



OFFICE OF
HOUSING COUNSELING

HUD Housing Counselor Certification Rule for SHFAs

National Council of State Housing Agencies (NCSHA)
HOME and HTF Institute

January 13, 2020

Speakers

- **Jerrold H. Mayer**

- Director, Office of Outreach and Capacity Building, Office of Housing Counseling (OHC), U.S. Department of Housing and Urban Development (HUD)

- **Shawna LaRue Moraille**

- Principal, ICF
 - Technical Assistance Provider to OHC and CPD

Agenda

- Housing Counseling Office and Program
- Office of Housing Counseling Updates
- Housing Counselor Certification
- Resources

HUD's Office of Housing Counseling and Program

HUD Office of Housing Counseling

“The mission of the Office of Housing Counseling is to help families to obtain, sustain and retain their homes. We will accomplish this mission through a strong network of HUD-approved housing counseling agencies and counselors.”

- Network of approximately 1,800 housing counseling agencies
- HUD monitors compliance, conflicts of interest, and the quality of housing counseling
- HUD connects clients with participating housing counseling agencies through our website
- HUD provides grant funding for qualified applicants

OHC Updates

- **Grant Award and Administration**
 - FY19 Comprehensive NOFA
 - \$43,000,000 million
 - Awards announced October 2, 2019
- **Training NOFA**
 - \$2.5 million
 - Published August 6
 - Emphasis on HC Certification and HECM Default Counseling training

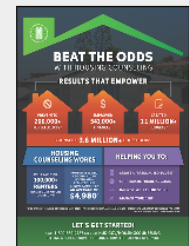
Awareness and Visibility

- Homeownership Month June 2019
- Building Tomorrow Together Conference
- Innovative Housing Showcase
- Flyers, brochures, videos and posters
- <http://hudexchange.info/housingcounseling/>

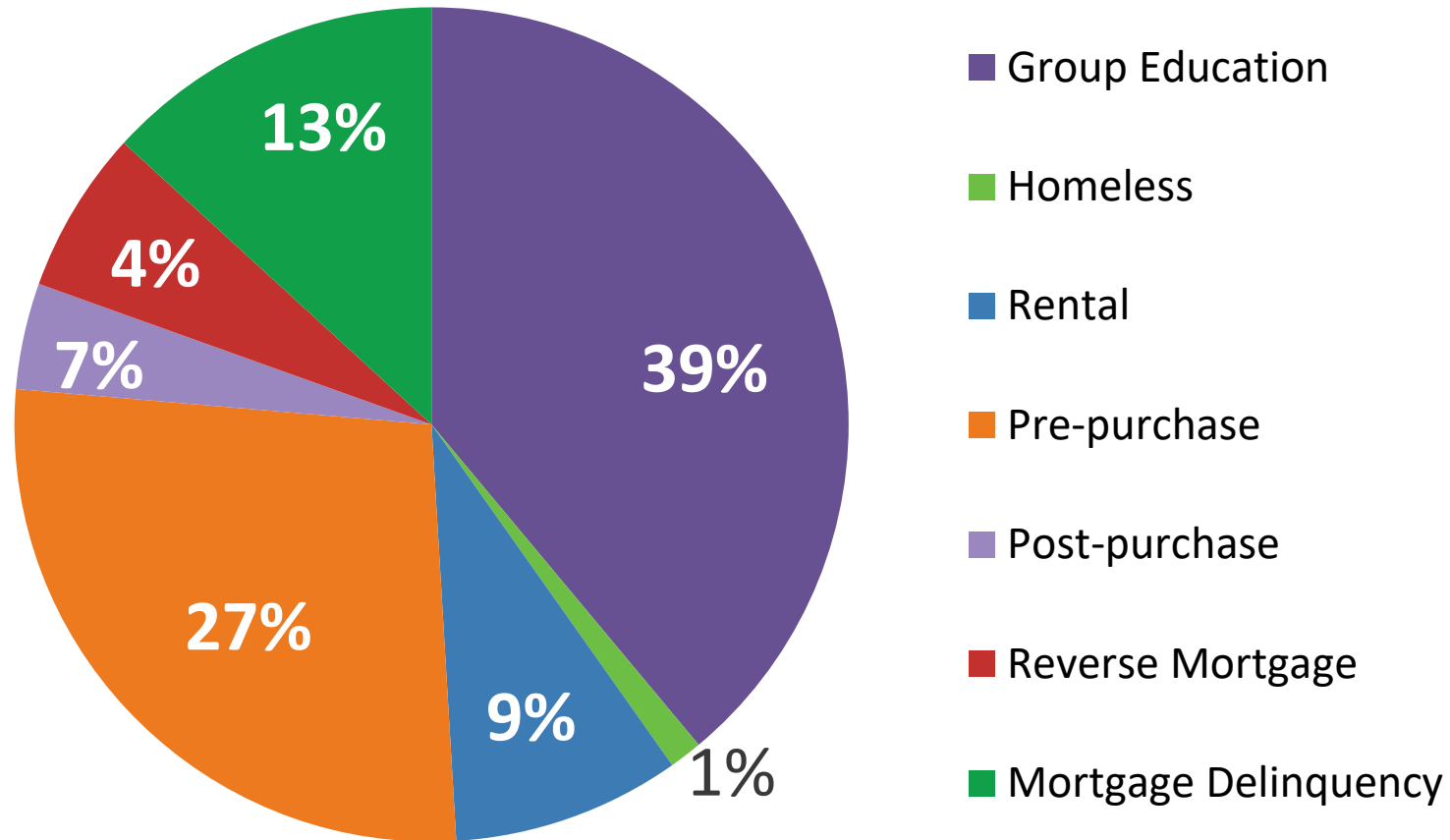
Housing Counseling Outreach

View a suite of brochures your agency can use to promote housing counseling including the social media toolkit, homeowners guide to success, first-time homebuyer videos and much more.

Order and Download Outreach Materials



National Housing Counseling Activity FY 19 Q4



Total Counseling Activity – 1,015,911 Clients

Participating State HFAs

- Colorado Housing and Finance Authority
- Connecticut Housing Finance Authority
- Georgia Housing and Finance Authority
- Idaho Housing and Finance Association
- Indiana Housing and Community Development Authority
- Kentucky Housing Corporation
- Louisiana Housing Corporation
- Maine State Housing Authority
- Michigan State Housing Development Authority
- Mississippi Home Corporation
- New Hampshire Housing Finance Authority

Participating State HFAs (cont)

- New Jersey Housing and Mortgage Finance Agency
- New York Housing Finance Agency
- North Dakota Housing Finance Agency
- Pennsylvania Housing Finance Agency
- Rhode Island Housing Help Center
- South Dakota Housing Development Authority
- Tennessee Housing Development Agency
- Virgin Islands Housing Finance Authority
- Virginia Housing Development Authority
- Washington State Housing Finance Commission

<https://www.hudexchange.info/programs/housing-counseling/intermediaries-shfa/>

Housing Counselor Certification

Housing Counselor Certification

KEY PROVISIONS

Housing counseling required under or provided in connection with **any** program administered by HUD shall be provided **only** by organizations and counselors certified by the Secretary.

A HUD Certified Housing Counselor is a housing counselor who has **passed** the HUD certification examination **and works** for a HUD-approved housing counseling agency.

Effective date: August 1, 2020



Covered Programs



Required under or provided in connection with any program administered by HUD means:

- Housing Counseling is required by HUD
- Housing Counseling that is funded under a HUD program
- Housing Counseling that is required by a grantee or sub-grantee of a HUD program as a condition of receiving assistance
- Client served by a HUD program is referred to housing counseling

Housing Counseling Certification



Financial management

Property maintenance

Responsibilities of homeownership and tenancy

Fair housing laws and requirements

Housing affordability

Avoiding eviction and foreclosure

Counselor Certification Exam



- Certification Exam launched August 1st, 2017
- All agencies must comply by August 1st, 2020

Counselor must:

- Pass the certification exam covering six major topics
 - **Only have to pass certification examination once**
- Work for a HUD-approved housing counseling agency - verified through FHA Connection
- 1,562 Certified Counselors as of December 31, 2019

Organizations Possibly Affected



State Housing Finance Agencies receiving HUD funding that is used for housing counseling or in connection with any program that includes/requires a housing counseling component are covered under the final rule.

Other Organizations Possibly Affected

1. Other State and Local Governments and Public Housing Authorities
2. Community Housing Development Organizations
3. Other nonprofits or government agencies

Examples of Covered Programs: HOME



HOME

- Homebuyer activities **require** housing counseling
 - Direct assistance to the homebuyer (e.g., downpayment, closing cost assistance, soft-second mortgages, etc.)
 - Units developed with HOME funds
 - CPD Notice 18-09
- Other activities are not covered by the rule (e.g., homeowner rehabilitation, rental, etc.) unless the PJ/subrecipient:
 - Requires housing counseling that meets the definition in 24 CFR § 5.100
 - Funds housing counseling that meets the definition in 24 CFR § 5.100

Examples of Covered Programs: HTF



HTF

- Homebuyer activities **require** housing counseling
- Rental activities are not covered by the rule unless the PJ/subrecipient:
 - Funds housing counseling that meets the definition in 24 CFR § 5.100
- Note:
 - Allows no more than 10% of annual grant for homeownership activities
 - Requires deep targeting (30% or less than area median income); however, once the fund exceeds \$1 billion, 50% of AMI may be served and the likelihood of homeownership activities increases

Options for Affected SHFAs



- Apply for HUD grant funds as a SHFA
 - Requires experience in managing grant awards
 - SHFA is responsible for ensuring sub-recipients meet or exceed HUD approval requirements
- Partner with existing HUD approved Housing Counseling Agencies
 - Informal or formal referral agreement
 - Funding agreements
- Modify the program to be compliant
- Stop delivering Housing Counseling services

Other Implementation Tasks

- Update written agreements to include the requirements under the Housing Counseling Certification Rule
- Revise policies and procedures, applications, etc. to reflect requirements
- Revisit participating v. using outside housing counseling agencies periodically until 8/1/2020
- Determine who will verify HUD certified housing counselors public search – future, more guidance forthcoming

Resources

HUD Approval

How to Become a HUD Approved Housing Counseling Agency

Organizations interested in becoming HUD-approved to provide counseling services must be either: 1) a private or public nonprofit organization or 2) a state or local government. For-profit entities are not eligible to become HUD-approved Housing Counseling Agencies.

The [HUD Approval Process Overview](#) shows the steps in becoming a HUD-approved Housing Counseling Agency.

There are two ways to participate in HUD's Housing Counseling Program:

1. Organizations may apply directly to HUD as one of the following: a Local Housing Counseling Agency (LHCA), an Intermediary (regional or national), a multi-state organization (MSO), or as a state housing finance agency (SHFA).
2. LHCA's can also apply through a [HUD-approved Intermediary or SHFA](#). Intermediaries and SHFAs provide LHCA's with critical supportive services, including training, tools and templates, pass-through funding, and technical assistance. They also monitor their networks to ensure services meet program standards and effectively meet the needs of their clients.

Qualifying Criteria

Section 106(a)(2) of the Housing and Urban Development Act of 1968 (12 USC 1701x) provides the legislative authority for HUD to provide housing counseling services directly or through private or public organizations with special competence and knowledge in counseling low and moderate income families.

Detailed information and additional requirements of the housing counseling program are provided in the [Housing Counseling Program Handbook 7610.1](#) The program handbook lists the qualifying criteria that all applicants must meet to receive HUD approval. A few of the more important are:

1. **Nonprofit Status.** The applicant must function as private or public nonprofit organization. The agency must submit evidence of nonprofit status as demonstrated by Section 501 (c) of the Internal Revenue Code.
2. **Experience.** The applicant must have successfully administered a housing counseling program for at least one year.
3. **Community Base.** The applicant must have functioned for at least one year in the geographical area that the applicant proposes to serve.
4. **Counseling Resources.** The applicant must have sufficient resources to implement its proposed counseling plan no later than the date of HUD approval.

Instructions for Submitting Applications to HUD for Approval

Please use the [Housing Counseling Agency Eligibility Tool](#) to determine if your organization is ready to apply. The

Are You Ready to Apply?

Housing Counseling Agency Eligibility Tool

[Access the Tool](#)

[Download Tool Questions as a PDF](#)

Frequently Asked Questions on Agency Approval

- [How does an agency become HUD-approved?](#)
- [How long does it take to process the application to become a HUD-approved housing counseling agency?](#)
- [If we do not have a 501\(c\) designation but are still an exempt organization, can we still apply to be a HUD approved housing counseling agency?](#)

<https://www.hudexchange.info/programs/housing-counseling/agency-application/>

Housing Counseling Agency Eligibility Tool (HCAET)



- Anyone with a HUD Exchange account can use the tool
- Provides in-depth explanation of eligibility criteria
- Evaluates agency readiness to apply based on information provided to the tool
- Provides an agency with a user report to follow up on next steps
- **Does not replace a formal application review by HUD**

HCAET (cont)



Housing Counseling Agency Eligibility Tool

Questions?

- Agency Eligibility and requirements, email HUD
- Technical issues with the tool, contact the HUD Exchange team

State and Local Requirements

***Is your agency in compliance with state and local requirements to do business in the communities served?**

Learn More

HUD-Approved housing counseling agencies, branches, and affiliates must be in compliance with state and local requirements to do business in the communities served (e.g., a certificate of good standing from a Secretary of State office). They must meet all state and local requirements for their operations as described in the HUD Housing Counseling Program regulations in 24 CFR 214 and in Chapter 2, 2-2 of Handbook 7610.1 Rev 5.

[← Previous](#) [Next →](#)

<https://www.hudexchange.info/programs/housing-counseling/housing-counseling-agency-eligibility-tool/>

HUD Approved Agencies

TUESDAY, SEPTEMBER 10, 2019

HUD.GOV
U.S. Department of Housing and Urban Development
Secretary Ben Carson

HUD.gov

HUD Approved Housing Counseling Agencies

[GO BACK](#)

This listing is current as of 09/09/2019.

[Click here to narrow your search.](#)

[Printer Friendly Version.](#)

Agencies located in MICHIGAN

Agency Name	Phone, Toll-Free, Fax Number, Email, Website, Agency ID	Address	Counseling Services	Languages	Parent Organization
COMMUNITY ACTION AGENCY - ADRIAN BRANCH	Phone: 517-263-7861 Fax: 517-263-6531 Agency ID: 84544	400 W. South St. ADRIAN, Michigan 49221-3825	<ul style="list-style-type: none"> - Financial Management/Budget Counseling - Non-Delinquency Post Purchase Workshops - Pre-purchase Counseling - Pre-purchase Homebuyer Education Workshops - Rental Housing Counseling - Services for Homeless Counseling 	- English - Spanish	COMMUNITY ACTION AGENCY
NORTHEAST MICHIGAN COMMUNITY TRADING CENTER	Phone: 989-358-4600 Toll-free: 866-484-7077 Fax: 989-354-5909 E-mail: nielsens@nemcsa.org	2375 Gordon Road ALPENA, Michigan	<ul style="list-style-type: none"> - Financial Management/Budget Counseling - Financial, Budgeting, and Credit Workshops - Mortgage Delinquency and Default Resolution Counseling 	- English	MICHIGAN STATE HOUSING DEVELOPMENT

<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

Find an Agency with HUD Certified Housing Counselors



HUD.GOV

U.S. Department of Housing and Urban Development
Secretary Ben Carson



Información en Español

Counseling Agencies

Welcome to FHA's search for Counseling Agencies by location or name. You can search to find Counseling Agencies in various parts of the country. For example, if your search is for a list of all active Counseling Agencies in Washington, D.C., the important fields to fill would be the state and city fields. To search a smaller area, the zip code could be used. If you need help, take a look at our [help](#) screen or contact the [Single Family Administrator](#).

Sorted By:

Agency Name:

City:

State:

Zip Code:

Counseling Type:

https://entp.hud.gov/idapp/html/hecm_agency_look.cfm

HUD Certified Counselor Progress



State Highlights

Top 5 states agencies with HUD certified counselors:

- **New York:** 58 agencies
- **California:** 43 agencies
- **Pennsylvania:** 42 agencies
- **Florida:** 40 agencies
- **Michigan** and **Virginia:** 30 agencies

States with **50% or more** agencies with HUD certified counselors:

- **Idaho:** 67%
- **Washington, D.C.:** 60%
- **Tennessee** and **Maine:** 54%
- **Maryland:** 53%
- **Montana** and **Virginia:** 52%
- **Vermont** and **Wyoming:** 50%

States with **20% or less** agencies with HUD certified counselors:

- **Connecticut:** 19%
- **Kansas, Louisiana,** and **Mississippi:** 14%
- **New Mexico:** 13%
- **Hawaii:** 11%
- **Nevada:** 10%
- **North Dakota** and **U.S. Virgin Islands:** 0%

Data current as of January 1, 2020

NEW! Knowledge Assessment Tool



- Launched July 1, 2019
- This Knowledge Assessment Tool does not replace the existing practice exam but does provide candidates with detailed feedback.
- The assessment offers insight into the correct answers and provides recommended topics for further study.
- Recommendations will identify areas of strength and weakness for continued study.
- Also available in Spanish.

Office of Housing Counseling



Find us at:

www.hudexchange.info/counseling

www.hud.gov/housingcounseling

Counselor Training and Testing website:

www.hudhousingcounselors.com

Certification FAQs:

www.hudexchange.info/housing-counseling/faqs/

Certification Resource Page

<https://www.hudexchange.info/programs/housing-counseling/certification/>

Email us at:

Housing.counseling@hud.gov