

BANKWISE

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REAL ESTATE SETTLEMENT PROCEDURES ACT (REGULATION X)

The **Real Estate Settlement Procedures Act (RESPA)** requires lenders, mortgage brokers, or servicers of home loans to provide borrowers with timely disclosures regarding the nature and costs of the real estate settlement process.

RESPA also protects borrowers against certain abusive practices, such as kickbacks, and places limits on the use of escrow accounts.

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BANKWISE is a series of informational resources developed by the Office of the Comptroller of the Currency (OCC) to help consumers understand the federal consumer protection laws and regulations that govern financial institutions. Protections and requirements for business purposes may vary.

KEY PROTECTIONS



Disclosure

Lenders must provide borrowers with timely information about settlement costs to help borrowers understand and compare fees.



Kickback Protection

RESPA prohibits any provider of settlement services from giving or accepting referral fees, kickbacks, or unearned fees in exchange for referrals of business.





BANK REQUIREMENTS

Financial institutions are required to comply with RESPA and its implementing regulation. In addition to the protections listed under the KEY PROTECTIONS section:

BANKS MUST:

- **provide certain disclosures** for mortgage loans that are not subject to the Truth in Lending Act.
- **respond to escrow account requests** with disclosures that have details regarding payments made for taxes and insurance, as well as the account balance.

BANKS MAY NOT:

- **accept kickbacks or referral fees** in exchange for directing settlement services to a specific provider.
- **charge excessive fees** for escrow accounts.
- **fail to correct escrow errors.**

BANKS MAY (optional)

- **provide escrow payment alerts** or reminders to notify borrowers when escrow payments for taxes or insurance are due.
- **offer consumer resources**, such as an online mortgage calculator, to help borrowers better understand their settlement costs and mortgage terms.

RESOURCES



Read: Learn more about [RESPA](#).



Get assistance: The OCC's [HelpWithMyBank.gov](#) has answers to questions on a range of banking topics, including [mortgages](#), and information on how customers may file a complaint against an OCC-supervised institution.



Find who regulates your financial institution: Visit [HelpWithMyBank.gov](#) to contact your bank's regulator for assistance. The [National Credit Union Administration](#) regulates most credit unions.



Office of the
Comptroller of the Currency

Promoting a Safe, Sound, and Fair Federal Banking System



The Office of the Comptroller of the Currency's (OCC) mission is to ensure that national banks and federal savings associations operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

Disclaimer: This fact sheet is for informational purposes only and does not constitute legal advice. The terms "bank" and "banks" generally refer to national banks, federal savings associations, and federal branches or agencies of foreign banking organizations that are OCC-regulated. For specific legal questions or concerns, consult with a qualified attorney.