



National Housing Resource Center
846 North Broad Street, 2nd Floor
Philadelphia, PA 19130-2234

August 15, 2013

Director Richard Cordray
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, DC 20552

RE: Servicers requiring personal information from housing counselors on third party authorization forms.

Dear Director Cordray,

We appreciate the work the Consumer Financial Protection Bureau has done to strengthen the role of nonprofit housing counselors working with the financial services industry to assist borrowers.

Housing counselors routinely provide third party authorizations where the homeowner gives permission for the servicer and the counselor to share information and discuss the homeowner's case. Some mortgage servicers are requiring the housing counselor to provide his or her social security number and/or date of birth as part of the third party authorization form.

We view this requirement as inappropriate for two reasons. First, the counselor is working in a professional capacity with the borrower and the counselor's personal information has no role in this situation. This is an unnecessary invasion of privacy for the counselor. This requirement will discourage the counselor from pursuing the best options available to their client homeowners under HAMP and other programs. Secondly, the authorization should be for the nonprofit housing counseling agency and not the individual counselor. This permits the counselor, supervisor, negotiator, or, in the case of staff changes, another counselor to work with the servicer on the case.

Many agencies have a policy of not permitting the counselor to provide the counselor's personal information on these forms. If servicers continue to require this unnecessary information, the counselor risks having no communication with the servicer and therefore would not be able to properly represent the borrower. It would make more sense for counselors to provide their agency identification number or Federal Employee Identification Number in order to represent their client. In some cases, the servicer has refused to communicate with the counselor because their personal information was not provided. Examples from Banco Popular and US Bank requesting personal information from the counselor are attached.

Another area of concern is when counselors have to work with servicers at initial intake. Sometimes it is necessary to contact the servicer before paperwork can be submitted, especially if a foreclosure is imminent. In these cases, the homeowner calls the servicer with the counselor on the line, the homeowner provides an oral statement that the counselor is authorized to represent the homeowner, but the servicer refuses to allow the counselor to speak because they do not have a written authorization on file. The servicer on the phone cannot receive a written authorization directly because correspondence is routed elsewhere in the servicer shop.. As a result, the counselor cannot act as an authorized



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representative on the call. This situation is especially difficult when the homeowner has limited English proficiency and the counselor is needed to translate. Servicers should accept verbal authorizations by the consumer on telephone calls without waiting for a written authorization. These calls are recorded by the servicer and the authorization can be verified.

We would appreciate the Bureau providing guidance to servicers on these issues.

Sincerely,

Bruce Dorpalen

Executive Director
National Housing Resource Center