

resolution procedures of the Federal banking agencies and the National Credit Union Administration Board.

**(4) Implementation of program**

At any time after completion of the evaluation under paragraph (3)(A), any Federal banking agency and the National Credit Union Administration Board may implement an alternative dispute resolution program throughout the agency, taking into account the results of that evaluation.

**(5) Coordination with existing agency ADR programs**

**(A) Evaluation required**

If any Federal banking agency or the National Credit Union Administration maintains an alternative dispute resolution program as of September 23, 1994, under any other provision of law, the Administrative Conference of the United States shall include such program in the evaluation conducted under paragraph (3)(A).

**(B) Multiple ADR programs**

No provision of this section shall be construed as precluding any Federal banking agency or the National Credit Union Administration Board from establishing more than 1 alternative means of dispute resolution.

**(f) Definitions**

For purposes of this section, the following definitions shall apply:

**(1) Material supervisory determinations**

The term “material supervisory determinations”—

- (A) includes determinations relating to—
  - (i) examination ratings;
  - (ii) the adequacy of loan loss reserve provisions; and
  - (iii) loan classifications on loans that are significant to an institution; and

(B) does not include a determination by a Federal banking agency or the National Credit Union Administration Board to appoint a conservator or receiver for an insured depository institution or a liquidating agent for an insured credit union, as the case may be, or a decision to take action pursuant to section 1831o of this title or section 1790a of this title, as appropriate.

**(2) Independent appellate process**

The term “independent appellate process” means a review by an agency official who does not directly or indirectly report to the agency official who made the material supervisory determination under review.

**(3) Alternative means of dispute resolution**

The term “alternative means of dispute resolution” has the meaning given to such term in section 571 of title 5.

**(4) Issues in controversy**

The term “issues in controversy” means—

- (A) any final agency decision involving any claim against an insured depository institution or insured credit union for which the agency has been appointed conservator

or receiver or for which a liquidating agent has been appointed, as the case may be;

(B) any final action taken by an agency in the agency’s capacity as conservator or receiver for an insured depository institution or by the liquidating agent appointed for an insured credit union; and

(C) any other issue for which the appropriate Federal banking agency or the National Credit Union Administration Board determines that alternative means of dispute resolution would be appropriate.

**(g) Effect on other authority**

Nothing in this section shall affect the authority of an appropriate Federal banking agency or the National Credit Union Administration Board to take enforcement or supervisory action.

(Pub. L. 103–325, title III, §309, Sept. 23, 1994, 108 Stat. 2218.)

**Statutory Notes and Related Subsidiaries**

**TERMINATION OF ADMINISTRATIVE CONFERENCE OF UNITED STATES**

For termination of Administrative Conference of United States, see provision of title IV of Pub. L. 104–52, set out as a note preceding section 591 of Title 5, Government Organization and Employees.

**§ 4807. Time limit on agency consideration of completed applications**

**(a) In general**

Each Federal banking agency shall take final action on any application to the agency before the end of the 1-year period beginning on the date on which a completed application is received by the agency.

**(b) Waiver by applicant authorized**

Any person submitting an application to a Federal banking agency may waive the applicability of subsection (a) with respect to such application at any time.

(Pub. L. 103–325, title III, §343, Sept. 23, 1994, 108 Stat. 2238.)

**§ 4808. Revising regulatory requirements for transfers of all types of assets with recourse**

**(a) Review and revision of regulations**

**(1) In general**

During the 180-day period beginning on September 23, 1994, each appropriate Federal banking agency shall, consistent with the principles of safety and soundness and the public interest—

(A) review the agency’s regulations and written policies relating to transfers of assets with recourse by insured depository institutions; and

(B) in consultation with the other Federal banking agencies, promulgate regulations that better reflect the exposure of an insured depository institution to credit risk from transfers of assets with recourse.

**(2) Regulations required**

Before the end of the 180-day period beginning on September 23, 1994, each appropriate Federal banking agency shall prescribe the

regulations developed pursuant to paragraph (1)(B).

**(b) Regulations required**

**(1) In general**

After the end of the 180-day period beginning on September 23, 1994, the amount of risk-based capital required to be maintained, under regulations prescribed by the appropriate Federal banking agency, by any insured depository institution with respect to assets transferred with recourse by such institution may not exceed the maximum amount of recourse for which such institution is contractually liable under the recourse agreement.

**(2) Exception for safety and soundness**

The appropriate Federal banking agency may require any insured depository institution to maintain risk-based capital in an amount greater than the amount determined under paragraph (1), if the agency determines, by regulation or order, that such higher amount is necessary for safety and soundness reasons.

**(c) Coordination with section 1835(b) of this title**

This section shall not be construed as superseding the applicability of section 1835(b) of this title.

**(d) Definitions**

For purposes of this section, the terms “appropriate Federal banking agency”, “Federal banking agency”, and “insured depository institution” have the same meanings as in section 1813 of this title.

(Pub. L. 103-325, title III, § 350, Sept. 23, 1994, 108 Stat. 2242.)

**§ 4809. “Plain language” requirement for Federal banking agency rules**

**(a) In general**

Each Federal banking agency shall use plain language in all proposed and final rulemakings published by the agency in the Federal Register after January 1, 2000.

**(b) Report**

Not later than March 1, 2001, each Federal banking agency shall submit to the Congress a report that describes how the agency has complied with subsection (a).

**(c) Definition**

For purposes of this section, the term “Federal banking agency” has the meaning given that term in section 1813 of this title.

(Pub. L. 106-102, title VII, § 722, Nov. 12, 1999, 113 Stat. 1471.)

**Editorial Notes**

**CODIFICATION**

Section was enacted as part of the Gramm-Leach-Bliley Act, and not as part of title III of Pub. L. 103-322 which comprises this chapter.

**CHAPTER 49—HOMEOWNERS PROTECTION**

Sec.  
4901. Definitions.

Sec.  
4902. Termination of private mortgage insurance.  
4903. Disclosure requirements.  
4904. Notification upon cancellation or termination.  
4905. Disclosure requirements for lender paid mortgage insurance.  
4906. Fees for disclosures.  
4907. Civil liability.  
4908. Effect on other laws and agreements.  
4909. Enforcement.  
4910. Construction.

**§ 4901. Definitions**

In this chapter, the following definitions shall apply:

**(1) Adjustable rate mortgage**

The term “adjustable rate mortgage” means a residential mortgage that has an interest rate that is subject to change. A residential mortgage that: (A) does not fully amortize over the term of the obligation; and (B) contains a conditional right to refinance or modify the unamortized principal at the maturity date of the term, shall be considered to be an adjustable rate mortgage for purposes of this chapter.

**(2) Cancellation date**

The term “cancellation date” means—

(A) with respect to a fixed rate mortgage, at the option of the mortgagor, the date on which the principal balance of the mortgage—

(i) based solely on the initial amortization schedule for that mortgage, and irrespective of the outstanding balance for that mortgage on that date, is first scheduled to reach 80 percent of the original value of the property securing the loan; or

(ii) based solely on actual payments, reaches 80 percent of the original value of the property securing the loan; and

(B) with respect to an adjustable rate mortgage, at the option of the mortgagor, the date on which the principal balance of the mortgage—

(i) based solely on the amortization schedule then in effect for that mortgage, and irrespective of the outstanding balance for that mortgage on that date, is first scheduled to reach 80 percent of the original value of the property securing the loan; or

(ii) based solely on actual payments, first reaches 80 percent of the original value of the property securing the loan.

**(3) Fixed rate mortgage**

The term “fixed rate mortgage” means a residential mortgage that has an interest rate that is not subject to change.

**(4) Good payment history**

The term “good payment history” means, with respect to a mortgagor, that the mortgagor has not—

(A) made a mortgage payment that was 60 days or longer past due during the 12-month period beginning 24 months before the later of (i) the date on which the mortgage reaches the cancellation date, or (ii) the