

April 9, 2019

Director Kathleen Kraninger
Consumer Financial Protection Bureau
1700 G St. N.W.
Washington, D.C. 20552

Dear Director Kraninger:

We are writing you as representatives of the housing finance industry and the nonprofit housing counseling sector. We request that the Bureau provide clarity on how it interprets the Real Estate Settlement Procedures Act (RESPA) with respect to lender support of pre-purchase housing counseling services. Clarity here would ensure a level playing field in the market and allow borrowers to get full access to housing counseling services.

Our organizations are asking for clarity regarding treatment of lender-paid fee-for-service arrangements for pre-purchase housing counseling services under the Real Estate Settlement Procedures Act (RESPA). At this critical time, it is important that prospective homeowners be informed and empowered by working with HUD-approved housing counseling agencies. With the support of official guidance from the Bureau, we can work together to ensure that consumers are prepared for the transition to homeownership, and are able to build intergenerational wealth sustainably in communities all across the country. Housing counseling has played an important role in homebuyer protection and resiliency.

While a formal rule making on this issue would provide the strongest clarification on the Bureau's interpretation of these issues, we recognize the scope and time involved in this process likely precludes it as a timely option. Accordingly, we want to request that a quick solution be put in place now so that consumers and stakeholders are not left in the lurch while a lengthy rule making process takes its course.

RESPA provides important safeguards for consumers going through a complex and expensive mortgage transaction, and regulatory interpretations are therefore highly fact-specific. The expansion of pre-purchase counseling to prepare consumers for safe and sustainable homeownership presents novel questions, for which the provision of clear guidance would be immensely helpful to counselors, lenders, and consumers alike.

Mortgage Bankers Association
Housing Policy Council
National Association of Real Estate Brokers
National Hispanic Real Estate Professionals
Asian Real Estate Association of America

National Foundation for Credit Counseling
Homeownership Preservation Foundation
National Urban League
National Housing Resource Center
HomeFree-USA

Rural Community Assistance Corporation
NHS Chicago
Housing Action Illinois
HomeSmartNY
Minnesota Homeownership Center