



## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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### BANKING BULLETIN 2007-4

#### **NOTIFICATION CONCERNING ENACTMENT OF THE RHODE ISLAND HOME LOAN PROTECTION ACT**

In 2006, the Rhode Island legislature passed into law the Rhode Island Home Loan Protection Act, enacted as Rhode Island General Laws § 34-25.2 (the “Act”). The Act took effect on December 31, 2006.

Subsequent to enactment, and on December 29, 2006, the Department of Business Regulation issued an emergency regulation entitled Banking Regulation 3-Home Loan Protection Act (“Emergency Regulation 3”) concerning procedures, interpretations, and clarifications in order to provide guidelines and requirements to ensure compliance with and the promotion of the purposes of the provisions of Rhode Island General Laws § 34-25.2. Emergency Regulation 3 is effective for a period not exceeding one hundred twenty (120) days. Please note that Section Seven (7) of the regulation, entitled “Effective Date”, provides that the Department will not take any enforcement actions on said regulatory requirements for any issues related to the use of disclosures prior to February 1, 2007. In Banking Bulletin 2007-3 this period was extended from March 1, 2007 to April 1, 2007. Please be advised that the Department has now extended the effective date from April 1, 2007 to **June 1, 2007**.

The public hearing on Emergency Regulation 3 was held on March 8, 2007. The Department is in the process of considering the testimony and exhibits proffered and admitted at that hearing and finalizing the amendments to Regulation 3. After consideration of public comments, both verbal and written, the Department's goal is to issue a permanent regulation by April 10, 2007 (which is prior to the April 30, 2007 expiration of the Emergency Regulation 3). The permanent Regulation 3 will be effective May 1, 2007; however, the extension of only Section 7 (Effective Date) to June 1, 2007 (for Departmental enforcement actions related to regulatory disclosure requirements) will be incorporated in the permanent Regulation 3. Therefore, even though Emergency Regulation 3 will expire on April 30, 2007 (and the permanent Regulation 3 will become effective on May 1, 2007), any enforcement actions related to the disclosure requirements will cover transactions initiated or pending after June 1, 2007. Individuals/Entities subject to the Act must comply with all disclosure requirements as of June 1, 2007. The Department will file the permanent Regulation 3 with the Secretary of State's office which may be accessed at <http://www.sec.state.ri.us/rules/> and post the final Regulation on the Department's website at [www.dbr.state.ri.us](http://www.dbr.state.ri.us). The final Regulation will be filed by April 10, 2007.

Please periodically refer to the Department's website at <http://www.dbr.state.ri.us/news/> for additional information.

March 28, 2007  
A. Michael Marques  
Director