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OCC Bulletin 2020-32 | April 3, 2020

Outdated

Mortgage Servicing: Joint Statement on Supervisory and Enforcement Practices Related to Provisions of the CARES Act

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Conference of State Bank Supervisors (collectively, the agencies) today issued a joint statement relating to supervision and enforcement of certain provisions of the mortgage servicing rules when

banks provide short-term relief, including forbearance on federally backed mortgage loans, as required by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).¹

Note for Community Banks

This joint statement applies to community banks.²

Highlights

- The joint statement clarifies the application of the Regulation X mortgage servicing rules to CARES Act forbearance and describes the agencies' flexible approach to supervision and enforcement with respect to certain Regulation X provisions that require consumer notices and loss mitigation provisions.
- The accompanying frequently asked questions from the Consumer Financial Protection Bureau clarify the existing flexibility in the mortgage servicing rules for helping consumers during the current national emergency.³

Under current mortgage servicing rules, small servicers are not required to comply with the early intervention provisions or the loss mitigation-related notice provisions in Regulation X that are addressed in the statement, although they are obligated to provide annual escrow statements when they maintain escrow accounts.⁴

Background

On March 27, 2020, the CARES Act was signed into law to provide emergency assistance and health care response for individuals, families, and businesses affected by COVID-19. The CARES Act provides for forbearance

for federally backed mortgage loans. A "federally backed mortgage loan" is any loan secured by a one- to four-family residential real property that is originated, insured, or guaranteed by certain government agencies or purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

Further Information

Please contact Paul R. Reymann, Director for Compliance Risk Policy, at (202) 649-7880.

Grovetta N. Gardineer

Senior Deputy Comptroller for Bank Supervision Policy

Related Links

- ["Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act" \(PDF\)](#)
- [Consumer Financial Protection Bureau, "Mortgage Servicing Rules FAQs Related to the COVID-19 Emergency" \(PDF\)](#)

¹ Refer to Public Law 116-136.

² The term "banks" refers to national banks, federal savings associations, and federal branches and agencies of foreign banking organizations. The OCC has supervisory and enforcement authority with respect to banks with assets of \$10 billion or less (12 USC 5516(a)). The Consumer Financial Protection Bureau has supervisory authority with respect to banks above \$10 billion (12 USC 5515(a)). The Regulation X Mortgage Servicing Rules are contained in 12 CFR 1024.

³ The current national emergency was declared by the President on March 13, 2020, under the National Emergencies Act.

⁴ Small servicers include servicers, together with an affiliate, that service 5,000 or fewer loans, for all of which the service (or an affiliate) is the creditor or assignee. Refer to 12 CFR 1026.41(e)(4) and 1024.30(b)(1).

Topic(s): ■ CONSUMER PROTECTION ■ LOANS AND MORTGAGES ■ REAL ESTATE SETTLEMENT PROCEDURES ACT (REG X)

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