

HOEPA Lender Reference Guide

Pre-Purchase Coaching Instructions for the Home Ownership and Equity Protection Act

About HOEPA

Based on amendments to the Home Ownership and Equity Protection Act (HOEPA), borrowers of certain types of mortgages are now required to complete pre-purchase housing counseling with a HUD-approved agency before closing the loan. As a nonprofit HUD-approved housing counseling agency, credit.org has compiled important information you need to know as a lender to easily satisfy the new regulations.

The Process

1. Borrower preparation before coaching

Lenders should prepare their borrowers with the following information prior to coaching in order to complete the required session:

- **Loan Estimate** – Be sure to provide your borrower a copy of the loan estimate. Their certified coach will need to verify that the borrower has received the loan estimate and will review the details to ensure that the borrower understands it.
- **Lender's email address** – At borrowers request, to ensure the delivery of the certificate of completion is received by their lender
- **Financial Information** - Current income and monthly expenses need to be readily available to complete their coaching session.

2. Locate an approved counseling agency

Borrowers must first take a pre-purchase counseling session with a HUD-approved housing counseling agency. HUD publishes a list of approved housing counseling agencies, although not all of them offer HOEPA counseling and a certificate of completion. Per HOEPA guidelines, lenders must provide borrowers a list of HUD-approved agencies to choose from to complete pre-purchase counseling. The borrower will then choose and contact an agency to take the counseling.

Additional Information and Resources

- Visit credit.org's website homeownership.org/hoepa-coaching to take advantage of:
 - HOEPA lender guide
 - CFPB compliance guide
 - Downloadable quick-reference guides
- Call (888) 891-7841 to reach credit.org, a HUD-approved agency, for additional information.
- To obtain a HUD list of approved lenders please visit – <http://www.consumerfinance.gov/find-a-housing-counselor/>