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To: Clients and Friends

From: David F. Dulock

Subject: CFPB Issues Revised Interpretive Rule For Homeownership Counseling Organizations Lists and High-Cost Mortgage Counseling

In the April 21, 2015, *Federal Register* (80 FR 22091, [click here](#)) the Consumer Financial Protection Bureau (CFPB) reissued its 2013 interpretive rule regarding the provision of lists of HUD-approved housing counseling agencies to mortgage loan applicants. The revised interpretive rule substantively restates the guidance in the 2013 interpretive rule and adds further guidance to address additional questions that have been raised since the issuance of the 2013 interpretative rule. The 2013 interpretive rule and its companion [Bulletin 2013-13](#) were the subject of our November 19, 2013 memorandum. We recommend that you read the CFPB's revised interpretative rule in conjunction with our November 19, 2013 memorandum, [click here](#).

The revised interpretive rule is effective April 21, 2015, and in addition to restating the guidance in the 2013 interpretive rule, it adds further guidance, for example:

- Where the applicant's current address does not include a five-digit zip code, the lender may use the five-digit zip code of the property securing the mortgage to generate the list.
- A lender may also use an applicant's mailing address to generate a list if the mailing address includes a zip code but the current address does not.
- Where an applicant's current and mailing address are different, a lender using an applicant's mailing address instead of the current address to generate the list would be consistent with the requirement that the list be generated based upon the loan applicant's location.
- The revised rule requires the following language to be included on the list: "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) Web site: 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 revised rule also interprets the Regulation Z §1026.34(a)(5) pre-loan counseling requirement for high-cost mortgages by clarifying the qualifications necessary to provide high-cost mortgage counseling and to provide guidance on the issue of lender participation in the counseling.

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