

CFPB Bulletin 2013-13**Date:** November 8, 2013**Subject:** Homeownership Counseling list requirements

The Consumer Financial Protection Bureau (CFPB) is issuing this bulletin to provide guidance to lenders regarding the homeownership counseling list requirement finalized in the High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (RESPA Housing Counselor Amendments) Final Rule (2013 HOEPA Final Rule)¹. Pursuant to the Dodd-Frank Act, the CFPB issued the RESPA Homeownership Counselor Amendments in January 2013, effective on January 10, 2014.

The 2013 HOEPA Final Rule requires lenders to provide applicants for federally-related mortgages with a written list of HUD-approved housing counseling agencies. A lender may fulfill the requirement in one of two ways: the lender may obtain the lists through the Bureau's website, www.consumerfinance.gov/find-a-housing-counselor; or, in the alternative, the lender may generate lists by independently using the same HUD data that the Bureau uses on HUD-approved counseling agencies, in accordance with Bureau's list instructions.² The Bureau published an interpretative rule on November 8, 2013, which provides the list instructions and clarifies how lenders may generate their own lists.³

The Bureau's website is available for lenders who opt to use the first alternative means of providing the lists to consumers on the January 10, 2014 effective date. However, lenders who prefer to adopt the second alternative have informed the Bureau that they must undertake significant development of compliance systems to ensure that lists are generated in compliance with the RESPA Homeownership Counseling Amendments and the November interpretive rule. The Bureau understands that the systems development may take approximately six months. Thus, these lenders appear unable to provide the lists under the second alternative approach in time for the rule's January 10, 2014 effective date.

Accordingly, while lenders are incorporating § 1024.20(a)(1)(ii) list instructions into their systems, they may direct borrowers to the Bureau's housing counseling agency website to obtain a list of housing counselors, using the format and text suggested below, www.consumerfinance.gov/find-a-housing-counselor. These steps, if taken by lenders in good faith while they are building their systems or are working with vendors to build systems, would achieve the goals of the regulation and would not raise supervisory or enforcement concerns. Following is the suggested text to be used for this interim procedure:

¹ 78 FR 6856 (Jan. 31, 2013).

² § 1024.20(a)

³ See interpretive rule, http://files.consumerfinance.gov/f/201311_cfpb_interpretive-rule_homeownership-counseling-organizations-lists.pdf

“Housing counseling agencies approved by the U.S. Department of Housing and Urban Development (HUD) can offer independent advice about whether a particular set of mortgage loan terms is a good fit based on your objectives and circumstances, often at little or no cost.

If you are interested in contacting a HUD-approved housing counseling agency in your area, you can visit the Consumer Financial Protection Bureau’s (CFPB) website, www.consumerfinance.gov/find-a-housing-counselor, and enter your zip code.

You can also access HUD’s housing counseling agency website via www.consumerfinance.gov/mortgagehelp.

For additional assistance with locating a housing counseling agency, call the CFPB at 1-855-411-CFPB (2372).”