

209 CMR 32.00: TRUTH IN LENDING

Section

32.01 through 32.04: GENERAL

- 32.01: Purpose and Scope
- 32.02: Definitions and Rules of Construction
- 32.03: Exempt Transactions
- 32.04: Finance Charges

32.05 through 32.16: OPEN-END CREDIT

- 32.05: General Disclosure Requirements
- 32.06: Account-opening Disclosures
- 32.06A: Computation of Finance Charge
- 32.07: Periodic Statement
- 32.08: Identifying Transactions on Periodic Statements
- 32.09: Subsequent Disclosure Requirements
- 32.10: Payments
- 32.11: Treatment of Credit Balances; Account Termination
- 32.12: Special Credit Card Provisions
- 32.13: Billing Error Resolution
- 32.14: Determination of Annual Percentage Rate
- 32.15: Right of Rescission
- 32.16: Advertising

32.17 through 32.24: CLOSED-END CREDIT

- 32.17: General Disclosure Requirements
- 32.18: Content of Disclosures
- 32.19: Certain Mortgage and Variable-rate Transactions
- 32.20: Disclosure requirements regarding post-consummation events.
- 32.21: Treatment of Credit Balances
- 32.22: Determination of Annual Percentage Rate
- 32.23: Right of Rescission
- 32.24: Advertising

32.25 through 32.30: MISCELLANEOUS

- 32.25: Record Retention
- 32.26: Use of Annual Percentage Rate in Oral Disclosures
- 32.27: Language of disclosures
- 32.28: Appendices
- 32.29: Relation to Federal Law
- 32.30: Limitation on Rates

32.31 through 32.43: SPECIAL RULES FOR CERTAIN HOME MORTGAGE TRANSACTIONS

- 32.31: General Rules
- 32.32: Requirements for High-Cost Mortgages
- 32.33: Requirements for Reverse Mortgages

**DRAFT – 6/16/25**

- 32.34: Prohibited Acts or Practices in Connection with High- Cost Mortgages
- 32.35: Requirements for Higher-priced Mortgage Loans
- 32.36: Prohibited Acts or Practices and Certain Requirements for Credit Secured by a Dwelling
- 32.37: Content of Disclosures for Certain Mortgage Transactions (Loan Estimate)
- 32.38: Content of Disclosures for Certain Mortgage Transactions (Closing Disclosure)
- 32.39: Mortgage Transfer Disclosures
- 32.40: Requirements for Home Equity Plans
- 32.41: Periodic Statements for Residential Mortgage Loans
- 32.42: Valuation Independence
- 32.43: Minimum Standards for Transactions Secured by a Dwelling

32.46 through 32.48: SPECIAL RULES FOR PRIVATE EDUCATION LOANS

- 32.46: Special Disclosure Requirements for Private Education Loans
- 32.47: Content of Disclosures
- 32.48: Limitations on Private Education Loans

32.51 through 32.60: SPECIAL RULES APPLICABLE TO CREDIT CARD ACCOUNTS AND OPEN-END CREDIT OFFERED TO COLLEGE STUDENTS

- 32.51: Ability to Pay
- 32.52: Limitations on Fees
- 32.53: Allocation of Payments
- 32.54: Limitations on the Imposition of Finance Charges
- 32.55: Limitations on Increasing Annual Percentage Rates, Fees, and Charges
- 32.56: Requirements for Over-the-limit Transactions
- 32.57: Reporting and Marketing Rules for College Student Open-end Credit
- 32.58: Internet Posting of Credit Card Agreements
- 32.59: Reevaluation of Rate Increases
- 32.60: Credit and Charge Card Applications and Solicitations

32.01: Purpose and Scope

(1) The purpose of 209 CMR 32.00 is to promote the informed use of consumer credit by requiring disclosures about its terms and cost. 209 CMR 32.00 also gives consumers the right to cancel certain credit transactions that involve a lien on a consumer's principal dwelling, regulates certain credit card practices, and provides a means for fair and timely resolution of credit billing disputes. 209 CMR 32.00 does not generally govern charges for consumer credit, except that several provisions in 209 CMR 32.51 through 32.60 set forth special rules addressing certain charges applicable to credit card accounts under an open-end (not home secured) consumer credit plan. In addition, 209 CMR 32.00 requires a maximum interest rate to be stated in variable rate contracts secured by the consumer's dwelling, and imposes limitations on home equity plans that are subject to the requirements of 209 CMR 32.40 and mortgages that are subject to the requirements of 209 CMR 32.32. 209 CMR 32.00 prohibits certain acts or practices in connection with credit secured by a dwelling in 209 CMR 32.36, and credit secured by a consumer's principal dwelling in 209 CMR 32.35. 209 CMR 32.00 also regulates certain practices of creditors who extend private education loans as defined in 209 CMR 32.46(2)(e).

- (2) (a) In general, 209 CMR 32.00 applies to each individual or business that offers or extends credit, other than a person excluded from coverage of 209 CMR 32.01 through 32.04 by G.L. c. 140D or section 1029 of the Consumer Financial Protection Act of 2010, title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 when four conditions are met:
1. The credit is offered or extended to consumers;
  2. The offering or extension of credit is done regularly;
  3. The credit is subject to a finance charge or is payable by a written agreement in more than four installments; and
  4. The credit is primarily for personal, family, or household purposes.
- (b) If a credit card is involved, however, certain provisions apply even if the credit is not subject to a finance charge, or is not payable by a written agreement in more than four installments, or if the credit card is to be used for business purposes.
- (c) In addition, certain requirements of 209 CMR 32.40 apply to persons who are not creditors but who provide applications for home equity plans to consumers.
- (d) Furthermore, certain requirements of 209 CMR 32.57 apply to institutions of higher education.
- (e) No person is required to provide the disclosures required by sections 128(a)(16) through (19), 128(b)(4), 129C(f)(1), 129C(g)(2) and (3), 129C(h), 129D(h), 129D(j)(1)(A), or 129D(j)(1)(B) of the Truth in Lending Act or section 4(c) of the Real Estate Settlement Procedures Act.

#### 32.02: Definitions and Rules of Construction

Definitions and rules of constructions as presented in 12 CFR 1026.2 are incorporated by reference as 209 CMR 32.02.

#### 32.03: Exempt Transactions

Transactions exempt pursuant to 12 CFR 1026.3 are exempt under 209 CMR 32.03.

#### 32.04: Finance Charges

Compliance with 12 CFR 1026.4 constitutes compliance with 209 CMR 32.04.

#### 32.05: General Disclosure Requirements -- OPEN END CREDIT

- (1) Form of Disclosure.

Compliance with 12 CFR 1026.5(a) constitutes compliance with 209 CMR 32.05(1).

(2) Time of Disclosures.

(a) Account-opening Disclosures.

Compliance with 12 CFR 1026.5(b)(1) constitutes compliance with 209 CMR 32.05(2)(a).

(b) Periodic Statements.

Compliance with 12 CFR 1026.5(b)(2) constitutes compliance with 209 CMR 32.05(2)(b).

(c) Credit and Charge Card Application and Solicitation Disclosures.

Compliance with 12 CFR 1026.5(b)(3) constitutes compliance with 209 CMR 32.05(2)(c).

(d) Home Equity Plans.

Compliance with 12 CFR 1026.5(b)(4) constitutes compliance with 209 CMR 32.05(2)(d).

(3) Basis of Disclosures and Use of Estimates.

Compliance with 12 CFR 1026.5(c) constitutes compliance with 209 CMR 32.05(3).

(4) Multiple Creditors; Multiple Consumers.

Compliance with 12 CFR 1026.5(d) constitutes compliance with 209 CMR 32.05(4).

(5) Effect of Subsequent Events.

Compliance with 12 CFR 1026.5(e) constitutes compliance with 209 CMR 32.05(5).

32.06: Account-opening Disclosures

Compliance with 12 CFR 1026.6 constitutes compliance with 209 CMR 32.06.

32.06A: Computation of Finance Charge

(1) Definition of "Credit Card Sale." For purposes of 209 CMR 32.06A, a "credit card sale" means a retail sale of goods or services made in reliance on a credit card, but it does not include:

- (a) A sale paid for with a check, draft or similar written instrument that is accepted in reliance on a check guarantee card.
- (b) A sale made in reliance on an access device, as defined in M.G.L. c. 167B, if the sale

results in an extension of credit under an overdraft credit plan or under a plan to maintain a specified minimum balance in a deposit account.

(2) Exclusion of New Credit Card Sales.

(a) The balance on which the finance charge is computed under an open-end credit plan established pursuant to M.G.L. c. 255D shall not include any new balance resulting from a credit card sale first posted to the account during the billing cycle for which the finance charge is computed.

(b) The balance on which the finance charge is computed under any other open-end credit plan shall not include any balance resulting from a credit card sale first posted to the account during the cycle for which the finance charge is computed if:

1. There was no balance outstanding under the open-end credit plan at the beginning of the cycle;
2. Any balance outstanding under the open-end credit plan at the beginning of the cycle was solely attributable to a finance charge assessed with respect to the preceding cycle; or
3. The sum of all payments received by the creditor during the cycle and all credits to the open-end plan applicable to any balance outstanding at the beginning of the cycle is equal to or exceeds the balance outstanding under the plan at the beginning of the cycle.

(3) Finance Charge Computation Methods. Subject to 209 CMR 32.06A(2), the finance charge under an open-end credit plan may be computed on any of the following:

(a) The previous balance of the account, after deducting all payments on the account received by the creditor during the cycle and all credits to the account that apply to a sale reflected in the previous balance.

(b) The average daily balance determined by adding the daily account balances for each day in the billing cycle and dividing the total by the number of days in the billing cycle.

(c) The daily account balances.

32.07: Periodic Statement

(1) Rules Affecting Home-equity Plans.

Compliance with 12 CFR 1026.7(a) constitutes compliance with 209 CMR 32.07(1); provided, however, a creditor subject to 209 CMR 32.07(1) may, at its option, comply with the requirements of 12 CFR 1026.7(b). Any creditor that chooses not to provide a disclosure under 12 CFR 1026.7(a) must comply with 12 CFR 1026.7(b)(1) through (10).

(2) Rules Affecting Open-end (not Home-secured) Plans.

Compliance with 12 CFR 1026.7(b) constitutes compliance with 209 CMR 32.07(2).

32.08: Identifying Transactions on Periodic Statements

Compliance with 12 CFR 1026.8 constitutes compliance with 209 CMR 32.08.

**32.09: Subsequent Disclosure Requirements**

Compliance with 12 CFR 1026.9 constitutes compliance with 209 CMR 32.09.

**32.10: Payments**

Compliance with 12 CFR 1026.10 constitutes compliance with 209 CMR 32.10.

**32.11: Treatment of Credit Balances; Account Termination**

Compliance with 12 CFR 1026.11 constitutes compliance with 209 CMR 32.11.

**32.12: Special Credit Card Provisions**

(1) **Issuance of Credit Cards.**

Compliance with 12 CFR 1026.12(a) constitutes compliance with 209 CMR 32.12(1).

(2) **Liability of Cardholder for Unauthorized Use.**

Compliance with 12 CFR 1026.12(b) constitutes compliance with 209 CMR 32.12(2).

(3) **Right of Cardholder to Assert Claims or Defenses Against Card Issuer.**

Compliance with 12 CFR 1026.12(c) constitutes compliance with 209 CMR 32.12(3); provided, however, the limitations stated in 12 CFR 1026.12(c)(3) shall not apply if the creditor knowingly participated in or was directly connected with the consumer sale or lease transaction.

(4) **Offsets by Card Issuer Prohibited.**

Compliance with 12 CFR 1026.12(d) constitutes compliance with 209 CMR 32.12(4); provided, however, for any plan pursuant to 12 CFR 1026.12(d)(3) under which the card issuer may periodically deduct all or part of the cardholder's credit card debt from a deposit account held with the card issuer (subject to the limitations in 12 CFR 1026.13(d)(1)), such action may not be taken unless previously authorized by the cardholder in a separately signed agreement. Such action shall not be taken with respect to a disputed item if the cardholder so requests. This agreement shall contain the following statement appearing conspicuously on the face thereof:

**YOU DO NOT HAVE TO SIGN THIS AGREEMENT IN ORDER TO OBTAIN A CREDIT CARD**

(5) **Prompt Notification of Returns and Crediting of Refunds.**

Compliance with 12 CFR 1026.12(e) constitutes compliance with 209 CMR 32.12(5).

(6) Discounts; Tie-in Arrangements.

Compliance with 12 CFR 1026.12(f) constitutes compliance with 209 CMR 32.12(6).

(7) Relation to Electronic Fund Transfers Act, Regulation E and M.G.L. c. 167B.

Guidance provided at 12 CFR 1026.12(g) constitutes guidance at 209 CMR 32.12(7).

32.13: Billing Error Resolution

Compliance with 12 CFR 1026.13 constitutes compliance with 209 CMR 32.13; provided, however, any creditor who fails to comply with the requirements of 209 CMR 32.13 forfeits any right to collect from the consumer the amount indicated by the consumer to be a billing error, whether or not such amount is in fact in error, and any finance charges, late payment charges, or other charges imposed thereon, provided that the amount so forfeited under 209 CMR 32.13 shall not exceed \$50 for each item or transaction on a periodic statement indicated by the consumer to be a billing error. In no case shall a creditor forfeit any amount for an error in a total figure or subtotal figure reflected on a statement which is caused solely by an error in another item which is the subject of a dispute, nor shall a creditor suffer any forfeit more than once for any item or transaction which may appear on a periodic statement. Nothing in 209 CMR 32.00 shall be construed to limit a consumer's right to recover under M.G.L. c. 140D, § 32.

32.14: Determination of Annual Percentage Rate

Compliance with 12 CFR 1026.14 constitutes compliance with 209 CMR 32.14.

32.15: Right of Rescission

(1) Consumer's Right to Rescind.

Compliance with 12 CFR 1026.15(a) constitutes compliance with 209 CMR 32.15(1); provided, however, if the required notice and material disclosures are not delivered, the right to rescind shall expire four years after the occurrence giving rise to the right of rescission, or upon transfer of all of the consumer's interest in the property, or upon sale of the property, whichever occurs first. In the case of certain administrative proceedings, the rescission period shall be extended in accordance with M.G.L. c. 140D, § 10(f).

(2) Notice of Right to Rescind.

Compliance with 12 CFR 1026.15(b) constitutes compliance with 209 CMR 32.15(2).

(3) Delay of Creditor's Performance.

Compliance with 12 CFR 1026.15(c) constitutes compliance with 209 CMR 32.15(3).

(4) Effects of Rescission.

Compliance with 12 CFR 1026.15(d) constitutes compliance with 209 CMR 32.15(4).

(5) Consumer's Waiver of Right to Rescind.

Compliance with 12 CFR 1026.15(e) constitutes compliance with 209 CMR 32.15(5).

(6) Exempt Transactions.

Transactions exempt pursuant to 12 CFR 1026.15(f) are exempt under 209 CMR 32.15(6).

32.16: Advertising

Compliance with 12 CFR 1026.16 constitutes compliance with 209 CMR 32.16.

32.17: General Disclosure Requirements - CLOSED-END CREDIT

Compliance with 12 CFR 1026.17 constitutes compliance with 209 CMR 32.17.

32.18: Content of Disclosures

Compliance with 12 CFR 1026.18 constitutes compliance with 209 CMR 32.18.

32.19: Certain Mortgage and Variable-rate Transactions

Compliance with 12 CFR 1026.19 constitutes compliance with 209 CMR 32.19.

32.20: Disclosure requirements regarding post-consummation events.

(1) Refinancings.

Compliance with 12 CFR 1026.20(a) constitutes compliance with 209 CMR 32.20(1).

(2) Assumptions.

Compliance with 12 CFR 1026.20(b) constitutes compliance with 209 CMR 32.20(2).



(3) Variable-rate Adjustments.

Compliance with 12 CFR 1026.20(c) constitutes compliance with 209 CMR 32.20(3); provided, however, with respect to depository institutions subject to M.G.L. c. 167E and M.G.L. c. 171, for purposes of the timing requirements of notices required by 12 CFR 1026.20(c)(2), ~~depository institutions remain subject to M.G.L. c. 167E wherein~~ notices must be provided no ~~sooner than 90,~~ but no later than 30,60 days before the ~~rate change~~first payment at the adjusted level is due.

32.21: Treatment of Credit Balances

Compliance with 12 CFR 1026.21 constitutes compliance with 209 CMR 32.21; provided, however, any creditor who does not make the good faith effort as required by 12 CFR 1026.21 to refund the credit balance shall pay to the consumer interest on the balance at an annual percentage rate of 18%.

32.22: Determination of Annual Percentage Rate

Compliance with 12 CFR 1026.22 constitutes compliance with 209 CMR 32.22.

32.23: Right of Rescission

(1) Consumer's Right to Rescind.

Compliance with 12 CFR 1026.23(a) constitutes compliance with 209 CMR 32.23(1); provided, however, if the required notice and material disclosures are not delivered, the right to rescind shall expire four years after the occurrence giving rise to the right of rescission, or upon transfer of all of the consumer's interest in the property, or upon sale of the property, whichever occurs first. In the case of certain administrative proceedings, the rescission period shall be extended in accordance with M.G.L. c. 140D, § 10(f).

(2) Notice of Right to Rescind and Proper Form of Notice.

Compliance with 12 CFR 1026.23(b) constitutes compliance with 209 CMR 32.23(2).

(3) Delay of Creditor's Performance.

Compliance with 12 CFR 1026.23(c) constitutes compliance with 209 CMR 32.23(3).

(4) Effects of Rescission.

Compliance with 12 CFR 1026.23(d) constitutes compliance with 209 CMR 32.23(4).

(5) Consumer's Waiver of Right to Rescind.

Compliance with 12 CFR 1026.23(e) constitutes compliance with 209 CMR 32.23(5).

(6) Exempt Transactions.

Transactions exempt pursuant to 12 CFR 1026.23(f) are exempt under 209 CMR 32.23(6).

(7) Tolerances for Accuracy.

Tolerances for Accuracy pursuant to 12 CFR 1026.23(g) constitute Tolerances for Accuracy under 209 CMR 32.23(7).

(8) Special Rules for Foreclosures.

Compliance with 12 CFR 1026.23(h) constitutes compliance with 209 CMR 32.23(8).

32.24: Advertising

Compliance with 12 CFR 1026.24 constitutes compliance with 209 CMR 32.24.

32.25: Record Retention

Compliance with 12 CFR 1026.25 constitutes compliance with 209 CMR 32.25.

32.26: Use of Annual Percentage Rate in Oral Disclosures

Compliance with 12 CFR 1026.26 constitutes compliance with 209 CMR 32.26.

32.27: Language of Disclosures

Compliance with 12 CFR 1026.27 constitutes compliance with 209 CMR 32.27.

32.28: Appendices

Appendices of Regulation Z, are incorporated by reference.

32.29: Relation to Federal Law

The Commissioner will endeavor to maintain a current compilation of 209 CMR 32.00 and of

official Bureau or staff interpretations. Compliance with any provisions of the federal Truth in Lending Act, the Consumer Financial Protection Bureau's Regulation Z, and the Official Staff Commentary, which does not conflict with M.G.L. c. 140D, 209 CMR 32.00 or an advisory ruling of the Commissioner, shall be deemed to be in compliance with M.G.L. c. 140D. If a provision of the federal Truth in Lending Act, the Consumer Financial Protection Bureau's Regulation Z, the Official Staff Commentary, or a disclosure or model form provided by a creditor thereunder is in conflict with a provision of M.G.L. c. 140D or 209 CMR 32.00 and if the Commissioner does not deem said federal provision to be substantially less consumer protective, the Commissioner may waive, in writing, the provision of M.G.L. c. 140D or 209 CMR 32.00 pursuant to M.G.L. c. 140D, §3(a).

**32.30: Limitations on Rates**

Compliance with 12 CFR 1026.30 constitutes compliance with 209 CMR 32.30.

**32.31: Special Rules for Certain Home Mortgage Transactions - General Rules**

Compliance with 12 CFR 1026.31 constitutes compliance with 209 CMR 32.31.

**32.32: Requirements for High Cost Mortgages**

**(1) Coverage.**

(a) Except as provided in 209 CMR 32.32(1)(b), the requirements of 209 CMR 32.32 apply to a consumer credit transaction that is secured by the consumer's principal dwelling, and in which:

1. a. The annual percentage rate at consummation will exceed by more than eight percentage points for first-lien loans, or by more than nine percentage points for subordinate-lien loans, the yield on Treasury securities having comparable periods of maturity to the loan maturity as of the 15<sup>th</sup> day of the month immediately preceding the month in which the application for the extension of credit is received by the creditor;
- b. When calculating the annual percentage rate for adjustable rate loans, the creditor shall use the interest rate that would be effective once the introductory rate has expired;
2. Excluding either a conventional prepayment penalty or up to two *bona fide* discount points, the total points and fees payable by the consumer at or before loan closing will exceed the greater of 5% of the total loan amount, or \$400; the \$400 figure shall be adjusted annually on January 1<sup>st</sup> by the annual percentage change in the Consumer Price Index that was reported on the preceding June 1<sup>st</sup>; or
3. The annual percentage rate or fees exceed the limitations as described pursuant to 12 CFR 1026.32(a)(1).

(b) Compliance with 12 CFR 1026.32(a)(2) constitutes compliance with 209 CMR 32.32(1)(b).

(2) Definitions.

Definitions presented pursuant to 12 CFR 1026.32(b) are incorporated by reference as 209 CMR 32.32(2); provided, however, private mortgage insurance is not excluded in the calculation of Points and Fees for the purpose of 209 CMR 32.32(1)(a)2.

(3) Disclosures.

Compliance with 12 CFR 1026.32(c) constitutes compliance with 209 CMR 32.32(3).

(4) Limitations.

Compliance with 12 CFR 1026.32(d) constitutes compliance with 209 CMR 32.32(4); provided, however, *prepayment penalties* are prohibited without exception; and a *Due-on-demand Clause* is not prohibited in cases where there is fraud or material misrepresentation by the consumer in connection with the loan that is not induced by the creditor, its employees, or agents; and under circumstances where the consumer fails to meet the repayment terms of the agreement for any outstanding balance and after the consumer has been contacted in writing and afforded a reasonable opportunity to meet the outstanding balance as outlined within the repayment terms of the agreement.

32.33: Requirements for Reverse Mortgages

Compliance with 12 CFR 1026.33 constitutes compliance with 209 CMR 32.33.

32.34: Prohibited Acts or Practices in Connection with High Cost Mortgages

(1) Prohibited Acts or Practices pursuant to 12 CFR 1026.34 are prohibited under 209 CMR 32.34.

(2) It is an unfair act or practice for a creditor to engage in any of the following for any transaction subject to 209 CMR 32.32:

(a) Packing high cost home loans; that is, the practice of selling credit life, accident and health, disability or unemployment insurance products or unrelated goods or services in conjunction with a high cost home loan without the informed consent of the borrower under circumstances where:

1. the creditor solicits the sale of such insurance, goods or services;
2. the creditor receives direct or indirect compensation for the sale of such insurance, goods or services; and
3. the charges for such insurance, goods or services are prepaid with the proceeds of the loan and financed as part of the principal amount of the loan.

Provided, however, it shall not constitute the practice of "packing" if the creditor, at least three business days before the loan is closed, makes a separate oral and a separate clear and conspicuous written disclosure in at least 12 point type to the

borrower containing the following information: the cost of the credit insurance or other goods and services; the fact that the insurance, goods, or services will be prepaid and financed at the interest rate provided for in the loan; and that the purchase of such insurance, goods or services is not required to obtain the mortgage loan; provided further, that insurance premiums shall not be considered financed as part of the loan transaction if insurance premiums are calculated, earned and paid on a monthly or other regular, periodic basis.

In addition, the written disclosure shall contain a signed and dated acknowledgment by the obligor(s) that the oral disclosure was made and a signed and dated acknowledgment by the creditor that the oral disclosure was made. In addition to the disclosures required under 209 CMR 32.34(2)(b), a creditor shall comply with the requirements of 209 CMR 52.02(1) and (3) as well as 209 CMR 52.03 for credit life insurance or credit accident and health insurance.

- (b) Advertising. Advertising that refinancing pre-existing debt with a high cost home loan will reduce a borrower's aggregate monthly debt payment without also disclosing, if such are likely the case, that the high cost home loan will increase both:
  - 1. a borrower's aggregate number of monthly debt payments; and
  - 2. the aggregate amount paid by a borrower over the term of the high cost mortgage loan.
- (c) Unconscionable Rates and Terms.
  - 1. Making a high cost home loan with rates or fees that violate 940 CMR 8.06, if applicable, or otherwise charge interest rates or fees in a high cost loan transaction that significantly deviate from industry standards or that are otherwise unconscionable.
  - 2. It shall be the creditor's burden to demonstrate that interest rates or fees charged are based upon generally accepted credit worthiness, sound underwriting and other risk related standards or otherwise conform to 209 CMR 32.34(2)(c)1.
- (d) Unreasonable Charges. Making high cost home loans in which the creditor charges and retains fees paid by the borrower:
  - 1. for services that are not actually performed, or
  - 2. for which the fees bear no reasonable relationship to the value of the services actually performed, or
  - 3. which are otherwise unconscionable.
- (e) Oppressive Mandatory Arbitration Clause or Waiver of Participation in Class Action Suits. Requiring a borrower, without regard to whether a borrower is acting individually or on behalf of others similarly situated, to assert any claim or defense in a forum that is less convenient, more costly, or more dilatory for the resolution of a dispute than a judicial forum established in the Commonwealth where the borrower may otherwise properly bring a claim or defense or limits in any way any claim or defense the borrower may have.
- (f) Failure to Report for Credit Histories. Failing to report both the favorable and unfavorable payment history of the borrower to a nationally recognized consumer credit bureau at least annually if the creditor regularly reports information to a credit bureau.
- (g) Single-premium Credit Insurance. Notwithstanding the provisions of 209 CMR 32.34(2)(a), making a high cost home loan which contains single-premium credit insurance, including credit life, debt cancellation, and debt suspension.

Compliance with 12 CFR 1026.35 constitutes compliance with 209 CMR 32.35.

**32.36: Prohibited Acts or Practices and Certain Requirements for Credit Secured by a Dwelling**

Prohibited Acts or Practices pursuant to 12 CFR 1026.36 are prohibited under 209 CMR 32.36.

**32.37: Content of Disclosures for Certain Mortgage Transactions (Loan Estimate)**

Compliance with 12 CFR 1026.37 constitutes compliance with 209 CMR 32.37.

**32.38: Content of Disclosures for Certain Mortgage Transactions (Closing Disclosure)**

Compliance with 12 CFR 1026.38 constitutes compliance with 209 CMR 32.38.

**32.39: Mortgage Transfer Disclosures**

Compliance with 12 CFR 1026.39 constitutes compliance with 209 CMR 32.39.

**32.40: Requirements for Home Equity Plans**

Compliance with 12 CFR 1026.40 constitutes compliance with 209 CMR 32.40.

**32.41: Periodic Statements for Residential Mortgage Loans**

Compliance with 12 CFR 1026.41 constitutes compliance with 209 CMR 32.41.

**32.42: Valuation Independence**

Compliance with 12 CFR 1026.42 constitutes compliance with 209 CMR 32.42.

**32.43: Minimum Standards for Transactions Secured by a Dwelling**

Compliance with 12 CFR 1026.43 constitutes compliance with 209 CMR 32.43.

**32.46: Special Disclosure Requirements for Private Education Loans**

Compliance with 12 CFR 1026.46 constitutes compliance with 209 CMR 32.46.

**32.47: Content of Disclosures**

Compliance with 12 CFR 1026.47 constitutes compliance with 209 CMR 32.47.

**32.48: Limitations on Private Education Loans**

Compliance with 12 CFR 1026.48 constitutes compliance with 209 CMR 32.48.

**32.51: Ability to Pay**

Compliance with 12 CFR 1026.51 constitutes compliance with 209 CMR 32.51.

**32.52: Limitations on Fees**

Compliance with 12 CFR 1026.52 constitutes compliance with 209 CMR 32.52.

**32.53: Allocation of Payments**

Compliance with 12 CFR 1026.53 constitutes compliance with 209 CMR 32.53.

**32.54: Limitations on the Imposition of Finance Charges**

Compliance with 12 CFR 1026.54 constitutes compliance with 209 CMR 32.54.

**32.55: Limitations on Increasing Annual Percentage Rates, Fees, and Charges**

Compliance with 12 CFR 1026.55 constitutes compliance with 209 CMR 32.55.

**32.56: Requirement for Over-the-limit Transactions**

Compliance with 12 CFR 1026.56 constitutes compliance with 209 CMR 32.56.

**32.57: Reporting and Marketing Rules for College Student Open-end Credit**

Compliance with 12 CFR 1026.57 constitutes compliance with 209 CMR 32.57.

**32.58: Internet Posting of Credit Card Agreements**

Compliance with 12 CFR 1026.58 constitutes compliance with 209 CMR 32.58.

**32.59: Reevaluation of Rate Increases**

Compliance with 12 CFR 1026.59 constitutes compliance with 209 CMR 32.59.

**32.60: Credit and Charge Card Applications and Solicitations**

Compliance with 12 CFR 1026.60 constitutes compliance with 209 CMR 32.60.

**REGULATORY AUTHORITY**

209 CMR 32.00: M.G.L. c. 140D, §§ 3 and 29; M.G.L. c. 183C.