



COMMONWEALTH OF  
PUERTO RICO

Office of the Commissioner of  
Financial Institutions

**CIRCULAR LETTER NUMBER CIF CC-15-1**

**TO: ALL FINANCIAL INSTITUTIONS**

**FROM: Rafael Blanco Latorre, Commissioner**

**DATE: APRIL 27, 2015**

**RE: DELINQUENCY REPORT FOR LOANS ORIGINATING AFTER JANUARY 10, 2014**

**I. Authority**

This circular letter is issued pursuant to the authority conferred by Act Number. 4, of October 11, 1985, as amended, known as the "Financial Institutions Commissioner's Office Act"<sup>1</sup> (hereinafter "Act No. 4"), Act Number 55 of May 12, 1933, as amended, known as the "Puerto Rico Banks Act" (hereinafter "Act No. 55"), Act Number 247 of year 2010, as amended, known as the "Act to Regulate the Business of Mortgage Loans of Puerto Rico" (hereinafter "Act No. 247").

**II. Legal Base and Purpose**

Act No. 4, charges the Commissioner of Financial Institutions with the main responsibility of controlling and supervising the financial institutions that operate or do business in Puerto Rico. In addition, Act No. 55 and Act No. 247 empowers the Commissioner to oversee and regulate the operations of all banks and mortgage institutions in Puerto Rico.

In accordance with Act No. 55, and Act No. 247, the Office of the Commissioner of Financial Institutions (hereinafter "OCFI") may require information on any of the activities in Puerto Rico covered by such Acts. Therefore, the OCFI is requiring all institutions managing residential mortgage loans, a delinquency report for loans originated on or after January 10, 2014.<sup>2</sup>

<sup>1</sup> 7LPRA & 2001 et seq.

<sup>2</sup> Reporting is not required for loans over 24 months of disbursement date. Only active loans with less than 24 months from disbursement date must be reported.



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### III. Rule

Act No. 55, in its Section 14, Subsection (p), provides:

(iii) Any parent Company of a bank authorized under this Act to operate in Puerto Rico and any subsidiary company of said parent company that conducts any of the activities authorized in this Section 14 in Puerto Rico shall provide, as required by the Commissioner, any or all of the following types of information:

- (a) Any information required by the Commissioner regarding any of its activities in Puerto Rico;

Separately, Act No. 247, applicable to mortgage institutions, provides in its Article 3.8 on the "duties of the dealer" to:

- (a) Persons engaged in the business of granting mortgage loans to finance or refinance the acquisition of real estate must:
  - (4) Submit accurate and timely reports of their operations as required by the Office of the Commissioner of Financial Institutions;

### IV. Filing

All institutions must file a quarterly report for the months ended on March 31, June 30, September 30 and December 31. It must be submitted to the OCFI Financial Analysis Unit the first day of May<sup>3</sup>, August, November and February of each year. The report must be submitted electronically (preferably in excel format or excel format compatible) to the following email address: [no-depositarias@ocif.pr.gov](mailto:no-depositarias@ocif.pr.gov) for non-depository institutions and [depositarias@ocif.pr.gov](mailto:depositarias@ocif.pr.gov) for depository institutions. **This report must be filed, even if there is no delinquency to report. In this case, a report indicating "Nothing to report" must be filed.**

The report layout to be submitted for filing is made part of this Circular Letter. **Please, do not make changes to the structure of this report.**

<sup>3</sup> For the first quarter of 2015 the deadline is May 30, 2015



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**V. Penalties**

Those concessionaries that file the report after the dates indicated above, may be subject to an administrative fine that the OCFI may impose of up to a maximum of \$5,000. Not filing the report could result in the cancellation of the license, pursuant to the provisions of Act No. 170 of August 13, 1994, as amended, known as "Uniform Procedures Administrative Act", and under the provisions of Act No. 4 of October 11, 1985, as amended, known as "Office of the Commissioner of Financial Institutions Act", after the holding of administrative hearings.

**V. Effectiveness**

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