



Final Transcript

HUD – US DEPT OF HOUSING AND URBAN DEVELOPMENT: Final Rule for Housing Counseling CPD

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SPEAKERS

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PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by and welcome to the Department of Housing and Urban Development Final Rule on Housing Counseling Certification for CPD. At this time, all participants are in a listen-only mode, and later we'll conduct a question-and-answer session and instructions will be given at that time. [Operator instructions]. As a reminder, this conference is being recorded.

I would now like to turn the conference over to our host, Mrs. Virginia Holman. Please go ahead.

Virginia Thank you, Daniel, and welcome, everybody, to today's webinar on the final rules as it relates to CPD stakeholders, your formula grant program stakeholders.

Next slide.

M Virginia, can you see the next slide?

Virginia No. Excuse us for our technical problems. So the next slide will tell you, as the operator said, the webinar is being recorded. We will be posting the transcript, the presentation, and an audio replay number on our webpage on HUD Exchange. That'll happen in about five to seven days. You were sent a copy of the PowerPoint as a PDF file earlier today. It's also available as a handout on the panel on the right hand side of your screen. You can just download it there.

There will be the opportunity for questions at the end of the session, but also, your questions are really important to us, so you can write them in in

the question box, the panel again on the right hand side of your screen.

We have people who are monitoring those questions and every effort will be made to get you an answer either today or in the future as we find the answer. Afterwards, you can also send your questions to housing.counseling@hud.gov. Put the subject of today's webinar in the subject line so we get it to the right people, and we'll respond to your questions there.

If for some reason during your asking your questions orally, if you would make sure your phones are muted while you're waiting so we don't hear your background noise. You will also be sent within 24 to 48 hours a thank you email from GoToWebinar, which will say, "Thank you for attending today's webinar. This is your certificate of training." There will be no attachment. That email, in fact, is your certificate. Also, at the end of the webinar there will be a brief survey, please take that as your input is really important to us as we plan future webinars.

At this point, let me turn the webinar over to Steve Johnson from CPD.

Steve?

Steve

Thank you, Virginia, and thank you, everyone, for joining. It's kind of nice to see we already have over 450 people. I particularly want to thank the Office of Housing Counseling, who agreed to do an additional webinar in addition to the roll-out schedule they'd planned, specifically to get this information out to the grantees of CPD's formula programs, the CDBG program, the Home program, the Emergency Solutions program, and the HOPWA program. Given the number of people we have, I think that shows the demand and the interest. We're very glad you have joined us.

This webinar is specifically for our grantees. We also included some of the interest groups that represent you as groups of grantees, and we also have staff from various HUD field offices listening because it is important that they hear the same things that you all do. So, we're very glad that you are here.

I want to thank the Office of Counseling staff. We've been involved with a lot of people here through the years. I particularly want to thank Deputy Assistant Secretary Sarah Gerecke, Lorraine Griscavage-Frisbee, Virginia Holman, who we worked with very closely up until now, and then all the other people who've been involved here, particularly getting this

organized today, Jerrold Mayer, Brianna Benner, Phyllis Ford, Robin Penick, Sharon MacLean. We thank you.

Here with CPD formula programs we have Steve Johnson, myself. I'm with the Entitlement CPDG program in the Office of Block Grant Assistance in Headquarters CPD. We are also joined by Bryce Edson [ph], who is an affordable housing specialist in the Office of Affordable Housing programs. That office runs the Home program and the Housing Trust program. We're joined by Kate Pittinger [ph], who is a financial operations analyst with the Office of HIV and AIDS Housing, which runs the competitive and formula HOPWA programs, and Mrs. Brett Esters [ph], who is a senior program specialist with the Office of Special Needs programs. Her office, of course, runs the Emergency Solutions Grant program plus all of the competitive Homeless programs and the Continuum of Care.

Our role here is to help answer questions. As I was joking earlier, we will be collectively the Troy Aikman providing the color commentary here and helping answer questions that are unique or specific to the CPD programs. So, thank you again. We're delighted to see the number of people joining.

Virginia, back to you and Jerry and your staff.

Jerry

Alright. Good afternoon and welcome to today's presentation. I'm Jerry Mayer and I'm with HUD's Office of Housing Counseling. Deputy Assistant Secretary Sarah Gerecke could not be with us today and I'll be presenting in her place.

Before we get started, I'd like to thank Steve and Jenny and HUD's Office of Community Planning and Development for their help with today's presentation, and, of course, all of you for joining us here today.

Logistically, I'll run through today's presentation and then afterwards, I and the team from HUD would be happy to field all of your questions. So, without further delay, let's start the show.

Our agenda today, we're going to talk about HUD's housing counseling program, give you some updates and statistics and we'll also talk, of course, about housing counselor certification and what you can expect.

Then, we'll return to our CPD friends and they'll give you their comments. We'll show you some resources and then we'll do the question and answer period.

The Office of Housing Counseling—this will introduce us to you—our mission is to help families obtain, sustain and retain their homes and we accomplish this mission through a strong network of HUD-approved housing counseling agencies and their counselors, who after this process is finished, will be certified. We have a network of approximately 2,000 housing counseling agencies. We monitor their compliance with HUD regulations and we oversee the independence and the conflict of interest issues and the content of their programs and standards. We also help connect clients with appropriate housing counseling agencies, primarily through HUD's website where there's a search tool, and we also administer grant awards for qualified applicants.

So, what is housing counseling? There are certain standards. Counseling is performed in person, it could be done over the phone and also over the internet. All of those modes are acceptable as long as the client and the counselor can have an individualized dialogue. We want to see the guidance and the advice provided to clients tailored to their needs, and that usually, a full cycle of counseling, a whole unit of counseling, includes creating a budget, a financial analysis, an action plan, and especially

important, referrals to the relevant resources such as down payment assistance programs or legal services.

For group education, we like to see that it's provided in a classroom setting, usually for one or more people. It can be done online as well or through a conference call or any other delivery method that conveys all of the information.

The major differences between group education and one-on-one counseling is that group education is not really customized for individual needs. It's a classroom environment, and it also does not offer that individual financial analysis or client action plan that we expect to see in a unit of housing counseling that's done one-on-one. But it can be the foundation for an individual counseling session and all HUD agencies offering group education must offer that one-on-one counseling for each group education participant.

I want to give you some statistics now about the activities of HUD's housing counseling program. This is for fiscal year '16. First, I'd like to call your attention to the right side of the pie chart. The 31% is represented by group education, so you can see that there's a lot of

classroom work going on. That is mostly in the home buying process. If you look towards the bottom of the chart, that 20%, that purple slice, that's your pre-purchase education. So, a lot of the clients that are taking that group education then go on to some one-on-one counseling on pre-purchase. Then, right next to pre-purchase there's that aqua-blue slice that's 4%, which is post-purchase. Taken together, we have about 55% of our activities are relating to the home buying process.

Up on the upper left is that 26% dark blue part of the chart, which is mortgage delinquency. Now, if we were looking at a chart like this from a few years ago, that would be a much bigger slice of the pie. We're very happy to see that housing counseling activities have really primarily moved over into the home buying process once again, which is really where it should be. The smaller that mortgage delinquency slice is the better it is for everybody.

About 7% of our activities relate to HECM, or reverse mortgage activity, that's the bright orange slice, and then about 10% relate to rental counseling and that would be nice if that was a larger slice of the pie. Rental counseling is a very important aspect of our program. It is not just homeownership.

Then, next to rental you can see that little 2%, rust-colored sliver, that is homeless counseling. Homeless counseling is something near and dear to all of us here at HUD and we would love to see homeless counseling increase and housing counselors be able to get many more people off the streets than are out there right now.

All told, we serve a little less than about a million clients nationwide, so a lot of people are helped by HUD's housing counseling program.

Here's a slide that shows you some of the impact. Almost 270,000 people worked with a housing counselor to develop a sustainable household budget, and almost 214,000—213,018 exactly—received fair housing information. About 150,000+ gained access to resources to help improve their housing situation and about almost 155,000 people were able to improve their financial capacity by working with a HUD-approved housing counseling agency.

We're also involved in a lot of research projects that prove that housing counseling is effective and helps consumers. You can find all of those on our website at the HUD Exchange, and you'll be linked to that at the end

of this presentation. Also, we have this poster that went out which is called the ‘Beat the Odds’ poster, and each one of our housing counseling agencies received one of these and you can see just a couple of the statistics. A homeowner who has gone through housing counseling generally has a net worth of about 36 times that of a renter, and that is a significant economic number. There’s a bunch of other statistics on there that those who receive the poster, which they can hang in their office, can point to their clients and show them the efficacy of housing counseling and why it’s a good idea to take housing counseling.

We have a lot of tool kits on our website for housing counselors on the HUD Exchange on a whole range of technical subjects so that you can learn by visiting the HUD Exchange and reading the toolkits online, but we’re also going to be coming out in the future with toolkits for lenders and real estate professionals to show them how they can work with housing counselors and understand how the program works. We’re also going to be having many more upcoming stakeholder webinars and meetings, also on certification, but on a variety of other topics as well, so we invite all of you to tune in for those as they come up.

Moving on to housing counselor certification and the final rule that was published on December 14, 2016, and those that would like to look it up online, the Federal Register citation is there on the screen. Now, the final compliance date for housing counselor certification is 36 months after the exam becomes available and we're going to publish a Federal Register notice to announce the start of testing or when the exam pops up. So, you have a lot of time. You have 3 years, or 36 months, after the start of the exam in order to take the test and have your counselors become certified.

Here are some of the benefits of certification—we'll just run through these rather quickly—we feel that a counselor who has been certified will have a broader knowledge and that will equal better counseling. We are very interested in creating a professional recognition for housing counselors, a credential that they can use. Every single real estate professional, whether they're a loan originator or an appraiser or a title person or a real estate agent, they all have a professional credential, and now housing counselors will be professionally certified and will be on an equal footing with everyone else that is party to the real estate transaction.

Housing counselors, we feel that this certification will elevate the value of the program for consumers and will increase the visibility and the

awareness of housing counseling. Also, it'll help consumers avoid scammers and con artists because they will be able to say, I want to see a HUD-certified housing counselor and only a HUD-certified housing counselor who is working at a HUD-approved agency will be able to show them that certificate that they are in fact credentialed.

Just move to the next slide. Some of the key provisions of housing counseling are that all housing counseling must be provided in connection with all HUD programs and must be performed by a HUD-certified counselor. A HUD-certified housing counselor is a housing counselor who has passed the HUD certification exam and works for a HUD-approved housing counseling agency. Anyone can take the exam, but not everyone is going to be certified. Only those who are employees of HUD-approved housing counseling agencies will receive the certificate.

For counselor certification, the course will cover six major topics and we'll cover that in a little bit. Counselors will only have to pass the certification examination once and as long as they're working at a HUD-approved housing counseling agency, their certification will be active. If they leave the employment of a HUD housing counseling agency, their certification will go inactive, and if they pop up at a new agency it can be

reactivated by the executive director of that new agency. We're going to be verifying this through a system that we're building currently.

Housing counselors can become certified as soon as the examination is available, but we don't really recommend that you all go out all at once and rush the system because that's not really necessary. You have 36 months, or 3 years, after we announce the start of the examination to come into compliance. You have plenty of time to get this done.

There'll be six major topics of testing that counselors will be tested on, and that is: financial management, property maintenance, the responsibilities of homeownership and tenancy, fair housing laws and requirements, housing affordability and the avoidance of and responses to rental and mortgage delinquency, and the avoidance of eviction and mortgage default, which is very important.

Counselors must register for and take the exam through our new website, which is hudhousingcounselors.com. There'll be a free study guide and free practice exams will also be available on the site. The thing about the free practice exams are that you can take these over and over and over again and hone your proficiency until you feel you're ready to plunk down

your \$100 to \$140 of testing costs so that you don't have to waste that money.

It's kind of like what some state motor vehicle agencies do where they have online sites and you can go and take the written test over and over and over again until you feel you're proficient, then you go down to motor vehicle and you take the test. In this case, we have adopted the same idea, so what we recommend is that you examine the study guide, you also avail yourself of many of the courses that are being offered at some of our training partners like Mableworks [ph] or NCRC or National Council of Rasa [ph] or Rural Community Assistance Corp or some of our other partners as well, and study for the exam at your own pace. Then, take the practice exams until you feel you are proficient and then plunk down your \$100 and take the test.

To retake the test, it costs another \$100, so that's why we're recommending you use the pre-practice exams to hone your skills and then plunk down your money.

We're going to be offering the exam online or at an in-person proctoring service. The proctoring service runs a little bit more, that's the \$140.

We're hoping that these fees stay about the same, but they could be subject to change. The exam will be available in English and Spanish and you can take the exam as many times as you want until you pass, but remember, you have to pay for each one, so take advantage of those free study guides and free practice exams to keep those costs down. Also, if you're working at a HUD-approved housing counseling agency now, you can include the cost of the exam in your HUD grant, so not all counselors will have to pay for this out-of-pocket.

There are some programs that are going to be impacted by the final rule, which is kind of why we're here today. It's going to apply to all organizations that deliver housing counseling required by or provided in connection with all HUD programs. Counseling connections with some programs that could be affected are CDBG programs, VIH programs, and Home programs. The rule really narrowly defines housing counseling, so some of the folks on the line today may be doing something that they think is housing counseling, but you should really go back and look at the rules and make sure that it really is.

What is not covered by housing counseling, for example, is simple referral services or providing housing information or placement services. It's the

kind of thing that's not really taking the information and providing the client services that we find in housing counseling, such as collecting a budget, developing an action plan, doing a lot of the follow-up work, the full cycle of housing counseling. If you're not really doing the full cycle of housing counseling, then you might not be covered by this rule, so it's a good idea to go back and check that final rule to make sure.

Certain routine administrative activities, eligibility determinations, client intake, simple case management, and especially housing services that are case management that are really just incidental to other programs like HOPWA, housing with people with AIDs, emergency shelter grants or Continuum of Care may not be housing counseling. Also, fair housing advice and advocacy can be offered in isolation from housing counseling and that might not be housing counseling either for the purposes of this rule.

There's a certain impact on pass-through organizations and that really relates to the division of labor at an organization. In any housing counseling agency we have people who administer programs but don't provide counseling and then we have the counselors themselves. What

we're recommending is that folks that are providing housing counseling are the ones who should be taking the exam.

Your accountants and your HR staff and executive directors are not necessarily needing to take this certification exam at all. However, there's one caveat to that and that is if you're working at a small agency and you only have a couple of counselors on staff, and I know this has happened in the real world where the waiting room is full and folks have to be seen and other people pitch in, like the executive director themselves might pitch in and see some clients. If you're working at an agency that does do that, and there's nothing wrong with doing that, then it's probably a good idea for that administrative staff to go ahead and get certified, if you want to be able to count that counseling activity on your HUD-9902 report.

So, consider what the division of labor is at your organization. If you're an intermediary and you're just doing pass-through funding to a network of affiliates, then you probably don't need to become certified if you're not seeing any clients at all at your level. That's something for each organization to evaluate on its own and decide what it wants to do.

Some of the other options for agencies that are covered by the final rule but are having a little difficulty ramping up the full cycle of housing counseling could be that they could apply for approval or join a HUD-approved intermediary or state housing finance agency's network.

Another thing that they could do is partner with an existing HUD-approved housing counseling agency in their area to deliver those housing counseling program services. They could also modify their programs to become compliant and start offering those services themselves or, and this is really what we don't want to see happen, they could stop delivering housing counseling services before the final compliance date. We don't want to see less service being offered to anybody, so we're hoping for solutions one, two, three, as opposed to four.

So, effective January 13, 2017, we saw some requirements kick in and the first requirement was that an agency participating in HUD's housing counseling program must address the entire process of homeownership, and that's from when they [audio disruption] maintain the home once you have it and then, finally, how do dispose of the home should you want to sell it and trade up and move to another property.

We also require that the distribution of home inspection materials be provided. That's our 'For your Protection, Get a Home Inspection,' and that be provided to each client.

Now, there are also requirements that relate to the misuse of housing counseling program grant funds that constitute a material violation and those are very serious. If we discover a material violation and it is not corrected, then that agency may not be able to get housing counseling funds ever again in the future. So, it's very important that if you get into a situation where you're unsure about spending your grant dollars that you contact your GTR right away and make sure that you're all on the same page because we don't want to see any material violations.

Finally, there's a requirement against distributing grant program funds to any organization that's been convicted of a violation under federal law that relates to an election for federal office. We definitely don't want to see any organizations run afoul of that one either because we won't be able to provide grant funds in that case any more if we find out that something like that has occurred.

Now, 36 months after the certification exam becomes available, some other requirements are going to kick in. The first one is that all individuals who provide housing counseling required under or in connection with a HUD program have to be certified HUD housing counselors and the requirement that any agency providing housing counseling under or in connection with a HUD program must be approved to participate in HUD's housing counseling program.

Then there's also the requirement that all housing counseling reported on the HUD Form 9902 that occurs after that final compliance date, that's 36 months after the start of testing, is performed only by HUD-certified housing counselors.

Also, intermediaries and state housing finance agencies and multi-state organizations that participate in HUD's housing counseling program, they have to ensure that all of the housing counseling performed by their affiliates is performed by a HUD-certified housing counselor. There's also a requirement that group education that is provided by an agency participating in the program must be overseen by a HUD-certified housing counselor.

Now, a lot of organizations they have partners with folks in the community, sometimes a real estate broker or agent or a lender, usually an originator, who comes to the group education program and gives a presentation about what is the home buying process like or what is it like to get a mortgage and then gives some great information. What we ask is that—and there's nothing wrong with that occurring, but those folks have to be overseen by a HUD-certified housing counselor. And we ask that when you do have a guest speaker come in that they identify themselves generically and they say, I am a loan originator and I'm here to talk to you about the lending programs that are out there, but don't really identify themselves as from ABC Mortgage, let's say, and then hand out their business cards and say come to me for a mortgage. We don't want to see that, so it's important that the housing counselor oversee that part of the group education.

Finally, new agencies that are applying to participate in our program, they have to meet all of the housing counseling certification requirements at the time of their application.

We have posted a lot of frequently asked questions online. There are hundreds of them and we ask that you really take a good look at those.

They're searchable. We have a couple of examples here for you so you can see what to expect.

Right here: When is the certification exam going to become available?

We're going to publish a notice in the Federal Register that's going to announce that. We're hoping that it'll be available soon. Look out for that notice so that you can know when it's time to start studying for your exam.

Then another question that we sort of covered: Will HUD offer a practice exam prior to testing? Of course. We're going to offer practice tests and that will help you prepare. Like we said before, we'll also have that online study guide available for you with its practice exam materials. Then, just so that you know, all of those will meet 508 accessibility guidelines for those that need a little assistance under the Rehabilitation Act in order to access those materials, and the study guide is also available for download to multiple types of electronic devices. So, you can download the study guide onto your handheld device and carry it around with you and study it when you have the time to do that.

The exam costs, if you're going to a commercial proctoring site, will be about \$140. Online, to take the test, each time will be \$100. Again, those practice exams will keep these costs down. You can take that test as many times as you want as long as your money holds out, so take advantage of the practice exams and save money at the same time.

Here's where you can register to take the exam:

hudhousingcounselors.com. The website is up now with the study guide, but the rest of it will phase in once that Federal Register notice is published. There'll be all kinds of additional information on test locations and proctoring posted on that website once the exam becomes available.

Then another frequently asked question we've had, and these are kind of the greatest hits: When do you become certified? Basically, counselors and agencies need to be in compliance with the certification requirements 36 months after the date that the certification exam becomes available.

Here's some criteria on becoming HUD-approved if you're an agency that's not currently approved to operate in HUD's housing counseling program but maybe approved to operate in another part of HUD's program, such as CPD program. Here's some of our criteria, and that is

that you have to be a nonprofit or a state or local government, you must have at least one year's experience providing housing counseling, you have to have been operating for at least a year in the proposed geographic community that encompasses your agency's service area, and you have to have sufficient counseling resources in order to carry out the program. That's administrative capacity and financial capacity.

If you look on the HUD Exchange at that link, we've posted an eligibility tool that you can click on that will take you through step-by-step and allow you to evaluate your agency's qualifications. If you go through that eligibility tool and you feel that your agency is qualified for this program, then you can email us and we will pair you up with one of our application advisors and they'll help you and take you through the preparation of your application for program approval and help you get it into HUD so that you can be approved in a timely fashion. If you want to schedule an appointment with an application advisor, you only need email housing.counseling@hud.gov and then they'll take care of you from there. You will receive an answer within 24 hours of emailing housing.counseling@hud.gov and we'll get you set up with an advisor right away.

We have posted on the HUD Exchange a whole lot of resources for you on certification, a lot of frequently asked questions, links to the testing site, the eligibility tool, all kinds of things that you need in order to evaluate where you stand in terms of needing to become approved and then how to proceed. There's a lot of great frequently asked questions, especially about CPD programs, Continuum of Care and housing with people with AIDS and emergency shelter grants, block grants, disaster relief block grants which are super important, Home program and the Housing Trust Fund. If you review the Federal Register final rule on this, you'll see a list of the programs that are actually covered by this new rule.

Now I'd like to turn it back to Steve for some further comments from our CPD folks.

Steve

Thank you, Jerry. We appreciate you going through that. A lot of good information here in overview.

I think what we will do here before we turn the mics open to the audience here is the program offices will talk just a little bit about the why this matters, how this connects to the various programs we've been talking

here and why it's important that you all be hearing about this and share this if you have colleagues that are not able to participate.

We'll start first with the Home program because, of the four formula programs, this is the one where it absolutely applies if you are doing certain kinds of Home activities. It's sort of the most mandatory and we are at least briefly joined by Virginia Sardone, who is the director of the Office of Affordable Housing programs and is sort of running between meetings but dropped by for a moment, along with Bryce.

Bryce

My name is Bryce Edson. I'm an affordable housing specialist in the Office of Affordable Housing programs which administers Home and the Housing Trust Fund.

From the Home program side of things, of course the Home regulations require that all Home-assisted home buyers receive housing counseling and the housing counseling rule makes clear that, as of the final compliance date, this required housing counseling must be provided by a HUD-certified housing counselor.

As Jerry mentioned earlier, PJs [ph] do have quite a bit of time before that final compliance date so we would just encourage PJs to use that time to do some research on what housing counseling services are available already in your communities, see if there are any gaps in coverage that you would like to address and just begin to reach out to your partners and familiarize them with these new requirements.

By all means, please do take a look at the resources that were mentioned on the HUD Exchange. There are program specific FAQs for all the CPD programs.

One particular concern that we've heard from some corners in the Home universe relates to rural areas. I would just sort of underscore that housing counseling can be provided through internet modalities, via telephone.

There're some good models out there and if you have questions or want to learn more about certain models that people are implementing, we encourage you to reach out to the Office of Housing Counseling, which has a great deal of knowledge about what's worked in certain places if you have particular concerns.

If you were to look at the Home FAQ, you would notice that required housing counseling has to be by a HUD-certified counselor and also in cases where Home funds are paying for the counseling. For example, if a rental tenant were to receive housing counseling that was paid for with Home funds that would also be required to be provided by a HUD-certified housing counselor.

That's just an introduction to how this affects Home. I'll turn it back over to Steve to tell us a little bit more about how this affects CDBG.

Steve

Thank you, Bryce. With the CDBG program, because of the wide flexibility, the large number of eligible activities, the fact that housing counseling may be eligible under several different categories of eligible activities depending on the design of your program on what you're doing, there's no one simple answer for the CDBG program as to applicability. I have occasionally, half in jest, said the universal answer for the CDBG program is it depends because it really does depend here on exactly what kind of services you're providing.

Is it in conjunction with another activity? Is it actually being paid for as an activity delivery cost? Is it a standalone activity? How far into what

Jerry described as being the key elements of housing counseling, how much of that are you doing? Are you doing it as a public service? Are you touching on these sorts of things just as a loan processing as opposed to going all the way into these default range?

It's going to depend. There is no one simple answer. The FAQs that we've provided, I think, try to touch on that. There are certain things where clearly, if you are using CDBG money to pay for the counseling or if counseling is being provided in conjunction with an activity that's being paid for by CDBG, such as homeownership assistance down payment, even if CDBG is not paying for the counseling itself, it could well apply.

As Jerry said, it's sort of, are you touching on all the bases here? I believe it was back on slide 11 or so that it mentions—yes, slides 11 and 12, is sort of the full slate. We know a number of grantees are doing as a public service something that kind of approaches housing counseling but it may not quite be there. It's often called housing counseling in the past. I like to think of it in this way, just to make sure I understand this, I tend to think of it as if it's housing counseling now and it's subject to the rule, think of it as though that term is now Housing Counseling. That term now means something very specific.

So, there's a little bit of a mental language adjustment that I think all of our grantees may have to make in that calling it Housing Counseling henceforth is going to trigger to other people that you're talking about housing counseling provided by a certified housing counseling agency and certified housing counselor.

If you are doing things that you might have once called housing counseling but it's more generalized, it doesn't go that far, it is basic financial literacy classes for people in general without going into individualized budgets, if it's a general class on is home ownership right for me and it's open to everybody in the city, that by itself is not really housing counseling if you're not going into detail or if you're doing loan reviews and underwriting because you're under a housing rehabilitation loan program. As we pointed out, that in itself is not housing counseling as it is defined here.

You are probably going to be have to start calling it something a little bit different, housing education, information and referral. Right now we're not really specifying the terminology, but be cautious about not calling it housing counseling if it's not really Housing Counseling.

At some point in the IDIS system, for the CDBG program, we are going to make some changes. We have to get through the queue. We have to get the money lined up to make the changes. We will create special IDIS eligibility activity codes specifically for certified counselor-presented housing counseling. We will change the names of some of the existing activity matrix codes that are talking about housing services of various kinds to make clear that those are not housing counseling.

So, you're going to have to be careful, and just because the rule now says that if you're carrying out housing counseling now it must be done by a certified counselor in an approved agency, that does not mean that you must change your program to be that or discontinue it. You may well be able to continue the program just as you're running it because that's what you want and that's what the neighborhood needs. It's really a matter of making sure that you're not calling it housing counseling and you know maybe you have to sort of limit exactly what you're touching on if you specifically don't want to go into the housing counseling.

On the other hand, we would be delighted if more grantees decided it is worth their while to go the rest of the way, if you will, the next step and

upgrade a program they're running now into Housing Counseling.

Because, we are very supportive of the ends of this process and as you saw from the slide there are many benefits to the participants and the beneficiaries.

Let me turn it over now to Kate Pittinger with the Office of AIDS Housing and she can talk a little bit about the applicability to the HOPWA program.

Kate

Hi there, good afternoon. As Steve said, my name is Katie Pittinger and I work with the Office of HIV/AIDS Housing. So a little note about housing counseling for HOPWA grantees.

When you're providing housing location and placement services to HOPWA clients that's incidental to a larger set of holistic case management services, these services do not meet the definition of housing counseling and therefore would not be required to be carried out by the certified housing counselors.

This would include the services typically associated with permanent housing placement and housing information services. However, there may be instances where housing counseling as defined here is being provided

as an eligible activity under HOPWA. For example, if a program participant is receiving housing counseling as a separate specialized service where the provider is reviewing financials to determine if the client should rent or buy or some of the other services that were described earlier in this webinar, then it would be required that a HUD-certified housing counselor working with a HUD-approved agency would be required to provide those services.

As some of the other folks mentioned, there are FAQs online specifically relating to housing counseling and the HOPWA program. And in addition to the housing.counseling@hud.gov e-mail address, you can also submit some of the questions through the AAQ, the Ask A Question portal, and just to note that they're going to the HOPWA folks and we can answer specific questions about how housing counseling relates to our program.

Steve

Thank you, Katie. Let's now bring in Brett Esters. She's a long-term employee of the Office of Special Needs Assistance programs which handle the full suite of Homeless programs and there are some unique twists on this relative to the Emergency Solutions Grant program and some of the others.

So Brett, why don't you fill us in?

Brett

Great, thank you so much. I think due to the nature of our programs a lot of the work that we do is finding people housing to rent, and as Steve said, there's going to be a difference between capital Housing Counseling and lower case housing counseling. For our program, most of what you do as providers is not going to be covered by the Housing Counseling.

As with the HOPWA program, when looking for housing and looking at someone's budget and helping them with the life skills that they need or understanding what they need to do to maintain an apartment and not be evicted, when that's all kind of bundled together into a holistic sometimes case management, sometimes a little bit broader than case management package but where it really looks at the whole person and everything that they need to obtain or maintain housing, that's not going to have to be provided by a housing counselor in accordance with the regulations that you've learned about today.

There may be a few small cases where it might be if you're helping somebody move on from assisted housing and you're looking into home ownership opportunities for that person or perhaps if you've completely

contracted out your housing counseling work to an agency that doesn't necessarily look at the whole person and what they might need once they get into housing, then it might be covered.

But if you are a case manager or another type of provider, even if you're charging it to the housing search and counseling budget line item in your grant, what you're doing is likely not to be covered and need to be carried out by an approved housing counselor.

But again, if you have questions, we also have an Ask A Question on the HUD Exchange and I would encourage you to submit those questions.

We can look at the specifics of what you're carrying out and whether or not it would be covered.

Steve

Thank you. I think now we're ready to go to questions and answers and turn it over to you. So Jerry or Ginny, why don't you tell people what they need to know about asking questions?

Jerry

All right, Steve, and thank you for all that great information.

Ginger and Jamie, I think we're ready to open up the lines for questions and answers. Jamie will be handling your online questions, and Ginger, if you could advise the operator to open up the lines and let's start fielding some questions.

Virginia Okay. Daniel, will you please open the lines and tell them how to ask their questions? Thank you.

Moderator Certainly. [Operator instructions].

Jerry All right. While we're waiting for a phone question to queue up, Jamie, do we have a question on the webinar itself that we could start with?

Jamie Sure, Jerry. I'm scanning through the questions now and the first question that I've run across I think we may have already talked about and that was how our Continuum of Care is impacted. If I believe the answer to that was that similar to CDBG it depends and we were encouraging folks to look at the program specific frequently asked questions.

Jerry Absolutely and also check with your program contact, your point of contact, your GTR for your program if you have one and they can assist

you. Also the CBD customer service e-mail and housing.counseling@hud.gov can also help you find the answer to that question.

Let's just move on to the next question.

Jamie Sure and while we're waiting for that queue, we have a question that says, "We don't have a housing counseling program but we do offer housing case management that includes but is not limited to budgeting, referral, guidance for applying for housing programs. Can we still be eligible to provide HUD counseling?"

Jerry Well, that's entirely possible and what we would encourage you to do is to go on to our website at the HUD Exchange and explore the housing counseling eligibility tool to see if your organization meets some of the qualifications that are highlighted in that tool, and then schedule a talk with one of our application advisors at housing.counseling@hud.gov. And then we'll give you some one-on-one personal service to help you determine if applying and becoming approved as a HUD housing counseling agency is really in line with the services that you're offering.

Steve

Again, I think it's useful when you pull up the slide deck here, go back to slides 11 and 12. They really talk about what is housing counseling.

What I heard from that question are a number of things referrals, basic education, maybe some basic how to run a household budget.

My sense, and my colleagues here from community planning development say all of those things by themselves and if you're doing those services individually but you're not taking it down to an individual level where you're providing one-on-one tailored assistance to the participants, it sounds like that kind of stops short of being housing counseling as covered under this rule.

But you also are providing a wide range of things. So I can see where you might think well, we're touching on a lot of these. I think it's also a matter of how far down, how much detail you're going into with the individual people.

Jamie, Ginny, Jerry, etc., any comments you want to make on what we're saying?

Jerry

Well, sure, you're exactly on point. The slide, I ratcheted back to that slide and we're talking about things like budgets and financial analysis, action plans and referrals to the relevant resources.

Now, if you're still unsure, just get in contact with us and we'll talk to you in more depth on a one-on-one basis. We're here to help you and help you figure this out. We want to make sure that you make the right decisions for your organization so please reach out to us and feel free to contact us to get more information on this.

Next question please.

Jamie

Sure, there is a question pertaining to the Continuum of Care program.

This is a little bit more specific program-wise. The question begins—it's also a two-part question. The question begins with, "Does a HUD Continuum of Care grantee need to provide certified housing counseling as an SSO or permanent housing for persons with disabilities shelter program grantee?"

Again, unless the program has additional comments at this point in time, we'd refer you back to the Frequently Asked Questions that pertain to those specific programs.

The second part of the question is if so, if you're required to provide certified housing counseling programs in conjunction with the Continuum of Care, there's a question about are the testing costs eligible grant expenses for the Continuum of Care program.

Jerry Steve, I think that one is for you. I know that on the HUD housing counseling grant program it's eligible but you'd have to be approved to get the grant in the first place. So this really refers to COC grant funds.

Steve Yes, I'll let Brett answer that perhaps a little more specifically to the Continuum of Care program. I think in general, in terms of the eligibility of paying for the training, training your staff is on carrying out the specific duties of the funding is going to be an eligible cost. Exactly how you call it is going to depend a little bit on the program. In some cases it may be part of your general program administrative cost budget which is usually limited to an overall.

If you're training somebody specifically to run a very specific program, you're going to get somebody housing counseling certified because they are running this specific program already that could in some cases be more a cost of that particular activity. And everybody's sort of nodding their heads around here.

Since there's some sort of angle specifically to COC, do you want to comment?

Brett

Sure, my gut tells me that for most COC assistance, similar to ESG, it's not going to be covered because it's going to be included in this more general case management helping the person move into housing and then maintain that housing once they're there. Should there be one of the small circumstances where it would be covered, then I think you could make the argument that, as Steve said, it's directly related to carrying out that activity for that grant and could be charged to that line item.

Bryce

And to piggyback on that, regarding cost eligibility from the Home program side of things, the cost of the housing counseling would be eligible as a project soft cost if the recipient of the counseling were to end up as an assisted home buyer. Also the cost of the examination and the

cost of assisting organizations to become approved agencies would be an eligible home admin cost.

Steve

And in certain cases for the CDBG program, if you are the grantee, you're a city, a county, a state, you're the one receiving the grant directly from HUD and you are passing the funds on to a nonprofit who's carrying out—a sub-recipient carrying out the activities, there is a provision in limited circumstances, very limited circumstances, where you can provide funds for capacity building to nonprofit groups.

Now, that is not just general how to keep this nonprofit group in business and keep them running. If they are already running a program with your funding from one of our programs and you determine that clearly it is now going to be subject to this certification rule and thus the staff from the nonprofit needs to get certified at least in the CDBG program, if you are providing the money for them to get certified to run this specific program that you're already funding, that may be eligible as a capacity building cost. You might be able to provide the money to have your nonprofit sub-recipient staff get the certification. Otherwise it may have to be a general program administrative cost.

- Jerry Thank you, that was a great answer. Ginger, I'm wondering if we have any folks queued up on the phone.
- Moderator We do have a question from the line of Lisa Angermeier. Lisa, your line is open.
- Lisa Just to follow up on what he just said, can you explain the difference between those two the compatibility building cost and how that applies to the people we currently have doing housing counseling and the other one you said?
- Jerry Steve, I think that one's for you.
- Steve Yes. One difference is, who is carrying out the activity. If you as a grantee, as a city, as a county are carrying out the activity—
- Lisa No, it is one of our sub-recipients.
- Steve All right. If they indicate well, it would be helpful for us to get certified, because we might want to go into that in the future, that's not really capacity building so that they can carry out a specific activity. That's sort

of helping them grow. Maybe it makes them a better organization and better equipped to carry out additional things in the future, but they're not being trained specifically so that they can carry out an activity that you or somebody else is clearly going to be funding.

Lisa But they're certified already.

Steve If they're certified already, if you wish to provide funding to them to carry out the activity, you certainly can do that.

If they are now certified, you will want to make sure in your sub-recipient agreement that you make it very obvious that this funding that you're giving them is subject to the housing counseling rule, that they must maintain certification and that the agency must be approved and that they should be reporting to you on the number of people being assisted under your normal reporting requirements. You will need to make sure that that's very explicitly covered in your agreement with them.

Lisa And it is and they do provide that information today.

Steve

Good. If they're already doing something and they're already certified or they're already planning to be certified or if perhaps the agency—maybe the agency as a whole is HUD-approved and some of the people are certified but you're realizing well, actually everybody ought to be or everybody except the receptionist and the finance people or something, yes, you could pay using program costs to pay for the rest of the staff that are actually carrying out the work to be certified as well.

And you could always charge that as a general administrative cost. I think you should think, as a CDBG program grantee, all of you, that the default is it's going to be eligible as a general program administrative cost. There are certain situations more narrowly defined where it may be eligible as an actual activity delivery cost or as capacity building or technical assistance. I would say don't assume that it's one of those more liberal provisions to start with.

Talk to your field office, community planning and development representative staff, read the frequently asked questions, I know we keep sort of hitting on those, but we spend a lot of time trying to get them worded just so to be as helpful as possible. It doesn't mean they're going to answer every question but look at those, talk, make sure, you are always

best advised to ask questions in advance, raise any concerns rather than asking questions later after you've already been funding the activity for nine months.

Lisa Okay, thank you very much.

Steve Thanks for the question, too.

Jerry All right, thank you, great information. Do we have another question on the line that we could field before going back to the online questions?

Moderator We do. [Operator instructions]. Our next question comes from the line of Michelle Martinez. Please go ahead.

Michelle Hi. We have very limited home funding and our CDBG funding has been cut. So is there a way to apply for HUD housing counseling? Is there a grant or is it like you said we use our admin to cover this expense?

Jerry That is a great question. Yes, there is a HUD housing counseling grant that occurs annually. We just announced our supplemental funds for FY '17. An agency, however, has to be approved in our program prior to the

announcement to qualify for that year's funding, so you would be getting to work on your application for funding in FY '18 if you started right now to get HUD-approved.

Steve, I don't know if you have anything to add?

Steve No, I don't think we have anything to add here. I think you've described what needs to be said about the housing counseling program well enough.

Jerry All right, very good. All right, next question from the phones before we revert back to the online.

Moderator Certainly. We have a question from the line of Sheila Walker. Please go ahead.

Sheila Hello, can you hear me?

Moderator Sheila, your line is open.

Sheila Okay. Mine is going to get a little more complicated, I think.

I actually am a certified housing counselor through Fincert. Prior to that, I was a mortgage originator for 23 years and then I came here to the Housing Authority. I've been here for nine years basically in the role of home ownership program coordinator back when there were Roth homeownership monies available.

Since then that money's kind of gone away and I've assumed other responsibilities. There for a while we actually continued to keep our HUD housing counseling designation, but because the funding for that program was so small and then of course the reporting requirements and the need to purchase a database that would interface for the reporting and all that, we basically gave up our designation about three or four years ago.

The problem is, or I guess the question is, I am really the only entity in town that is still offering face-to-face home buyer education-type classes. Therefore, a lot of the local banks and Habitat for Humanity and different programs like that rely on my program for their requirement. I don't have a problem with taking the certification, all that kind of stuff again, but the issue I'm having is getting back into that carrying the HUD designation and all of the reporting and tracking and all that that goes along with it.

Is that going to create an issue for all these other organizations that I'm providing this service for?

Jerry That is a great question and I'm really thrilled that you're able to provide home buyer education and your credentials are obviously really great.

Now, to speak to your question, you left our program you said about four years ago and we've had some changes since then. There's been some streamlining and some program improvements. So if you decide that you want to come back, you may find that the program runs a little bit better. One of the things that we do assign a point of contact to each and every agency that gives you a HUD person who becomes your go-to person to help you through the rough spots.

There is reporting, we have a quarterly report on Form 9902—

Sheila I hate that form.

Jerry I was expecting that. But you can do it through your CMS system and there are some CMS systems out there that are free and we could help you find one of those. So there's a lot of resources to help you, maybe more so

than ever before. So we'd ask you to come back and take another look and see if this program fits in with your agency's goals.

Sheila So I guess the answer there is unless I do take the designation back, then my affiliates are probably going to have to find their education elsewhere.

Jerry Well, we'd love for them to be part of our network and be able to qualify for grant funding. That's a decision that you have to make and like I said, we'll help you through it. And if not, if there's funding available elsewhere then hopefully you'll be able to cover the cost there.

Steve This is Steve Johnson. I'm hearing sort of a secondary question that may not necessarily be right on top of what was being asked. It sort of gets to if a number of other agencies are essentially contracting with the Housing Authority in the case of this woman, basically they're hiring her or using her to be the housing counseling person on their behalf, what does that mean about—let's say it's the City of Pleasantville or Upper Wood County or the State of Pleasant or whatever it is, and they're all going to you saying here, we'll send our clients to you, we'll pay you for the housing counseling services. What does that mean in terms of that city?

Do they have to be an approved agency as well? Can you sort of tease out that part of the answer a little more?

Jerry

Yes, that is a really good question also. Remember that under this rule, if you're providing something that looks like housing counseling, the full cycle of housing counseling, and also take into account those third-party funders, those city agencies, those state agencies, other federal programs that may have in their requirements for their funding, for their grant that the service must be provided by a HUD-approved housing counseling agency using certified counselors, then in order to continue providing those services to those other parties you may have to come in and get HUD-approved.

Sheila

Right. And that's the reason why I'm on this webinar because that's kind of what it looked like it was to me. I'm just concerned about having the funding to be able to do the reporting and tracking and everything. You're saying it's more streamlined now and I pray it is.

I don't have a problem with the certification and all that, but all the tracking and reporting just really was cumbersome for no more money that

we had. We couldn't really hire an additional staff person to—do you understand what I'm saying?

Jerry Absolutely, I understand. It's something that I've heard from other organizations and—

Sheila Then let's fix it.

Jerry We're working on it and we'll help you through the rough spots.

Sheila So why don't you tell me what I need to do? Get a hold of one of you guys and you'll tell me who I need to talk to?

Jerry Exactly. Send an e-mail to housing.counseling@hud.gov and ask to speak to an application advisor and they will start the ball rolling for you and we'll get you started on deciding if you want to return to the program.

Sheila Okay. Thank you.

Jerry You're welcome.

Steve

And one other little point because I think I heard a little bit, too, of okay but there's certain administrative costs to doing this. As the Housing Authority if you're doing this as sort of a per unit cost or contract for service for other governmental agencies or nonprofit groups, you would be within your bounds, and I would assume your finance people would certainly be advocating for this, if you're having to do the reporting and other costs, those administrative functions on behalf of the other agencies well, you don't just have to bill them for the hours and the materials that you actually spend training people. You should be able to build in the fact that you're carrying out their share of the reporting and the general administrative costs, too. You ought to be able to build those into the charges that you're—the bills you're sending to the agencies that are helping pay for this.

Sheila

Well they [audio disruption] doing it. I'm keeping the home ownership program going on a donation basis right now because I've got several banks that I'm really good partners with and this and that. It's almost like a community service that I'm providing so I just may have to re-look at that.

Steve I can see where banks would be particularly interested in helping fund that. I mean it's good for them, it brings better qualified clients to them perhaps and there's a certain good neighbor optics from their perspective.

Sheila Right, right. Okay. I won't take up any more time. Sorry, everybody.

Jerry No, no, no apologies needed. Those were great questions. Thank you. Jamie, let's return to the online questions now and give those folks a chance.

Jamie Sure. The next question I have pertains to the Emergency Solutions Grant program and Continuum of Care and it's asking whether the training is applicable to grantees for ESG and Continuum of Care rapid rehousing programs. It goes on to state we've included funds in our past and current budgets for housing counseling but I think it should be for case management. Please advise.

So it looks like the question is saying what should we do if we've called it housing counseling in the past, but it may not meet the requirements of the capital Housing Counseling definition now?

Brett

Great. This is Brett again from the SNAPS office. You shouldn't move it in your budget. In your ESG and your COC budgets there are very specific line items for case management and there's also a budget line item called housing search and counseling. And the things that you charge there are very detailed and laid out in the regulations. It's just when they're all tied together, no matter where you charge it, they create this more holistic package that you provide to a person.

I won't say that the capital H, capital C, Housing Counseling rules will never apply to a rapid rehousing project but the likelihood of them applying or when they would apply would be very narrow. So particularly if you're combining that housing search along with other case management and other referral that would fall under the case management budget line item along with some mediation that might fall under the legal services budget line item, it's likely not going to be covered by the requirements we discussed today.

Jerry

All right, thank you. Jamie, do we have another question from the online?

Jamie

We sure do and this one may pertain to a little bit of everybody of the speakers on the phone. Must we have a HUD-certified counselor at each

of our facilities? And this questioner mentions transitional or permanent housing, ESG, Continuum of Care and CDBG funds. So it seems like the question is targeted to whether each facility has to have a counselor.

Jerry

Well, that's a really interesting question because to maintain HUD approval 36 months after the date that the exam commences, so that's pretty much the end date for meeting the requirement that you have to have a HUD-approved housing counselor on staff, our program only requires that you have at least one HUD-approved or HUD-certified housing counselor at each HUD-approved agency.

Now, that is a minimal requirement and in order for the services being carried out at the various branches of your organization to be counted on your 9902 report, those will have to be done by HUD-certified counselors. So we strongly recommend that all of the staff that are providing these services become HUD-certified.

It would be kind of implausible if you're seeing thousands of people that one person be counted as the counselor who saw all those thousands of people. That's simply not a believable report. So it's probably advisable

that all the folks that are doing counseling, in order to count what they're doing for full credit on your various reports, be HUD-certified.

And for the second part of the question I think I'd turn to Steve.

Steve

Yes, we would make, I think, a similar comment and I think it may matter a little bit on the scale here, the size of the area.

If you have one group, I don't know, Volunteers of America, whoever it is, who is operating four different housing programs at four different buildings all in the City of Columbus, Ohio, they're all one agency as Jerry just said. You have to have one person and the agency has to be recognized. On the other hand, as Jerry pointed out, if you only have one person serving a thousand people, that's not going to be workable.

Also, if you're a regional organization and you have four housing units: one of them is in Milwaukee, Wisconsin; one of them is in Superior, Wisconsin; one of them is in La Crosse, Wisconsin; and one of them is in Green Bay, unless the housing counselor is prepared to drive all over the state of Wisconsin again and again and again to serve all those people there you might need a separate counselor in each location because each of

those cities is three or four hours apart from the others. It may be a matter of just scale and what's practical.

Jerry Excellent answer, thank you. Jamie, let's field one more from the online and then we'll return to the phone lines.

Jamie All right. I think this question actually is a good follow on to the last question. The question is, "Can you provide a list of acceptable online housing counseling venues?"

Jerry Acceptable online housing counseling venues? I'm not sure about the detail on that one.

Jamie Sure. That's all the question has, but I'm thinking there could be two approaches to answering it. One would be there are certain housing counseling online courses and it seems like the question is asking whether an online course in and of itself is an acceptable option for our housing counseling program. Another interpretation could be to talk about what kind of options a counseling agency can use to provide services that are not face-to-face.

Jerry

That is a really good question. I think it's really geared towards the technology that's available out there. There are a lot of great online courses that are available to people and many of our housing counselors avail themselves of those courses rather than hold a classroom session they will direct a client to one of the online services.

But in order to count it as housing counseling, there has to be the availability and the ability of the counseling agency to offer that one-on-one counseling so that the full cycle that comprises a unit of housing counseling, the entire home ownership process plus all of the things like client intake and a budget and an action plan and client follow-up with outcomes, is all done as well.

So the online course is part of it or the classroom course is part of it, but it's also that one-on-one interaction that makes it housing counseling.

All right, and I think now, Ginger, could we return to the phone lines?

Virginia

Sure. Daniel, do we have more calls?

Moderator

There are actually no further questions in queue.

Jerry Okay, so we can go back to the online questions. Jamie, do we have another question?

Jamie Let me scan and see if I can find something we haven't talked about yet. Here's a great question. "Is there a list of what agencies are HUD-approved housing counseling agencies?"

Jerry Yes, there's a list on HUD's website that will show you all of the HUD-approved housing counseling agencies in all 50 states plus territories and if you got to hud.gov you'll find a link to that on the front of hud.gov's page. Also, if you go to our webpage at the HUD Exchange, you can also find that very same link online.

Jamie, do you have another question?

Jamie Sure. We have a questions about whether local government employees need to be HUD-certified as well as agency staff.

Jerry

That is also a great question. The answer to that is if they're providing housing counseling, then they should come in and get certified so that the clients that they're seeing can be counted on their reports.

We will help local government entities through our approval process. It's a slightly different approval process than that we do with a nonprofit. For instance, a local government entity doesn't need a 501(c)(3) and there's a couple other minor differences as well. If you're working at a local government agency just e-mail housing.counseling@hud.gov and we'll pair you up with one of our application advisors and they'll talk you through the whole process.

All right, next question. We'll do maybe two or three more from the online questions and then if there are no further telephone questions then we can wrap up because we're starting to run into overtime.

Jamie

Okay. There's a question about can entitlements such as local governments become HUD-approved housing counseling agencies.

Jerry

Local government entities certainly can become HUD-approved housing counseling agencies. Just like in the last response, let's start talking to you

through our application advisors and we'll help you sort out where your program is in relation to needing to become HUD-approved and get the ball rolling with you. Next question.

Jamie There's a question about the frequently asked questions that we have posted. One of the questions or comments is are there program specific frequently asked questions to let other HUD program participants know how the certification requirements apply to them.

Jerry Great question, and the answer is yes. There are whole sections relating to other HUD programs and we encourage you to go to our website and explore those questions and read the answers. And if you still have questions, feel free to e-mail us.

Steve If you go to the HUD Exchange and pull up housing counseling, there's a drop down menu for program specific housing counseling FAQs and you can drop down and pick whichever program you're talking about be it family self-sufficiency or Continuum of Care, HOPWA, Housing Trust Funds, CDBG, basically every HUD program that could be involved there's a program specific set of questions is my sense.

Jerry Exactly right, Steve. In addition to that, every time you ask us a question, we review it and we're constantly building even more frequently asked questions on that site so hopefully with your help we'll be able to add to those questions and hopefully reach everybody and answer everyone's questions through that site. But again, if you can't, feel free to e-mail us and we'll take your questions one at a time.

Jamie, next question.

Jamie If an agency's not a HUD-approved counseling agency but participates in a member of an agency approved to participate in HUD's housing counseling program like a member of a state housing finance authority's counseling network, can that agency continue to provide housing counseling?

Jerry That would be a question, really, that relates to the affiliation under our program. If the housing finance agency or intermediary is part of HUD's housing counseling program, they can evaluate your agency's qualifications and if they find that your agency is qualified, they can add you to their network. That would enable the counselors at that affiliated organization to be able to take the exam for certification. Next question.

Jamie There's a question about whether an agency would need any additional equipment to take the housing counseling certification exam online.

Jerry That's a very good question. You will need a webcam and you may need a speaker and microphone. There may be an ability to log in on a conference call line. We'll have more information about that when the Federal Register notice announcing the start of testing becomes available. But those are probably the minimum—and a computer, of course—those are probably the minimum items that you would need. Next question, please.

Jamie I'm scanning to see if we have some different topics we haven't already answered.

Jerry Okay. And while you're doing that, Ginger, do we have any other questions on the line that may have popped up in the interim?

Virginia Daniel, can you answer?

Moderator We do have a question from the line of Kevin Nolan. Please go ahead.

Scarlett

Hi, my question is actually more of a clarification situation. My agency is currently not HUD-approved. I personally have all the requirements to go ahead and conduct counseling and my program basically focuses on the one-on-one credit counseling and the first-time home buyer's classes.

My program is open to pretty much anybody that would like to go ahead and learn from the program, whether they're the elderly, the homeless, and so on. My question is, maybe I'm just misinterpreting, but it is my understanding from one of the presenters that the education for the homeless will be a component that will be required.

So my question is do I have to modify my program to include such components or should I continue operating as usual, fill out my application and hopefully get the approval?

Jerry

Well, I think if I could clarify, are you currently offering homeless counseling right now?

Scarlett

It is open and in the two-and-a-half years that I have been with this organization I have never been approached by a homeless person.

Jerry Understood. Well, there's no—

Scarlett My—I'm sorry for interrupting you. My organization is basically Latino-based so 90% of the customers that I get to see speak Spanish. The other 10% they speak English but I have just not encountered a situation like that. I have assisted clients with foreclosure situations and any kind of housing-related issue.

My question requiring the clarification is do I have to modify the program to now include that as a separate component of the program or should I consider my program a housing activity program and not a housing program?

Jerry Sure, sure, and it's a good question. We are requiring on the test that you learn about homeless programs and be able to help clients in the event that you have to make a referral. We're not requiring from a program point of view that you must offer all of the different kinds of services. Your agency can certainly specialize, but should a client not limited to a homeless but let's say a reverse mortgage client or some other client seeking maybe rental help contact your agency, what we want is a certain

level of proficiency that allows you to make an informed referral for that client.

Scarlett

And as a matter of fact, I have been doing that because my program is basically a one-person operated type of program. I don't have the capacity and I have been sending referrals to other organizations that I know can actually assist them better than I would. So would that referral base suffice that requirement?

Jerry

Well, certainly. I think that the referral is the best option for your organization and to have partnerships within your community to move clients to where they can get the best service is really a good way to go. So you won't have to change that as part of your process to become HUD-approved and a HUD-certified counselor.

But again, I'd like you to avail yourself of the support, the technical assistance that we have for you by talking to one of our application advisors. They can go into a lot of detail with you on this and hopefully get you to the point where you're ready to submit your application.

Scarlett

Thank you so much for the clarification.

Jerry Sure, you're welcome. Do we have another question on the line?

Moderator We have a question from the line of Patty Pope. Patty, your line is open.

Patty Thank you. This is for clarification on the use of CDBG funds for the purpose of paying for home buyer counseling or for home buyer what may now be termed as just home buyer information and this is through when an invoice is presented and is listed on the settlement statement of closing and through our down payment assistance program we're paying for closing costs. So can we use CDBG funds to pay for the cost of home buyer information? Maybe that information does follow and they're giving all the necessary information of what might be considered home buyer counseling, but that counselor is not HUD-certified. Can we use CDBG funds to pay for that?

Steve Yes. I think the question here may be the nature. Is it home buyer specific or is it more individual specific? If so, yes, the cost of providing whatever level of services to that individual person can be a part of the activity delivery cost associated with the home buyer assistance that you are providing to that home buyer.

Patty Okay.

Steve Now, if it's more general stuff, and you're doing big picture general classes, like the city I live in does sort of a 'Is condominium living right for you' kind of class, if it's just open for everybody no you can't just say all right that was \$100,000 and we had a hundred clients so we'll just charge \$10 to each. You can't split it out that way.

Patty These are nonprofit organizations that do have counselors that actually were certified maybe through the state agency or through NeighborWorks doing what was termed as fast track counseling so they do cover necessary the six or seven topics that are usually covered directly for someone purchasing a home, which would include maintenance and even should they get into problems with foreclosure, that type of thing. But they are not HUD-certified. Just want to be certain that we can use our CDBG dollars to pay for those services when we're billed on that settlement statement as closing costs.

Steve Yes. There are things that may still be eligible even if they are not housing counseling as defined under this rule now that you may continue

to fund and this doesn't really change how they're eligible or the allocability of that cost.

Patty Okay, just wanted to clarify that. Thank you.

Steve Glad you asked. And actually I have a question for those of you at housing counseling that the previous caller sort of triggered. She was mentioning that her clients 90% of them are Spanish speaking. You've indicated that the training and the materials are available in both Spanish and English.

What should someone do if they have a large population of some other nationality or some other language? Vietnamese or Urdu or whatever it is, obviously we can't provide translation services for 175 different languages around the world, but there are communities that have a real concentration of a particular group that may be a good target population. What can they do or is there anything that you're looking at doing in the Office of Housing Counseling to make information available in more languages?

Jerry That is a great question and when we refer to English and Spanish we refer to the test for the counselors itself being offered in both languages. But

we have counseling agencies that serve a lot of limited English proficiency populations, many of the languages that you said and a lot of others, too.

Those counseling agencies on our website will identify themselves with the languages that they speak along with the programs they serve. So a client can go to an agency in their community that speaks the language that they speak. Very often the counseling agencies because they're [indiscernible] will hire counselors who speak the languages that are commonly spoken in that community.

Now, there are cases when clients come in speaking a language that is not spoken at that agency, and there are some interpreter programs out there that counselors can avail themselves of. And as a very last resort, sometimes clients will bring a family member to the counseling session to help translate for them. There's a lot of ways to reach clients with limited English proficiency and our counseling agencies are very adept at doing that as well.

Is there another question on the phone line before we return to the online queue?

- Moderator There are no more questions from the phones.
- Jerry All right. Jamie, let's do two more questions from the online queue and then we can wrap up for today. Our folks have been on the line here for almost two hours now and I think that we may exhaust all the questions pretty much maybe with the next couple.
- Jamie All right. I have a question that is asking about specific applicability of the counseling requirements to certain segments of both the home program and the CDBG program. I'll start with CDBG first and the question asks about the applicability of housing counseling certification to the minor repair CDBG eligible activity.
- Steve Every program is uniquely designed, I would say. We have 1,200 grantees and probably 1,500 different program designs. So it's impossible for me to say absolutely always or absolutely never because somebody can design something that will sort of defy what you would expect.
- I would think that generally a minor home repair program or an emergency repair program is not likely to be something that a community is also providing extensive housing counseling on. Most minor repair

programs tend to be a deferred loan or an outright grant. They're often limited to a couple thousand dollars, maybe a \$5,000 or \$7,500 limit. Sometimes it's limited to just fixing a particular thing. The Widow Jones' roof is leaking and her hot water heater is leaking so you replace the roof and the hot water heater and that's all you do.

Maybe you're providing some sort of additional housing information for her. Maybe you're providing her pamphlets about reverse mortgages or other resources. But my guess is if you're only doing a minor housing repair program you are probably unlikely to be providing extensive, detailed, individualized home ownership assistance counseling or housing counseling as viewed by this rule.

Jamie Thanks, Steve. And the portion of the question that relates to the home program is asking about the applicability for homeowner rehab using home funds.

Bryce My inclination is to say that the requirement to receive housing counseling by a HUD-certified housing counselor does not apply in the case of homeowner rehab. The regulations only specify that home assisted home buyers receive housing counseling provided by a certified counselor.

Steve

I could imagine, though, for any of these programs that someone may have a pretty sophisticated program design and they're using the home money or the CDBG money just to pay for rehabilitation. But it's sort of a combination acquisition and rehab or homeowner assistance.

The Neighborhood Stabilization program of days gone by did this where maybe you're providing, there's some other source of financing that's providing the assistance for somebody to buy the house, a state bond financing or something. And then as part of that home dollars are being used to rehab the house that the people are buying or CDBG. In that case, if it's really all one big program that you've sort of been able to package a bunch of different funding sources together to pay for individual pieces then I think you need to be more careful because it probably would be saying yes, but there's housing counseling being provided to clients in conjunction with the home or CDBG funded housing rehabilitation.

There I could see where the answer might be yes that needs to be done by a certified counselor through an approved agency.

Bryce Yes, I would just add that in circumstances where if it was strictly a homeowner rehab activity and the beneficiary is being assisted with an amortizing loan, for example, even if it weren't required it might certainly be appropriate to recommend counseling or to provide it just to go over the financial impact of that decision.

But I agree with what Steve said, there could be all sorts of program designs, acquisition, rehabilitation certainly that could be required and it depends on the mix of funding.

Jerry All right, thank you for that answer. Jamie, let's field our last question from the online folks.

Jamie Sure, Jerry. There's a number of questions that all seem to have the same kind of slant to them. They're from units of government or other entitlement grantees that may personally through their staff provide services that might be considered Housing Counseling with a capital H, capital C. And they're talking about how can they be certified if they don't work for a housing counseling agency.

Jerry

Well, we would encourage the government entity that they work for, be it local, state or federal, to come talk to us about becoming a HUD-approved counseling agency.

The other option is to partner with a HUD-approved housing counseling agency in your community to provide those services for you. But for those folks at local government that are doing housing counseling that want to become HUD-certified, the best route is for their agency to come in and get HUD-approved.

And with that, I think we are going to close out the questions for today.

Up on the screen is where you can find us HUDEXchange.info/counseling.

E-mail us your questions at housing.counseling@hud.gov. If you would like to join our Listserv and get information about HUD housing counseling programs and especially notification on certification, you can send me an e-mail and ask to join our Listserv and if you have any other questions that you'd like to ask, you're certainly free to e-mail me there as well.

With that, that will close out today's presentation and I want to thank all of you for joining us today. I especially want to thank once again Steve

and all the great folks over at CPD who joined us today and answered your very detailed questions on their programs.

And with that, I will turn it over to Ginger to close us out.

Virginia

Okay. Thank you everyone for attending. You will be getting as I said the e-mail with your certificate of training so watch for that. And again, as Jerry said and Steve, thank you for attending today's webinar.

Moderator

That does conclude our conference for today. Thank you for your participation and for using AT&T Teleconference. You may now disconnect.