact the servicer for additional information? (§ 1026.20(c)(2)(vii))</p> <p><i>Note: A creditor, assignee, or servicer is not required to comply with this disclosure requirement if (1) it received the consumer's notification to cease communication under section 805(c) of the Fair Debt Collection Practices Act, or (2) for, the first interest rate adjustment to an ARM, the first adjusted payment is due within 210 days after consummation and the new interest rate disclosed at consummation was not</i></p>			

	Yes	No	N/A
<i>an estimate. (§ 1026.20(c)(1)(ii))</i>			
<p>193. Did the credit union provide the rate adjustment disclosures required under § 1026.20(c) in the form of a table that is substantially similar to forms H-4(D)(1) and (2) in Appendix H and provided according to the following timing requirements? (§§ 1026.20(c)(2), (3))</p> <p>a. If the payment changes with a rate change, the credit union must provide the disclosures to consumers between 60 and 120 days before the first payment at the new rate is due?</p> <p>b. If the payment change is caused by a rate change that is uniformly scheduled every 60 days (or more frequently), the credit union must provide the disclosures to consumers between 25 and 120 days before the first payment at the new rate?</p> <p>c. If the ARM was originated before January 10, 2015, where the interest rate and payment are calculated based on an index that is available less than 45 days before the change, the credit union must provide the disclosures between 25 and 120 days before the first payment at the new rate is due?</p> <p>d. If the payment adjustment occurs within 60 days of consummation and the new interest rate after adjustment provided at consummation was an estimate, disclosures are required as soon as practicable, but no later than 25 days before the first payment at the new rate is due?</p>			
194. Has the credit union kept evidence of compliance with TILA for two years after the date it was required to make disclosures or take action? (§ 1026.25(a))			
Right of Rescission File Review			
195. Did the credit union provide the appropriate number of copies to each person entitled to rescind, i.e., one copy to each consumer entitled to rescind if the notice is delivered in electronic form according to the consumer consent and other applicable provisions of the E-Sign Act or two copies otherwise? (§§ 1026.23(b)(1) or 1026.15(b))			
196. Is the rescission notice on a separate document that identifies the transaction? (§§ 1026.23(b)(1) or 1026.15(b))			

	Yes	No	N/A
<p>197. Does the rescission notice clearly and conspicuously disclose:</p> <ul style="list-style-type: none"> a. The retention or acquisition of a security interest in the consumer's principal dwelling? (§§ 1026.23(b)(1)(i) or 1026.15(b)(1)) b. The consumer's right to rescind? (§§ 1026.23(b)(1)(ii) or 1026.15(b)(2)) c. How to exercise the right to rescind, with a form for that purpose, designating the address of the credit union's place of business? (§§ 1026.15(b)(3) or 1026.23(b)(1)(iii)) d. The effects of rescission? (§§ 1026.23(b)(1)(iv) or 1026.15(b)(4)) e. The date the rescission period expires? (§§ 1026.23(b)(1)(v) or 1026.15(b)(5)) 			
<p>198. Was funding delayed (except into escrow) until the rescission period expired? (§§ 1026.23(c) or 1026.15(c))</p>			
<p>199. If the consumer elected to modify or waive the right to rescind because of a bona fide personal financial emergency, did the credit union have a dated written modification or waiver describing that emergency and did all consumers entitled to rescind sign the document? (§§ 1026.23(e) or 1026.15(e))</p>			
<p>200. Does the consumer sign and date the notice to acknowledge receipt?</p> <p style="text-align: center;"><i>Note: A "no" answer is not a violation of law.</i></p>			
<p>201. Has the credit union kept evidence of compliance with TILA for two years after the date it was required to make disclosures or take action? (§ 1026.25(a)) And, if a transaction in which the application was received on or after January 10, 2014, and that required compliance with the prepayment limitations of § 1026.43(g), has the credit union retained evidence of these material disclosures for three years after consummation? (§§ 1026.23(a)(3)(ii) and 1026.25(c)(3))</p>			

	Yes	No	N/A
Open-End Not Home-Secured Credit Forms Review			
General Disclosures			
202. Did the credit union make the disclosures clearly and conspicuously and, unless subject to an exception listed at §§ 1026.5(a)(1)(ii)(A) or (B) , in a form that the consumer may keep? (§ 1026.5(a)(1))			
203. Is the terminology used in providing the disclosures required by the open-end credit provisions of TILA (§ 1026.5) consistent? (§ 1026.5(a)(2)(i))			
204. If disclosures are required to be presented in a tabular format under § 1026.5(a)(3) , is the term penalty APR used as applicable; and does the credit union refrain from using the term “fixed,” or a similar term, to describe such rate unless the credit union also specifies a time period that the rate will be fixed and the rate will not increase during that period, or if no such time period is provided, the rate will not increase while the plan is open? (§ 1026.5(a)(2)(iii))			
Account-Opening Disclosures			
205. Are the disclosures required in steps 5—9, steps 12–17, and steps 19–26 in the form of a table with headings, content, and format substantially similar to any of the applicable tables in G-17 in appendix G, including proper font and bolded text, where applicable? (§ 1026.6(b)(1)(i)) <i>Note: Refer to the model forms for examples. Bold text is not used for (1) the amount of any periodic fee disclosed per § 1026.6(b)(2) that is not an annualized amount and (2) other APRs or fee amounts disclosed in the table. (§ 1026.6(b)(1)(i))</i>			
206. Is each periodic rate that may be used to compute the finance charge on an outstanding balance for purchases, a cash advance, or a balance transfer expressed as an APR, disclosed; when more than one rate applies for a category of transactions, did the credit union disclose the range of balances to which each rate is applicable; and is the APR for purchases disclosed according to this paragraph in at least 16-point type, except for a penalty rate that may apply upon the occurrence of one or more specific events? (§ 1026.6(b)(2)(i))			

	Yes	No	N/A
207. If the rate is a variable rate, did the credit union also disclose the fact that the rate may vary and how the rate is determined (i.e., identify the type of index or formula used in setting the rate)? (§ 1026.6(b)(2)(i)(A))			
208. If the initial rate is an introductory rate, did the credit union disclose the rate that would otherwise apply to the account; where the rate is not tied to an index or formula, did the credit union disclose the rate that applies after the introductory rate expires; and for a variable rate account, did the credit union disclose a rate based on the applicable index or formula according to the accuracy requirements? (§ 1026.6(b)(2)(i)(B))			
209. If the initial rate is temporary and is higher than the rate that will apply after the temporary rate expires, did the credit union disclose the premium initial rate; and is the premium rate for purchases in at least 16-point type? (§ 1026.6(b)(2)(i)(C))			
210. Except for introductory rates and employee preferential rates, if the rate is a penalty rate, did the credit union disclose, as part of the APR disclosure, the increased rate that may apply, a brief description of the event or events that may result in the increased rate, and a brief description of how long the increased rate will remain in effect? (§ 1026.6(b)(2)(i)(D)(1))			
211. If the credit union discloses in the table an introductory rate, as that term is defined in § 1026.16(g)(2)(ii) , did the credit union briefly disclose directly beneath the table the circumstances under which the introductory rate may be revoked and the rate that will apply after the introductory rate is revoked? (§ 1026.6(b)(2)(i)(D)(2))			
212. If the credit union discloses in the table a preferential APR for which employees of the credit union, employees of a third party, or other individuals with similar affiliations with the credit union or third party, such as executive officers, directors, or principal shareholders, are eligible, did the credit union briefly disclose directly beneath the table the circumstances under which this preferential rate may be revoked and the rate that will apply after the preferential rate is revoked? (§ 1026.6(b)(2)(i)(D)(3))			
213. If the credit union imposes an APR that varies by state or based on the consumer's creditworthiness and provides required disclosures in person at the time the open-end plan is established for financing the purchase of goods or services, did the credit union either: <ul style="list-style-type: none"> a. Disclose the specific APR applicable to the consumer's account or the range of the APRs? or b. Refrain from listing APRs for multiple states in the 			

	Yes	No	N/A
account opening table? (12 CFR 1026.6(b)(2)(i)(E))			
214. Did the credit union disclose: <p>a. Any introductory rate?</p> <p>b. Any rate that would apply upon expiration of a premium initial rate? (§ 1026.6(b)(2)(i)(F))</p>			
215. Did the credit union disclose any annual or periodic fee that may be imposed for the issuance or availability of an open-end plan (including any fee based on account activity or inactivity), how frequently the fee will be imposed, the annualized amount of the fee, any non-periodic fee for opening a plan, and that the fee is a one-time fee? (§ 1026.6(b)(2)(ii)) <p><i>Note: If the amount of any fee required to be disclosed under § 1026.6(b)(2) is determined on the basis of a percentage of another amount, the percentage used and the identification of the amount against which the percentage is applied may be disclosed instead of the amount of the fee. (§ 1026.6(b)(1)(iv))</i></p>			
216. Did the credit union disclose any fixed finance charge and a brief description of that charge? (§ 1026.6(b)(2)(iii))			
217. Did the credit union disclose any transaction charge imposed by the credit union for use of the open-end plan for purchases? (§ 1026.6(b)(2)(iv))			
218. Did the credit union disclose the grace period and any conditions on the availability of the grace period, or if no grace period is provided did the credit union disclose that fact; if the grace period varies did the credit union disclose the range of days, minimum number of days, or average number of days in the grace period; in disclosing in the tabular format a grace period that applies to all features on the account, did the credit union include the phrase “How to Avoid Paying Interest” as the heading for the row describing the grace period; and if a grace period is not offered on all features of the account, did the credit union include the phrase “Paying Interest” as the heading for the row describing this fact? (§ 1026.6(b)(2)(v))			
219. Did the credit union disclose the name of the balance computation method that is used to determine the balance on which the finance charge is computed for each feature, or an explanation of the method used if it is not listed, along with a statement that an explanation of the methods required by § 1026.6(b)(4)(i)(D) is provided with the account-opening disclosures? And is this information placed directly below the table? (§ 1026.6(b)(2)(vi))			

	Yes	No	N/A
220. Did the credit union disclose any fee imposed for an extension of credit in the form of cash or its equivalent? (§ 1026.6(b)(2)(vii))			
221. Did the credit union disclose any fee imposed for a late payment? (§ 1026.6(b)(2)(viii))			
222. Did the credit union disclose any fee imposed for exceeding the credit limit? (§ 1026.6(b)(2)(ix))			
223. Did the credit union disclose any fee imposed to transfer a balance? (§ 1026.6(b)(2)(x))			
224. Did the credit union disclose any fee imposed for a returned payment? (§ 1026.6(b)(2)(xi))			
225. Did the credit union disclose fees for required insurance, debt cancellation, or debt suspension coverage and a cross reference to any additional information provided about the insurance or coverage, as applicable? (§ 1026.6(b)(2)(xii))			
226. Did the credit union disclose, as applicable, the available credit remaining after fees or security deposit is debited to the account? (§ 1026.6(b)(2)(xiii))			
227. For issuers of credit cards that are not charge cards, did the credit union disclose a reference to the CFPB's Web site and a statement that consumers may obtain information about shopping for and using credit cards on the Web site? (§ 1026.6(b)(2)(xiv))			
228. Did the credit union disclose a statement that information about the consumers' right to dispute transactions is included in the account-opening disclosures, and is this statement placed directly below the table? (§ 1026.6(b)(2)(xv))			
229. To the extent applicable, did the credit union disclose, for charges imposed, the circumstances under which the charge may be imposed, including the amount of the charge or explanation of how the charge is determined; and did the credit union include a statement of when finance charges begin to accrue, including an explanation of whether or not any time period exists within which any credit extended may be repaid without incurring a finance charge? (§ 1026.6(b)(3)(i))			

	Yes	No	N/A
<p>230. Did the credit union disclose, as applicable, for each periodic rate that may be used to calculate interest:</p> <ul style="list-style-type: none"> a. The rate (expressed as a periodic rate and a corresponding APR)? b. The range of balances to which the rate is applicable? c. The type of transaction to which the periodic rate applies? d. An explanation of the method used to determine the balance to which the rate is applied? (§ 1026.6(b)(4)(i)) 			
<p>231. Did the credit union disclose, as applicable, for interest rate changes that are tied to increases in an index or formula specifically set forth in the account agreement,</p> <ul style="list-style-type: none"> a. the fact that the APR may increase? b. how the rate is determined, including the margin? c. the circumstances under which the rate may increase? d. the frequency with which the rate may increase? e. any limitation on the amount the rate may change? f. the effect(s) of an increase? (§ 1026.6(b)(4)(ii)) 			
<p>232. Did the credit union disclose, as applicable, for interest rate changes that are specifically set forth in the account agreement and not tied to increases in an index or formula:</p> <ul style="list-style-type: none"> a. The initial rate (expressed as a periodic rate and a corresponding APR)? b. How long the initial rate will remain in effect and the specific events that cause the initial rate to change? c. The rate (expressed as a periodic rate and a corresponding APR) that will apply when the initial rate is no longer in effect and any limitation on the time period the new rate will remain in effect? d. The balances to which the new rate will apply? e. The balances to which the current rate at the time of the change 			

	Yes	No	N/A
will apply? (§ 1026.6(b)(4)(iii))			
233. Did the credit union provide the applicable disclosures if the credit union offers optional credit insurance, or debt cancellation or debt suspension coverage? (§ 1026.6(b)(5)(i))			
234. Did the credit union disclose the fact it has or will acquire a security interest in the property purchased under the plan, or in other property identified by item or type? (§ 1026.6(b)(5)(ii))			
235. Did the credit union disclose a statement that outlines the consumer's rights and the credit union's responsibilities, similar to Model Form G-3(A) in appendix G? (§ 1026.6(b)(5)(iii)) <i>Note: Disclosures required by § 1026.6(b)(3) through (b)(5) that are not otherwise required to be in the table and other information may be presented with the account agreement or account-opening disclosure statement, provided such information appears outside the required table. (§ 1026.6(b)(1)(i))</i>			
236. If applicable, did the credit union that provided the account-opening disclosures in person at the time the plan was established, in connection with financing the purchase of goods or services, and that imposed fees (see §§ 1026.6(b)(2)(vii) through (b)(2)(xi)) that vary by state in the account-opening table disclose either (a) the specific fee applicable to the consumer's account, or (b) the range of the fees and a statement that the amount of the fee varies by state and refer the consumer to the account agreement or other disclosure provided with the account-opening table, where the amount of the fee applicable to the consumer's account is disclosed? And did the credit union refrain from listing fees for multiple states in the account-opening summary table? (§ 1026.6(b)(1)(iii))			
237. Are the § 1026.6(a) disclosures for an added feature or credit device with different finance charge terms provided before the consumer uses the feature or device? (§ 1026.9(b)(2))			
238. Has the credit union retained evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			
Open-End Home-Secured Credit Forms Review			

	Yes	No	N/A
239. Did the credit union make the disclosures clearly and conspicuously and, unless subject to an exception listed at §§ 1026.5(a)(1)(ii)(A) or (B) , in writing, in a form that the consumer may keep? (§ 1026.5(a)(1))			
240. Is the terminology used in providing the disclosures required by the open-end provisions of TILA (§ 1026.5) consistent? (§ 1026.5(a)(2)(i))			
241. For home-equity plans subject to § 1026.40 , are the terms “finance charge” and “annual percentage rate,” when required to be disclosed with a corresponding amount or percentage rate, more conspicuous than any other required disclosure? (§ 1026.5(a)(2)(ii)) <i>Note: The terms need not be more conspicuous when used for periodic statement disclosures under § 1026.7(a)(4) and for advertisements under § 1026.16.</i>			
242. If disclosures are required to be presented in a tabular format under to § 1026.5(a)(3) , is the term “penalty APR” used, as applicable; and is the term “fixed,” or a similar term, not used to describe such rate unless the credit union also specifies a time period that the rate will be fixed and the rate will not increase during that period, or if no such time period is provided, the rate will not increase while the plan is open? If credit insurance or debt cancellation or debt suspension coverage is required as part of the plan, is the term “required” used and is the program identified by its name? (§ 1026.5(a)(2)(iii))			
243. Are disclosures grouped together and segregated from other disclosures and are they clear and conspicuous? (§ 1026.40(a)(1))			
244. Do the required disclosures of paragraph §§ 1026.40(d)(1) through (4)(ii) precede the other disclosures? (§ 1026.40(a)(2))			
245. Is a home-equity brochure provided? (§ 1026.40(e))			
246. Does the disclosure state: a. The consumer must keep a copy of the disclosures? (§ 1026.40(d)(1)) b. When the consumer must submit an application to obtain the specific terms disclosed? (§ 1026.40(d)(2)(i)) c. The terms that are subject to change before the plan			

	Yes	No	N/A
<p>opens, if applicable? (§ 1026.40(d)(2)(i))</p> <p>d. The consumer may receive a refund of all application fees if disclosed terms change before opening (other than a change due to fluctuations in the index in a variable rate plan)? (§ 1026.40(d)(2)(ii))</p> <p>e. The consumer's dwelling secures the HELOC and that the loss of the dwelling may occur in the event of a default? (§ 1026.40(d)(3))</p> <p>f. The credit union's right to change, freeze, or terminate the account (and require payment of the balance in full) under certain conditions? (§ 1026.40(d)(4)(i))</p> <p>g. Information about the conditions under which the adverse actions (in § 1026.40(d)(4)(i)) may occur is available on request, or, alternatively, such conditions are disclosed? (§ 1026.40(d)(4)(ii))</p> <p>h. The payment terms? (§ 1026.40(d)(5))</p> <p>i. A recent APR and that the APR does not include costs other than interest for fixed-rate plans? (§ 1026.40(d)(6))</p> <p>j. An itemization of fees to open, use, or maintain the plan and when such fees are payable? (§ 1026.40(d)(7))</p> <p>k. A GFE of total fees imposed by third parties to open the account? (§ 1026.40(d)(8))</p> <p>l. The consumer may receive a good faith itemization of third-party fees? (§ 1026.40(d)(8))</p> <p>m. Negative amortization may occur and could increase the principal balance and reduce the consumer's equity? (§ 1026.40(d)(9))</p> <p>n. Transaction requirements under the plan (e.g., limits on number of extensions and minimum draw requirements)? (§ 1026.40(d)(10))</p> <p>o. A tax adviser must be consulted? (§ 1026.40(d)(11))</p>			
<p>Variable Rate HELOC Disclosure Requirements (§§ 1026.40(d)(12)(i)-(xii))</p>			
247. Does the disclosure state, as applicable:			

	Yes	No	N/A
<p>a. The APR, payment, or term may change? (§ 1026.40(d)(12)(i))</p> <p>b. The APR excludes costs other than interest? (§ 1026.40(d)(12)(ii))</p> <p>c. The index used to make rate adjustments and its source? (§ 1026.40(d)(12)(iii))</p> <p>d. How the APR will be determined? (§ 1026.40(d)(12)(iv))</p> <p>e. The consumer must request information on the current index value, margin, discount or premium, and APR? (§ 1026.40(d)(12)(v))</p> <p>f. The initial APR is discounted and the duration of the discount, if applicable? (§ 1026.40(d)(12)(vi))</p> <p>g. The frequency of APR changes? (§ 1026.40(d)(12)(vii))</p> <p>h. The rules relating to changes in the index, APR, and payment amount? (§ 1026.40(d)(12)(viii))</p> <p>i. The lifetime rate cap and any annual (or more frequent) caps, or a statement that there is no annual limitation and a statement of the maximum APR that may be imposed under each payment option? (§ 1026.40(d)(12)(ix))</p> <p>j. The minimum payment requirement, using the maximum APR in effect for a \$10,000 balance, and the earliest date the maximum APR may be imposed? (§ 1026.40(d)(12)(x))</p> <p>k. The historical example, based on a \$10,000 balance, reflecting all significant plan terms? (§ 1026.40(d)(12)(xi))</p> <p>l. Rate information will be provided on or with each periodic statement? (§ 1026.40(d)(12)(xii))</p>			
Limitations on Home Equity Plans			
248. Is the APR based on an independent index for variable rate accounts? (§ 1026.40(f)(1)(i))			
249. Is the index available to the public? (§ 1026.40(f)(1)(ii))			

	Yes	No	N/A
<p>250. Are accounts terminated and repayment of the entire balance due before the end of the original term (other than reverse mortgages) only under the following conditions:</p> <ul style="list-style-type: none"> a. When there is fraud or material misrepresentation by the consumer in connection with the plan at any time, including during the application process, the draw period, or any repayment period? b. When the consumer fails to meet the plan's repayment terms? c. When the consumer takes action or fails to act in a manner that adversely affects the credit union's security for the plan or any right in the security? (§ 1026.40(f)(2)(iii)) <p><i>Note: Regulation O (12 CFR 215.5) requires, and TILA permits, a demand feature in executive officer plans. (§ 1026.40(f)(2)(iv))</i></p>			
<p>251. Are the terms of an account only changed under the following circumstances:</p> <ul style="list-style-type: none"> a. When a specified change occurs when a specific event takes place, as provided for in the initial agreement? b. When the index or margin is changed because the original index is no longer available? 			
<p>252. Is the credit limit reduced, or are additional extensions of credit prohibited, only under the following circumstances:</p> <ul style="list-style-type: none"> a. When the value of the dwelling securing the plan declines significantly below the appraised value? b. When the consumer's financial circumstances change materially and the credit union reasonably believes the consumer will be unable to meet the repayment obligations? c. When the consumer defaults on any material obligation under the agreement? d. When government action restricts an APR increase? e. When the credit union's security interest is adversely affected because of government action to the extent that the security value is less than 120 percent of the credit line? 			

	Yes	No	N/A
f. When the credit union is notified by its regulatory agency that continued advances constitute an unsafe and unsound practice? (§ 1026.40(f)(3)(vi))			
Account-Opening Disclosures for HELOCs			
253. Does the credit union disclose, as applicable, the circumstances under which a finance charge will be imposed and an explanation of how it will be determined, including a statement of when finance charges begin to accrue and an explanation of whether or not any grace period exists? (§ 1026.6(a)(1)(i))			
254. Does the credit union disclose each periodic rate that may be used to compute the finance charge, the range of balances to which it is applicable, and the corresponding APR? (§ 1026.6(a)(1)(ii)) a. If a variable rate applies, does the credit union also disclose the circumstances under which the rate may increase, any limitations on the increase, and the effects of an increase? (§ 1026.6(a)(1)(ii)) b. When different periodic rates apply to different types of transactions, does the credit union disclose the types of transactions to which the periodic rates apply? (§ 1026.6(a)(1)(ii))			
255. Does the credit union disclose an explanation of the method used to determine the balance on which the finance charge may be computed? (§ 1026.6(a)(1)(iii))			
256. Does the credit union disclose an explanation of how the amount of any finance charge will be determined, including a description of how any finance charge other than the periodic rate will be determined? (§ 1026.6(a)(1)(iv))			
257. Is there a statement of the amount of charges other than a finance charge that may be imposed, or an explanation of how the charge will be determined? (§ 1026.6(a)(2))			
258. Are conditions for terminating the HELOC plan, for prohibiting additional credit, for reducing the credit limit, and for implementing changes provided? (§ 1026.6(a)(3)(i))			
259. Are the payment terms for the HELOC plan provided per § 1026.40(d) (if terms for draw and repayment period are different, the terms for each must be disclosed, as applicable), including: a. The length of the draw period and any repayment period? b. An explanation of how the minimum periodic payment will be			

	Yes	No	N/A
<p>computed?</p> <p>c. The timing of periodic payments?</p> <p>d. If the periodic payment repays less than the balance or does not reduce principal (e.g., interest-only payments), a statement of that fact and that a balloon payment may or will result, as applicable? (§ 1026.6(a)(3)(ii))</p>			
260. For the HELOC, is there a statement, if applicable, that negative amortization might occur, and that it increases the principal balance and reduces the consumer's equity in the dwelling? (§ 1026.6(a)(3)(iii))			
261. Is there a statement of transaction requirements for the HELOC? (§ 1026.6(a)(3)(iv))			
262. Is there a statement about tax implication and consulting a tax adviser for the HELOC? (§ 1026.6(a)(3)(v))			
263. Is there a statement that the APR does not include costs other than interest for the HELOC? (§ 1026.6(a)(3)(vi))			
<p>264. Unless the disclosures provided with the application were in a form the consumer could keep and included a representative payment example for the category of payment option chosen by the consumer, are the following disclosures provided for variable rate HELOCs? (§ 1026.6(a)(3)(vii))</p> <p>a. The rules relating to changes to the index, APR, changes in the payment amount, including information on payment limitations and carryover?</p> <p>b. The minimum payment required (for both the draw and repayment periods) when the maximum APR is in effect for a \$10,000 balance and the earliest date the maximum APR may be imposed?</p> <p>c. An example based on a \$10,000 balance, reflecting all significant plan terms and showing how the APR and the minimum periodic payment amount would have been affected during the most recent 15 years by changes in the index?</p> <p>d. A statement that rate information will be provided on or with each periodic statement?</p>			

	Yes	No	N/A
e. An example based on a \$10,000 balance and a recent APR showing the minimum periodic payment, any balloon payment, and the time it would take to repay the f. \$10,000 balance making only the minimum payment while obtaining no additional credit? (§ 1026.6(a)(3)(vii))			
265. Does the credit union disclose that it has or will acquire a security interest in the property purchased, or in other property identified by item or type? (§ 1026.6(a)(4))			
266. Is there a statement detailing consumer-billing rights and credit union's responsibilities under §§ 1026.12(c) and 1026.13 included, and is it similar to the statement in Model Form G-3, or at the credit union's option, G-3A in appendix G? (§ 1026.6(a)(5))			
267. Is the maximum interest rate disclosed when (a) in the case of closed-end credit, the APR may increase after consummation; or (b) in the case of open-end credit, the APR may increase during the plan. (§ 1026.30(b))			
Subsequent Disclosure Requirements			
268. Does the credit union mail or deliver the annual statement of billing rights at least once a year? (§ 1026.9(a)(1)) Or is an alternative summary statement provided with each periodic statement? (§ 1026.9(a)(2))			
269. Has the credit union kept evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			
Credit and Charge Card Forms Review			
Application and Solicitation Disclosures			
270. Were the solicitation or application disclosures made clearly and conspicuously on or with a solicitation or an application? (§ 1026.60(a)(1))			
271. For the disclosures in §§ 1026.60(b)(1) through (5) (except for (b)(1)(iv)(B) and (b)(1)(iv)(C)) and (b)(7) through (15), did the credit union make the disclosures required for §§ 1026.60(c) , (d)(2), (e)(1), and (f) in the form of a table with headings, content, and format similar to the applicable tables found in G-10 in appendix G? (§ 1026.60(a)(2)(i))			
<i>Note: For an application or a solicitation that is accessed by</i>			

	Yes	No	N/A
<i>the consumer in electronic form, the disclosures required under this section may be provided to the consumer in electronic form on or with the application or solicitation. (§ 1026.60(a)(2)(v))</i>			
272. Does the table required by § 1026.60(a)(2)(i) contain only the information required or permitted by that section? If the credit union provides other information, does such information appear outside the table? (§ 1026.60(a)(2)(ii))			
273. Are the disclosures required by §§ 1026.60(b)(1)(iv)(B), (b)(1)(iv)(C), and (b)(6) placed directly beneath the table required by § 1026.60(a)(2)(i) ? (§ 1026.60(a)(2)(iii))			
274. When a tabular format is required, are the following disclosures in bold text? <ul style="list-style-type: none"> a. APR required to be disclosed under § 1026.60(b)(1)? b. Introductory rate required to be disclosed under § 1026.60(b)(1)(ii)? c. Rate that will apply after a premium initial rate expires required to be disclosed under § 1026.60(b)(1)(iii)? d. Fee or percentage amounts or maximum limits on fee amounts required to be disclosed under §§ 1026.60(b)(2), (b)(4), and (b)(8) through (b)(13)? (§ 1026.60(a)(2)(iv)) <p><i>Note: Bold text must not be used for the amount of any periodic fee disclosed under § 1026.60(b)(2) that is not an annualized amount; and other APRs or fee amounts disclosed in the table. (§ 1026.60(a)(2)(iv))</i></p>			
275. Does the card issuer disclose each periodic rate that may be used to compute the finance charge on an outstanding balance for purchases, a cash advance, or a balance transfer, expressed as an APR; when more than one rate applies for a category of transactions, is the range of balances to which each rate is applicable also disclosed; and except for oral disclosures of the APR for purchases or a penalty rate that may apply upon the occurrence of one or more specific events, is the APR for purchases disclosed under § 1026.60(b)(1) in at least 16-point type? (§ 1026.60(b)(1))			
276. If a rate is a variable rate, does the card issuer disclose the fact that the rate may vary and how the rate is determined; does the card issuer identify the type of index or formula that is used in setting the rate; are the value of the index and the amount of the margin that are used to calculate the variable rate not disclosed in the table; and are any applicable limitations on rate increases not included in the table? (§ 1026.60(b)(1)(i))			

	Yes	No	N/A
277. If the initial rate is an introductory rate, does the card issuer disclose in the table the introductory rate, the time period during which the introductory rate will remain in effect, and the term “introductory” or “intro” in immediate proximity to the introductory rate; and does the card issuer disclose, as applicable, either the variable or fixed rate that would otherwise apply to the account? (§ 1026.60(b)(1)(ii))			
278. If the initial rate is temporary and is higher than the rate that will apply after the temporary rate expires, does the card issuer disclose the premium initial rate and the time period during which the premium initial rate will remain in effect; is the premium initial rate for purchases in at least 16-point type; and does the issuer disclose in the table the rate that will apply after the premium initial rate expires, in at least 16-point type? (§ 1026.60(b)(1)(iii))			
279. Except as provided for introductory rate (§ 1026.60(b)(1)(iv)(B)) or employee preferential rate (§ 1026.60(b)(1)(iv)(C)) requirements, if a rate may increase as a penalty for one or more events specified in the account agreement, such as a late payment or an extension of credit that exceeds the credit limit, does the card issuer disclose the increased rate that may apply, a brief description of the event or events that may result in the increased rate, and a brief description of how long the increased rate will remain in effect? (§ 1026.60(b)(1)(iv)(A))			
280. If the issuer discloses an introductory rate in the table or in any written or electronic promotional materials accompanying applications or solicitations (and subject to paragraph (c) or (e) of § 1026.60), does the issuer briefly disclose, directly beneath the table, the circumstances, if any, under which the introductory rate may be revoked, and the type of rate that will apply after the introductory rate is revoked? (§ 1026.60(b)(1)(iv)(B))			
281. If the issuer discloses in the table a preferential APR for which only employees of the card issuer, employees of a third party, or other individuals with similar affiliations with the card issuer or third party are eligible, does the issuer briefly disclose—directly beneath the table—the circumstances under which such preferential rate may be revoked, and the rate that will apply after such preferential rate is revoked? (§ 1026.60(b)(1)(iv)(C))			
282. If a rate cannot be determined at the time disclosures are given because the rate depends, at least in part, on a later determination of the consumer's creditworthiness, does the card issuer disclose the specific rates or the range of rates that could apply and a statement that the rate for which the consumer may qualify at account opening will depend on the consumer's creditworthiness, and other factors, if applicable? (§ 1026.60(b)(1)(v))			

	Yes	No	N/A
<i>Note: If the rate that depends, at least in part, on a later determination of the consumer's creditworthiness is a penalty rate, as described in § 1026.60(b)(1)(iv), the card issuer at its option may disclose the highest rate that could apply, instead of disclosing the specific rates or the range of rates that could apply. (§ 1026.60(b)(1)(v))</i>			
283. Does the card issuer refrain from listing APR rates for multiple states in the table? <i>Note: Issuers imposing APRs that vary by state may, at the issuer's option, disclose in the table the specific APR applicable to the consumer's account; or the range of the APRs, if the disclosure includes a statement that the APR varies by state and refers the consumer to a disclosure provided with the table where the APR applicable to the consumer's account is disclosed. (§ 1026.60(b)(1)(vi))</i>			
284. Does the card issuer disclose any annual or other periodic fee, expressed as an annualized amount, or any other fee that may be imposed for the issuance or availability of a credit or charge card, including any fee based on account activity or inactivity, and how frequently the fee is imposed? If the card issuer imposes a non-periodic fee that relates to account opening, does the issuer disclose that the fee is a one-time fee? (§ 1026.60(b)(2))			
285. Does the card issuer disclose any fixed finance charge that could be imposed during a billing cycle, as well as a brief description of that charge; any minimum interest charge if it exceeds \$1.00 that could be imposed during a billing cycle; and a brief description of the charge? (§ 1026.60(b)(3))			
286. Does the credit union disclose any transaction charge imposed by the issuer for the use of the card for purchases? (§ 1026.60(b)(4))			
287. Does the issuer disclose the grace period and any conditions on the availability of the grace period; if no grace period is provided, is this fact disclosed; if the grace period varies, does the issuer disclose the range of days, the minimum number of days, or the average number of days in the grace period; in disclosing in the tabular format a grace period that applies to all types of purchases, is the phrase "How to Avoid Paying Interest on Purchases" used as the heading for the row describing the grace period; and if a grace period is not offered on all types of purchases, in disclosing this fact in the tabular format, is the phrase "Paying Interest" used as the heading for the row describing this fact? (§ 1026.60(b)(5))			

	Yes	No	N/A
288. Does the credit union disclose the name of the balance computation method that is used to determine the balance on which the finance charge is computed, or an explanation of the method used if it is not listed? (§ 1026.60(b)(6))			
290. Does the credit union disclose a statement that charges incurred by use of the charge card are due when the periodic statement is received? (§ 1026.60(b)(7))			
291. Does the credit union disclose any fee imposed for an extension of credit in the form of cash or its equivalent? (§ 1026.60(b)(8))			
292. Does the credit union disclose any fee imposed for a late payment? (§ 1026.60(b)(9))			
293. Does the credit union disclose any fee imposed for exceeding the credit limit? (§ 1026.60(b)(10))			
294. Does the credit union disclose any fee imposed to transfer a balance? (§ 1026.60(b)(11))			
295. Does the credit union disclose any fee imposed for a returned payment? (§ 1026.60(b)(12))			
296. Does the credit union disclose any fee for insurance, debt cancellation, or suspension coverage if these are required as part of the plan and include a reference to any accompanying information provided about the insurance or coverage? (§ 1026.60(b)(13))			
297. If the total of required fees for the issuance or availability of credit and/or security deposit debited to the account at account opening equals or exceeds 15 percent of the minimum credit limit for the account, does the credit union disclose the available credit remaining after the fees and/or security deposit are debited to the account? (§ 1026.60(b)(14))			
298. For issuers of credit cards and charge cards, does the credit union disclose a reference to the CFPB's Web site and a statement that the consumers may obtain on the Web site information about shopping for and using credit cards? (§ 1026.60(b)(15))			
299. Has the credit union retained evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			
Open-End Credit File Review			
General and Subsequent Disclosures, Payments, Balances, Terminations, Renewals, Unauthorized Charges, and Billing Errors			
General and Subsequent Disclosures, Payments, Balances, Terminations, Renewals, Unauthorized Charges, and Billing Errors			
300. Is the timing of disclosures provided in accordance with all sections of § 1026.5(b)(1) ?			

	Yes	No	N/A
301. If the credit union collected an application fee excludable from the finance charge before providing account-opening disclosures and the consumer rejected the plan after receiving account-opening disclosures, was the consumer under no obligation to pay such an application fee, or if the fee was paid, was it refunded? (§ 1026.5(b)(1)(v))			
302. Are periodic statements provided for each billing cycle in which the account has a debit or credit balance of more than \$1 or a finance charge was imposed? (§ 1026.5(b)(2)(i))			
303. Does the disclosure reflect the terms of the legal obligation between the parties, and if any necessary information for accurate disclosure is unknown, is the disclosure based on the best information reasonably available and states clearly that the disclosure is an estimate? (§ 1026.5(c))			
304. Except for checks that access a credit card account, if the credit union adds a credit feature or furnishes a credit access device 30 days after providing account opening disclosures, does the credit union indicate that the feature or device is for use in obtaining credit under the terms previously disclosed? (§ 1026.9(b)(1))			
305. Except for checks that access a credit card account, are the §§ 1026.6(a)(1) or 1026.6(b)(3)(ii)(A) disclosures for an added feature or credit device with different finance charge terms provided before the consumer uses the feature or device for the first time? (§ 1026.9(b)(2))			
306. If checks that can be used to access a credit card account are provided more than 30 days after account-opening disclosures under § 1026.6(b) are mailed or delivered, or are provided within 30 days of the account-opening disclosures and the finance charge terms for the checks differ from the finance charge terms previously disclosed, did the credit union disclose on the front of the page containing the checks the following terms in the form of a table with the headings, content, and form substantially similar to Sample G-19 in appendix G to this part: <p style="margin-left: 40px;">a. If a promotional rate applies to the checks; the promotional rate and the time period during which the promotional rate will remain in effect; the type of rate that will apply after the promotional rate expires; the APR that will apply after the promotional rate expires; if a variable-rate account, an APR based on the applicable index or formula in accordance with the accuracy requirements set forth in § 1026.9(b)(3)(ii); the date, if any, by which the consumer must use the checks in order to qualify for the promotional rate; if the credit union</p>			

	Yes	No	N/A
<p>will honor checks used after such date but will apply an APR other than the promotional rate, a disclosure of this fact and the type of APR that will apply if the consumer uses the checks after such date? (§ 1026.9(b)(3)(i)(A))</p> <p>b. If no promotional rate applies to checks that can be used to access a credit card account, the type of rate that will apply to the checks and the applicable APR; and, if a variable-rate account, an APR based on the applicable index or formula in accordance with the accuracy requirements in § 1026.9(b)(3)(ii)? (§ 1026.9(b)(3)(i)(B))</p> <p>c. Transaction fees applicable to checks disclosed under § 1026.6(b)(2)(iv)? (§ 1026.9(b)(3)(i)(C))</p> <p>d. When disclosing whether there is a grace period (whether or not a grace period is given) did the credit union use the phrase “How to Avoid Paying Interest on Check Transactions” as the row heading when a grace period applies to credit extended by the use of checks? When disclosing the fact that no grace period exists, did the credit union use the phrase “Paying Interest” as the row heading? (§ 1026.9(b)(3)(i)(D))</p> <p>e. If any APR required to be disclosed under § 1026.9(b)(3)(i) is a variable rate, does the credit union disclose the fact that the rate may vary and how the rate is determined; does the credit union identify the type of index or formula used in setting the rate; does the credit union refrain from disclosing the value of the index and the amount of the margin that are used to calculate the variable rate in the table; and did the credit union refrain from disclosing any applicable limitations on rate increases in the table? (§ 1026.9(b)(3)(iii))</p>			
<p>307. Are written advance notices of any significant changes in account terms or increase in the required minimum payment provided at least 45 days before the effective date of the change, unless an exception (including that the consumer has agreed to the change per § 1026.9(c)(2)(i)(B)) applies? (§ 1026.9(c)(2)(i))</p> <p><i>Note: The 45-day timing requirement does not apply if the consumer has agreed to a particular change. (§ 1026.9(c)(2)(i)(B)). For these instances, however, the credit union must provide a notice according to the timing requirements of § 1026.9(c)(2)(i)(B), i.e., mailed or delivered as late as the effective date of the change.</i></p>			
<p>308. If the credit union increases any component of a charge on a credit card account or introduces a new charge required to be disclosed under</p>			

	Yes	No	N/A
<p>§ 1026.6(b)(3) that is not a significant charge, did the credit union either comply with the 45-day notice requirement or provide notice of the amount of the charge before the consumer agrees to or becomes obligated to pay the charge, at a time and in a manner that a consumer would be likely to notice the disclosure of the charge, either in writing or orally? (§ 1026.9(c)(2)(iii))</p>			
<p>309. Does the written change-in-terms notice include, in the proper format, the following:</p> <ul style="list-style-type: none"> a. A summary of the changes, any increase in the required minimum payment, and the security interest being acquired? (§ 1026.9(c)(2)(iv)(A)(1)) b. A statement that changes are being made to the account? (§ 1026.9(c)(2)(iv)(A)(2)) c. For accounts other than credit card accounts under an open-end (not home- secured) consumer credit plan subject to § 1026.9(c)(2)(iv)(B), a statement indicating that the consumer has the right to opt out of the changes, if applicable, and a reference to the opt-out right provided in the notice? d. (§ 1026.9(c)(2)(iv)(A)(3)) e. The date the changes will become effective? (§ 1026.9(c)(2)(iv)(A)(4)) f. If applicable, a statement that the consumer may find additional information about the summarized changes, and other changes, in the notice? g. (§ 1026.9(c)(2)(iv)(A)(5)) h. In the case of a rate change, other than a penalty rate, a statement that if a penalty rate currently applies to the consumer's account, the new rate described in the notice will not apply to the consumer's account until the consumer's account balances are no longer subject to the penalty rate? i. (§ 1026.9(c)(2)(iv)(A)(6)) j. If the change in terms being disclosed is an increase in the APR, the balances to which the increased rate will apply; and if applicable, a statement identifying the balances to which the current rate will apply as of the effective date of the change? (§ 1026.9(c)(2)(iv)(A)(7)) k. If the change in terms being disclosed is an increase in an 			

	Yes	No	N/A
<p>APR for a credit card account under an open-end (not home-secured) consumer credit plan, a statement of no more than four principal reasons for the rate increase, listed in their order of importance? (§ 1026.9(c)(2)(iv)(A)(8))</p> <p><i>Note: The disclosed reasons must accurately describe the principal factors actually considered by the card issuer in increasing the rate. (Comments § 1026.9(c)(2)(iv)-11)</i></p>			
<p>310. Except in the case of an increase in the required minimum periodic payment, a change in the APR, a change in the balance computation method necessary to comply with § 1026.54, an increase in a fee resulting from reevaluation of a determination made under § 1026.52(b)(1)(i), or a regulatory adjustment to the safe harbor provision at § 1026.52(b)(1)(ii), when the change results from the credit union not receiving the required minimum periodic payment within 60 days after the due date for that payment, or an increase in a fee previously reduced consistent with the SCRA or similar federal or state statute or regulation if the amount of the increased fee does not exceed the amount of that fee before the reduction, did the card issuer provide:</p> <p>a. A statement that the consumer has the right to reject the change or changes before the effective date of the changes, unless the consumer fails to make a required minimum periodic payment within 60 days after the due date for payment?</p> <p>b. Instructions for rejecting the change or changes, and a toll-free telephone number that the consumer may use to notify the credit union of the rejection?</p> <p>c. If applicable, a statement that if the consumer rejects the change or changes, the consumer’s ability to use the account for further advances will be terminated or suspended? (§ 1026.9(c)(2)(iv)(B))</p>			
<p>311. For credit card accounts, if the significant change required to be disclosed is an increase in an APR or fee or charge required to be disclosed under §§ 1026.6(b)(2)(ii), (b)(2)(iii), or (b)(2)(xii) based on the consumer’s failure to make a minimum periodic payment within 60 days from the due date for that payment, does the 45-day notice include the following information:</p> <p>a. A statement of the reason for the increase?</p> <p>b. That the increase will cease to apply to transactions that</p>			

	Yes	No	N/A
<p>occurred before or within 14 days of provision of the notice, if the credit union receives six consecutive required minimum periodic payments on or before the payment due date beginning with the first payment due following the effective date of the increase? (§ 1026.9(c)(2)(iv)(C))</p>			
<p>312. Is the summary of changes described in § 1026.9(c)(2)(iv)(A)(1) in a tabular format (except for a summary of any increase in the required minimum periodic payment, a summary of a term required to be disclosed under § 1026.6(b)(4) that is not required to be disclosed under §§ 1026.6(b)(1) and (b)(2), or a description of any security interest being acquired by the credit union), with headings and format substantially similar to any of the account-opening tables found in G-17 in Appendix G; does the table disclose the changed term and information relevant to the change, if that relevant information is required by §§ 1026.6(b)(1) and (b)(2); and are the new terms described in the same level of detail as required when disclosing the terms under § 1026.6(b)(2) (account opening)? (§ 1026.9(c)(2)(iv)(D)(1))</p>			
<p>313. If a notice required by § 1026.9(c)(2)(i) (change in terms) is included on or with a periodic statement, is the information described in § 1026.9(c)(2)(iv)(A)(1) disclosed on the front of any page of the statement, and does it immediately follow the information described in §§ 1026.9(c)(2)(iv)(A)(2)-(8) and, if applicable, §§ 1026.9(c)(2)(iv)(B)-(C), and is it substantially similar to the format shown in Sample G-20 or G-21 in Appendix G? (§ 1026.9(c)(2)(iv)(D)(2))</p>			
<p>314. If a notice required by § 1026.9(c)(2)(i) (change in terms) is not included on or with a periodic statement, is the information described in § 1026.9(c)(2)(iv)(A)(1), at the credit union's option, disclosed on the front of the first page of the notice or segregated on a separate page from other information given with the notice? The summary of changes may be on more than one page, and may use both the front and reverse sides, but if so, does the table begin on the front of the first page of the notice and is there a reference on the first page indicating that the table continues on the following page? (§ 1026.9(c)(2)(iv)(D)(3))</p>			
<p>315. For a notice required by § 1026.9(c)(2)(i) that is provided separately from the periodic statement, is the summary of changes described in § 1026.9(c)(2)(iv)(A)(1) immediately following the information described in §§ 1026.9(c)(2)(iv)(A)(2) - (7) and, if applicable, §§ 1026.9(c)(2)(iv)(A)(8), (c)(2)(iv)(B) - (C), similar to the format shown in Sample G-20 or G-21 in Appendix G? (§ 1026.9(c)(2)(iv)(D)(3))</p>			
<p>316. Was a notice of a decrease in the credit limit provided in writing or orally at least 45 days before an over-the-limit fee or penalty rate is imposed as a result of a consumer exceeding the newly decreased credit</p>			

	Yes	No	N/A
limit; and does the notice state that the credit limit on the account has been or will be decreased? (§ 1026.9(c)(2)(vi))			
317. If the card issuer imposes any annual or other periodic fee to renew a credit or charge card account, does the card issuer provide required disclosures at least 30 days or one billing cycle, whichever is less, before the mailing or delivery of the periodic statement on which the renewal fee is initially charged to the account; and if the card issuer has changed or amended any term of the account required to be disclosed under §§ 1026.6(b)(1)-(2) that has not previously been disclosed to the consumer, has the notice been provided at least 30 days before the scheduled renewal date of the consumer's credit or charge card? (§ 1026.9(e)(1))			
318. Does the renewal disclosure contain the disclosures required by §§ 1026.60(b)(1)-(7) ? (§ 1026.9(e)(1)(i))			
319. Does the renewal disclosure include how and when the cardholder may terminate the credit to avoid paying the renewal fee? (§ 1026.9(e)(1)(ii))			
320. If the renewal disclosure is provided on the back of a periodic statement, has the card issuer included a reference to those disclosures on the front of the statement? (§ 1026.9(e)(2))			
321. When the insurance provider is changed, are credit insurance disclosures provided at least 30 days before the change in provider occurs; and does the insurance notice include any resulting increase in the rate, any resulting substantial decrease in coverage, and a statement that the cardholder may discontinue the insurance? (§ 1026.9(f)(1))			
322. If the provider of insurance changes, did the issuer provide the cardholder with a written notice no later than 30 days after the change that includes the following: name and address of the new insurance provider; copy of the new policy or group certificate containing the basic terms of the insurance, including the rate to be charged; and a statement that the cardholder may discontinue the insurance? (§ 1026.9(f)(2))			
323. For plans other than home-equity plans subject to the requirements of § 1026.40 , unless the exception at § 1026.9(g)(4) applies, did the credit union provide a written notice: <ul style="list-style-type: none"> a. To each consumer who may be affected when a rate is increased because of the consumer's delinquency or default? (§ 1026.9(g)(1)(i)) b. To each consumer who may be affected when a rate is increased as a penalty for one or more events specified in the account agreement, such as making a late payment or obtaining an extension of credit that exceeds the credit limit? 			

	Yes	No	N/A
<p><u>(§ 1026.9(g)(1)(ii))</u></p> <p>c. At least 45 days before the effective date of an increase in the rate because of delinquency, default, or as a penalty for a specified event, like late payment or an extension of credit in excess of the credit limit, and was the notice provided after the occurrence of the triggering event? <u>(§ 1026.9(g)(2))</u></p>			
<p>324. If a notice required by <u>§ 1026.9(g)(1)</u> (increase in rates due to delinquency or default or as a penalty) is included on or with a periodic statement, was the disclosure provided in the form of a table and provided on the front of any page of the periodic statement? <u>(§ 1026.9(g)(3)(ii)(A))</u></p>			
<p>325. If the notice described in <u>§ 1026.9(c)(2)(iv)</u> (significant changes in account terms) is provided on the same statement, is the increase in rates disclosure above that notice? <u>(§ 1026.9(g)(3)(ii)(A))</u></p>			
<p>326. If a notice required by <u>§ 1026.9(g)(1)</u> is not included on or with a periodic statement, is the information described in paragraph <u>§ 1026.9(g)(3)(i)</u> disclosed on the front of the first page of the notice, and is only information related to the increase in the rate to a penalty rate included with the notice? <u>(§ 1026.9(g)(3)(ii)(B))</u>.</p>			
<p>327. Does the written notice include the following:</p> <p>a. Statement that the delinquency or default rate or penalty rate, as applicable, has been triggered?</p> <p>b. Date on which the delinquency or default rate will apply?</p> <p>c. Circumstances under which the delinquency or default rate, as applicable, will cease to apply, or if it will remain in effect indefinitely?</p> <p>d. Statement indicating to which balances the delinquency or default rate or penalty rate will be applied?</p> <p>e. If applicable, a description of any balances to which the current rate will continue to apply as of the effective date of the rate increase, unless a consumer fails to make a minimum periodic payment within 60 days from the due date for that payment?</p> <p>f. For a credit card account under an open-end (not home-secured) consumer credit plan, a statement of no more than four principal reasons for the rate increase, listed in</p>			

	Yes	No	N/A
<p>their order of importance? (§ 1026.9(g)(3)(i)(A))</p> <p><i>Note: The disclosed reasons must accurately describe the principal factors actually considered by the card issuer in increasing the rate. (Official Interpretations § 1026.9(g)-7)</i></p>			
<p>328. If the rate increase required to be disclosed is an increase under to § 1026.55(b)(4) based on the consumer's failure to make a minimum periodic payment within 60 days from the due date for that payment, does the notice also contain a statement that the increase will cease to apply to transactions that occurred before or within 14 days of provision of the delinquency or penalty notice, if the credit union receives six consecutive required minimum periodic payments on or before the payment due date, beginning with the first payment due following the effective date of the increase? (§ 1026.9(g)(3)(i)(B))</p>			
<p>329. If applicable, is a written notice provided 45 days in advance of imposing a penalty rate as a result of a consumer obtaining an extension of credit that exceeds the credit limit that includes:</p> <ul style="list-style-type: none"> a. A statement that the credit limit on the account has been or will be decreased? b. A statement indicating the date on which the penalty rate will apply, if the outstanding balance exceeds the credit limit as of that date? c. A statement that the penalty rate will not be imposed on the date, if the outstanding balance does not exceed the credit limit as of that date? d. The circumstances under which the penalty rate, if applied, will cease to apply to the account, or that the penalty rate, if applied, will remain in effect for a potentially indefinite time period? e. a statement indicating to which balances the penalty rate may be applied? f. If applicable, a description of any balances to which the current rate will continue to apply as of the effective date of the rate increase, unless the consumer fails to make a minimum periodic payment within 60 days from the due date for that payment? (§ 1026.9(g)(4)(i)(A)) 			

	Yes	No	N/A
330. Did the credit union refrain from increasing the rate applicable to the consumer's account to the penalty rate if the outstanding balance did not exceed the credit limit on the date set forth in the notice? (§ 1026.9(g)(4)(ii))			
331. Is the information provided pursuant to § 1026.9(g)(4)(i) in the form of a table and provided on the front of any page of the periodic statement; or on the front of the first page of the notice? (§ 1026.9(g)(4)(iii))			
332. When the consumer is given the right to reject a significant change to an account term, was the consumer given the option to reject the change by notifying the credit union of the rejection before the effective date of the change? (§ 1026.9(h)(1))			
333. If the credit union was notified of the rejection of a significant change to an account term, did the credit union: <ul style="list-style-type: none"> a. Not apply the change or increase to the account? b. Not impose a fee or charge or treat the account as in default solely as a result of the rejection? c. Not require repayment of the balance of the account using a method that is <i>less</i> beneficial to the consumer than one of the following methods: <ul style="list-style-type: none"> i. The method of repayment for the account on the date on which the credit union was notified of the rejection? ii. An amortization period of not less than five years, beginning no earlier than the date on which the credit union was notified of the rejection? iii. A required minimum periodic payment that includes a percentage of the balance that is equal to no more than twice the percentage required on the date on which the credit union was notified of the rejection? (§ 1026.9(h)(2)) <p><i>Note: § 1026.9(h) does not apply if the credit union has not received the consumer's required minimum periodic payment within 60 days after the due date for that payment and the credit union has provided timely change in terms disclosures. (§ 1026.9(h)(3))</i></p>			

	Yes	No	N/A
334. Are payments credited to a consumer's account as of the date of receipt, except when a delay in crediting does not result in a finance charge or other charge or where there is an exception as provided in § 1026.10(b) ? (§ 1026.10(a))			
335. If a credit union specifies requirements for payments, are they reasonable and do they allow most consumers to make conforming payments? (§ 1026.10(b)(1))			
336. If the credit union sets a cut-off time for payments to be received by mail, by electronic means, by telephone, or in person, is the cut-off time 5 p.m. or later on the payment due date at the location specified by the credit union for the receipt of such payments? (§ 1026.10(b)(2)(ii))			
337. For in-person payments at a credit union branch or office that accepts such payments, does the card issuer not impose a cut-off time earlier than the close of business for any such in-person payments (unless the close of business of the branch or office is earlier than 5 p.m.)? (§ 1026.10(b)(3)(i))			
338. Except as provided by § 1026.10(b)(4)(ii) , if a credit union specifies, on or with the periodic statement, requirements for the consumer to follow in making payments as permitted under § 1026.10 , but accepts a payment that does not conform to the requirements, is the payment credited within five days of receipt? (§ 1026.10(b)(4)(i))			
339. If the credit union promotes a method for making payments, does the credit union consider such payments conforming payments according to § 1026.10(b) , and are they are credited to the consumer's account as of the date of receipt, except when a delay in crediting does not result in a finance charge or other charge? (§ 1026.10(b)(4)(ii))			
340. If a credit union fails to credit a payment as required and imposes a finance or other charge, does the credit union credit the charge(s) to the consumer's account during the next billing cycle? (§ 1026.10(c))			
341. If (due to a weekend or holiday, for example) a credit union does not receive or accept payments by mail on the due date for payments, does the credit union treat as timely a payment received on the next business day? (§ 1026.10(d)(1))			
342. For credit card accounts under an open-end (not home-secured) consumer credit plan, does the credit union not impose a separate fee to allow consumers to make a payment by any method, such as mail, electronic, or telephone payments, unless such payment method involves an expedited service by a customer service representative of the credit union? (§ 1026.10(e))			

	Yes	No	N/A
343. If a card issuer makes a material change in the address for receiving payments or procedures for handling payments, and such change causes a material delay in the crediting of a payment to a consumer's account during the 60-day period following the date on which such change took effect, does the card issuer not impose any late fee or finance charge for a late payment on the credit card account during the 60- day period following the date on which the change took effect? (§ 1026.10(f))			
344. If the account's credit balance is in excess of \$1, does the credit union credit the amount to the consumer's account and either refund any part of the remaining credit balance within seven business days from receiving a written request from the consumer; or if no written request is received and the credit remains for more than six months, make a good faith effort to refund the amount of the credit to the consumer by cash, check, money order, or credit to a deposit account of the consumer? (§ 1026.11(a))			
345. Did the credit union refrain from terminating an account before its expiration date solely because the consumer did not incur a finance charge? (§ 1026.11(b)(1))			
346. Except for the account of a deceased consumer if a joint accountholder remains on the account, has the card issuer adopted reasonable written policies and procedures designed to ensure that an administrator of an estate of a deceased accountholder can determine the amount of and pay any balance on the account in a timely manner? (§ 1026.11(c)(1)(i))			
347. Upon request by the administrator of an estate, does the card issuer provide the administrator with the amount of the balance on a deceased consumer's account in a timely manner, i.e., within 30 days of receiving the request? (§ 1026.11(c)(2)(i))			
348. After receiving a request from the administrator of an estate for the amount of the balance on a deceased consumer's account, does the card issuer not impose any fees on the account (such as a late fee, annual fee, or over-the-limit fee) or increase any APR, except as provided by § 1026.55(b)(2) (i.e., due to the operation of an index)? (§ 1026.11(c)(3)(i))			
349. If payment in full of the disclosed balance, under § 1026.11(c)(2) , is received within 30 days after disclosure, does the card issuer waive or rebate any additional finance charge due to a periodic interest rate? (§ 1026.11(c)(3)(ii))			
350. Are credit cards issued only upon request or application or as a renewal of or substitute for an accepted credit card? (§ 1026.12(a))			
351. Is liability for unauthorized credit card use limited to a maximum of \$50? (§ 1026.12(b)(1))			
352. Are disputes handled properly? Also, determine if the card issuer reports the disputed amount withheld by the consumer as delinquent			

	Yes	No	N/A
only if the disputed amount remains unpaid after the dispute has been settled or judgment has been rendered against the consumer. (§ 1026.12(c))			
353. Is offsetting credit card indebtedness prohibited? (§ 1026.12(d)(1))			
354. Are billing errors resolved within two complete billing cycles (in no event more than 90 days)? (§ 1026.13(c)(2))			
355. Has the credit union kept evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			
Home Equity Line of Credit File Review			
<i>If the HELOC is a high-cost mortgage under § 1026.32(a) begin here, but if the loan does not meet the high-cost triggers, proceed to question 363.</i>			
356. Are high-cost disclosures provided at least three business days before account opening? (§§ 1026.31(c)(1) and 1026.34(c)) <i>Note: For purposes of § 1026.31(c), the term “business day” means all calendar days except Sundays and legal holidays. (§ 1026.2(a)(6))</i>			
357. If the terms change before account opening so that the disclosures are inaccurate, are new disclosures provided at least three business days before account opening? (§ 1026.31(c)(1)(i))			
358. Does any waiver of the three business day waiting period comply with § 1026.31(c)(1)(iii) and bear the signature of all consumers entitled to the waiting period? (§ 1026.31(c)(1)(iii))			
359. Does the credit union disclose the following in a conspicuous type size: a. The required notice? (§ 1026.32(c)(1)) b. APR? (§ 1026.32(c)(2)) c. Examples of first minimum periodic payments for the draw period, first minimum periodic payment for any repayment period, balance outstanding at the beginning of any repayment period, any balloon payment and required statements? (§ 1026.32(c)(3)(ii)) d. Required information regarding the variable rate, if applicable? (§ 1026.32(c)(4)) e. The credit limit? (§ 1026.32(c)(5))			
360. Are the following terms absent from the mortgage transaction: a. Balloon payment, unless the payment adjustment results from a			

	Yes	No	N/A
<p>distinct repayment period that does not permit draws? (§§ 1026.32(d)(1), (d)(1)(iii))</p> <p>b. Negative amortization? (§ 1026.32(d)(2))</p> <p>c. Advance payments of more than two periodic payments? (§ 1026.32(d)(3))</p> <p>d. Increased interest rate after default? (§ 1026.32(d)(4))</p> <p>e. Refund calculation by method less favorable than the actuarial method for rebates of interest arising from loan acceleration due to default? (§ 1026.32(d)(5))</p> <p>f. Prepayment penalties as defined in § 1026.32(b)(6)? (§ 1026.32(d)(6))</p> <p>g. Due-on-demand clause (unless an exception applies)? (§ 1026.32(d)(8))</p>			
<p>361. Does the credit union:</p> <p>a. Pay a contractor under a home improvement contract from mortgage proceeds only as allowed in § 1026.34(a)(1)?</p> <p>b. Sell or assign a mortgage only when furnishing the required notice to assignee? (§ 1026.34(a)(2))</p> <p>c. Refinance a high-cost mortgage into another high-cost mortgage only after one year, unless in the consumer's interest? (§ 1026.34(a)(3))</p> <p>d. Only make an open-end high-cost mortgage (except a temporary or bridge loan with a term of less than 12 months) if the consumer has the ability to repay based on the consumer's current income, reasonably expected income, employment, assets other than the collateral, or current obligations, including any mortgage-related obligations secured by the same dwelling that secures the loan? (§ 1026.34(a)(4))</p> <p>e. Determine the consumer's repayment ability for loans described in step 6.d above by verifying income or assets relied upon and current obligations? (§ 1026.34(a)(4)(ii))</p> <p>f. Receive written certification that the consumer received counseling from a HUD-approved counselor (or a state</p>			

	Yes	No	N/A
<p>housing finance authority, if permitted by HUD) in compliance with § 1026.34(a)(5) before extending credit? (§ 1026.34(a)(5))</p> <p>g. Refrain from recommending or encouraging a consumer to default on existing debt in order to refinance any portion into a high-cost mortgage? (§ 1026.34(a)(6))</p> <p>h. Refrain from charging a fee to modify, renew, extend, or defer payment due on a high-cost mortgage? (§ 1026.34(a)(7))</p> <p>i. Charge a late payment fee, only if permitted under the loan agreement, when a payment is not received by the end of the 15-day period beginning on payment due date (or, in the case when interest on each installment is to be paid in advance, the end of the 30-day period beginning on the payment due date), and only if the amount of the fee does not exceed 4 percent of the amount past due? (§§ 1026.34(a)(8)(i)-(iii))</p> <p>j. Apply a separate late payment fee to payments outstanding until the default is cured, only if the agreement permits the credit union to apply payments to any past due balance first? (§ 1026.34(a)(8)(iv))</p> <p>k. Provide payoff statements within five business days without charge (unless charging for at least the fifth payoff statement provided in a calendar year) and, if charging a fee for delivering the statement by fax or courier, charge the fee only after disclosing free delivery methods and at a cost comparable to similar services provided for non-high-cost mortgages? (§ 1026.34(a)(9))</p> <p>l. Extend a high-cost mortgage without financing charges that are points and fees as defined in § 1026.32(b)(2)? (§ 1026.34(a)(10))</p> <p><i>Note: Credit insurance premiums or debt cancellation/suspension fees that are points and fees under § 1026.32(b)(2)(iv) are not considered financed when they are calculated and paid in full on a monthly basis.</i></p>			
362. Has the credit union avoided structuring a loan that is otherwise a high-cost mortgage to evade the TILA requirements? (§ 1026.34(b))			
363. Are the disclosures and brochure, which are required to be given at			

	Yes	No	N/A
application, provided to the consumer or within three business days of receipt of an application in the case of applications contained in magazines or other publications or if the application is received through a broker or by telephone? (§ 1026.40(b))			
364. If a credit feature or credit device is added within 30 days after mailing or delivering the account-opening disclosures (including checks) or after 30 days (excluding checks) under the terms previously disclosed, does the credit union indicate that the feature or device is for use in obtaining credit under the terms previously disclosed? (§ 1026.9(b)(1))			
365. If a credit feature or credit device, except for checks that access a credit card account, is added and the finance charge terms differ from those previously disclosed, are the § 1026.6(a) disclosures for an added feature or credit device with different finance charge terms provided before the consumer uses the feature or device? (§ 1026.9(b)(2))			
366. If the HELOC is secured by the consumer's principal dwelling (except a time-share plan), is the agreement devoid of any terms that would require arbitration or any other nonjudicial procedure to resolve a controversy or settle claims arising from the loan, or bar the consumer from bringing a claim in court for any federal statutory cause of action? (§ 1026.36(h))			
367. If there are premiums or fees for credit insurance for a HELOC secured by the consumer's principal dwelling (except a time-share plan), are the fees <i>not</i> financed, either directly or indirectly, by the credit union? (§ 1026.36(i)) <i>Note: The prohibition does not apply if the credit insurance premiums or fees are calculated and paid in full on a monthly basis. (§ 1026.36(i))</i>			
368. Did the credit union mail or deliver written notice of a change in any term required to be disclosed under § 1026.6(a) or an increase in the required minimum periodic payment at least 15 days before the effective date of the change? (§ 1026.9(c)(1)(i))			
369. If the credit union prohibits additional extensions of credit or reduces the credit limit, did the credit union mail or deliver notice of the action to each consumer who will be affected not later than three business days after such action is taken, and does the notice contain the specific reasons for the action and notice that the consumer must request reinstatement, if applicable? (§ 1026.9(c)(1)(iii))			
370. Are all fees refunded when the consumer rejects the plan because a term required to be disclosed (other than due to fluctuations in the index for a variable rate plan) changes before the plan is opened? (§ 1026.40(g))			
371. Does the credit union collect only refundable fees, if any, from the consumer before the end of three business days from delivering the disclosures (six days from the date of mailing, if mailed)?			

	Yes	No	N/A
(§ 1026.40(h))			
372. Has the credit union refunded any fees that it collected from the consumer before it delivered the required disclosures if the consumer rejected the plan within three business days after receiving the disclosures (even if there is no change in the disclosed terms)? (§ 1026.40(h))			
373. Are payments credited to a consumer's account as of the date of receipt, except when a delay in crediting does not result in a finance charge or other charge or as otherwise provided? (§ 1026.10(a))			
374. If a credit union specifies requirements for payments, are they reasonable and do they allow most consumers to make conforming payments? (§ 1026.10(b)(1))			
375. If the credit union sets a cutoff time for payments to be received by mail, by electronic means, by telephone, or in person, is the cutoff time 5 p.m. or later on the payment due date at the location specified by the credit union for the receipt of such payments? (§ 1026.10(b)(2)(ii))			
376. If a credit union specifies, on or with the periodic statement, requirements for the consumer to follow in making payments, but accepts a payment that does not conform to the requirements, is the payment credited within five days of receipt? (§ 1026.10(b)(4))			
377. If a credit union fails to credit a payment as required and imposes a finance or other charge, does the credit union credit the charge(s) to the consumer's account during the next billing cycle? (§ 1026.10(c))			
378. If (due to a weekend or holiday, for example) a credit union does not receive or accept payments by mail on the due date for payments, does the credit union treat as timely a payment received on the next business day? (§ 1026.10(d)(1))			
379. In connection with a HELOC secured by a consumer's dwelling, does the loan servicer provide an accurate statement of the total outstanding balance that would be required to satisfy the obligation in full as of a specific date within a reasonable time after receiving the request? (§ 1026.36(c)(3)) <i>Note: Under most circumstances, a reasonable time is no more than 7 business days after receipt of a written request. Exceptions apply if the loan is in bankruptcy or foreclosure, the loan is a reverse or share appreciation mortgage, or the delay is due to a natural disaster or similar event, but the servicer must provide the payoff statement within a reasonable time. Also, the payoff statement requirement does not apply to a credit union or assignee that does not currently own the loan or its servicing rights. (§ 1026.36(c)(3))</i>			
380. If the account's credit balance is in excess of \$1, does the credit union credit the amount to the consumer's account and either refund any			

	Yes	No	N/A
part of the remaining credit balance within seven business days from receiving a written request from the consumer; or if no written request is received and the credit remains for more than six months, make a good faith effort to refund the amount of the credit to the consumer by cash, check, money order, or credit to a deposit account of the consumer? (§ 1026.11(a))			
381. Did the credit union avoid terminating an account before its expiration date solely because the consumer did not incur a finance charge? (§ 1026.11(b)(1))			
382. Unless subject to the exceptions at § 1026.39(c) , for consumer credit transactions secured by the consumer's principal dwelling that were acquired by, or otherwise sold, transferred, or assigned to the credit union who is the new legal owner of the debt (covered person), did the covered person provide a written disclosure notice to the borrower within 30 calendar days of the transaction that includes the following: <ul style="list-style-type: none"> a. An identification of the loan that was sold, assigned, or otherwise transferred? (§ 1026.39(d)) b. Name, address, and telephone number of the covered person? (§ 1026.39(d)(1)) c. If there are multiple covered persons, has contact information been provided for each of them, unless one of them has been authorized to receive the consumer's notice of the right to rescind and resolve issues concerning the consumer's payments on the loan? (§§ 1026.39(d)(1)(i), (ii)) d. Date of transfer, which may, at the covered person's option, be either the date of acquisition recognized in the books and records of the acquiring party, or the date of transfer recognized in the books and records of the transferring party? (§ 1026.39(d)(2)) e. Name, address, and telephone number of an agent or party authorized to receive notice of the right to rescind and resolve issues concerning the consumer's payments on the loan, unless the consumer can use the information provided under (b) for this purpose? (§ 1026.39(d)(3)) f. The location where the transfer of ownership of the debt to the covered person is or may be recorded? (<i>Note: If the transfer of ownership has not been recorded in public records at the time the disclosure is provided, the covered person complies with this paragraph by stating this fact.</i>) (§ 1026.39(d)(4)) 			

	Yes	No	N/A
g. At the option of the covered person, any other information regarding the transaction? (§ 1026.39(e))			
383. Is the mortgage transfer disclosure notice provided clearly and conspicuously in writing, in a form that the consumer may keep? (§ 1026.39(b)(1))			
384. If a consumer credit transaction secured by the principal dwelling of a consumer is acquired by a covered person and subsequently sold, assigned, or otherwise transferred to another covered person and a single disclosure notice is provided on behalf of both covered persons, did the disclosure notice satisfy the timing (§ 1026.39(b)) and content (§ 1026.39(d)) requirements applicable to each covered person? (§ 1026.39(b)(4))			
385. If an acquisition involves multiple covered persons who jointly acquire the consumer credit transaction secured by the principal dwelling of a consumer, was a single disclosure notice provided on behalf of all covered persons? (§ 1026.39(b)(5))			
386. In connection with any consumer credit transaction secured by the consumer's principal dwelling, did the covered person refrain from attempting to directly or indirectly cause the value assigned to the consumer's principal dwelling to be based on any factor other than the independent judgment of a person that prepares valuations, including by any of the following actions: (§ 1026.42(c)) <ul style="list-style-type: none"> a. Refraining from seeking to influence a person who prepares a valuation to report a minimum or maximum value for the consumer's principal dwelling? b. Refraining from withholding or threatening to withhold timely payment to a person who prepares a valuation or performs valuation management functions because the person does not value the consumer's principal dwelling at or above a certain amount? c. Refraining from implying to a person who prepares valuations that current or future retention of the person depends on the amount at which the person estimates the value of the consumer's principal dwelling? d. Refraining from excluding a person who prepares a valuation from consideration for future engagement because the person reports a value for the consumer's principal dwelling that does not meet or exceed a predetermined threshold? e. Refraining from conditioning the compensation paid to a person who prepares a valuation on consummation of the covered transaction? 			

	Yes	No	N/A
387. Does the person preparing the valuation refrain from materially misrepresenting the value of the consumer's principal dwelling? (§ 1026.42(c)(2)(i))			
388. Did the person preparing the valuation refrain from falsifying the valuation or did other covered persons refrain from materially altering the valuation? (§ 1026.42(c)(2)(ii))			
389. Did the covered person refrain from inducing a person to materially misrepresent or falsify the value of a consumer's principal dwelling? (§ 1026.42(c)(2)(iii))			
390. To the extent applicable, did the person who prepared the valuations or performed the valuation management functions for a covered transaction refrain from having a direct or indirect interest, financial or otherwise, in the property or transaction for which the valuation is or will be performed? (§ 1026.42(d)(1)(i))			
391. For any covered transaction in which the credit union had assets of more than \$250 million as of December 31 for both of the past two calendar years, a person subject to § 1026.42(d)(1)(i) who is employed by or affiliated with the credit union does not have a conflict of interest based on the person's employment or affiliate relationship with the credit union if the person meets all of the following conditions for the safe harbor: (§ 1026.42(d)(2)) <ul style="list-style-type: none"> a. The compensation of the person preparing a valuation or performing valuation management functions is not based on the value arrived at in any valuation? b. The person preparing a valuation or performing valuation management functions reports to a person who is not part of the credit union's loan production function, as defined in § 1026.42(d)(5)(i), and whose compensation is not based on the closing of the transaction to which the valuation relates? c. No employee, officer, or director in the credit union's loan production function, as defined in § 1026.42(d)(5)(i), is directly or indirectly involved in selecting, retaining, recommending, or influencing the selection of the person to prepare a valuation or perform valuation management functions, or to be included in or excluded from a list of approved persons who prepare valuations or perform valuation management functions? 			

	Yes	No	N/A
<p>392. For any covered transaction in which the credit union had assets of less than \$250 million as of December 31 for both of the past two calendar years, a person subject to § 1026.42(d)(1)(i) who is employed by or affiliated with the credit union does not have a conflict of interest based on the person's employment or affiliate relationship with the credit union if the person meets all of the following conditions for the safe harbor: (§ 1026.42(d)(3))</p> <p>a. The compensation of the person preparing a valuation or performing valuation management functions is not based the value arrived at in any valuation.</p> <p>b. The credit union requires that any employee, officer, or director of the credit union who orders, performs, or reviews a valuation for a covered transaction abstain from participating in any decision to approve, not approve, or set the terms of that transaction.</p>			
<p>393. Does the person who prepares a valuation or performs valuation management functions in addition to performing another settlement service for the transaction, or whose affiliate performs another settlement service for the transaction, avoid a conflict of interest as a result of the person or the person's affiliate performing another settlement service for the transaction</p> <p>a. For credit unions with assets of more than \$250 million as of December 31 for both of the past two calendar years, by meeting the conditions at step 36 a, b, and c? (§ 1026.42(d)(4))</p> <p>b. For credit unions with assets of \$250 million or less as of December 31 for both of the past two calendar years, by meeting the conditions at step 37 a and b? (§ 1026.42(d)(4))</p>			
<p>394. If the credit union did know at or before consummation of a violation of §§ 1026.42(c) or (d) in connection with a valuation, did the credit union refrain from extending credit based on the valuation, unless the credit union documented that it acted with reasonable diligence to determine that the valuation did not materially misstate or misrepresent the value of the consumer's principal dwelling? (§ 1026.42(e))</p>			
<p>395. Did the credit union and its agents compensate a fee appraiser for performing appraisal services at a rate that is customary and reasonable for comparable appraisal services performed in the geographic market of the property being appraised? (§ 1026.42(f)(1))</p>			
<p>396. If the credit union reasonably believes an appraiser has not complied with the Uniform Standards of Professional Appraisal Practice or ethical or professional requirements for appraisers under applicable state or federal statutes or regulations, did the credit union refer the</p>			

	Yes	No	N/A
matter within a reasonable period of time to the appropriate state agency if the failure to comply is material? (§ 1026.42(g)(1))			
397. Has the credit union kept evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			
Special Rules for Certain Home Mortgage Transactions File Review			
General			
398. Are the disclosures required under § 1026 Subpart E (“Special Rules for Certain Home Mortgage Transactions”) provided to consumers in addition to, not instead of, the disclosures contained in other subparts of TILA? (§ 1026.31(a))			
399. Are disclosures clear, conspicuous, in writing, and in a form the consumer may keep? (§ 1026.31(b))			
400. Do the disclosures reflect the terms of the legal obligation between the parties? (§ 1026.31(d))			
401. If the transaction involves more than one creditor, did only one creditor provide the disclosures? And where the obligation involves multiple consumers, were the disclosures provided to the consumer who is primarily liable on the obligation? And for rescindable transactions, were the disclosures provided to each consumer who has the right to rescind? (§ 1026.31(e))			
402. For purposes of § 1026.32 (requirements for high-cost mortgages), is the APR accurately calculated and disclosed according to the requirements and within the tolerances allowed in § 1026.22 for closed-end credit or § 1026.6(a) for open-end credit? (§ 1026.31(g))			
403. Except as provided below for the ability-to-repay rule (§ 1026.43) and loan originator provisions (§ 1026.36), has the credit union kept evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§§ 1026.25(a), 1026.25(c)(2)-(3))			
High-Cost Mortgages Under HOEPA			
404. Are disclosures provided at least three business days before consummation or account opening? (§ 1026.31(c)(1))			
405. If the terms change before consummation so that the disclosures are inaccurate, are new disclosures provided at least three business days before consummation? (§ 1026.31(c)(1)(i))			
406. Does any waiver of the three business day waiting period comply with § 1026.31(c)(1)(iii) and bear the signature of all consumers entitled to the waiting period? (§ 1026.31(c)(1)(iii))			
407. Does the credit union disclose the following in a conspicuous type size:			

	Yes	No	N/A
<p>a. The required notice? (§ 1026.32(c)(1))</p> <p>b. APR? (§ 1026.32(c)(2))</p> <p>c. For closed-end credit, the regular payment and any balloon payment or, for open end credit, examples of first minimum periodic payments, balance outstanding, any balloon payment, and required statements? (§ 1026.32(c)(3))</p> <p>d. Required information regarding the variable rate, if applicable? (§ 1026.32(c)(4))</p> <p>e. e. Amount borrowed on the face of the note or the credit limit for an open-end plan? (§ 1026.32(c)(5))</p>			
<p>408. Are these terms absent from the mortgage transaction:</p> <p>a. Balloon payment, unless: the payment schedule is adjusted to consumer's seasonal or adjusted income, a bridge loan of 12 months or less, a balloon payment qualified mortgage under §§ 1026.43(e)(6) or (f), or if open-end plan, the payment adjustment results from a distinct repayment period that does not permit draws? (§ 1026.32(d)(1))</p> <p>b. Negative amortization? (§ 1026.32(d)(2))</p> <p>c. Advance payments of more than two periodic payments? (§ 1026.32(d)(3))</p> <p>d. Increased interest rate after default? (§ 1026.32(d)(4))</p> <p>e. Refund calculation by method less favorable than the actuarial method for rebates of interest arising from loan acceleration due to default? (§ 1026.32(d)(5))</p> <p>f. Prepayment penalties, as defined in § 1026.32(b)(6)? (§ 1026.32(d)(6))</p>			
<p>409. Does the credit union:</p> <p>a. Pay a contractor under a home improvement contract from mortgage proceeds only as allowed in § 1026.34(a)(1)?</p> <p>b. Sell or assign a mortgage only when furnishing the required notice to assignee? (§ 1026.34(a)(2))</p> <p>c. Refinance a high-cost mortgage into another high-cost mortgage only after one year, unless in the consumer's</p>			

	Yes	No	N/A
<p>interest? (§ 1026.34(a)(3))</p> <p>d. Only make an open-end high-cost mortgage (except a temporary or bridge loan with a term of 12 months or less) if the consumer has the ability to repay based on the consumer's current income, reasonably expected income, employment, assets other than the collateral, current obligations, and mortgage-related obligations secured by the same dwelling. (§ 1026.34(a)(4))</p> <p>e. Determine the consumer's repayment ability for loans described in step 12.d above by verifying income or assets relied upon and current obligations? § 1026.34(a)(4)(ii)</p> <p>f. Receive written certification that the consumer received counseling from a HUD- approved counselor (or a state housing finance authority, if permitted by HUD) in compliance with § 1026.34(a)(5) before extending credit? (§ 1026.34(a)(5))</p> <p>g. Refrain from recommending or encouraging a consumer to default on existing debt in order to refinance any portion into a high-cost mortgage? (§ 1026.34(a)(6))</p> <p>h. Refrain from charging a fee to modify, renew, extend, or defer payment due on a high-cost mortgage? (§ 1026.34(a)(7))</p> <p>i. Charge a late payment fee, only if permitted under the loan agreement, when a payment is not received by the end of the 15-day period beginning on payment due date (or, in the case when interest on each installment is to be paid in advance, the end of the 30-day period beginning on the payment due date), and only if the amount of the fee does not exceed 4 percent of the amount past due? (§§ 1026.34(a)(8)(i)-(iii))</p> <p>j. Apply a separate late payment fee to payments outstanding until the default is cured, only if the agreement permits the credit union to apply payments to any past due balance first? (§ 1026.34(a)(8)(iv))</p> <p>k. Provide payoff statements within 5 business days without charge (unless charging for the fifth or more payoff statement in a calendar year) and, if charging a fee for delivering the statement by fax or courier, charge the fee</p>			

	Yes	No	N/A
<p>only after disclosing free delivery methods and at a cost comparable to similar services provided for non-high-cost mortgages? (§ 1026.34(a)(9))</p> <p>1. Extend a high-cost mortgage without financing charges that are points and fees as defined in §§ 1026.32(b)(1) and (2)? (§ 1026.34(a)(10))</p>			
410. Has the credit union refrained from structuring a loan that is otherwise a high-cost mortgage to evade the TILA requirements? (§ 1026.34(b))			
Reverse Mortgages (Open- and Closed-End)			
411. Are disclosures provided at least three business days before			
<p>a. Consummation for closed-end loans? (§ 1026.31(c)(2)(i))</p> <p>b. First transaction under an open-end credit plan? (§ 1026.31(c)(2)(ii))</p>			
412. Are disclosures similar to the model forms in Appendix K and include:			
<p>a. The required notice? (§ 1026.33(b)(1))</p> <p>b. Total annual loan cost rates? (§§ 1026.33(b), (c)(1)-(6))</p> <p>c. Itemization of pertinent information? (§ 1026.33(b)(3))</p> <p>d. Explanation of table? (§ 1026.33(b)(4))</p>			
Higher-Priced Mortgage Loan (HPML) (12 CFR 34, Subpart G, and § 1026.35)			
<i>Introduction: This section covers the escrow and appraisal requirements for HPMLs. If the credit union is a small creditor that operates predominately in rural or underserved areas, as defined in § 1026.35(b)(2)(iii), proceed to question 420.</i>			
413. For an HPML application received on or after June 1, 2013, has an escrow account been established before consummation for property taxes and premiums for mortgage-related insurance if the loan is secured by a first lien on a <i>principal</i> dwelling, unless the loan is secured by shares in a cooperative or condominium unit with a master insurance policy; the loan finances initial construction or a bridge loan of less than one year; or, the loan is a reverse mortgage? (§§ 1026.35(b)(1)–(2))			
414. Did the credit union cancel the escrow account only upon the earlier of (a) the termination of the underlying debt or, (b) receipt of a consumer’s request to cancel the account no earlier than five years after consummation if the unpaid balance on the loan is less than 80 percent of the original property value and the consumer is not			

	Yes	No	N/A
delinquent or in default on the loan? (§ 1026.35(b)(3))			
415. For an application (first or subordinate lien) received on or after January 18, 2014, did the credit union either provide the HPML appraisal disclosure to the applicant no later than three business days after receiving the application (or three business days after an HPML determination) or comply with the disclosure requirement in § 1002.14(a)(2) ? (§ 1026.35(c)(5))			
416. Before consummation, did the credit union obtain a written appraisal of the property that a certified or licensed appraiser performed after conducting a physical interior inspection of the property, if the loan is not exempt? (§ 1026.35(c)(3))			
417. Did the credit union exercise reasonable diligence (i.e., used written source documents) to determine if an additional appraisal is required, if the loan is not exempt? (§§ 1026.35(c)(4)(i), 1026.35(c)(4)(vi) , and see Appendix O)			
418. If the credit union cannot demonstrate that the additional appraisal requirement did not apply or otherwise determine that the consumer applied for an HPML to acquire a flipped property: <ul style="list-style-type: none"> a. Did the credit union obtain an additional written appraisal from a different certified or licensed appraiser who conducted a physical interior inspection of the property? (§ 1026.35(c)(4)) b. Did one of the two appraisals include an analysis of the difference from seller's acquisition price and consumer's price to acquire the property, the changes in market conditions and any improvements to property between seller's acquisition date and the date of consumer's agreement to acquire the property? (§§ 1026.35(c)(4)(iv), (c)(4)(vi)(B)) c. Did the credit union charge for no more than one of the appraisals required to be performed? (§ 1026.35(c)(4)(v)) 			
419. Did the credit union provide the consumer with a free copy of any written HPML appraisal no later than three business days before consummation or, if not consummated, no later than 30 days after it determined the loan would not be consummated? (§ 1026.35(c)(6))			
Loan Originator Provisions and Prohibition on Steering (§§ 1026.36(d)-(g))			
420. In connection with a closed-end consumer credit transaction secured by a dwelling (except a time-share plan), did the loan originator only receive compensation (directly or indirectly) that was other than an amount based on a term of a transaction or proxy for a term, the terms of multiple transactions by an individual loan originator, or the terms of multiple transactions by multiple individual loan originators			

	Yes	No	N/A
(unless the compensation was otherwise exempt)? (§ 1026.36(d)(1)(i))			
421. With the exception of a loan originator organization paying compensation it received directly from a consumer to a loan originator, if an individual loan originator receives compensation directly from a consumer in a closed-end consumer credit transaction secured by a dwelling (excluding a time-share plan): <ul style="list-style-type: none"> a. Did the loan originator not receive compensation, directly or indirectly, from any person other than the consumer (unless otherwise designated by the consumer per agreement with a person other than the credit union or its affiliates) for the same transaction? (§§ 1026.36(d)(2)(i)(A)(1), (d)(2)(i)(B)) b. Did any person who knows or has reason to know of the consumer-paid compensation to the loan originator (other than the consumer) refrain from paying any compensation to a loan originator, directly or indirectly, for the transaction? (§ 1026.36(d)(2)(i)(A)(2)) 			
422. For a closed-end consumer credit transaction secured by a dwelling (excluding a time-share plan), did the loan originator refrain from directing or steering a consumer to consummate a transaction even though the originator could have received greater compensation from the credit union in that transaction than in other transactions the originator offered or could have offered to the consumer, unless the consummated transaction was in the consumer's interest? (§ 1026.36(e)(1))			
423. For a consumer credit transaction secured by a dwelling, if the originator relied on the safe harbor to facilitate compliance with the prohibition on steering at § 1026.36(e)(1): <ul style="list-style-type: none"> a. Did the loan originator obtain loan options from a significant number of the creditors with which it regularly does business for each type of transaction in which the consumer expressed an interest? (§ 1026.36(e)(3)(i)) b. Was the consumer presented with loan options that meet all of the following conditions for each type of transaction in which the consumer expressed an interest: <ul style="list-style-type: none"> i. The loan with the lowest interest rate? (§ 1026.36(e)(3)(i)(A)) ii. The loan with the lowest interest rate without negative amortization, a prepayment penalty, interest-only payments, a balloon payment in the first seven years of the life of the loan, a demand 			

	Yes	No	N/A
<p>feature, shared equity, or shared appreciation; or, in the case of a reverse mortgage, a loan without a prepayment penalty, or shared equity or shared appreciation? (§ 1026.36(e)(3)(i)(B))</p> <p>iii. The loan with the lowest total dollar amount for origination points or fees and discount points (or, if two or more loans have the same total dollar amount of discount points, origination points or origination fees, the loan with the lowest interest rate that has the lowest total dollar amount of discount points, origination points, or origination fees)? (§ 1026.36(e)(3)(i)(C))</p> <p>c. Does the loan originator have a good faith belief that the options (presented to the consumer that are set forth, above) are loans for which the consumer likely qualifies? (§ 1026.36(e)(3)(ii))</p>			
<p>424. Has the credit union taken appropriate steps to ensure compliance with the loan originator provisions in § 1026.36(f)(3):</p> <p>a. Establishing a process for identifying which employees are subject to TILA background standards (individual loan originator employees hired on or after January 1, 2014, or hired before January 1, 2014, date but for whom there were no applicable statutory or regulatory background standards in effect, or individual loan originator employees that likely do not meet the standards regardless of when they were hired)? (§ 1026.36(f)(3)(i)(A))</p> <p>b. Establishing procedures for obtaining criminal background checks through the Nationwide Mortgage Licensing System and Registry (NMLSR) or, in the case of an individual loan originator who is not a registered loan originator under the NMLSR, a criminal background check from a law enforcement agency or commercial service? (§ 1026.36(f)(3)(i)(A))</p> <p>c. Establishing procedures for obtaining credit reports from a consumer reporting agency? (§ 1026.36(f)(3)(i)(B))</p> <p>d. Establishing procedures for obtaining information from the NMLSR about any administrative, civil, or criminal findings by any government jurisdiction or, in the case of an individual loan originator who is not a registered loan originator under the NMLSR, such information from the individual loan originator? (§ 1026.36(f)(3)(i)(C))</p>			

	Yes	No	N/A
e. Based on the information obtained above and any other information reasonably available to the credit union, made determinations that each individual loan originator (1) has not been convicted of, or pleaded guilty or nolo contendere to, a felony in a domestic or military court during the preceding seven-year period or, in the case of a felony involving an act of fraud, dishonesty, a breach of trust, or money laundering, at any time; and (2) has demonstrated financial responsibility, character, and general fitness such as to warrant a determination that the individual loan originator will operate honestly, fairly, and efficiently before such individual acts as a loan originator? (§ 1026.36(f)(3)(ii))			
425. Does the credit union provide periodic training covering federal and state law requirements that apply to the individual loan originator's loan origination activities? (§ 1026.36(f)(3)(iii))			
426. If the credit union is engaging in loan originator activities for a closed-end consumer credit transaction secured by a dwelling (except time-share plans), does it include on the credit application, note or loan contract, and security instrument, its name and NMLSR ID, and the name of the individual loan originator (as the name appears in the NMLSR) with primary responsibility for the origination, if the NMLSR has provided them an NMLSR ID, whenever each such loan document is provided to a consumer or presented to a consumer for signature, as applicable? (§ 1026.36(g))			
427. Does the credit union maintain written policies and procedures to ensure and monitor compliance, including its subsidiaries' and subsidiaries' employees, with the requirements of § 1026.36(d)-(g) ? (§ 1026.36(j))			
428. For transactions subject to § 1026.36 , has the credit union kept records sufficient to evidence all compensation it paid to a loan originator and the compensation agreement that governs those payments for three years after the date of payment? (§ 1026.25(c)(2)(i))			
429. For transactions subject to § 1026.36 , has the loan originator organization kept records sufficient to evidence all compensation it received from a creditor, a consumer, or another person; all compensation it paid to any individual loan originator; and the compensation agreement that governs each such receipt or payment, for three years after the date of each such receipt or payment? (§ 1026.25(c)(2)(ii))			
Prohibited Acts or Practices: Prohibitions Against Certain Servicing Practices, Mandatory Arbitration, and Financing Credit Insurance; Homeownership Counseling for Certain Negative Amortization Loans (§§ 1026.36(c),(h), (i), and (k))			
430. For a closed-end consumer credit transaction secured by a consumer's principal dwelling, does the loan servicer credit a periodic payment (covers principal, interest, and applicable escrow)			

	Yes	No	N/A
to the consumer's loan account as of the date of receipt, except when a delay in crediting does not result in any charge to the consumer or reporting of negative information to a consumer reporting agency? (§ 1026.36(c)(1)(i))			
431. If the servicer retains a partial payment (i.e., any payment less than a periodic payment) in a suspense or unapplied funds account, does the servicer: <ul style="list-style-type: none"> a. Disclose to the consumer the total amount of funds held in the account on the periodic statement as required by § 1026.41(d)(3), if a periodic statement is required? (§ 1026.36(c)(1)(ii)(A)) b. Treat the funds as a periodic payment as received under § 1026.36(c)(1)(i) once the consumer has accumulated sufficient funds to cover a periodic payment in the suspense or unapplied funds account? (§ 1026.36(c)(1)(ii)(B)) 			
432. For a closed-end consumer credit transaction secured by a consumer's principal dwelling, has the loan servicer refrained from imposing any late fee or delinquency charge in connection with a payment, when the only delinquency was due to late fees or delinquency charges assessed on an earlier payment (pyramiding of late fees), and the payment is otherwise a full payment for the applicable period and is paid on its due date or within any applicable grace or courtesy period? (§ 1026.36(c)(2))			
433. For an open- or closed-end consumer credit transaction secured by a consumer's dwelling, does the loan servicer send to the consumer an accurate statement of the total outstanding balance that would be required to satisfy the obligation in full as of a specific date within a reasonable time after receiving the consumer's written request? (§ 1026.36(c)(3))			
434. Is the contract or other agreement for the consumer credit transaction secured by a dwelling (including a home equity line of credit secured by the consumer's principal dwelling and excluding all time-share plans) devoid of (a) any terms that would require arbitration or any other non-judicial procedure to resolve a controversy or settle claims arising from the loan transaction or (b) terms that may be applied or interpreted to bar the consumer from bringing a claim in court for a violation of any federal law? (§ 1026.36(h))			
435. If there are premiums or fees for credit insurance for a consumer credit transaction secured by a dwelling (including a HELOC secured by the consumer's principal dwelling and excluding all time-share plans), are the premiums or fees not financed, either directly or indirectly, by the credit union? (§ 1026.36(i))			
436. If a first-time borrower for a closed-end credit transaction secured by a dwelling (other than a reverse mortgage or time-share plan) applies for			

	Yes	No	N/A
a loan that may result in negative amortization, does the credit union receive documentation that the consumer obtained homeownership counseling from a HUD-certified or -approved counselor before extending the credit, provided the credit union did not steer or otherwise direct the consumer to choose a particular counselor? (§§ 1026.36(k)(1), (k)(3))			
Mortgage Transfer Disclosure (§ 1026.39)			
437. Unless subject to the exceptions at § 1026.39(c), for consumer credit transactions secured by the consumer’s principal dwelling that were acquired by, or otherwise sold, transferred, or assigned to the creditor who is the new legal owner of the debt (covered person), did the covered person provide a written disclosure notice to the borrower within 30 calendar days of the transaction that includes the following: <ul style="list-style-type: none"> a. An identification of the loan that was sold, assigned, or otherwise transferred? (§ 1026.39(d)) b. Name, address, and telephone number of the covered person? (§ 1026.39(d)(1)) c. If a single disclosure is provided on behalf of multiple covered persons, has contact information been provided for each of them or, if one of them has been authorized to receive the consumer’s notice of the right to rescind and resolve issues concerning the consumer’s payments on the loan, for that covered person? (§§ 1026.39(d)(1)(i), (ii)) d. Date of transfer, which may, at the covered person’s option, be either the date of acquisition recognized in the books and records of the acquiring party, or the date of transfer recognized in the books and records of the transferring party? (§§ 1026.39(d)(2) and 1026.39(b)(2)) e. Name, address, and telephone number of an agent or party authorized to receive notice of the right to rescind and resolve issues concerning the consumer’s payments on the loan, unless the consumer can use the information provided under (b) for this purpose? (§ 1026.39(d)(3)) f. The location where the transfer of ownership of the debt to the covered person is or may be recorded? (§ 1026.39(d)(4)) g. At the option of the covered person, any other information regarding the transaction? (§ 1026.39(e)) 			
438. Is the disclosure notice required by § 1026.39 provided clearly and conspicuously in writing, in a form that the consumer may			

	Yes	No	N/A
keep? (§ 1026.39(b)(1))			
439. If a consumer credit transaction secured by the principal dwelling of a consumer is acquired by a covered person and subsequently sold, assigned, or otherwise transferred to another covered person and a single disclosure notice is provided on behalf of both covered persons, did the disclosure notice satisfy the timing (§ 1026.39(b)) and content (§ 1026.39(d)) requirements applicable to each covered person? (§ 1026.39(b)(4))			
440. If an acquisition involves multiple covered persons who jointly acquire the consumer credit transaction secured by the principal dwelling of a consumer, was a single disclosure notice provided on behalf of all covered persons? (§ 1026.39(b)(5))			
Periodic Statements for Residential Mortgage Loans (§ 1026.41)			
441. Provided an exception below does not apply, did the servicer (credit union, assignee, or servicer, as applicable) provide to the consumer a periodic statement for each billing cycle of a closed-end consumer credit transaction secured by a dwelling: <ul style="list-style-type: none"> a. The servicer delivered or placed in the mail within a reasonably prompt time after the payment due date or end of the courtesy period? (§ 1026.41(b)) b. Clearly and conspicuously in writing, or electronically as agreed by the consumer, and in a form the consumer could keep? (§ 1026.41(c)) 			
442. If a periodic statement is required, does it include: <ul style="list-style-type: none"> a. The payment due date, late payment fee, and date when fee will be imposed, and the amount due for each payment option (which is shown more prominently than the other disclosures on the page), all of which are grouped together in close proximity and located at the top of the statement's first page? (§ 1026.41(d)(1)) b. An explanation of the amount due that includes a breakdown of the monthly payment amount (principal, interest, escrow, and, if there are multiple payment options, a breakdown of each option and information regarding whether principal balance for each will increase, decrease, or stay the same), the sum of any fees since the last statement, and any payment past due, all of which are grouped together in close proximity on the statement's first page? (§ 1026.41(d)(2)) c. A breakdown of past payments, which are grouped together in close proximity on the statement's first page, showing the amount, if any, applied to principal, interest, escrow, fees, and 			

	Yes	No	N/A
<p>charges, and currently held in any suspense or unapplied funds account, for the total of all payments received since the last statement, as well as received since the beginning of the calendar year? (§ 1026.41(d)(3))</p> <p>d. A list of the transaction activity (any activity that causes a credit or debit to the amount due) that occurred since the last statement? (§ 1026.41(d)(4))</p> <p>e. an explanation of what must be done for the funds of a partial payment that were placed in a suspense or unapplied funds account to be applied, which is either located on the statement's front page, a separate page enclosed with the statement, or in a separate letter? (§ 1026.41(d)(5))</p> <p>f. A toll-free telephone number and, if applicable, an e-mail address, located on the statement's front page, that the consumer may use to obtain account information? (§ 1026.41(d)(6))</p> <p>g. account information that includes the following:</p> <ul style="list-style-type: none"> i. The outstanding principal balance? (§ 1026.41(d)(7)(i)) ii. The current interest rate in effect? (1026.41(d)(7)(ii)) iii. The date after which the interest rate may next change? (§ 1026.41(d)(7)(iii)) iv. Any prepayment penalty, as defined in § 1026.32(b)(6)(i), that may be charged? (§ 1026.41(d)(7)(iv)) v. The Web site to access either CFPB's or HUD's homeownership counselors/organizations list and the HUD toll-free telephone number to access contact information for homeownership counselors/organizations? (§ 1026.41(d)(7)(v)) <p>h. If the consumer is more than 45 days delinquent, the following items grouped together in close proximity on the statement's first page, a separate page enclosed with the statement, or a separate letter:</p> <ul style="list-style-type: none"> i. The date the consumer became delinquent? (§ 1026.41(d)(8)(i)) ii. A notification of possible risks, such as foreclosure and expenses, if the delinquency is not cured? (§ 1026.41(d)(8)(ii)) iii. An account history (for the shorter of the previous 			

	Yes	No	N/A
<p>six months or period since the account was last current) showing the amount remaining past due from each billing cycle or, if fully paid, the date on which the payment was credited as fully paid? (§ 1026.41(d)(8)(iii))</p> <p>iv. A notice about any loss mitigation program agreed to by consumer? (§ 1026.41(d)(8)(iv))</p> <p>v. A notice of whether the servicer has made the first notice or filing required by applicable law for any judicial or nonjudicial foreclosure process, if applicable? (§ 1026.41(d)(8)(v))</p> <p>vi. The total payment amount needed to bring the account current? (§ 1026.41(d)(8)(vi))</p> <p>vii. A reference to the homeownership counselor information disclosed under paragraph § 1026.41(d)(7)(v)? (§ 1026.41(d)(8)(vii))</p>			
Valuation Independence (§ 1026.42)			
<p>443. For any consumer credit transaction secured by the consumer's principal dwelling, did the covered person refrain from attempting to directly or indirectly cause the value assigned to the consumer's principal dwelling to be based on any factor other than the independent judgment of a person who prepares valuations, including by any of the following actions? (§ 1026.42(c))</p> <p>a. Refraining from seeking to influence a person who prepares a valuation to report a minimum or maximum value for the consumer's principal dwelling?</p> <p>b. Refraining from withholding or threatening to withhold timely payment to a person who prepares a valuation or performs valuation management functions because the person does not value the consumer's principal dwelling at or above a certain amount?</p> <p>c. Refraining from implying to a person who prepares valuations that current or future retention of the person depends on the amount at which the person estimates the value of the consumer's principal dwelling?</p> <p>d. Refraining from excluding a person who prepares a valuation from consideration for future engagement because the person reports a value for the consumer's principal dwelling that does not meet or exceed a predetermined threshold?</p>			

	Yes	No	N/A
e. Refraining from conditioning the compensation paid to a person who prepares a valuation on consummation of the covered transaction?			
444. Did the person preparing the valuation refrain from materially misrepresenting the value of the consumer's principal dwelling? (§ 1026.42(c)(2)(i))			
445. Did the person preparing the valuation, and all other covered persons, refrain from falsifying the valuation and did all other covered persons refrain from materially altering the valuation? (§ 1026.42(c)(2)(ii))			
446. Did all the covered persons refrain from inducing a person to materially misrepresent, falsify, or alter the value of a consumer's principal dwelling? (§ 1026.42(c)(2)(iii))			
447. To the extent applicable, did the person who prepared the valuations or performed the valuation management functions for a covered transaction refrain from having a direct or indirect interest, financial or otherwise, in the property or transaction for which the valuation is or will be performed? (§ 1026.42(d)(1)(i)) <i>Note: No person violates § 1026.42(d)(1)(i) solely because that person is an employee or affiliate of the credit union, or provides a settlement service in addition to preparing valuations or performing valuation management functions, or based solely on the fact that the person's affiliate performs another settlement service. There is a safe harbor based on the asset-size of the credit union. If the conditions of the safe harbors are not met, whether § 1026.42(d)(1)(i) is violated by the above persons or entities depends on all of the facts and circumstances. (Official Interpretations §§ 1026.42(d)(2)-1, (d)(3)-1, and (d)(4)(i)-1)</i>			
448. For any covered transaction in which the credit union had assets of more than \$250 million as of December 31st for both of the past two calendar years, a person subject to § 1026.42(d)(1)(i) who is employed by or affiliated with the credit union does not have a conflict of interest based on the person's employment or affiliate relationship with the credit union if the person meets all of the following conditions for the safe harbor: (§ 1026.42(d)(2)) a. The compensation of the person preparing a valuation or performing valuation management functions is not based on the value arrived at in any valuation; b. The person preparing a valuation or performing valuation management functions reports to a person who is not part of the credit union's loan production function, as defined in § 1026.42(d)(5)(i) , and whose compensation is not based on the closing of the transaction to which the valuation relates;			

	Yes	No	N/A
c. No employee, officer, or director in the credit union's loan production function, as defined in § 1026.42 (d)(5)(i) , is directly or indirectly involved in selecting, retaining, recommending or influencing the selection of the person to prepare a valuation or perform valuation management functions, or to be included in or excluded from a list of approved persons who prepare valuations or perform valuation management functions.			
449. For any covered transaction in which the credit union had assets of less than \$250 million as of December 31 for both of the past two calendar years, a person subject to § 1026.42(d)(1)(i) who is employed by or affiliated with the credit union does not have a conflict of interest based on the person's employment or affiliate relationship with the credit union if the person meets all of the following conditions for the safe harbor: (§ 1026.42(d)(3)) <p>a. The compensation of the person preparing a valuation or performing valuation management functions is not based the value arrived at in any valuation;</p> <p>b. The credit union requires that any employee, officer, or director of the credit union who orders, performs, or reviews a valuation for a covered transaction abstain from participating in any decision to approve, not approve, or set the terms of that transaction.</p>			
450. If the credit union knew at or before consummation of a violation of §§ 1026.42(c) or (d) in connection with a valuation, did the credit union refrain from extending credit based on the valuation, unless the credit union documented that it acted with reasonable diligence to determine that the valuation did not materially misstate or misrepresent the value of the consumer's principal dwelling? (§ 1026.42(e))			
451. Did the credit union and its agents compensate a fee appraiser for performing appraisal services at a rate that is customary and reasonable for comparable appraisal services performed in the geographic market of the property being appraised? (§ 1026.42(f)(1))			
452. If the credit union reasonably believes an appraiser has not complied with the Uniform Standards of Professional Appraisal Practice or ethical or professional requirements for appraisers under applicable state or federal statutes or regulations, did the credit union refer the matter within a reasonable period of time to the appropriate state agency if the failure to comply is material? (§ 1026.42(g)(1))			
Ability to Repay, Refinancing of Non-Standard Mortgages, Qualified Mortgages, Prepayment Penalty Restrictions, Evasion (§§ 1026.43(c)-(h))			
<i>Not all of the questions in this section pertain to all of these situations:</i>			

	Yes	No	N/A
<i>QM, refinance of non-standard mortgages.</i>			
<p>453. Did the credit union make a reasonable and good faith determination at or before consummation of a covered transaction that the consumer has a reasonable ability to repay the loan according to its terms, only after it considered the consumer's:</p> <p>a. Current or reasonably expected income or assets (other than value of the dwelling and attached real property)? (§ 1026.43(c)(2)(i))</p> <p>b. Current employment status (if the credit union relies on employment income for its determination)? (§ 1026.43(c)(2)(ii))</p> <p>c. Monthly payment on the covered transaction, calculated as follows? (§ 1026.43(c)(2)(iii))</p> <p style="padding-left: 20px;">i. Unless a balloon payment, interest-only, or negatively amortizing loan, the credit union must use the greater of the fully indexed rate or any introductory interest rate and monthly, fully amortizing payments that are substantially equal. (§ 1026.43(c)(5)(i))</p> <p style="padding-left: 20px;">ii. If a loan with a balloon payment (has a payment that is more than two times a regular periodic payment), the credit union must use the maximum payment scheduled during the first five years after the date on which the first regular periodic payment will be due for a loan that is not a higher-priced covered transaction; or the maximum payment in the payment schedule, including any balloon payment, for a higher-priced covered transaction. (§ 1026.43(c)(5)(ii)(A))</p> <p style="padding-left: 20px;">iii. If an interest-only loan the credit union must use the greater of the fully indexed rate or any introductory interest rate and substantially equal, monthly payments of principal and interest that will repay the loan amount over the term of the loan remaining as of the date the loan is recast. (§ 1026.43(c)(5)(ii)(B))</p> <p style="padding-left: 20px;">iv. If a negative amortization loan, the credit union must use the greater of the fully indexed rate or any introductory interest rate and substantially equal, monthly payments of principal and interest that will repay the maximum loan amount over the term of the loan remaining as of the date the loan is recast. (§ 1026.43(c)(5)(ii)(C))</p> <p>d. Monthly payment on any simultaneous loan (another covered</p>			

	Yes	No	N/A
<p>transaction or HELOC made to the consumer at or before consummation of the covered transaction, or after to cover its closing costs, and secured by the same dwelling) that the credit union knows or has reason to know will be made, using the monthly payment calculation for covered loans (above) or the periodic payment under the HELOC's terms? (§§ 1026.43(c)(2)(iv), (c)(6))</p> <p>e. Monthly payment for mortgage-related obligations? (§ 1026.43(c)(2)(v))</p> <p>f. Current debt obligations, alimony, and child support? (§ 1026.43(c)(2)(vi))</p> <p>g. Monthly debt-to-income ratio or residual income as follows? (§ 1026.43(c)(2)(vii))</p> <p style="padding-left: 20px;">i. If the credit union considered the consumer's monthly DTI ratio, it must have considered the ratio of total monthly debt obligations to total monthly income. (§ 1026.43(c)(7)(ii)(A))</p> <p style="padding-left: 20px;">ii. If the credit union considered the consumer's monthly residual income, it must have considered the consumer's remaining income after subtracting total monthly debt obligations from total monthly income. (§ 1026.43(c)(7)(ii)(B))</p> <p>h. Credit history? (§§ 1026.43(c)(2)(viii))</p>			
<p>454. In determining a consumer's repayment ability under §§ 1026.43(c), did the credit union verify the information it relied on (eight factors listed in question above) using reliable third-party records, including verifying the amounts of the consumer's income or assets using third-party party records that provide reliable evidence of the consumer's income and assets, such as a tax-return transcript issued by the IRS, copies of tax returns filed with the IRS or state taxing authority, IRS Form W-2s, payroll statements, financial institution records, records obtained by the consumer's employer, records from government agencies stating income from benefits or entitlements, and receipts from check chasing or funds transfer services? (§§ 1026.43(c)(3), (c)(4))</p>			
<p>455. Was the credit union not required to comply with the requirements of § 1026.43(c) because the following conditions for refinancing a non-standard mortgage to a standard mortgage were met? (§ 1026.43(d)(3))</p> <p>a. At the time of the refinance, the creditor for the standard mortgage was the current holder of the non-standard mortgage or the servicer acting on behalf of the current</p>			

	Yes	No	N/A
<p>holder. (§ 1026.43(d)(2)(i))</p> <p>b. Based on the following calculations, the credit union determined that the standard mortgage's monthly payment is materially lower than the non-standard mortgage's monthly payment: (§ 1026.43(d)(2)(ii))</p> <p>i. The credit union calculated the monthly payment for the non-standard mortgage based on substantially equal, monthly, fully amortizing payments of principal and interest using:</p> <ul style="list-style-type: none"> • The fully indexed rate as of a reasonable period of time (generally 30 days) before or after the date on which the credit union received the consumer's written application for the standard mortgage. (§ 1026.43(d)(5)(i)(A)) • The term of the loan remaining as of the date the loan is recast. (§ 1026.43(d)(5)(i)(B)) • The outstanding principal balance as of the date of the recast, for an ARM or interest-only loan, assuming all scheduled payments have been made up to that date and the last payment due is made and credited on that date; and, for a negative amortization loan, the maximum loan amount, determined after adjusting for the outstanding principal balance. (§ 1026.43(d)(5)(i)(C)) <p>ii. The credit union calculated the monthly payment for the standard mortgage on substantially equal, monthly, fully amortizing payments based on the maximum interest rate that may apply during the first five years after consummation. (§ 1026.43(d)(5)(ii))</p> <p>c. The credit union received the consumer's written application for the standard mortgage no later than two months after the non-standard mortgage had recast. (§ 1026.43(d)(2)(iii))</p> <p>d. The consumer made no more than one payment more than 30 days late on the non-standard mortgage during the 12 months immediately preceding the credit union's receipt of the standard mortgage application. (§ 1026.43(d)(2)(iv))</p> <p>e. The consumer made no payments more than 30 days late</p>			

	Yes	No	N/A
<p>during the six months immediately preceding the credit union's receipt of the application. (§ 1026.43(d)(2)(v))</p> <p>f. If the non-standard mortgage was consummated on or after January 10, 2014, the non-standard mortgage was made according to §§ 1026.43(c) or (e), as applicable. (§ 1026.43(d)(2)(vi))</p> <p>g. The credit union considered whether the standard mortgage likely would prevent a default by the consumer on the non-standard mortgage once recast. (§ 1026.43(d)(3)(ii))</p>			
<p>456. Does the covered transaction not include a prepayment penalty, except if it meets all of the following conditions? (§ 1026.43(g))</p> <p>a. It is a qualified mortgage under §§ 1026.43(e)(2), (e)(4), (e)(5), (e)(6), or (f).</p> <p>b. The prepayment penalty is otherwise allowed by law.</p> <p>c. The mortgage has an APR that cannot increase after consummation.</p> <p>d. The loan is not a higher-priced mortgage loan, as defined in § 1026.35(a).</p>			
<p>457. If the covered transaction was consummated with a prepayment penalty as permitted under the conditions above, is the prepayment penalty applied only within the three-year period following consummation, and does the amount not exceed 2 percent of the outstanding balance prepaid if incurred during the first two years following consummation and 1 percent of the outstanding balance prepaid if incurred during the third year following consummation? (§§ 1026.43(g)(2), (g)(6))</p>			
<p>458. If the credit union offered a consumer a mortgage with a prepayment penalty and consummated the covered transaction with a prepayment penalty, did the credit union also offer an alternative covered transaction without a prepayment penalty, in which the credit union had a good faith belief that the consumer likely qualified based on the information it knew at the time, and which had the following features? (§§ 1026.43(g)(3), (g)(3)(v), and (g)(6))</p> <p>a. An APR that cannot increase after consummation and has the same type of interest rate (fixed or step rate) as the loan with a prepayment penalty. (§ 1026.43(g)(3)(i))</p> <p>b. The same loan term as the loan with a prepayment penalty. (§ 1026.43(g)(3)(ii))</p>			

	Yes	No	N/A
<p>c. Regular periodic payments that are substantially equal (except for the effect of interest rate changes in ARMs or step-rate mortgages), that do not increase the principal balance and do not allow the consumer to defer repayment of principal or result in a balloon-payment, except as provided for balloon-payment qualified mortgages in § 1026.43(f). (§ 1026.43(g)(3)(iii))</p> <p>d. Points and fees (defined in § 1026.32(b)(1)(i)) that met the following limits(adjusted annually on January 1 for inflation), based on the information known to the credit union at the time of the offer (§ 1026.43(g)(3)(iv))</p> <ul style="list-style-type: none"> i. For a loan amount of \$100,000 or more: 3 percent of the total loan amount (see § 1026.32(b)(4)(i)). ii. For a loan amount of \$60,000 or more but less than \$100,000: \$3,000. iii. For a loan amount of \$20,000 or more but less than \$60,000: 5 percent of the total loan amount. iv. For a loan amount of \$12,500 or more but less than \$20,000: \$1,000. v. v. For a loan amount of less than \$12,500: 8 percent of the total loan amount. 			
<p>459. If the credit union offered a loan with a prepayment penalty through a mortgage broker, did the credit union present the mortgage broker with an alternative covered transaction without a prepayment penalty that satisfies § 1026.43(g)(3) and establish by agreement that the mortgage broker present an alternative covered transaction without a prepayment penalty offered either by the credit union or another creditor, if the other creditor’s transaction had a lower interest rate or lower total dollar amount of discount points and origination points and fees? (§ 1026.43(g)(4))</p>			
<p>460. If the creditor is a loan originator, who presented a covered transaction with a prepayment penalty offered by another person to whom the loan would be assigned after consummation, did the creditor present the consumer an alternative covered transaction without a prepayment penalty that satisfied § 1026.43(g), which was offered by the assignee or another person offering a lower interest rate or a lower total dollar amount of origination discount points and points or fees? (§ 1026.43(g)(5))</p>			
<p>461. Has the credit union avoided structuring a loan as an open-end plan to evade the requirements of § 1026.43? (§ 1026.43(h))</p>			
<p>462. Has the credit union kept evidence of compliance with § 1026.43 for three years after consummation of a transaction covered by that section? (§ 1026.25(c)(3))</p>			
<p>General Definition Qualified Mortgages</p>			

	Yes	No	N/A
<p>463. Does the loan provide for regular, substantially equal, periodic payments, except for the effect any interest rate change after consummation has on ARMs or step-rate mortgages that do not? (§ 1026.43(e)(2)(i))</p> <p>a. Result in an increase of the principal balance? (§ 1026.43(e)(2)(i)(A))</p> <p>b. Allow balloon payments or deferment of principal payments (except for balloon-payment qualified mortgages described in §§ 1026.43(f) and 1026.43(e)(6))? (§§ 1026.43(e)(2)(i)(B)-(C))</p>			
464. Does the loan term not exceed 30 years? (§ 1026.43(e)(2)(ii))			
<p>465. Do the total points and fees (defined in § 1026.32(b)(1)(i)) not exceed: (§§ 1026.43(e)(2)(iii), (e)(3))</p> <p>a. For a loan amount of \$100,000 or more: 3 percent of the “total loan amount”? (§ 1026.32(b)(4)(i))</p> <p>b. For a loan amount of \$60,000 or more but less than \$100,000: \$3,000?</p> <p>c. For a loan amount of \$20,000 or more but less than \$60,000: 5 percent of the total loan amount?</p> <p>d. For a loan amount of \$12,500 or more but less than \$20,000: \$1,000?</p> <p>e. For a loan amount less than \$12,500: 8 percent of the total loan amount?</p> <p><i>Note: These numbers will be annually adjusted for inflation on January 1.</i></p>			
<p>466. When underwriting the loan, did the credit union take into account the monthly payment for mortgage-related obligations, using: (§ 1026.43(e)(2)(iv))</p> <p>f. The maximum interest rate that may apply during the first 5 years after the date on which the first regular periodic payment will be due?</p> <p>g. Periodic payments of principal and interest that will repay either:</p> <p>i. The outstanding principal balance over the remaining term of the loan; or</p> <p>ii. The loan amount over the loan term?</p>			

	Yes	No	N/A
<p>467. Did the credit union consider and verify at or before consummation the following: (§ 1026.43(e)(2)(v))</p> <p>a. The consumer’s current or reasonably expected income or assets other than the value of the dwelling (including any real property attached to the dwelling) that secures the loan?(Appendix Q; §§ 1026.43(c)(2)(i) and 1026.43(c)(4))</p> <p>b. The consumer’s current debt obligations, alimony, and child support?(Appendix Q and §§ 1026.43(c)(2)(vi) and 1026.43(c)(3))</p>			
<p>468. At the time of consummation, was the ratio of the consumer’s total monthly debt to total monthly income at the time of consummation not in excess of 43 percent? (§ 1026.43(e)(2)(vi))</p>			
Temporary Category Qualified Mortgages			
<p>469. Does the loan provide for regular, substantially equal, periodic payments, except for the effect any interest rate change after consummation has on ARMs or step-rate mortgages that do not: (§§ 1026.43(e)(2)(i), (e)(4)(i)(A))</p> <p>a. Result in an increase of the principal balance? (§ 1026.43(e)(2)(i)(A))</p> <p>b. Allow balloon payments or deferment of principal payments (except for balloon- payment qualified mortgages described in §§ 1026.43(f) and (e)(6))? (§§ 1026.43(e)(2)(i)(B)-(C))</p>			
<p>470. Does the loan term not exceed 30 years? (§§ 1026.43(e)(2)(ii), 1026.43(e)(4)(i)(A))</p>			
<p>471. Do the total points and fees (§ 1026.32(b)(1)(i)) not exceed: (§§ 1026.43(e)(2)(iii), (e)(3), and (e)(4)(i)(A))</p> <p>a. For a loan amount of \$100,000 or more: 3 percent of the “total loan amount” (see § 1026.32(b)(4)(i))?</p> <p>b. For a loan amount of \$60,000 or more but less than \$100,000: \$3,000?</p> <p>c. For a loan amount of \$20,000 or more but less than \$60,000: 5 percent of the total loan amount?</p> <p>d. For a loan amount of \$12,500 or more but less than \$20,000: \$1,000?</p> <p>e. For a loan amount less than \$12,500: 8 percent of the total loan amount?</p>			

	Yes	No	N/A
<i>Note: These numbers will be annually adjusted for inflation on January 1.</i>			
472. At the time of consummation, was the loan eligible (except with regard to matters wholly unrelated to ability to repay) to be purchased, guaranteed, or insured by any of the following? (§ 1026.43(e)(4)(i)(B)) <ul style="list-style-type: none"> a. Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac), while operating under the conservatorship or receivership of the Federal Housing Finance Agency (§§ 1026.43(e)(4)(ii)(A)(1); see also (e)(4)(ii)(A)(2)) b. U.S. Department of Veterans Affairs (§ 1026.43(e)(4)(ii)(C)) c. U.S. Department of Agriculture pursuant to 42 USC 1472(h); or the Rural Housing Service (§§ 1026.43(e)(4)(ii)(D)-(E)) 			
473. At the time of consummation, did the FHA loan meet the requirements for § 1026.43(e)(2)(iii) for points and fees; and was it eligible for insurance by the FHA or HUD? (24 C.F.R. §203.19)			
474. At the time of consummation, was the VA loan eligible for insurance by the VA? (38 C.F.R. §36.4300)			
Small Creditor Portfolio Qualified Mortgages			
475. Does the credit union satisfy the following creditor requirements to meet the definition as a “small creditor under §§ 1026.35(b)(2)(iii)(B), and (C) : (§ 1026.43(e)(5)(D)) <ul style="list-style-type: none"> a. During the preceding calendar year, the credit union, together with its affiliates, originated 500 or fewer first-lien covered transactions? b. As of the end of the preceding calendar year, the credit union had total assets of less than \$2 billion (Adjusted annually – Including assets of certain affiliates)? 			
476. Does the loan provide for regular, substantially equal, periodic payments, except for the effect any interest rate change after consummation has on ARMs or step-rate mortgages that do not: (§§ 1026.43(e)(2)(i), 1026.43(e)(5)(A)) <ul style="list-style-type: none"> a. Result in an increase of the principal balance? (§ 1026.43(e)(2)(i)(A)) b. Allow balloon payments or deferment of principal payments (except for balloon- payment qualified mortgages described in §§ 1026.43(f) and 1026.43(e)(6))? (§§ 1026.43(e)(2)(i)(B)-(C)) 			

	Yes	No	N/A
477. Does the loan term not exceed 30 years? (§§ 1026.43(e)(2)(ii) , 1026.43(e)(5)(A))			
478. Do the total points and fees (defined in § 1026.32(b)(1)(i)) not exceed: (§§ 1026.43(e)(2)(iii) , 1026.43(e)(3) , 1026.43(e)(5)(A)) <ul style="list-style-type: none"> a. For a loan amount of \$100,000 or more: 3 percent of the “total loan amount” (§ 1026.32(b)(4)(i))? b. For a loan amount of \$60,000 or more but less than \$100,000: \$3,000? c. For a loan amount of \$20,000 or more but less than \$60,000: 5 percent of the total loan amount? d. For a loan amount of \$12,500 or more but less than \$20,000: \$1,000? e. For a loan amount less than \$12,500: 8 percent of the total loan amount? <p><i>Note: These numbers are annually adjusted for inflation on January 1.</i></p>			
479. When underwriting the loan, did the credit union take into account the monthly payment for mortgage-related obligations, using (§§ 1026.43(e)(2)(iv) , 1026.43(e)(5)(A)) <ul style="list-style-type: none"> a. The maximum interest rate that may apply during the first five years after the date on which the first regular periodic payment will be due? b. Periodic payments of principal and interest that will repay either <ul style="list-style-type: none"> i. The outstanding principal balance over the remaining term of the loan? This must be calculated as of the date the interest rate adjusts to the maximum interest rate that may apply during the first five years after the date on which the first regular periodic payment will be due, assuming the consumer will have made all required payments as due before that date; or ii. The loan amount over the loan term? 			
480. Did the credit union consider the consumer’s monthly debt-to-income ratio or residual income and verify debt obligations and income used to determine that ratio at or before consummation as follows: <ul style="list-style-type: none"> a. If the credit union considered the consumer’s monthly debt-to-income ratio, it must have considered the ratio of total 			

	Yes	No	N/A
monthly debt obligations to total monthly income.			
b. If the credit union considered the consumer’s monthly residual income, it must have considered the consumer's remaining income after subtracting total monthly debt obligations from total monthly income.			
481. At consummation, was the loan not subject to a forward commitment, except to a person that satisfies the “small creditor” requirements of §§ 1026.35(b)(2)(iii)(B)-(C)? (§ 1026.43(e)(5)(C))			
482. If the loan met the requirements for a small creditor portfolio qualified mortgage at consummation, has it maintained its qualified mortgage status because the credit union did not transfer the loan, unless the transfer was (§ 1026.43(e)(5)(ii))			
a. Three years or more after consummation?			
b. To a credit union that satisfies the “small creditor” requirements (above)?			
c. Made under a capital restoration plan or other action under 12 USC 1831o , or to actions or instructions of a conservator, receiver, or bankruptcy trustee, or to orders by or agreements with a state or federal governmental agency with jurisdiction to examine the credit union?			
d. Made under a merger of the credit union and another person or the acquisition of the credit union by another person, or the credit union’s acquisition of another person?			
Balloon-Payment Qualified Mortgages Made by Certain Small Creditors			
483. Does the credit union satisfy all of the following creditor requirements under §§ 1026.35(b)(2)(iii)(A)-(C): (§ 1026.43(f)(1)(vi))			
a. During any of the three preceding calendar years, the credit union extended more than 50 percent of its first-lien covered transactions on properties that are located in “rural” or “underserved” counties.			
b. During the preceding calendar year, the credit union, together with its affiliates, originated 500 or fewer first-lien covered transactions.			
c. As of the end of the preceding calendar year, the credit union had total assets of less than \$2 billion (Adjusted annually – Including assests of certain affiliates).			
484. Does the loan provide for regular, substantially equal, periodic			

	Yes	No	N/A
payments (calculated using an amortization period that does not exceed 30 years), except for the effect any interest rate change after consummation has on ARMs or step-rate mortgages, that do not result in an increase of the principal balance? (§§ 1026.43(e)(2)(i)(A) , 1026.43(f)(1)(i) , 1026.43(f)(1)(iv)(A))			
485. Is the loan term, at minimum, five years and no longer than 30 years? (§§ 1026.43(e)(2)(ii) , 1026.43(f)(1)(i) , 1026.43(f)(1)(iv)(C))			
486. Do the total points and fees (defined in § 1026.32(b)(1)(i)) not exceed: (§§ 1026.43(e)(2)(iii) , 1026.43(e)(3) , 1026.43(f)(1)(i)) <ul style="list-style-type: none"> a. For a loan amount of \$100,000 or more: 3 percent of the “total loan amount” (see § 1026.32(b)(4)(i))? b. For a loan amount of \$60,000 or more but less than \$100,000: \$3,000? c. For a loan amount of \$20,000 or more but less than \$60,000: 5 percent of the total loan amount? d. For a loan amount of \$12,500 or more but less than \$20,000: \$1,000? e. For a loan amount less than \$12,500: 8 percent of the total loan amount? <p><i>Note: These numbers will be annually adjusted for inflation on January 1.</i></p>			
487. Does the loan’s interest rate not increase over the term of the loan? (§ 1026.43(f)(1)(iv)(B))			
488. Did the credit union consider and verify at or before consummation the following: (§§ 1026.43(e)(2)(v) , 1026.43(f)(1)(i)) <ul style="list-style-type: none"> a. The consumer’s current or reasonably expected income or assets other than the value of the dwelling (including any real property attached to the dwelling) that secures the loan, in accordance with §§ 1026.43(c)(2)(i) and 1026.43(c)(4)? b. The consumer’s current debt obligations, alimony, and child support according to §§ 1026.43(c)(2)(vi) and 1026.43(c)(3)? 			
489. Did the credit union determine that the consumer could make all of the scheduled payments under the loan and the monthly payments for all mortgage-related obligations (excluding the balloon payment) from the			

	Yes	No	N/A
consumer's current or reasonably expected income or assets (other than the dwelling that secures the loan)? (§ 1026.43(f)(1)(ii))			
490. Did the credit union consider the consumer's monthly debt-to-income ratio or residual income and verify debt obligations and income used to determine that ratio at or before consummation as follows: (§ 1026.43(f)(1)(iii)) <p>a. If the credit union considered the consumer's monthly debt-to-income ratio, it must have considered the ratio of total monthly debt obligations to total monthly income.</p> <p>b. If the credit union considered the consumer's monthly residual income, it must have considered the consumer's remaining income after subtracting total monthly debt obligations from total monthly income.</p>			
491. At consummation, was the loan not subject to a forward commitment, except to a person that satisfies the creditor requirements of §§ 1026.35(b)(2)(iii)(A)-(C) (i.e., small creditor serving rural or underserved counties)?			
492. If the loan met the requirements for a balloon-payment qualified mortgage at consummation, has it maintained its qualified mortgage status because the credit union did not transfer the loan, unless the transfer was: (§ 1026.43(f)(2)) <p>a. Three years or more after consummation?</p> <p>b. To a creditor that satisfies the requirements for small creditors serving rural or underserved counties (above)?</p> <p>c. Made under to a capital restoration plan or other action under 12 USC 1831o, or to actions or instructions of a conservator, receiver, or bankruptcy trustee, or to orders by or agreements with a state or federal governmental agency with jurisdiction to examine the credit union? Or</p> <p>d. made under to a merger of the credit union and another person or the acquisition of the credit union by another person, or the credit union's acquisition of another person?</p>			
Temporary Balloon-Payment Qualified Mortgages Made by Small Creditors			
493. Does the credit union satisfy all of the following creditor requirements under §§ 1026.35(b)(2)(iii)(B) and (C) : (§ 1026.43(e)(6)(i)(B)) <p>a. During the preceding calendar year, the credit union, together with its affiliates, originated 500 or fewer first-</p>			

	Yes	No	N/A
lien covered transactions.			
b. As of the end of the preceding calendar year, the credit union had total assets of less than \$2 billion (Adjusted annually – Including assets of certain affiliates).			
494. Does the loan provide for regular, substantially equal, periodic payments (calculated using an amortization period that does not exceed 30 years), except for the effect any interest rate change after consummation has on ARMs or step-rate mortgages, that do not result in an increase of the principal balance? (§§ 1026.43(e)(2)(i)(A) , 1026.43(e)(6)(i)(A) , 1026.43(f)(1)(i) , 1026.43(f)(1)(iv))			
495. Is the loan term, at minimum, five years and no longer than 30 years? (§§ 1026.43(e)(2)(ii) , 1026.43(e)(6)(i)(A) , 1026.43(f)(1)(i) , 1026.43(f)(1)(iv)(A))			
496. Do the total points and fees (defined in § 1026.32(b)(1)(i)) not exceed: (§§ 1026.43(e)(2)(iii) , (e)(3) , (e)(6)(i)(A) , (f)(1)(i)) a. For a loan amount of \$100,000 or more: 3 percent of the “total loan amount”? (§ 1026.32(b)(4)(i)) b. For a loan amount of \$60,000 or more but less than \$100,000: \$3,000? c. For a loan amount of \$20,000 or more but less than \$60,000: 5 percent of the total loan amount? d. For a loan amount of \$12,500 or more but less than \$20,000: \$1,000? e. For a loan amount less than \$12,500: 8 percent of the total loan amount? <i>Note: These numbers will be annually adjusted for inflation on January 1.</i>			
497. Does the loan’s interest rate not increase over the term of the loan? (§§ 1026.43(e)(6)(i)(A) , 1026.43(f)(1)(iv)(B))			
498. Did the credit union consider and verify at or before consummation the following: (§§ 1026.43(e)(2)(v) , 1026.43(e)(6)(i)(A) , 1026.43(f)(1)(i)) a. The consumer’s current or reasonably expected income or assets other than the value of the dwelling (including any real property attached to the dwelling) that secures the loan, according to §§ 1026.43(c)(2)(i) and 1026.43(c)(4) ?			

	Yes	No	N/A
<p>b. The consumer's current debt obligations, alimony, and child support in accordance with §§ 1026.43(c)(2)(vi) and 1026.43(c)(3)?</p>			
<p>499. Did the credit union determine that the consumer could make all of the scheduled payments under the loan and the monthly payments for all mortgage-related obligations (excluding the balloon payment) from the consumer's current or reasonably expected income or assets (other than the dwelling that secures the loan)? (§§ 1026.43(e)(6)(i)(A), 1026.43(f)(1)(ii))</p>			
<p>500. Did the credit union consider the consumer's monthly debt-to-income ratio or residual income and verify debt obligations and income used to determine that ratio at or before consummation as follows: (§§ 1026.43(e)(6)(i)(A), 1026.43(f)(1)(iii))</p> <p>a. If the credit union considered the consumer's monthly debt-to-income ratio, it must have considered the ratio of total monthly debt obligations to total monthly income.</p> <p>b. If the credit union considered the consumer's monthly residual income, it must have considered the consumer's remaining income after subtracting total monthly debt obligations from total monthly income.</p>			
<p>501. At consummation, was the loan not subject to a forward commitment, except to a person that satisfies the creditor requirements of §§ 1026.35(b)(2)(iii)(A)-(C) (i.e. small creditor serving rural or underserved counties)? (§§ 1026.43(e)(6)(i)(A), 1026.43(f)(1)(v))</p>			
<p>502. If the loan met the requirements for a temporary balloon-payment qualified mortgage at consummation, has it maintained its qualified mortgage status because the credit union did not transfer the loan, unless the transfer was: (§ 1026.43(f)(2))</p> <p>a. Three years or more after consummation?</p> <p>b. To a creditor that satisfies the requirements for small creditors serving rural or underserved counties (above)?</p> <p>c. Made under a capital restoration plan or other action under 12 USC 1831o, or to actions or instructions of a conservator, receiver, or bankruptcy trustee, or to orders by or agreements with a state or federal governmental agency with jurisdiction to examine the creditor? Or</p> <p>d. Made under a merger of the credit union and another person or the acquisition of the credit union by another person, or the</p>			

	Yes	No	N/A
credit union's acquisition of another person.			
Periodic Statements for Open-End Credit			
503. Are periodic billing statements provided if at the end of a billing cycle the account has a debit or credit balance of \$1 or more or if a finance charge has been imposed? (§ 1026.5(b)(2)(i))			
Periodic Billing Statements Worksheet for Home-Equity Plans Subject to § 1026.40			
<i>Note: For home-equity plans subject to § 1026.40, a credit union may instead, at its option, comply with any of the requirements of § 1026.7(b); any credit union that chooses not to provide a disclosure under paragraph § 1026.7(a)(7), however, must comply with paragraph § 1026.7(b)(6).</i>			
504. Is the beginning outstanding balance provided? (§ 1026.7(a)(1))			
505. Are transactions identified and accurate? (§§ 1026.7(a)(2) , 1026.8)			
506. Are the dates and amounts of credits to account disclosed accurately? (§ 1026.7(a)(3))			
507. Are the periodic rate(s) and APR(s) stated and accurate? If it is a variable rate plan, is the fact that the periodic rate(s) may vary disclosed? (§ 1026.7(a)(4))			
508. If different rates apply to different types of transactions, except for promotional rates in periods in which they are actually applied, are the types of transactions to which the periodic rates apply disclosed? (§ 1026.7(a)(4))			
509. Is the amount of balance subject to the periodic rate and an explanation of how the balance is determined disclosed? (§ 1026.7(a)(5))			
510. Is any "finance charge" amount (using that term) disclosed and accurate? (§ 1026.7(a)(6))			
511. Are the components of the finance charge imposed during the billing cycle individually itemized and identified? (§ 1026.7(a)(6)(i))			
512. Are the amounts of any other charges debited to the account itemized, identified by type, and accurately disclosed? (§ 1026.7(a)(6)(ii))			
513. At the credit union's option, is the effective APR (using the term "APR") disclosed and accurate? (§ 1026.7(a)(7))			
514. Does the periodic statement disclose the date by which or the time period within which the new balance or any portion of the new balance must be paid to avoid additional finance charges? (§ 1026.7(a)(8))			
515. Does the periodic statement include the address for notice of billing errors? (§ 1026.7(a)(9))			
516. 14. Are the account balance and closing date disclosed and accurate? (§ 1026.7(a)(10))			
Periodic Billing Statements for Open-End Not Home-Secured Plans			
517. Is the beginning outstanding balance provided? (§ 1026.7(b)(1))			

	Yes	No	N/A
518. Have reasonable procedures been adopted to ensure periodic statements for credit cards are mailed or delivered at least 21 days before the payment due date and the date on which any grace period expires? (§ 1026.5(b)(2)(ii))			
519. Are transactions identified and disclosed accurately? (§§ 1026.7(b)(2), 1026.8)			
520. Are the dates and amounts of credits to account disclosed accurately? (§ 1026.7(b)(3))			
521. Are the periodic rate(s) and APR(s), along with the range of balances to which they apply, stated and accurate? If it is a variable rate plan, is the fact that the periodic rate may vary disclosed? (§ 1026.7(b)(4))			
522. If different rates apply to different types of transactions, except for promotional rates in periods in which they are actually applied, are the types of transactions to which the periodic rates apply disclosed? (§ 1026.7(b)(4))			
523. Is the amount of balance to which a periodic rate was applied and an explanation of how that balance was determined, using the term “Balance Subject to Interest Rate,” included? (§ 1026.7(b)(5))			
524. Does the periodic statement include the amounts of any charges imposed as part of a plan as stated in § 1026.6(b)(3) (account-opening charges), grouped together, in proximity to transactions identified under § 1026.7(b)(2), similar to Sample G-18(A) in Appendix G? (§ 1026.7(b)(6)(i))			
525. Are finance charges due to periodic interest rates, using the term “Interest Charge,” grouped together under the heading “Interest Charged” and itemized and totaled by type of transaction; and is the total finance charges due to periodic interest rates, using the term “Total Interest,” disclosed for the statement period and calendar year-to-date using a format similar to Sample G-18A in Appendix G? (§ 1026.7(b)(6)(ii))			
526. Are charges imposed as part of the plan, other than charges due to periodic interest rates, grouped together under the heading “Fees,” identified consistent with the feature or type, and itemized; and are total charges, using the term “Fees,” disclosed for the statement period and calendar year-to-date, using a format similar to Sample G-18(A) in Appendix G? (§ 1026.7(b)(6)(iii))			
527. If the credit union provides a change-in-terms notice required by § 1026.9(c), or a rate increase notice required by § 1026.9(g), on or with the periodic statement, has the credit union disclosed the information in §§ 1026.9(c)(2)(iv)(A)-(B) (if applicable) or § 1026.9(g)(3)(i) on the periodic statement according to the format requirements in § 1026.9(c)(2)(iv)(D), and § 1026.9(g)(3)(ii)? (Appendix G Forms G-18(F) and G-18(G), § 1026.7(b)(7))			
528. Is the grace period disclosed?			
529. Does the periodic statement include the address for notice of			

	Yes	No	N/A
billing errors? (§ 1026.7(b)(9))			
530. Are the account balance and closing date disclosed and accurate and is the new balance disclosed in accordance with the format requirements of § 1026.7(b)(13) ? (§ 1026.7(b)(10))			
531. Except for periodic statements provided solely for charge card accounts and for a charged-off account where payment of the entire account balance is due immediately, do periodic statements for credit cards include <ul style="list-style-type: none"> a. Due date for a payment, which must be the same day of the month for each billing cycle? (§ 1026.7(b)(11)(i)(A)) b. Amount of any late payment fee and any increased periodic rate(s) expressed as an APR that may be imposed because of the late payment? (§ 1026.7(b)(11)(i)(B)) c. If a range of fees may be assessed, either the range of fees or the highest fees that could apply and an indication that the fee imposed could be lower? (§ 1026.7(b)(11)(i)(B)) d. If the rate may be increased for more than one feature or balance, either the range of rates or the highest rate that could apply? (§ 1026.7(b)(11)(i)(B)) 			
532. Is the due date disclosed on the front of the first page of the periodic statement; are the amount of the late payment fee and the increased APR stated in close proximity to the due date; are the ending balance and repayment disclosures (required by § 1026.7(b)(12)) disclosed closely proximate to the minimum payment due; and are the due date, late payment fee and APR, ending balance, minimum payment due, and repayment disclosures grouped together?(§ 1026.7(b)(13))			
Periodic Statements for Open-End Credit			
533. For accounts with an outstanding balance subject to a deferred interest or similar program, did the credit union disclose the date by which that outstanding balance must be paid in full to avoid finance charges on the front of any page of each periodic statement issued during the deferred interest period beginning with the first periodic statement issued during the deferred interest period that reflects the deferred interest or similar transaction? (§ 1026.7(b)(14))			
534. Except for those credit cards for which negative or no amortization occurs when calculating the minimum repayment payment estimate as described in appendix M1, do periodic statements for a credit card account under an open-end (not home-secured) consumer credit plan provide the following disclosures on each periodic statement:			

	Yes	No	N/A
<p>a. The following statement with a bold heading: “Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance”? (§ 1026.7(b)(12)(i)(A))</p> <p>b. The minimum payment repayment estimate? (§ 1026.7(b)(12)(i)(B))</p> <p>c. The minimum payment total cost estimate rounded to the nearest whole dollar or the nearest cent, at the card issuer’s option? (§ 1026.7(b)(12)(i)(C))</p> <p>d. A statement that the minimum payment repayment estimate and the minimum payment total cost estimate are based on the current outstanding balance shown on the periodic statement; and a statement that the minimum payment repayment estimate and the minimum payment total cost estimate are based on the assumption that only minimum payments are made and no other amounts are added to the balance? (§ 1026.7(b)(12)(i)(D))</p> <p>e. A toll-free telephone number where the consumer may obtain from the card issuer information about credit counseling services? (§ 1026.7(b)(12)(i)(E))</p> <p>f. Except when the minimum payment repayment estimate is three years or less; and the estimated monthly payment for repayment in 36 months is less than the minimum payment required for that billing cycle; and a billing cycle where an account has both a balance in a revolving feature where the required minimum payments for this feature will not amortize that balance in a fixed amount of time specified in the account agreement and a balance in a fixed repayment feature where the required minimum payment for this fixed repayment feature will amortize that balance in a fixed amount of time specified in the account agreement which is less than 36 months, are the following disclosures provided:</p> <ul style="list-style-type: none"> i. The estimated monthly payment for repayment in 36 months rounded to the nearest whole dollar or to the nearest cent, at the card issuer’s option? (§ 1026.7(b)(12)(i)(F)(1)(i)) ii. A statement that the card issuer estimates that the consumer will repay the outstanding balance shown on the periodic statement in three years if the consumer pays the estimated monthly payment each month for three years? (§ 1026.7(b)(12)(i)(F)(1)(ii)) 			

	Yes	No	N/A
<p>iii. The total cost estimate for repayment in 36 months rounded to the nearest whole dollar or to the nearest cent, at the card issuer's option? (§ 1026.7(b)(12)(i)(F)(1)(iii)) and</p> <p>iv. The savings estimate for repayment in 36 months rounded to the nearest whole dollar or to the nearest cent, at the card issuer's option? (§ 1026.7(b)(12)(i)(F)(1)(iv))</p>			
<p>535. For non-amortizing or negatively amortizing credit card accounts under an open-end (not home-secured) consumer credit plan, does the card issuer provide the following disclosures on each periodic statement (instead of the disclosures set out at § 1026.7(b)(12)(i)):</p> <p>a. “Minimum Payment Warning: Even if you make no more charges using this card, if you make only the minimum payment each month we estimate you will never pay off the balance shown on this statement because your payment will be less than the interest charged each month”? (§ 1026.7(b)(12)(ii)(A))</p> <p>b. “If you make more than the minimum payment each period, you will pay less in interest and pay off your balance sooner”? (§ 1026.7(b)(12)(ii)(B))</p> <p>c. The estimated monthly payment for repayment in 36 months rounded to the nearest whole dollar or to the nearest cent, at the credit union's option? (§ 1026.7(b)(12)(ii)(C))</p> <p>d. A statement that the card issuer estimates that the consumer will repay the outstanding balance shown on the periodic statement in three years if the consumer pays the estimated monthly payment each month for three years? (§ 1026.7(b)(12)(ii)(D))</p> <p>e. A toll-free telephone number where the consumer may obtain from the card issuer information about credit counseling services consistent with § 1026.7(b)(12)(iv)? (§ 1026.7(b)(12)(ii)(E))</p>			
<p>536. For periodic statement repayment disclosures required to be disclosed by § 1026.7(b)(12), are the disclosures made according to the format requirements of § 1026.7(b)(13) and similar to the samples provided in appendix G of TILA? (§ 1026.7(b)(13))</p>			
<p>537. Does the card issuer provide (to the extent available from the U.S. Trustee or a bankruptcy administrator) through the disclosed toll-free telephone number the name, street address, telephone number, and</p>			

	Yes	No	N/A
Web site address for at least three organizations that have been approved by the U.S. Trustee or a bankruptcy administrator to provide credit counseling services in either the state in which the billing address for the account is located or the state specified by the consumer? (§ 1026.7(b)(12)(iv)(A))			
538. Is the credit counseling information discussed in step 35 updated annually for consistency with the information available from the U.S. Trustee or a bankruptcy administrator? (§ 1026.7(b)(12)(iv)(B))			
539. Has the credit union kept evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			
Billing Rights Statement			
540. Is the billing rights statement provided at least once each calendar year, or with each periodic statement in a form similar to that in Appendix G ? (§ 1026.9(a))			
High-Cost Mortgages			
Coverage			
541. Is the transaction secured by the consumer's principal dwelling? (§ 1026.2(a)(19), § 1026.32(a)(1))			
If the answer is no, STOP HERE. The transaction is not a high-cost mortgage.			
542. Is the transaction:			
A. A reverse mortgage transaction? (§ 1026.32(a)(2)(i))			
B. A transaction to finance the initial construction of a dwelling? (§ 1026.32(a)(2)(ii))			
C. A transaction originated and financed by a housing finance agency? (§ 1026.32(a)(2)(iii))			
D. A transaction originated under the USDA's rural development Section 502 direct loan program? (§ 1026.32(a)(2)(iv))			
If the answer is yes to A,B,C, or D, STOP HERE. If no, continue to Test 1: APR.			
543. Test 1: APR			
A. Determine the APR for testing high-cost mortgage coverage. (§ 1026.32(a)(3))			
1. For fixed-rate transactions, calculate the APR using the interest rate in effect on the date the interest rate for the transaction was set.			
2. For transactions where the interest rate varies with an index, use the greater of the introductory interest rate (if any) or the fully-indexed rate (i.e., the interest rate that results from adding the maximum margin permitted at any time during the term of the transaction to the value of the index rate in effect on the date the interest rate for the transaction was set).			

	Yes	No	N/A
3. For transactions where the interest rate may or will vary other than in accordance with an index, such as in a step-rate loan, use the maximum rate that the applicant may pay during the term of the transaction.			
B. Determine the Average Prime Offer Rate (APOR). (§ 1026.32(a)(1)(i) , Comments § 1026.32(a)(1)(i)-1 through -3) 1. Determine the APOR for a comparable transaction as of the last rate lock on the transaction. Determine the APOR for a HELOC by identifying the most closely comparable closed-end transaction. APOR tables are published at https://www.ffiec.gov/ratespread/aportables.htm .			
C. Add one of the following amounts to APOR (box B), as applicable. 1. 6.5 percentage points for most first-lien transactions; 2. 8.5 percentage points for first-lien transactions secured by personal property (e.g., manufactured housing titled as personal property, RVs, houseboats) if the loan amount is less than \$50,000; or 3. 8.5 percentage points for subordinate-lien transactions (§ 1026.32(a)(1)(i)(A)-(C))			
D. Is Box A greater than Box C?			
If yes, the transaction is a high-cost mortgage. If no, continue to Test 2: Points and Fees.			
High-Cost Mortgage (§ 1026.32)			
544. Test 2: Points and Fees			
Step 1: Identify all charges payable in connection with the transaction and known at or before consummation or account opening.			
A. Items included in the finance charge (§§ 1026.4(a) and (b)), except for the following: <ul style="list-style-type: none"> • Interest, including per-diem interest, and time-price differential. • All federal or state government-sponsored mortgage insurance premiums (MIP), e.g., up-front and annual FHA premiums, VA funding fees, and USDA guarantee fees. • All monthly or annual private mortgage insurance (PMI) premiums; • Up-front PMI premiums <i>if</i> the premiums are refundable on a prorated basis and the refund is automatically issued upon loan satisfaction. <i>But</i>, include any portion of the PMI premium that exceeds the up-front MIP for FHA loans. • Bona fide third-party charges not retained by the credit union, loan originator, or an affiliate of either, unless specifically required to be 			

	Yes	No	N/A
included under boxes A-H. ²¹ <ul style="list-style-type: none"> Up to 1 or 2 bona fide discount points, if eligible.²² <p>(§ 1026.32(b)(1)(i) (closed-end); § 1026.32(b)(2)(i) (open-end))</p>			
Finance charge items	Amount		Subtotals
Origination charge			
Points (unless excluded as bona fide)			
Mortgage broker fee			
Application fee (if not charged to all applicants)			
Loan administration fee			
Rate-lock fee			
Commitment fee			
Underwriting fee			
Loan-level price adjustments (LLPA) (if paid up front)			
Non-refundable up-front PMI premiums in excess of up-front MIP for FHA loans			
Other fees included in the finance charge			
Subtotal			
B. Loan originator compensation. Include all compensation paid directly or indirectly by a consumer or creditor to a loan originator (§ 1026.36(a)(1)) that can be attributed to the transaction at the time the rate is set, but exclude <ul style="list-style-type: none"> payments by consumers to mortgage brokers that were counted under box A. compensation paid by a creditor or mortgage broker to a loan originator employee. compensation paid by a manufactured home retailer to its employee. <p>(§ 1026.32(b)(1)(ii) (closed-end); § 1026.32(b)(2)(ii) (open-end))</p>			
C. Certain non-finance charges under § 1026.4(c)(7). Include fees <i>only</i> if the amount of the fee is unreasonable, or the credit union receives direct or indirect compensation from the charge, or the charge is paid to an affiliate of the credit union. <p>(§ 1026.32(b)(1)(iii) (closed-end); § 1026.32(b)(2)(iii) (open-end))</p>			
Title examination			
Title insurance			
Property survey			

²¹ Bona fide third-party charges not retained by the credit union or loan originator, or an affiliate of either, are excluded, unless these charges are included as PMI premiums, real estate-related fees, or credit-related insurance premiums. (12 CFR 1026.32(b)(1)(i)(D))

²² Discount points are bona fide if two conditions are met: (1) They must buy down the interest rate from the pre-discount rate, and (2) they must do so by an amount consistent with industry norms. The number of bona fide discount points that may be excluded depends on the pre-discount rate on the loan. Up to two bona fide discount points may be excluded if the interest rate before payment of those discount points did not exceed APOR by more than 1 percentage point. Up to one bona fide discount point may be excluded if the interest rate before payment of the discount point did not exceed APOR by more than 2 percentage points. (12 CFR 1026.32(b)(1)(i)(E)-(F); 12 CFR 1026.32(b)(3))

	Yes	No	N/A
Document preparation charge			
Notary and credit report			
Appraisal			
Fee for “initial” flood hazard determination			
Pest inspection			
Any other fees under § 1026.4(c)(7)			
Subtotal			
D. Premiums or other charges for optional or required insurance payable at or before consummation or account opening (§ 1026.32(b)(1)(iv) (closed-end); § 1026.32(b)(2)(iv) (open-end))			
Credit life			
Credit disability			
Credit unemployment			
Credit property			
Any other life, accident, health, or loss-of-income insurance (if credit union is a beneficiary)			
Debt cancellation or suspension			
Subtotal			
E. Maximum prepayment penalty (§ 1026.32(b)(1)(v) (closed-end); § 1026.32(b)(2)(v) (open-end))			
Subtotal			
F. For a refinance transaction with the current holder, its servicer, or an affiliate of either, prepayment penalty paid in connection with terminating prior transaction (§ 1026.32(b)(1)(vi) (closed-end); § 1026.32(b)(2)(vi) (open-end))			
Subtotal			
G. For open-end transactions, participation fees payable at or before account opening (§ 1026.32(b)(2)(vii))			
Subtotal			
H. For open-end transactions, per-transaction fee charged for drawing on credit line (assume at least one) (§ 1026.32(b)(2)(viii))			
Subtotal			
I. Total points and fees: Add subtotals for A-F (closed-end) or A-H (open-end)			
Step 2: Determine the total loan amount. (§ 1026.32(b)(4))			
A. Closed-end transaction 1. Determine the amount financed (§ 1026.18(b))			
<ul style="list-style-type: none"> • The full amount of principal repayable under the terms of the note or other loan contract • Minus: Prepaid finance charges (§ 1026.2(a)(23)) • Equals: Amount financed 			

	Yes	No	N/A
2. Deduct from the amount financed costs that are included in points and fees under Step 1, boxes C, D, or F, and that are financed by the credit union			
Total loan amount (1 minus 2)			
B. Open-end transaction			
Credit limit for the plan when the account is opened			
Step 3: Perform high-cost fee calculation.			
Determine which points and fees threshold applies according to the note amount (threshold cutoffs are adjusted annually for inflation (use the dollar amount corresponding to the year of origination or account opening)) (12 CFR 1026.32(a)(1)(ii)(A)-(B))			
Transactions for \$20,000 or more (2014)			
A. Calculate 5 percent of the total loan amount (Step 2, box A (closed-end) or box B (open-end))			
B. Total points and fees (Step 1, box I)			
C. Does box B exceed box A?			
Transactions for less than \$20,000 (2014)			
A. Calculate 8 percent of the total loan amount (Step 2, box A (closed-end) or box B (open-end))			
B. Annually adjusted dollar amount (§ 1026.32(a)(1)(ii)(B)) 2014: \$1,000 (use the dollar amount corresponding to the year of origination or account opening)			
C. Total points and fees (Step 1, box I)			
D. Does box C exceed the lesser of box A or box B?			
If yes, the transaction is a high-cost mortgage. If no, continue to Test 3: Prepayment			
545. Test 3: Prepayment Penalty			
Step 1: Determine whether the transaction has a prepayment penalty. (§ 1026.32(a)(1)(iii) ; 12 CFR 1026.32(b)(6)(i)-(ii) (definition))			
If no, STOP HERE, the transaction is not a high-cost mortgage. If yes, continue to Step 2: Determine the amount and duration of any prepayment penalty.²³			

²³ If the credit union used an accounting method whereby it kept unearned interest charged for any period between payoff and the end of the month, this would be a prepayment penalty under the rule. In this case, the maximum prepayment penalty would be the maximum amount of interest that could be charged for the “phantom” (post-payoff) accrual period. For this purpose, the examiner would need to assume that the consumer makes the final payoff on the day of the month that yields the longest period of post-payoff interest that could be charged under the terms of the credit contract and is charged interest for the entire month, and that amount would be the maximum unearned interest prepayment penalty.

	Yes	No	N/A
A. Can prepayment penalties be imposed for longer than 36 months after consummation or account opening?			
B. Can prepayment penalties exceed 2 percent of the amount prepaid?			
If no, the transaction is not a high-cost mortgage. If yes, the transaction is a high-cost mortgage and is in violation of the prohibition against prepayment penalties for high-cost mortgages. <u>(§ 1026.32(d)(6))</u>			
Special Credit Card Rules Review			
Ability to Make Required Minimum Payments			
546. Does the card issuer not open a credit card account for a consumer, or increase any credit limit applicable to such account, unless the card issuer considers the consumer's ability to make the required minimum periodic payments under the terms of the account based on the consumer's income or assets and current obligations? <u>(§ 1026.51(a)(1)(i))</u>			
547. Does the card issuer establish and maintain written policies and procedures to consider the consumer's ability to make the required minimum payments based on the consumer's income or assets and current obligations; and do these policies and procedures include treating any income and assets to which the consumer has a reasonable expectation of access as the consumer's income or assets, or limiting consideration of the consumer's income or assets to the consumer's independent income and assets? Further, do the policies and procedures include a consideration of at least one of the following: <ul style="list-style-type: none"> a. The ratio of debt obligations to income? b. The ratio of debt obligations to assets? c. The income the consumer will have after paying debt obligations? (<u>§ 1026.51(a)(1)(ii)</u>) 			
548. Does the card issuer not issue a credit card to a consumer who does not have any income or assets; and does the credit union not issue a credit card without reviewing any information about a consumer's income or assets, and current obligations? (<u>§ 1026.51(a)(1)(ii)</u>)			
549. Does the card issuer use a reasonable method for estimating the minimum periodic payments the consumer would be required to pay under the terms of the account? (<u>§ 1026.51(a)(2)(i)</u>)			
550. Does the card issuer's estimate of the minimum periodic payment use the following method to receive the benefit of the			

	Yes	No	N/A
<p>safe harbor? (§ 1026.51(a)(2)(ii))</p> <p>a. The card issuer assumes utilization, from the first day of the billing cycle, of the full credit line that the issuer is considering offering to the consumer?</p> <p>b. The card issuer uses a minimum payment formula employed by the issuer for the product the issuer is considering offering to the consumer or, in the case of an existing account, the minimum payment formula that currently applies to that account, provided:</p> <p>i. If the applicable minimum payment formula includes interest charges, the card issuer estimates those charges using an interest rate that the issuer is considering offering to the consumer for purchases or, in the case of an existing account, the interest rate that currently applies to purchases?</p> <p>ii. If the applicable minimum payment formula includes mandatory fees, the card issuer must assume that such fees have been charged to the account?</p>			
<p>551. If the card issuer opens a credit card account for a consumer younger than 21 years old, does the issuer require that such consumers:</p> <p>a. Submit a written application?</p> <p>b. Possess an independent ability to make the required minimum periodic payments on this credit card or provide a signed agreement of a cosigner, guarantor, or joint applicant who is at least 21 years old who will be either secondarily liable for any debt on the account incurred by the consumer before the consumer has attained the age of 21 or jointly liable for any debt on the account, and financial information indicating such cosigner, guarantor, or joint applicant has the ability to make the required minimum periodic payments on such debts, consistent with § 1026.51(a)? (§ 1026.51(b)(1))</p>			
<p>552. If a credit card account has been opened for a consumer less than 21 years old under § 1026.51(b)(1), does the issuer not increase the credit limit before the consumer attains the age of 21 unless at the time of the contemplated increase, the consumer has an independent ability to make the required minimum periodic payments on the increased limit consistent with § 1026.51(b)(i); or a cosigner, guarantor, or joint applicant who is at least 21 years old agrees in writing to assume liability on the increase (either secondarily liable for any account debt incurred before the consumer becomes 21 or jointly liable with the</p>			

	Yes	No	N/A
consumer) consistent with § 1026.51(b)(1)(ii) ? (§ 1026.51(b)(2))			
Limitations on Fees			
553. During the first year after the opening of a credit card account, did the card issuer refrain from requiring the consumer to pay covered fees in excess of 25 percent of the credit limit during the first year after account opening? (§ 1026.52(a))			
554. Does the card issuer refrain from imposing a fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan, unless the dollar amount of the fee is consistent with §§ 1026.52(b)(1) and (b)(2) ? (§ 1026.52(b))			
<p>555. If the issuer relies on the cost-determination review to impose a fee for a particular violation (e.g., late payment), has the issuer</p> <ul style="list-style-type: none"> a. Determined that the fee represents a reasonable proportion of the total costs incurred by the issuer as a result of that type of violation? b. Re-evaluated this determination at least once every 12 months? c. Imposed a lower fee within 45 days after completing the reevaluation if the result of the reevaluation indicates that a lower fee represents a reasonable proportion of the total costs incurred by the issuer as a result of that type of violation? d. Complied with the notice requirements of § 1026.9, before imposing a higher fee, if the result of the reevaluation indicates that a higher fee represents a reasonable proportion of the total costs incurred by the issuer as a result of that type of violation? (§ 1026.52(b)(1)(i)) <p><i>Note: Refer to the Official Interpretations for § 1026.52(b) for a list of factors to be considered in the cost determination review by the issuer.</i></p>			
<p>556. If the issuer is relying on the safe harbor fee provision, has the issuer refrained from imposing a fee for a particular violation (i.e., late payment), as applicable, in excess of the regulatory limits:</p> <ul style="list-style-type: none"> a. Of \$26.00 (adjusted annually)? (§ 1026.52(b)(1)(ii)(A)) b. Of \$37.00 (adjusted annually) if the card issuer previously imposed a fee under § 1026.52(b)(1)(ii)(A) for a violation of the same type that occurred during the same billing cycle or 			

	Yes	No	N/A
<p>one of the next six billing cycles? (§ 1026.52(b)(1)(ii)(B))</p> <p>c. Of 3 percent of the delinquent balance on a charge card account that requires payment of outstanding balances in full at the end of each billing cycle if the card issuer has not received the required payment for two or more consecutive billing cycles? (§ 1026.52(b)(1)(ii)(C))</p>			
557. Has the card issuer refrained from imposing a fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan that exceeds the dollar amount associated with the violation? (§ 1026.52(b)(2)(i)(A))			
558. Has the card issuer refrained from imposing a fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan when there is no dollar amount associated with the violation? (§ 1026.52(b)(2)(i)(B))			
559. Has the card issuer refrained from imposing more than one fee for violating the terms or other requirements of a credit card account under an open-end (not home-secured) consumer credit plan based on a single event or transaction? (§ 1026.52(b)(2)(ii))			
Allocation of Payments in Excess of the Minimum			
560. When a consumer makes a payment in excess of the required minimum periodic payment (other than deferred interest or similar programs), does the card issuer allocate the excess amount first to the balance with the highest APR, and any remaining portion to the other balances in descending order based on the applicable APR? (§ 1026.53(a))			
561. For balances on a credit card account subject to a deferred interest or similar program, did the card issuer allocate any amount paid by the consumer in excess of the required minimum periodic payment <p>a. Consistent with § 1026.53(a), except that, during the two billing cycles immediately preceding expiration of the deferred interest period, the excess amount must have been allocated first to the balance subject to the deferred interest or similar program and any remaining portion allocated to any other balances consistent with § 1026.53(a)? (§ 1026.53(b)(1)(i)) or</p> <p>b. At the card issuer's option, in the manner requested by the consumer? (§ 1026.53(b)(1)(ii))</p>			
Loss of a Grace Period			
562. Did the card issuer refrain from imposing finance charges as a result of the loss of a grace period on a credit card account based on balances for days in billing cycles that precede the most recent billing cycle or			

	Yes	No	N/A
any portion of a balance subject to a grace period that was repaid before the expiration of the grace period? (§ 1026.54(a))			
Limitations on Increasing APR, Fees, and Charges			
563. Unless one of the following exceptions applies, did the card issuer not increase an APR or fee or charge required to be disclosed under § 1026.6(b)(2)(ii) (example: an annual fee), (b)(2)(iii) (fixed finance charge or minimum interest charge), or (b)(2)(xii) (fee for required insurance, debt cancellation, or debt suspension coverage)? (§ 1026.55(a)) Exceptions: Temporary rate, fee, or charge; variable rate; advance notice; delinquency; workout and temporary hardship arrangement; and the SCRA. (§ 1026.55(b))			
564. If the temporary rate exception applies, did the card issuer a. Upon the expiration of the specified period, not apply an APR, fee, or charge to transactions that occurred before the period that exceeds the APR, fee, or charge that applied to those transactions before the period? b. After providing the notice required by § 1026.9(c) , not apply an APR, fee, or charge to transactions that occurred within 14 days after provision of the notice that exceeds the APR, fee, or charge that applied to that category of transactions before provision of the notice? c. Not apply an APR, fee, or charge to transactions that occurred during the period that exceeds the increased APR, fee, or charge disclosed under § 1026.55(b)(1)(i) ? (§ 1026.55(b)(1)(ii))			
565. If the variable rate exception applies, did the card issuer not increase an APR unless the increase in the APR is due to an increase in an index that is not under the card issuer's control and is available to the general public? (§ 1026.55(b)(2))			
566. If the advance notice exception applies, did the card issuer comply with the notice requirements of § 1026.9 and: a. Not apply that increased APR, fee, or charge to transactions that occurred before provision of the notice required by § 1026.9(b) ? b. Not apply the increased APR, fee, or charge to transactions that occurred before or within 14 days after provision of the notice required by §§ 1026.9(c) or (g) ?			

	Yes	No	N/A
c. Not increase the APR, fee, or charge during the first year after the account is opened, while the account is closed, or while the consumer cannot use the account for new transactions? (§ 1026.55(b)(3))			
567. If the delinquency exception applies, did the card issuer disclose in a clear and conspicuous manner in the required notice a statement of the reason for the increase, and the fact that the increase will cease to apply if the card issuer receives six consecutive required minimum periodic payments on or before the payment due date, beginning with the first payment due following the effective date of the increase? (§ 1026.55(b)(4))			
568. If the delinquency exception applies and the card issuer received six consecutive required minimum periodic payments on or before the payment due date beginning with the first payment due following the effective date of the increase, did the card issuer reduce any APR, fee, or charge (increased pursuant to the delinquency exception) to the original APR, fee, or charge that applied before the increase with respect to transactions that occurred before or within 14 days after provision of the required notice? (§ 1026.55(b)(4)(ii))			
569. If the workout and temporary hardship arrangement exception applies, before commencement of the arrangement (except as provided in § 1026.9(c)(2)(v)(D)) did the card issuer provide the consumer with a clear and conspicuous written disclosure of the terms of the arrangement (including any increases due to the completion or failure of the arrangement); and upon the completion or failure of the arrangement, did the card issuer not apply to any transactions that occurred before commencement of the arrangement an APR, fee, or charge that exceeds the APR, fee, or charge that applied to those transactions before commencement of the arrangement? (§ 1026.55(b)(5))			
570. If the SCRA exception applies, did the card issuer increase the APR, fee, or charge only after 50 USC app. 527 or a similar federal or state statute or regulation no longer applied; and did the issuer not apply to any transactions that occurred before the decrease an APR, fee, or charge that exceeded the APR, fee, or charge that applied to those transactions before the decrease? (§ 1026.55(b)(6))			
571. For protected balances (the amount owed for a category of transactions to which an increased APR, fee, or charge disclosed under §§ 1026.6(b)(2)(ii) , 1026.6(b)(2)(iii) , or 1026.6(b)(2)(xii) cannot be applied after such APR, fee, or charge has been increased per § 1026.55(b)(3)), did the card issuer refrain from requiring repayment using a method that is less beneficial to the consumer than one of the following methods: a. The method of repayment for the account before the			

	Yes	No	N/A
<p>effective date of the increase?</p> <p>b. An amortization period of not less than five years, beginning no earlier than the effective date of the increase?</p> <p>c. A required minimum periodic payment that includes a percentage of the balance that is equal to no more than twice the percentage required before the effective date of the increase? (§ 1026.55(c))</p>			
Requirements for Over-the-Limit Transactions			
572. Does the card issuer provide an oral, electronic, or written over-the-limit notice segregated from all other information describing the consumer’s right to consent to the payment of an over-the-limit transaction and provide an opportunity for the consumer to affirmatively consent to the card issuer’s payment of such transactions before assessing any over-the-limit fee or charge on a consumer’s account? (§§ 1026.56(b)(1)(i), (b)(1)(ii), and (d)(1)(i))			
573. Does the card issuer obtain the consumer’s affirmative consent, and if a consumer consents to the card issuer’s payment of any over-the-limit transaction by oral or electronic means, does the card issuer provide the required written notice describing the consumer’s right to consent immediately before obtaining that consent? (§§ 1026.56(b)(1)(iii), (d)(1)(ii))			
574. Does the card issuer confirm the consumer’s consent in writing (or if the consumer agrees, electronically) no later than the first periodic statement sent after the consumer has consented to the card issuer’s payment of over-the-limit transactions? (§§ 1026.56(b)(1)(iv), (d)(2))			
575. Is the written notice providing the consumer notice of the right to revoke consent following the assessment of an over-the-limit fee or charge provided on the front of any page of each periodic statement that reflects the assessment of an over-the-limit fee or charge on a consumer’s account? (§ 1026.56(d)(3))			
576. Does the oral, written, or electronic “opt-in” notice include all of the following applicable items (and not any information not specified in or otherwise permitted):			
<p>a. The dollar amount of any fees or charges assessed by the card issuer on a consumer’s account for an over-the-limit transaction?</p> <p>b. Any increased APR(s) that may be imposed on the account as a result of an over-the-limit transaction?</p> <p>c. An explanation of the consumer’s right to affirmatively consent to the card issuer’s payment of over-the-limit transactions, including the method(s) by which the</p>			

	Yes	No	N/A
consumer may consent? (§ 1026.56(e)(1))			
577. Does the written notice informing the consumer of the right to revoke consent following the assessment of an over-the-limit fee or charge describe that right, including the method(s) by which the consumer may revoke consent? (§ 1026.56(e)(2))			
578. If two or more consumers are jointly liable on a credit card account, does the card issuer treat the affirmative consent of any of the joint consumers as affirmative consent for that account and does the card issuer treat a revocation of consent by any of the joint consumers as revocation of consent for that account? (§ 1026.56(f))			
579. If the credit limit was exceeded during the billing cycle, does the card issuer not impose more than one over-the-limit fee or charge on a consumer's credit card account per billing cycle; and does the card issuer not impose an over-the-limit fee or charge on the consumer's credit card account for more than three billing cycles for the same over-the-limit transaction where the consumer has not reduced the account balance below the credit limit by the payment due date for either of the last two billing cycles? (§ 1026.56(j)(1)(i))			
580. Does the card issuer not impose an over-the-limit fee or charge solely because of the card issuer's failure to promptly replenish the consumer's available credit following the crediting of the consumer's payment? (§ 1026.56(j)(2))			
581. Does the card issuer not condition the amount of a consumer's credit limit on the consumer affirmatively consenting to the card issuer's payment of over-the-limit transactions if the card issuer assesses a fee or charge for such service? (§ 1026.56(j)(3))			
582. Does the card issuer not impose an over-the-limit fee or charge for a billing cycle if a consumer exceeds a credit limit solely because of fees or interest charged by the card issuer (defined as charges imposed as part of the plan under § 1026.6(b)(3)) to the consumer's account during that billing cycle? (§ 1026.56(j)(4))			
Reporting Rules for College Credit Card Agreements			
583. If the credit card issuer was a party to one or more college credit card agreements in effect at any time during a calendar year, did the card issuer submit to the CFPB an annual report regarding those agreements in the form and manner prescribed by the CFPB? (§ 1026.57(d)(1))			
Special Credit Card Rules Review			
584. Does the annual report include the following:			
a. Identifying information about the card issuer and the agreements submitted, including the issuer's name, address, and identifying number (such as an RSSD ID number or tax identification number)?			
b. A copy of any college credit card agreement to which the			

	Yes	No	N/A
<p>card issuer was a party that was in effect at any time during the period covered by the report?</p> <p>c. A copy of any memorandum of understanding in effect at any time during the period covered by the report between the card issuer and an institution of higher education or affiliated organization that directly or indirectly relates to the college credit card agreement or that controls or directs any obligations or distribution of benefits between any such entities?</p> <p>d. The total dollar amount of any payments pursuant to a college credit card agreement from the card issuer to an institution of higher education or affiliated organization during the period covered by the report, and the method or formula used to determine such amounts?</p> <p>e. The total number of credit card accounts opened pursuant to any college credit card agreement during the period covered by the report?</p> <p>f. The total number of credit card accounts opened pursuant to any such agreement that were open at the end of the period covered by the report? (§ 1026.57(d)(2))</p>			
<p>585. If the card issuer is subject to reporting, does the card issuer submit its annual report for each calendar year to the CFPB by the first business day on or after March 31 of the following calendar year? (§ 1026.57(d)(3))</p>			
<p>Internet Posting of Credit Card Agreements</p>			
<p>586. Unless it meets one of the exceptions in the regulation, does the card issuer make quarterly submissions to the CFPB, in the form and manner specified by the CFPB, that contain</p> <p>a. Identifying information about the card issuer and the agreements submitted, including the issuer's name, address, and identifying number (such as an RSSD ID number or tax identification number)?</p> <p>b. The credit card agreements that the card issuer offered to the public as of the last business day of the preceding calendar quarter that the card issuer has not previously submitted to the CFPB?</p> <p>c. Any credit card agreement previously submitted to the CFPB that was amended during the preceding calendar quarter and that the card issuer offered to the public as of the last business</p>			

	Yes	No	N/A
<p>day of the preceding calendar quarter as described in § 1026.58(c)(3)?</p> <p>d. Notification regarding any credit card agreement previously submitted to the CFPB that the issuer is withdrawing? (§ 1026.58(c)(1))</p>			
587. Did the card issuer make quarterly submissions to the CFPB no later than the first business day on or after January 31, April 30, July 31, and October 31 of each year? (§ 1026.58(c)(1))			
588. If a credit card agreement that previously has been submitted to the CFPB is amended and the card issuer offered the amended agreement to the public as of the last business day of the calendar quarter when the change became effective, did the card issuer submit the entire amended agreement to the CFPB, in the form and manner specified by the CFPB, by the first quarterly submission deadline after the last day of the calendar quarter in which the change became effective? (§ 1026.58(c)(3))			
589. If a card issuer no longer offers to the public a credit card agreement that previously has been submitted to the CFPB, did the card issuer notify the CFPB by the first quarterly submission deadline after the last day of the calendar quarter in which the issuer ceased to offer the agreement? (§ 1026.58(c)(4))			
590. If an issuer that previously qualified (had fewer than 10,000 open credit card accounts) for the <i>de minimis</i> exception ceases to qualify, did the card issuer begin making quarterly submissions to the CFPB no later than the first quarterly submission deadline after the date as of which the issuer ceased to qualify? (§ 1026.58(c)(5)(ii))			
591. If a card issuer that did not previously qualify for the <i>de minimis</i> exception later qualified for the <i>de minimis</i> exception, did the card issuer continue to make quarterly submissions to the CFPB until the issuer notified the CFPB that it was withdrawing all agreements it previously submitted to the CFPB? (§ 1026.58(c)(5)(iii))			
592. If an agreement that previously qualified for the private label credit card exception (§ 1026.58(c)(6)(i)) ceases to qualify, did the card issuer submit the agreement to the CFPB no later than the first quarterly submission deadline after the date as of which the agreement ceased to qualify? (§§ 1026.58(c)(6)(ii))			
593. If an agreement that did not previously qualify for the private label credit card exception qualifies for the exception, did the card issuer continue to make quarterly submissions to the CFPB with respect to that agreement until the issuer notifies the CFPB that the agreement is being withdrawn? (§ 1026.58(c)(6)(iii))			
594. If an agreement that previously qualified for the product testing exception (§ 1026.58(c)(7)(i)) ceases to qualify, did the card issuer submit the agreement to the CFPB no later than the first quarterly			

	Yes	No	N/A
submission deadline after the date as of which the agreement ceased to qualify? (§ 1026.58(c)(7)(ii))			
595. If an agreement that did not previously qualify for the product testing exception qualifies for the exception, did the card issuer continue to make quarterly submissions to the CFPB with respect to that agreement until the issuer notifies the CFPB that the agreement is being withdrawn? (§ 1026.58(c)(7)(iii))			
596. Does each agreement submitted to the CFPB contain the provisions of the agreement and the pricing information in effect as of the last business day of the preceding calendar quarter? (§ 1026.58(c)(8)(i)(A))			
597. Does each agreement submitted to the CFPB exclude any personally identifiable information relating to any cardholder, such as name, address, telephone number, or account number? (§ 1026.58(c)(8)(i)(B))			
598. Is each agreement submitted to the CFPB presented in a clear and legible font? (§ 1026.58(c)(8)(i)(D))			
599. For each agreement submitted to the CFPB, is the pricing information set forth in a single addendum to the agreement? (§ 1026.58(c)(8)(ii)(A))			
600. If pricing information varies from one cardholder to another depending on the cardholder's creditworthiness or state of residence or other factors, is the pricing information disclosed either by setting forth all the possible variations or by providing a range of possible variations? (§ 1026.58(c)(8)(ii)(B))			
601. If a rate included in the pricing information is a variable rate, did the issuer identify the index or formula used in setting the rate and the margin? (§ 1026.58(c)(8)(ii)(C))			
602. If rates vary from one cardholder to another, did the issuer disclose such rates by providing the index and the possible margins or range of margins? (§ 1026.58(c)(8)(ii)(C))			
603. Did the issuer refrain from providing provisions of the agreement or pricing information in the form of change-in-terms notices or riders (other than the pricing information addendum and the optional variable terms addendum)? (§ 1026.58(c)(8)(iv))			
604. Were changes in provisions or pricing information integrated into the text of the agreement, the pricing information addendum or the optional variable terms addendum, as appropriate? (§ 1026.58(c)(8)(iv))			
605. Does the card issuer post and maintain on its publicly available Web site the credit card agreements that the issuer is required to submit to the CFPB? (§ 1026.58(d)(1))			
606. With respect to an agreement offered solely for accounts under one or more private label credit card plans (and the issuer does not post and maintain the agreements on its publicly available Web site), does the issuer post and maintain the agreement on the publicly available Web			

	Yes	No	N/A
site of at least one of the merchants where cards issued under each private label credit card plan with 10,000 or more open accounts may be used? (§ 1026.58(d)(1))			
607. Do the agreements posted according to § 1026.58(d) conform to the form and content requirements for agreements submitted to the CFPB specified in § 1026.58(c)(8) ? (§ 1026.58(d)(2))			
608. Are agreements that are posted in an electronic format readily usable by the general public? (§ 1026.58(d)(3))			
609. Are the agreements placed in a location on the issuer's website that is prominent and readily accessible by the public and accessible without submission of personally identifiable information? (§ 1026.58(d)(3))			
610. Does the card issuer update the agreements posted on its website at least as frequently as the quarterly schedule required for submission of agreements to the CFPB? (§ 1026.58(d)(4))			
611. For any open credit card account (i.e., the cardholder can obtain extensions or there is an outstanding balance on the account that has not been charged off), does the card issuer either: <ul style="list-style-type: none"> a. Post and maintain the cardholder's agreement on its website, or b. Promptly provide a copy of the cardholder's agreement to the cardholder upon the cardholder's request? (§ 1026.58(e)(1)) 			
612. If the card issuer makes an agreement available upon request, does the issuer provide the cardholder with the ability to request a copy of the agreement both by: <ul style="list-style-type: none"> a. Using the issuer's website (such as by clicking on a clearly identified box to make the request), and b. Calling a readily available telephone line the number for which is displayed on the issuer's website and clearly identified as to purpose? (§§ 1026.58(e)(1)(ii) and (e)(2)) 			
613. If an issuer does not maintain a website from which cardholders can access specific information about their individual accounts, does the issuer make agreements available upon request by providing the cardholder with the ability to request a copy of the agreement by calling a readily available telephone line the number for which is: <ul style="list-style-type: none"> a. Displayed on the issuer's website and clearly identified as to purpose? b. Included on each periodic statement sent to the cardholder and clearly identified as to purpose? (§ 1026.58(e)(2)) 			
614. Does the card issuer send to the cardholder or otherwise make available to the cardholder a copy of the cardholder's agreement in electronic or paper form no later than 30 days after the issuer receives			

	Yes	No	N/A
the cardholder's request? (§§ 1026.58(e)(1)(ii) or (e)(2))			
615. Do agreements posted on the card issuer's website or made available upon the cardholder's request conform to the form and content requirements for agreements submitted to the CFPB? (§ 1026.58(e)(3)(i))			
616. If the card issuer posts an agreement on its website or otherwise provides an agreement to a cardholder electronically, is the agreement posted or provided in an electronic format that is readily usable by the general public and placed in a location that is prominent and readily accessible to the cardholder? (§ 1026.58(e)(3)(ii))			
617. If agreements posted or otherwise provided contain personally identifiable information relating to the cardholder, such as name, address, telephone number, or account number, does the issuer take appropriate measures to make the agreement accessible only to the cardholder or other authorized persons? (§ 1026.58(e)(3)(iii))			
618. Do agreements posted or otherwise provided set forth the specific provisions and pricing information applicable to the particular cardholder? (§ 1026.58(e)(3)(iv))			
619. For agreements posted or otherwise provided to the cardholder, are the provisions and pricing information complete and accurate as of a date no more than 60 days before: <ul style="list-style-type: none"> a. The date on which the agreement is posted on the card issuer's Web site under § 1026.58(e)(1)(i)? b. The date the cardholder's request is received under §§ 1026.58(e)(1)(ii) or (e)(2)? (§ 1026.58(e)(3)(iv)) 			
Reevaluation of Rate Increases			
620. If a card issuer increases an APR that applies to a credit card account under an open-end (not home-secured) consumer credit plan, based on the credit risk of the consumer, market conditions, or other factors, or increased such an APR on or after January 1, 2009, and 45 days' advance notice of the APR increase is required under to §§ 1026.9(c)(2) or (g) , has the card issuer evaluated the factors at § 1026.59(d) and, based on its review of such factors, reduced the APR applicable to the consumer's account, as appropriate? (§ 1026.59(a)(1))			
621. If a card issuer is required to reduce the APR applicable to an account under to § 1026.59(a)(1) , has the card issuer reduced the APR not later than 45 days after completion of the evaluation? (§ 1026.59(a)(2)(i))			
622. Does the card issuer have written policies and procedures in place to conduct the § 1026.59(a)(1) review? (§ 1026.59(b))			
623. Does the card issuer conduct the § 1026.59(a)(1) review at least once every six months after the APR increase? (§ 1026.59(c))			
624. Except for the first two § 1026.59(a)(1) reviews for APR increases			

	Yes	No	N/A
imposed between January 1, 2009, and February 21, 2010, did the card issuer review either of the factors on which the increase in an APR was originally based or the factors that the card issuer currently considers when determining the APRs applicable to similar new credit card accounts under an open-end (not home-secured) consumer credit plan? (§ 1026.59(d)(1))			
625. When conducting the first two § 1026.59(a)(1) reviews for APR increases imposed between January 1, 2009, and February 21, 2010, unless the APR increase subject to this review was based solely on factors specific to the consumer, such as a decline in the consumer's credit risk, the consumer's delinquency or default, or a violation of the terms of the account, did the issuer consider the factors that it currently considers when determining the APR applicable to similar new credit card accounts under an open-end (not home- secured) consumer credit plan? (§ 1026.59(d)(2))			
626. If an issuer increases an APR applicable to a consumer's account under § 1026.55(b)(4) (60-day delinquency) and the APR is not subsequently reduced (after six consecutive on-time minimum payments), did the card issuer perform the § 1026.59(a)(1) review and did the first such review occur no later than six months after the sixth payment due date following the effective date of the APR increase? (§ 1026.59(e))			
627. If a card issuer that acquires credit card accounts from another issuer complies with § 1026.59 by reviewing the factors described in § 1026.59(d)(1)(i) , does the issuer review the factors considered by the card issuer from which it acquired the accounts? (§ 1026.59(g)(1))			
628. If, not later than six months after the acquisition of such accounts, a card issuer reviews all of the credit card accounts it acquired according to the factors that it currently considers in determining the rates applicable to its similar new credit card accounts, has the card issuer conducted the § 1026.59(a)(1) review for rate increases that are imposed as a result of this review, except as provided at § 1026.59(g)(2)(iii) ? (§ 1026.59(g)(2)(i))			
629. If, as a result of the card issuer's review of acquired portfolios, an account is subject to, or continues to be subject to, an increased rate as a penalty, or because of the consumer's delinquency or default, has the card issuer complied with the requirements at § 1026.59(a) , i.e., evaluated the factors at § 1026.59(d) and made any applicable rate reductions? (§ 1026.59(g)(2)(iii))			
630. Has the credit union retained evidence of compliance with TILA for two years after the date disclosures were required to be made or action was required to be taken? (§ 1026.25(a))			