**Section 346.20 Standards for Credit Counseling**

A borrower or borrowers, subject to Article 3 of the Act, shall be recommended for HUD-certified credit counseling if, after reviewing the information on the Predatory Lending Database submitted under Section 72 of the Act and Section 346.15, the Department finds:

a) a FICO score of 620 or less for the middle score if three scores are used, or for the lowest score if fewer than three scores are used; or

b) a FICO score from 621 to 650 for the middle score if three scores are used, or for the lowest score if fewer than three scores are used, and one or more of the following factors exist:

1) the subject property was financed within 12 months prior to the date of application;

2) the loan payment is interest only;

3) the interest rate for the loan adjusts within 3 years or less;

4) the loan uses a stated income for the borrower, rather than verifying the borrower's income through means of tax returns, pay stubs, accounting statements, or other prudent means; or

c) the loan includes a prepayment penalty; or

d) the loan results in negative amortization; or

e) the total points and fees payable by the borrower at or before closing will exceed 5%.