

The Consumer Finance Protection Bureau (CFPB) issued a final rule, on Homeownership Counseling requirements, whether or not a loan is deemed a high-cost mortgage (a.k.a. HOEPA loans). Specifically, the rule encourages consumers to obtain homeownership counseling for:

- negative amortization loans made to first time borrowers; and
- all federally-related loans.

The CFPB has permitted a temporary disclosure which directs applicants to the homeownership counseling website, taking into consideration that it could take up to six months (from January 1st 2014) for lenders to incorporate the ability to provide a list through their loan operating system. **As a result, mortgage brokers must implement the permanent disclosure as prescribed by the CFPB on applications provided to Impac on or after July 1, 2014.**

Requirements for CFPB's final rule and the disclosure are described below:

Within three (3) business days of receiving an application, you must provide the applicant with a Homeownership Counseling Disclosure listing ten (10) HUD-approved housing counseling agencies closest to their current mailing address using their zip-code, unless applicant specifies a different address.

The list of homeownership counseling organizations can be acquired from HUD or through CFPB's website which automatically generates the required list based on the borrower's zip code: www.consumerfinance.gov/find-a-housing-counselor

The Homeownership Counseling Disclosure must contain 10 counseling agencies in descending order that are closest to the centroid of the zip code for the borrower's current address.

The following text must be included in the disclosure:

"The counseling agencies on this list are approved by the U.S Department of Housing and Urban Development (HUD), and they 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 to you. This list shows you several approved agencies in your area. You can find other approved counseling agencies at the Consumer Financial Protection Bureau's (CFPB) website: www.consumerfinance.gov/mortgagehelp or by calling 1-855-411-CFPB (2372). You can also access a list of nationwide HUD-approved counseling intermediaries at http://portal.hud.gov/hudportal/HUD?src=/ohc_nint"

The following data fields for each housing counseling agency list must include:

- Agency name
- Phone number
- Street address
- City, State and Zip Code

- Website URL
- Email address
- Counseling Services provided
- Languages spoken

An example for the type of information associated with zip code 90210 for a housing counseling agency is shown below:

Agency	Services	Distance
<p>Clearpoint Credit Counseling Solutions - Glendale Branch</p> <p>200 N Maryland Ave Ste 102 -Glendale, CA 91206-4275</p> <p>Website: http://www.clearpointccs.org Phone: 800-750-2227 Email Address: none@aol.com Languages: ASL, English, Spanish, Other</p>	<p>-Mortgage Delinquency and Default Resolution Counseling -Non-Delinquency Post Purchase Workshops -Predatory Lending Education Workshops -Pre-purchase Counseling -Pre-purchase Homebuyer Education Workshops -Rental Housing Counseling</p>	<p>9.5 miles</p>

If you have questions, please contact 855-GO-IMPAC (855-464-6722)