

~~The Bureau is proposing model and sample forms⁵⁴ for both § 1026.20(c) and (d). The Bureau worked with Macro to design and test the forms for § 1026.20(d), but did not specifically test § 1026.20(c) notices. See Part II.B above. Because of the similarity in the model forms for both proposed rules, the results of the testing of § 1026.20(d) forms is relevant for proposed § 1026.20(c) as well. Thus, throughout the section-by-section analysis for § 1026.20(c), the Bureau refers to the testing results for § 1026.20(d) where the information and concepts tested are identical in the model forms for both proposed § 1026.20(c) and (d).~~

B. Proposed Rule Regarding Prompt Crediting of Mortgage Payments and Response to Requests for Payoff Amounts

DFA section 1464(a) codifies the existing Regulation Z requirements in § 1026.36(c)(1)(i) on prompt crediting of payments. The proposed modifications to § 1026.36(c) would clarify the handling of partial payments. The proposal would limit application of the current prompt crediting provision, existing § 1026.36(c)(1)(i), to full contractual payments (as opposed to all payments), and add a new provision, § 1026.36(c)(1)(ii), to address the handling of partial payments (anything less than a full contractual payment).

DFA section 1464(b) generally codifies the existing Regulation Z requirement in § 1026.36(c)(3) to provide payoff statements, with modifications relating to the scope and timing of the requirement, and the need for the request to be written. Proposed modifications to § 1026.36(c) reflect these changes.

As part of implementing these changes, the Bureau is proposing a reorganization of the requirements in § 1026.36(c).

C. Proposed Rule Regarding Periodic Statements

~~DFA section 1420 establishes new TILA section 128(f), requiring periodic statements for residential mortgage loans to be provided each billing cycle. The statute requires that a creditor, assignee, or servicer disclose certain information in the periodic statement, along with “such other information as the Bureau may prescribe in regulations.”⁵⁵ The statute requires the Bureau to develop and prescribe a standard form for this disclosure, taking into account that the required statements may be transmitted in writing or electronically.⁵⁶ The statute also provides an exemption to the periodic statement requirement for fixed rate loans where the creditor, assignee, or servicer provides the obligor with a coupon book which provides substantially the same information as the periodic statement.⁵⁷~~

~~Proposed § 1026.41 contains the periodic statement requirement. Paragraph (a) establishes the general requirement for creditors, assignees, or servicers to provide a periodic statement. Paragraphs (b)–(d) establish requirements for the timing, form, content, and layout of the statement. Paragraph (e) sets forth exemptions from the periodic statement requirement.~~

⁵⁴ The Bureau proposes four model forms for the ARM adjustment notices: two forms for the § 1026.20(c) ARM payment change notices, one labeled a model form and the other a sample form and two forms for the § 1026.20(d) ARM initial interest rate adjustment notices, one labeled a model form and the other a sample form. See Appendix H-4(D)(1)-(4).

⁵⁵ TILA section 128(f)(1)(H).

⁵⁶ TILA section 128(f)(2).

⁵⁷ TILA section 128(f)(3).