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The Consumer Financial Protection Bureau ("CFPB") issued final rules on January 10, 2013 to strengthen consumer protections for high-cost mortgages and to provide consumers with resources on home ownership counseling. The CFPB announced final rules to implement the Dodd-Frank Act's amendments to the Home Ownership and Equity Protection Act ("HOEPA"). HOEPA was enacted in 1994 to address abuses in home-equity lending and refinances. The Act has successfully deterred high-rate and high-fee lending in those markets. The Dodd-Frank Act expanded HOEPA to cover home purchase loans and home equity lines of credit. The new rule bans potentially risky features such as balloon payments and also bans fees for modifying loans. The new rule also caps late fees at four percent of the payment that is past due and generally prohibits closing costs from being rolled into the loan amount. The rule also restricts the charging of fees when homeowners ask for a payoff statement. The rules also bans certain unfair practices such as encouraging a consumer to default on an existing loan to be refinanced by a high-cost mortgage and also requires consumers to receive counseling before taking out a high-cost mortgage.

The new rule can be accessed via the [CFPB website](#). A consumer guide to the final HOEPA rule is also available [here](#).