



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

April 23, 2008

CIRCULAR LETTER NUMBER CIF CC-08-01

**TO: ALL COMMERCIAL BANKS AND MORTGAGE INSTITUTIONS
IN PUERTO RICO.**

RE: REQUIREMENT OF NEW MONTHLY REPORTS

Section I. Authority

This circular is issued under the provisions of Act No. 4 of October 11, 1985, as amended, known as "Law of the Office of the Commissioner of Financial Institutions" (hereinafter, Act No. 4) and the special laws governing each financial institution that is regulated and supervised by the Office of the Commissioner of Finance Institutions (hereinafter, "OCFI").

Section II. Legal Basis and Purpose

Act No. 4 provides that the Commissioner shall be charged with the main responsibility of controlling and supervising the financial institutions that operate or do business in the Commonwealth of Puerto Rico.

Section III. Norm

In accordance with the provisions outlined above, the "OCFI" issues as a matter of public policy, the following guidelines:

1. All financial institutions licensed under Act No. 55 of May 12, 1933, as amended, better known as the "Banking Act of Puerto Rico", under Act No. 97 of June 5, 1973,

as amended, known as the "Mortgage Companies Act" and that at the time of the issuance of this circular letter have licenses issued by the Commissioner, will be obliged to submit the financial information required in the electronic format described below.

2. Due to the events that have emerged in the market for mortgage financing over the past year, the Commissioner has concluded that it is essential to enlarge the pool of information reported on such activity, so that private enterprise, the various governmental entities responsible for the establishment and implementation of public policy on housing, scholars of that market, and the public in general, have it readily available.
3. With the purpose outlined above in mind, the OCFI undertook an assessment of the information that needed to be added to the Financial Information Systems (FIS). This information will be obtained from the entities involved in mortgage financing in two reports titled "Delinquency Report" and "Loans Origination Report". For ease of preparation and filing by the various users of these reports, a web based report submittal system was developed and made available to the user community. The Reports should be submitted as follows:
 - The entities that originate and offer administration services for mortgages must complete both reports.
 - The entities that originate mortgage loans must only submit the Origination Volume Report.
 - The entities that provide services of mortgage management ("Mortgage servicers") must only submit the Delinquency Report.

These new monthly reports are to be filed in the OCFI no later than the last day of the month following the reported month, for example, the activity of April must settle on or before May 31.

4. With the purpose of having the complete Reports for 2008, we are asking the diverse institutions to complete the monthly reports retroactive at January 31, 2008. Understanding that this process requires a special effort on the part of the entities, the OCFI will grant until May 31st for the filing of the reports corresponding to January, February and March. The reports for the above mention months will be filed jointly with the Reports Corresponding to April. From May onwards the monthly itinerary explained above will remain.

For your easy reference, we include models of both reports.

Instructions for submitting the report to the “OCFI”:

1. Access the Internet address: <http://www.cif.gov.pr/mora/login.aspx> from your browser.
2. Enter your user ID, which is the number assigned to your institution by “OCFI”.
3. The first time the user logs in the system, it will ask you to enter a password. This password will be assigned as your permanent password. ***PLEASE KEEP THIS PASSWORD SAFE.***
4. The system will allow users to fill out the following monthly reports: Loans Origination Report and Delinquency Report.
5. The user must choose the month and enter the figures requested by the system.
6. Press the button "Save" to save the changes for that particular month.
7. Once the data is entered, the user must click on the checkmark identified as "Submit Final Report" to submit the report to “OCFI”.
8. Each report has available a help file (Instructions) that explains in detail each of the different data figures that the user must provide.

Section IV. Penalties

All Financial Institutions that submit reports after the due dates provided above will be subject to an administrative fine of no more than \$5,000.00 imposed by the “OCFI” according to the provisions of Act No. 4. Failure to file these reports may constitute cause for revocation of the license after due notice and hearings, according to the provisions of Act No. 4 and Act Number 170 of August 12, 1988, as amended, known as the “*Uniform Administrative Procedure Act*”.

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Section V. EFFECTIVENESS

This circular letter will become affective on the date of its issuance.

Annex: (2) reports

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Commissioner