

**Attn: HFA Lenders**

### Dodd-Frank Compliance Reminders

**April 24, 2015**

**News**

**Reminder**

**Alert**

**Training**

#### Overview

This Lender Operations Update includes two important reminders to help avoid delays or purchase ineligibility.

1. Real Estate Settlement Procedures Act (RESPA) Homeownership Counseling Disclosure
2. Nationwide Mortgage Licensing System (NMLS) Identification

### RESPA Homeowner Counseling Disclosure

#### Background

Under the Real Estate Settlement Procedures Act (RESPA) requirements which became effective January 10, 2014, lenders are required to provide loan applicants with a list of 10 HUD-approved counseling agencies. In bulletin CFPB 2013-13, the CFPB provided lenders the ability to go directly to the Consumer Finance Protection Bureau (CFPB) Web site for a list, or to create their own using information provided by the CFPB and HUD. The CFPB provided a temporary alternative disclosure that gave applicants a link to the CFPB housing counseling Web site.

#### Details

Effective for all loans submitted on or after May 11, 2015 we will no longer accept submissions for purchase using the CFPB's temporary alternative Homeownership Counseling Disclosure.

#### Action Required

Going forward, lenders must provide the following documentation on all loan submissions to be eligible for purchase:

- A copy of the 10 counseling agencies list provided to the borrower,
- Evidence that the list was based upon the applicant's current mailing address or ZIP code, unless specified differently by the applicant,
- Evidence that the list was created no more than 30 days prior to providing it to the borrower, and
- Evidence that the list was provided to the borrower within three business days of receipt of the RESPA application.

Lenders may rely on document print dates or a cover letter to show the list's creation date. Separate evidence must be given to show timely delivery to the applicant.

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## NMLS Identification

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### Background

The Truth in Lending Act (TILA) requires the initial and final loan applications (1003), the note, and the security instrument contain the following printed information:

- Individual loan originators name and Nationwide Mortgage Licensing System (NMLS) number and
- Originating company name and NMLS number

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### Action Required

If the loan originator name, originating company name and the NMLS numbers are missing on the note and the security instrument at the time of closing, the loan is ineligible for purchase.

To prevent this TILA error, please ensure that the names and NMLS numbers are accurate and match the name that was registered with the NMLS and the information is present on the closing documents at the time of consummation.

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If you have any questions regarding this information, please contact the HFA Hotline at 800-562-5165, option #2.

We appreciate your continued partnership.

