

HOUSE BILL 1926

By Richardson

AN ACT to amend Tennessee Code Annotated, Title 45, Chapter 20, Part 1, relative to the "Tennessee Home Loan Protection Act".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-20-103, is amended by deleting subdivision (21) in its entirety and by substituting instead the following language:

(21) A lender may not make a high-cost home loan without first verifying that the borrower has received appropriate housing counseling from third-party nonprofit organizations approved by the United States department of housing and urban development, a housing financing agency of this state, or the regulatory agency that has jurisdiction over the lender. A lender must provide to the borrower, in a separate document clearly identified, notice of availability of counselors from third-party nonprofit organizations approved by the United States department of housing and urban development, a housing financing agency of this state, or the regulatory agency which has jurisdiction over the lender. Such document shall provide either:

(A) A list of counselors who are located in the county of the borrower or the nearest available county where such counselors are available; or

(B) A resource list for the United States department of housing and urban development, Tennessee housing and development agency or the Tennessee department of financial institutions, including toll free numbers and web site information if available to identify such counselors. The borrower shall be afforded the opportunity to seek such counseling without penalty. For purposes of this subdivision (21), the document shall be provided to the borrower not later

than the time that the good faith estimate of closing costs required by the Real Estate Settlement Procedures Act (RESPA), 12 U.S.C. § 2601, *et seq.* must be provided to the borrower.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.