



## Final Transcript

### **HUD-US DEPT OF HOUSING & URBAN DEVELOPMENT: Final Rule for PIH Agencies**

April 20, 2017/2:30 p.m. EDT

#### **SPEAKERS**

Lorraine Griscavage-Frisbee  
Anice Chenault  
Brianna Benner  
Bill McKee  
Virginia Holman

#### **PRESENTATION**

Moderator            Welcome to the Housing Conference Certification. At this time, all lines are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. As a reminder, today's conference is being recorded.

I'd now like to turn the conference over to your host, Lorraine Frisbee.

Lorraine              Thank you, Amy. Good morning and good afternoon, everyone. Thank you for joining us, and I apologize in advance. We are having some technical difficulties. We're having problems getting our GoToWebinar started.

What that means is we're going to have to, for now, conduct this the old-fashioned way. We did, in fact, send you earlier today (if you were registered for the call) a copy of today's PowerPoint. I'm going to give everyone a moment to find that e-mail and open up that PowerPoint

presentation, and we will go through it as a conference call. If we can get GoToMeeting up again during the presentation, then we'll go back to using the system.

We are going to ask that you hold your questions until the end of the presentation. At that time, we will open up the phone lines and answer all of your questions. So, again, welcome this information about HUD's certification program for Housing Counseling.

My name is Lorraine Griscavage-Frisbee. I am the Deputy Director in the Office of Outreach and Capacity Building, in the Office of Housing Counseling. I also have a couple of other members in the Office of Housing Counseling, subject matter experts that I'd like to introduce.

We have William McKee who is a Deputy Director in the Office of Policy and Grant Administration. He is joined by his staff members, Brianna Benner and Jamie Spakow. We also have a very special guest today. We have Anice Chenault. She is with the Family Self-Sufficiency program. She's a program manager in the Public Housing Support Services. We're very delighted to have her here today.

You're probably wondering, because you are all involved in HUD's Public Housing Program, why are we talking so much about housing counseling and Office of Housing Counseling? Well, we published a final rule last December that may impact your programs. So, we thank you very much for taking time today to join us and learn about the Office of Housing Counseling, what and how we define housing counseling and how this final rule may impact your program.

The first thing I'd like to do is just to give you a little bit of a background about our office. For those of you that are following the PowerPoint presentation, I am now on Slide 5. With that slide, I'm going to share with you what is our mission.

The mission of the Office of Housing Counseling is to help families to obtain, sustain and retain their homes. This can include individuals and families that are renting, that own their homes. It covers the full spectrum of homeownership opportunities. We accomplish this mission through a strong network of HUD approved housing counseling agencies and housing counselors.

Now, we have approximately 2,000 housing counseling agencies currently in our network. Some of those members are actually public housing authorities. Their responsibility is to monitor, of course, compliance with our regulations. We also want to ensure that housing counseling is provided independently without any steering or conflict of interest.

It's very important to us that the information housing counselors provide to their clients are unbiased. We are here to, and the counselors are here to, inform the clients and help them in making their own decisions what would be the best course of action for them. We help connect clients with our housing counseling agencies. One of the challenges we have is definitely to increase the awareness of the housing counseling program and all the benefits and services that are available on a nationwide level. Then, of course, we also have our own grant funding based on congressional appropriation, so it's another funding source.

I want to talk a little bit about how we define housing counseling. This is really important because it becomes the basis for does someone, or does a program that is offering housing counseling, meet our definition of housing counseling? If so, then the certification requirement becomes important and becomes a requirement.

How we define housing counseling is independent expert advice customized to the need of the consumer to help the consumer address their housing barriers and to help achieve their housing goals. We have some components that are required in order for it to be considered housing counseling. We have all of those listed on Slide 7.

The requirements for housing counseling include intake, which would be the collection of demographic information, which we subsequently, we report our housing counseling data to Congress—the clients that we serve, the types of clients, their demographics. It also requires providing a client budget. That will include a financial and housing affordability analysis. In other words, what we're focusing on is, what is the client's current financial situation? How does that prepare them or help them in their future goals?

For example, in wanting to purchase a home, they'll look at their income stream and their debts. A counselor will look at that and advise them, "Well, for example, maybe you need to cut down on some bills in order to save in order to purchase a home and save for the down payment. Maybe

there's some things you need to do with credit to improve your credit score."

One of the key components is an action plan. An action plan is required for all types of counseling unless it is a reverse mortgage counseling. Reverse mortgage counseling is a special category not relating to what public housing authorities deal with. It's a special program for seniors to help access the equity in their homes.

An action plan's very important. What it does, it is housing related. It will outline a roadmap to the steps that the client needs to take and also the counselor needs to do to help the client in order for that client to reach their housing goals.

It can be a short-term plan. It can be three to six months. It can be reviewed periodically and updated. It can last longer. It's really tailored to the individual client and his or her housing goals.

We also expect our agencies to provide referral information. A client may come and need assistance, for example, for finding rental assistance. We might refer them to a public housing authority for assistance.

Then, lastly, it's very important that there's follow up with the client. What happened after the counseling? That is something that we also report to Congress. I'd like to share with you a little bit of information about what our success has been. A good way to look at that is to look at last year's data. For FY '16, we counseled almost 1.3 million clients nationwide. I don't know if you can see the numbers on your printout, but I'm going to share a couple with you.

By the way, Ginger, did we have any luck getting the GoToWebinar started?

Ginger

Now, we haven't. I'm beginning to think it's a problem with GoToWebinar since I'm unable to access it on any of my computers, but I'm still trying.

Lorraine

Okay, thank you. I appreciate the update. Anyway, I am on Slide 8, now. As you can see, of the 1.2, almost 1.3 million clients served, about 32% received group education. The second most frequent activity was mortgage delinquency, and that was 26%. That demonstrates that,

although we are seeing recovery in our economy and in the housing market, there's still a need out there for mortgage default counseling.

By the way, our agencies cannot charge any cost— they can't charge any client fees for mortgage default or homeless counseling. Pre-purchase was at 19%. Those are the three highest levels of services that were provided. That is one bit of information that we report to Congress.

The other thing, looking at Slide 9, are impacts. We provided housing counseling. Our agencies provided these services. How did that impact the clients? We look at approximately ten outcomes. We highlighted some of them on this slide. We had 388,000 of our clients were able to work with a housing counselor and developed a sustainable household budget. I think those of you that work with your family self-sufficiency clients know that a budget is really critical to housing success. So, we were very happy to report that outcome.

Almost 300,000 of our clients received fair housing information. It's also very important because many of the clients we serve are those that are considered underserved populations. Almost 200,000 had improved financial capacity and about the same number gained access to other resources that they didn't know about before they came to our agencies.

Just to give you a little bit of background on what we are doing to increase the visibility of housing counseling on Slide 10, we are actually in the process of conducting a long-term research study, one of many that are to cite the benefits of housing counseling. We have also provided some marketing materials; the Beat the Odds poster is an example that we provided. We provided this to all of our agencies in our program.

We're also working on toolkits for industry professionals to help them understand the benefits of housing counseling, especially our lender and realtor partners. We also started this year a housing counseling federal advisory committee. We have a 12-member committee that's comprised of representatives from lenders, realtors, housing counseling agencies and clients who have used services, to help provide us some different perspectives on the program and how we can increase its visibility.

We're working very hard to get the word out. Slide 11 provides some snippets of study results. There are numerous studies out there. I don't want to go into detail, but we have a HUD Exchange webpage similar to

what public housing has (FSS, for example. I think several other offices have their own pages).

We're under housing counseling, and we list our different research studies that are available that site the benefits we have been able through studies to demonstrate that those that receive housing counseling in the mortgage default process are more successful in saving their homes and avoiding foreclosure. The same thing with pre-purchase, clients that have received homebuyer education actually have a lower default rate. So, there's some studies out there that support the benefits of housing counseling.

Now that I've given you a little bit of a background, I really want to get in and discuss housing counseling certification itself. What does it mean? How does it impact those of you especially that are in the family self-sufficiency and the homeownership voucher programs? Those are two. That's not the only programs that may be impacted by it, but that's a majority of stakeholders that we think could be covered by this program.

As I said, we went ahead and we published a final rule last December. On the HUD Exchange, we do have a link to that final rule if you would like to read it. What this final rule did is it now also changed who was responsible for housing counseling activity for all programs across HUD. Prior to the final rule, the Office of Housing Counseling only was involved with agencies that came directly to us, that applied to participate in our program, either directly through us for approval or through some kind of a network entity like an intermediary or a state housing finance agency.

Other programs also had housing counseling requirements, but it didn't necessarily link to our program. So, when the final rule was published, it now requires that all housing counseling, across all of HUD's programs that are provided under or in connection with all HUD programs, must be performed by a HUD certified housing counselor.

What's a HUD certified housing counselor? We define that as someone who has passed an exam (yes we in fact have a certification examination). We have not launched it yet. It's not available yet, but a counselor has to pass the exam and also has to work for a HUD approved housing counseling agency. So, if you're providing housing counseling, as we defined earlier in the presentation, and you're involved in a HUD program that housing counseling is required under or provided in connection with a

HUD program, then this certified housing counselor requirement applies to you.

Let's talk a little bit more about that. On Slide 14, we talk about some of the benefits, and if you are looking at the handout, I don't know if the boxes are as clear as if they're projected on the screen, but right now, we don't have a certification requirement for our counselors. We really see this as a benefit.

It's going to be a benefit first of all for our consumers because they are going to receive counseling from knowledge credentialed housing counselors. It's going to guarantee programmatic standards across all HUD programs when it comes to housing counseling. We also hope that it's going to increase the visibility and awareness of housing counseling. Lastly, it's going to provide a credential for our housing counselors.

Giving you a little bit of a background, starting on Slide 15, about the examination. One of the nice things about our certification examination is you will only have to pass it one time. It's different than other certification programs, or licensing programs for example, that require individuals to take the exam every two to three years. This is one time only.

Then, of course as we said, the second component to be certified is you have to work for a program that's participating through the Office of Housing Counseling. We verify that employment through one of our federal systems. As I said the examination isn't available yet. Everybody has a big sigh of relief; don't have to worry about that just yet.

We're going to actually publish a separate Federal Register Notice. That will announce when the exam becomes available. You're probably wondering, "When do I have to become certified?" Well, when that Federal Register Notice is published and we tell you when the exam starts, you will actually have 36 months after the exam becomes available to become certified.

Now, we truly hope you don't wait three years to become certified because there are many benefits to participating in our program and becoming certified. We hope that you make that decision to join us sooner rather than later.

To talk a little bit about the exam, these are the six topic areas that we'll be testing on: financial management, property maintenance, responsibilities of homeownership and tenancy (so we focus on both homeownership and rental), fair housing laws, housing affordability and—

Oh, are we getting into our presentation, Ginger, or no? I saw something pop up on my screen.

Ginger

Yes, we're getting there.

Loraine

Okay, good. All right, tell me when we're ready, when you get to the point because I stepped into a different network, so I won't know for sure.

We will have these six topics, and the good thing is we are going to help you get prepared for it. We actually have a website that you can see on Slide 17, and it is [www.hudhousingcounselors.com](http://www.hudhousingcounselors.com). Right now, we have a study guide both online and downloadable available to help you study for these six topic areas. Then, as we get closer to launching the certification examination, we will go ahead and also have a practice exam available for free.

Now, you do have to take the examination either online with a proctor or at a proctoring site. On Slide 18, just to give you a little bit more information about the cost, it is estimated to cost \$100 if you take it online or \$140 if you take it at a proctoring center. We are working with our contractor, and there are going to be quite a bit of proctoring centers across the United States. They're located in urban areas, but that is an option for you to go there rather to take the test at your own location, if you want. The test is actually going to be available in both English and Spanish, so you'll have the opportunity, if Spanish is your first language, to go ahead and take the exam in Spanish.

You can take it as many times as it's needed until the counselor passes. The only key to that, you have to pay the same fee each time. So, it really makes sense to try and study before you take the exam. As I said previously, we're going to go ahead and publish the Federal Register Notice to announce the availability of the exam.

In terms of background, the only [audio disruption] individuals that we are requiring to become certified are those that actually provide housing counseling services directly. You have that one-on-one interaction with a client. You're helping them with their financial analysis, their budget,

their action plan and their follow up. You are the person that within the three years, which we like to call the final compliance date, then you have to become certified.

Now, if you're a pass-through organization, if you just go ahead, you are receiving funding for HUD for example and you just distribute that funding to other agencies that provide the service, then as long as you're not directly providing the housing counseling services, then your agency is not required to be approved by HUD, and your employees are not required to become certified. That's an important point to remember. It depends on your relationship with the housing counseling requirement if your agency has to be certified or not.

I'm now going to go through the other HUD programs. We're going to talk a little bit about that. As a reminder, I'm on Slide 21 again, just repeating the key provision about those that are providing housing counseling under or in connection with all HUD programs must be certified. A certified housing counselor, again, is an individual who has passed the exam and works for a HUD-approved housing counseling agency.

Equally important, in trying to determine, does this apply to me. We defined what housing counseling is, which is covered. It's also equally important to discuss programs that are not covered by this final rule. So, on Slide 22, we give a couple of examples of what is not housing counseling.

For example, services that provide housing information, or placement, or referral services— that would not be considered housing counseling. Routine administrative activity, such as trying to determine if a client is eligible for a specific program, or just doing an intake or case management— that would not be considered housing counseling either. Case management that's part and incidental to a larger case management program such as homeownership opportunities for persons with AIDS, or emergency shelter grants, or continuum of care does not constitute housing counseling.

Also, fair housing advice and advocacy, for example someone may come to an agency and say, "I feel like I've been discriminated against," from a landlord perspective. If all we're doing is listening to the complaint, evaluating the complaint and maybe helping them to file a claim, that in and of itself is not considered housing counseling. Also, group education

without individualized housing counseling services, in other words, if you're an entity that just provides group education, you do not also provide individual housing counseling, then this would not apply to you.

Let's talk about group education a little bit more to help understand what is not housing counseling. I do want to clarify because as you saw in the very beginning when I discussed the statistics, the number one service provided by our agencies is group education. The key there is agencies in our program that provide group education on a topic must also provide one-on-one counseling on that topic. So, if they're providing pre-purchase or homeownership education, which is probably the most common activity when it comes to education, they all also provide individualized one-on-one housing counseling for pre-purchase.

Group education is going to be provided for one or more people, either classroom, online, we have a variety of online programs that our agencies use. We do not endorse or approve any online education. There can be conference call or other delivery method. There can maybe be a Skype meeting in a conference call. The bottom line is, it's going to be several folks together talking about concepts and gaining knowledge.

What is missing in group education is, it's not customized for an individual's needs. You're not going to point out to Jane in the class, and say in front of the whole class, "Well, Jane, what's your gross income?" or "What's your credit card expenses?" There's no individual discussion, no individual financial analysis. That's the main difference between how we view group education and one-on-one counseling.

Now, that doesn't mean within the class, that you can't hand out a budget and say, "Complete this for when you come in for your one-on-one session," or talk about the components of what a budget is. It's just that you're not going to have that individualized, customized interaction that is reflective of housing counseling.

As I said, HUD approved agencies have to offer counseling on the same topic as group education. And when our 36 months is up and everyone needs to become certified, then a HUD certified housing counselor has to oversee this group education activity. What we mean by oversee is they have to approve the curriculum.

Who all is possibly affected by this rule? Looking on Slide 24, some types of entities that are covered by the final rule are state and local

governments, you all, public housing authorities, state housing finance agencies may be impacted. Community housing development organizations and other non-profits or government agencies. We actually have identified approximately 25 HUD programs that are impacted by this final rule. Some examples include counseling that is in connection with, I sited some CPD community development block grant program home and most importantly, some public and Indian housing programs. That's why we have that narrow definition of housing counseling because that will help in differentiating which programs are going to be covered in this final rule and which activities are not really considered housing counseling.

We provide a couple of examples. I'm going to skip the home and CDBG because that doesn't apply to us today. I do have two examples. The first one is on Slide 27. The first one is the Section 8 housing choice voucher amongst homeownership auction. A public housing authority that's approved to participate— excuse me, are not required to become approved to participate in this program or your staff will have to be certified unless (this is the key here) unless the homeownership counseling is being provided directly by the public housing authority. If you are providing that prepurchase counseling, then the staff that is providing it must be certified and the agency, itself, must be participating in our housing counseling program.

After the final compliance date, which I said is 36 months after the exam becomes available, housing counseling (and that's why we have that emphasized there) provided to families that are participating in the housing choice voucher program must be conducted by a HUD certified housing counselor that's working for an agency in our program.

Now of course—

Ginger

Lorraine?

Lorraine

Yes?

Ginger

We have success, at least for the moment. If people want to go on back into the GoToWebinar, then they ought to be able to get to the Power Point.

Lorraine

Oh, it's up. Wonderful. Ginger, I am on Slide 27.

Ginger                    Okay. And what's the title of that? Oh there, never mind. I found it.  
Okay. Other HUD Programs.

Lorraine                Keep going. A couple more down. It's the Family Self-Sufficiency  
example.

Ginger                    That one.

Lorraine                Next one. There we go. Thank you. Oh, one more. I'm sorry. One  
more. There we go.

                              Okay everybody, we're going to pause for one minute and have the  
opportunity for everyone to log into the GoToWebinar. I was going to ask  
Brianna if there were any questions in the chat box, but since I just  
realized that's not going to happen since nobody had access.

W                         Just send us a chat message if you're able to get in. I see that there are  
something like 190 that have logged in.

Ginger                    I think anyone who was logged in before should automatically see the  
screen now that it's up.

W                         Okay.

Ginger                    I did not have to log out and log back in.

W                         Okay, great. And everybody ought to be able to see it. Okay. Back to  
you, Lorraine.

Lorraine                Okay, great. Well thank you so much, Ginger. It's been a frustrating time  
trying to get GoToWebinar to work. So thank you very much for your  
efforts.

                              And everyone, while I'm talking, if you would like— we are going to  
have a question and answer session at the end, but if you would like to ask  
any questions through the chat box, feel free to do so now and we'll take a  
look at them at the end.

                              Well, thank you. Now, this is much improved.

                              The next example has to do with the family self-sufficiency program.  
Now, [indiscernible] allows family self-sufficiency coordinators to

provide home ownership counseling. So, if homeownership counseling is going to be performed with [indiscernible] HUD FSS funds, then the coordinator will have to be HUD certified and become a HUD certified housing counselor and the public housing authority will also have to become a HUD approved housing counseling agency. If instead your organization chooses just to refer your clients outside for housing counseling, then again, those referrals will need to be made to a HUD housing counseling agency that's participating in our housing counseling program.

What are your options? First of all, we did say that you will have 36 months, up to 36 months from the time the exam starts and the exam has not started yet. So, you have more than 36 months to think about this. One of the important reasons that we're getting the word out now is we really don't want everyone to wait until the last minute in deciding what to do. So we want to educate you about your options now so you have time to plan.

One of the best ways, and we hope ways that you will definitely consider complying, is to join our housing counseling program. You have two options. You can either apply directly to HUD to become a HUD approved agency or you can actually join one of our intermediaries or state housing finance agencies. We have a list of these entities available on the HUD exchange. What you do is they are an oversight entity. We provide them funding and then they go ahead and they distribute the funding to groups in their organization.

Either route still requires the same approval criteria. It's just a decision that you might decide based on do you want to also complete the NOFA application when we have NOFA funds available. If you're okay with doing that, then you apply directly. If you apply to the network, the network, the parent entity, it's responsible for the intermediary or state housing finance agency for completing the application.

Another option you have is to just partner with HUD approved housing counseling agencies in your community. You can either do that through an informal or formal referral agreement. If you have funding available, you might want to consider also entering into a funding agreement with these HUD approved housing counseling agencies. We have a complete list on our website of all the agencies that are active in our program and you can find them through state. This is available through [hud.gov](http://hud.gov) or

through the HUD exchange. You can find the list of all the agencies nationwide in our program.

You could somewhat otherwise modify your program to meet this requirement or maybe decide to stop delivering housing counseling services. To us, that's the worst case scenario. Everyone that we have out there providing housing counseling is very important and we hope that this is your last choice. We hope that you look at any of the other options first before you consider just totally stopping housing counseling.

So these are the options that are available. Let's move on now and let's talk to those of you that are thinking, "Well, maybe I do want to join the program, but I need a little bit more information about that." We have some qualifying criteria. We've given you just the basic [indiscernible] here. You either need to be a non-profit, which is a 501C3 or a state or local government or you can also be an instrumentality of government. You need to have one year experience providing housing counseling and you may already meet that criteria through the family self-sufficiency program, for example.

You also have to operate a year in the proposed geographic area and to serve your community. For example, if you are providing services in the Los Angeles community and you come in for approval, you can't come in and say, "Well, I actually want to cover New Mexico too," if you haven't had any presence there in the year. We're going to focus on your approval for the one in your area that you've been working in.

We have application advisors that are available to assist you and we have quite a bit of information available on the HUD exchange. This is actually the link to the approval website. We recently launched an eligibility tool that we're very excited about that we think will be very helpful to those of you that are thinking about becoming HUD approved. It is an online tool that lets you do a self-evaluation of your agency and it also provides very in-depth explanations.

Like one of the requirements are do you have a client management system. You're probably scratching your head and saying, "What exactly does the office of housing counseling require for a client management system?" We provide you definitions and we also provide you links to the 40+ vendors that are out there that you can look at to consider getting a client management system. We require you to have a housing counseling

workplan. This eligibility tool will provide you an explanation of exactly what a workplan is.

It takes about 30 minutes and when you're completed, when you finish the tool, it will evaluate the information you input and it will let you know, "Right now, it looks like you are meeting the criteria for approval," or it may say, "These are the areas that you really need to address before you can consider applying." It is not designed to replace a HUD specialist actually looking at your application, but it's an excellent starting point for those of you that are interested in joining our program or even thinking about it. It will help you gauge what you need to do to meet our approval criteria.

Other resources: This is our main page. At the HUD exchange, our housing counseling, we actually have a certification link to there and that link will provide you with the press release and the Federal Register Notice. There are about 100 pages in the Federal Register Notice, I'll warn you that, but the actual last 10 pages of the document talks about the different changes to regulations. It doesn't just involve the office of housing counseling and our 2014 housing counseling regs. It covers, like I said, about 25 programs and there are quite a bit of references in there that you can find. You can find those that are related to public housing in the notice.

We also provide the comprehensive list of other HUD program that are covered by the housing counselor certification. This is about a four-page document that's available. It lists all the programs. It, again, talks about the options and it gives you some key definitions. It's another excellent reference and resource for you.

We also have the chart of our key provisions and dates— the 36 months or the final compliance date. You'll find that information. But also, outside of the certification, we have a subscription and archive of The Bridge Newsletter. The Bridge Newsletter— it's really a project that is very dear to many of us. Ginger and I work on the editorial board for that. That's where we feature all of our agency. They submit articles. They talk about good stories and success stories. They talk about their programs. It's really a great way to get a different perspective rather than reading regulations about our program. It really allows you to connect directly to the agencies that are in our program and the terrific work that they do.

Now we also have plenty of toolkits and program models available. Quite a bit of information.

One of the things that we do have are frequently asked questions that are specific to the certification program. We strongly recommend that when you click on the certification link, you can then go to the PDF file. If you go to the PDF file, we have a substantial amount of frequently asked questions relating to other HUD programs. I believe we address at least eight [indiscernible] programs in those FAQs. So we strongly encourage you to take a couple minutes, it probably won't take you more than five or ten minutes to read it, but it's definitely worth going through those FAQs.

This is a list of all the FAQs we have on the certification topics. They include questions on the housing choice voucher program, the homeownership option, family self-sufficiency, ROSS, public housing, homeownership, displacement due to demolition and disposition of public housing and conversion of distressed public housing. As I said, we have a FAQ or more than one that addresses each of these programs.

Thank you very much. I know that I've covered a tremendous amount of information in the last 45 minutes. I'd like to turn it over to Anice, now, to see if there's anything she'd like to add and then we will open it up to questions.

Anice

Basically my area of expertise is FSS so I just wanted to kind of reiterate what's already been said about FSS. The vast majority of FSS programs are not going to be affected by this rule. In fact, we almost had the FSS program completely not affected by this rule, however, there are a very few number of FSS programs that still have the hold over FSS homeownership coordinators from back under the last Bush administration when the NOFAs had switched to a very strong emphasis on homeownership and we had very specifically funded FSS homeownership coordinators.

Those of you that are using your FSS dollars to pay for an FSS coordinator who also is a housing or homeownership coordinator would fall under this new rule. As was mentioned, all the other general stuff (mobility counseling, any of the fair housing issues, any kind of budgeting or anything else that falls outside of homeownership, general [indiscernible]), all of that does not obligate you to become certified under this rule. However, if you do have a person who is providing housing counseling as

defined in the rule, you would be obligated to have that person or persons become certified and also have the agency become certified as well.

That actually applies to whether you're using your FSS funding to do that or if you're paying someone out of the opt fund or if you've transferred money from your cap fund to your opt fund in order to pay someone to do that or if you're paying someone to do that out of your HCME [ph] admin fee. It all applies equally. Basically, if you have someone under any one of those funding streams because they're all named in the statute that is dealing specifically housing counseling as it is defined, that person would need to become certified and the agency would need to become certified.

If you're not doing any of that, if you're just doing regular case management or any of the other sort of standard housing type of activities, it does not apply. The only other piece that again, I'm just going to reiterate is that the vast majority of FSS programs that have participants who are interested in homeownership refer out to— we usually have said in the past that we strongly suggest that you refer to HUD certified housing counseling agencies, which are already out there and in most communities.

What's going to happen under this final rule is that anyone who is paid by HUD funds, if you are doing any referrals, must refer to a certified person and agency in the future. So I think the vast majority of you who are already doing referrals that way are referring to HUD certified housing counseling agencies. It will just become an actual requirement as opposed to a strongly suggested under this rule. So just wanted to make that really, really clear and again, just also make it really clear that the vast majority of FSS programs, if you're kind of running just a standard FSS program, you're not providing any of these services anyway, you're just doing referrals and so would not fall under the requirement to become certified.

Again, I'm going to hang on and answer any questions about that after we're done, but just wanted to make that really clear. Also, for ROSS programs, again, since of course there's actually no provision under which a service like homeownership counseling can be provided under ROSS, all ROSS grants would be just doing referrals. Again, we'll just have the obligation to refer to a certified housing counselor and housing counseling agency.

I will leave that there.

Lorraine I think I heard a collective sigh of relief from everyone, Anice. Thank you very much for the clarification. Amy, would you mind opening the lines now for questions and tell them how they can ask questions.

Moderator Our first question is from Lu Marrero.

Lu I am all set, thank you.

Lorraine Hi, Rue [sic]. What's your question, please?

Lu It was answered already. Thank you.

Moderator We do have a question from Patty Zigler.

Patty I'm calling from Mankato, MN. A couple of things. I was wondering if you could give us some phone numbers so we could call you if we have additional questions. Also, I was wondering if there was going to be any funding that would be provided under the FSS, NOFA or anywhere to help with the cost of this? Many of us are really struggling with our voucher programs as we're still under the sequester and it doesn't look like that's going to get any better.

If we live in a rural area where there is no HUD certified counseling agency, are we then going to, if we don't become certified have to refer our clients to do counseling over the phone at some distance with somebody instead of having a face-to-face opportunity?

Lorraine Anice, would you like to take the first one regarding your funding and then I'll try to answer Patty's other questions?

Anice Sure. We do not have any plans to offer any kind of funding under the FSS program to support this. The reason is that— again, you may have a different situation being in a very rural area, but the FSS program is really intended to be a referral and service coordination program. So, the fact that there are homeownership coordinators is, kind of at this point, a relic from two administrations ago. So I think we really would be kind of moving in the direction of hoping that there will referrals to outside agencies.

Also, as you know, right now in FSS, we only provide funding for the coordinator salary. So, if at some point in the future we provided admin funds, which I don't anticipate being likely, I suppose we could write it in

that admin funds could be used to support the cost of the certification, but I would say that the chances of that are super, super slim.

Lorraine

Thank you and I'm going to try to answer part of the question. I'm also going to ask my office of housing counseling subject matter experts to join in as well. Currently our FY16 and FY17 NOFAs do provide for as an eligible expense the cost for taking the examination and for preparing for the certification exam as part of a larger area when it comes to training. Training and certification of housing counselors— those are eligible expenses under the NOFA. So that might be an incentive for your agency to consider HUD approval.

The second option, as we talked about, would be referrals and if there are no other agencies in the area, then telephone counseling would be a viable option for your client. We do have a network of agencies that cover the entire United States when it comes for counseling.

Bill, Brianna or Jamie, do you want to add anything to that?

Brianna

I just wanted to add, I know Lorraine just mentioned that the housing counseling NOFA has the cost of the training and test, actual cost of the test, are eligible expenses under that NOFA. I just wanted to add that that NOFA, probably a lot of other housing counseling expenses too. So if you're a PHA who's not currently a HUD approved counseling agency, if you become a HUD approved housing counseling agency, you would be eligible to apply to our housing counseling NOFA, which could cover some of the expenses of our staff and other administration costs of running a housing counseling program.

Lorraine

Thank you very much. While we're waiting for the telephone, Brianna, do we have any questions that came in to the chat box?

Brianna

We do. We have a lot of questions. I'm going to start with a question to just let Anice reiterate, one more time, the distinction between certification referrals. Somebody asked, "So if a potential homeowner comes in for information and FSS refers her to a certified agency, there's no need for the FSS program to become certified, right?"

Anice

The answer to that is yes. You have it.

Brianna

Somebody asked another question about referrals and certification— a little bit more specifically. This person asked, "At the end of the program,

we ask the client if they want to look into homeownership. We make sure they have secured their credit and score and we refer them to one of the FSS board members who works at a credit union. So would that mean that we do not have to become certified?" I don't know if there's enough information in that question for you to answer, Anice.

Anice

Yes, so from what is presented in that question, I would say no, you do not have to be certified because what you're doing is sort of financial empowerment and looking at kind of the budget piece, but not specifically in light of homeownership. However, I would say that housing counseling— so correct me if I'm wrong that in the future, once this rule finally goes into effect, the referral choosey board member at a credit union may be an issue because referrals will need to be made to accredited housing counselors. So what might need to happen is for this information to be passed on to the board member to potentially get that board member and the credit union accredited in order to be able to continue to do those referrals and be compliant with the rule.

Housing counseling folks, would you agree with that?

Lorraine

I will actually like to add something to that, Anice. I think that if everyone remembers at the beginning we talked about housing counseling being unbiased. I would almost think at this time, don't wait for the final rule to become effective. I think it would be more beneficial to this client to have them referred to a HUD housing counseling agency now because there may be more than what programs that credit union offers. There may be more opportunities available for the client. So, I think it's probably a better idea to consider now, housing counseling.

Bill, Brianna or Jamie, anything you want to add to that?

Brianna

I don't.

Lorraine

I guess not. Okay. Let's take one more chat box question and then we'll return to the telephone.

Brianna

This one is about the housing choice voucher home ownership program. Somebody stated that they are a PHA with 50 local administrators. "We operate a great housing choice voucher home ownership program. Some of the administrators do their own counseling in house. Others refer out. So, in house and outsources counselors will have to be certified?"

Anice, if you can answer, please do. Otherwise, I can answer this from the FAQs.

Anice Please go ahead.

Brianna Okay. So, the FAQs that Lorraine mentioned in the presentation touch on the housing choice voucher home ownership program and it does clarify that, for this program, all of the housing counseling that's provided, so all of that home ownership counseling that's provided, has to be provided by a certified counselor working for a HUD approved housing counseling agency. So, if you're outsourcing the counseling, you need to be sending that referral to an agency that is HUD approved and that has HUD certified counselors. If you're providing it in house, your counselors will have to become certified and you will have to become a HUD approved housing counseling agency.

Lorraine Thank you, Brianna and before we go to the telephone, I would like to remind everyone, Patty had asked for a telephone number. We actually have at the screen that's showing now, our email box, [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov). We actually prefer that you would send your questions by email and the primary purpose for that is we keep track of all of these emails and if we see there's a pattern of questions, then we try to create new FAQs to be responsive to the request for information. So that is the way we would like you to communicate with us. So, [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov) and you can put PIH and HC Certification in the subject matter.

Amy, do we have anyone else on the telephone please?

Moderator We have a question from the line of Karesa Cooper.

Karesa Yes, if you have already been certified previously, up under the new rule do you have to be recertified?

Lorraine That's a very good question because there are numerous certification programs for those that are already involved in HUD's housing counseling program. For example, NeighborWorks offers for closure specialist certifications, pre-purchase certifications and a lot of the financial management. Maybe they'll have maybe financial counselor accreditation. Those certifications are different and outside of the scope of this program. This is a HUD requirement. You do have to be certified by

taking our exam and working for a HUD approved agency. This is the only certification that meets our requirements.

With that being said, that doesn't mean we are replacing any of these other existing certifications. Ours is required for our program but we also want housing counselors to better their education, to seek other types of certifications so we don't want to discourage you from doing that. But it's not going to take the place of our certification requirement.

Lorraine Do we have anyone else on the telephone?

Moderator We have a question from the line of Sergio Melendas.

Sergio Yes, I do have a question. I am a FSS coordinator in El Paso, Texas and my question is, I do my FSS and I also issue the home ownership voucher for participants. Would I meet that requirement?

Lorraine Anice, can you provide— so administering the home ownership voucher does not mean that you do housing counseling.

Sergio No, I do order them out for that service from local agencies that provide it.

Lorraine So, as long as you refer out for the service then the Housing Authority and you do not need to be certified. You'll just need to make sure that you're referring out to a certified agency.

Moderator Our next question will come from the line of Martha Brown.

Martha We're a Housing Authority that provides an FSS coordinator and housing counseling. We are certified. We work under our state housing finance agency. Is it double billing, and I don't know if you'll know this or if this is PHSA's answer, is it double billing for our FSS coordinator to provide the housing counseling to our FSS participants and bill it as we would for any other housing counseling appointments? Yes, she's certified and we are working on our HUD certification. We have all that. But is she, as an FSS coordinator and a housing counselor, able to bill for the counseling to a different source if we're not using our FSS grant to pay for her as a housing counselor?

Anice So, that I don't know. I'd need to get some more information but my first question would be if 100% of her time is being paid by the FSS program then I think it might be a problem then if you're also billing the home

ownership counseling or the housing counseling to equal more than 100% of her time. So I think it's just sort of a percent question. It kind of also would have to do with if the grant covers 100% of her salary because there are places where the grant doesn't cover 100% of their salary in which case you might say, alright, then we're going to add some funding from the housing counseling side of things to make 100% of the salary and in which case that would be fine. But I think it would be very specific to the location to—

Martha So, as long as the grant's not covering 100% of her activities and her salary, we can go ahead and do supplemental funding or if we used a different housing counselor, we have three different housing counselors here. If we used a different housing counselor, it's okay to do that with the FSS participants even though we're in the same agency, receiving the same funding.

W Yes, that's fine.

Lorraine Brianna or Bill? Do you want to just share about our double dipping rule?

Bill Yes, I mean with respect to our program, if you are receiving monies under—if a housing counseling activity is being paid for with other monies then you could not also charge to the HUD housing counseling grant if you were a grant recipient for that same service. So we're very vigilant in, if it's being paid for by another grant or if it's being paid for by the client, then it can't also be paid for—it can't be double dipping in our program.

Lorraine So, can I throw out a scenario there? Let's say they spend five hours with a client, can they charge two of those hours to the HUD grant and then the other three hours to the family self-sufficiency grant?

Bill We'd have to look at that particular situation. It does get a little complicated when you're for the same particular counseling clients but you're trying to divide up those hours. I mean, I'd have to look at a particular situation on that. In the past we've had some situations where that was not allowable but it would depend on the particular NOFA and the language in the grant agreements.

Lorraine Okay, sorry about that. I didn't give a good example.

- Anice Yes, from the FSS side we've really dealt with it mostly on a percent time question, percent time spent on each activity should about equal percent of salary.
- Lorraine We'll return to Brianna. Are there any other questions in the chat box while we're waiting?
- Brianna Yes. A few people asked if they could have Anice's email address for follow up questions and somebody also asked if you know when the FY'17 FSS NOFA will be published. I don't know if you do.
- Anice Yes, so if you have questions on this just email the FSS mailbox at FSS@HUD.gov and the NOFA is not going to be out when we originally had anticipated it. I, of course, as you know am not at liberty to say when it is going to be out. We anticipated it would be out fairly soon but it has been delayed. That's probably what I can say at this point. But don't worry, it will be out.
- Bill I saw an interesting question with regard to that I don't think we've addressed yet. It said, "Our home ownership program has required two Introduction to Home Ownership workshops. We refer to certified HUD housing counseling agencies. Will I require certification to do the scoop introductory workshop?" And what I just want to say, just in general is, it has to do with group education. If you're providing a class, just group education and it's not "housing counseling" that is one-on-one housing counseling, and you're not in the HUD program, then you're outside of the scope of the rule.
- In other words, we don't have a requirement that if a housing counseling agency that's not in our program or let's say a PHA or something is doing a class, a group education class, that it has to be done by a certified counselor. However, if the agency or the PHA is in their program, in other words, if they're doing housing counseling and had to come into our program because they had to become certified and the agency had to be approved, then once they're in our program, then any group education has to be overseen by a HUD certified housing counselor. I want to make sure that folks understand the difference between group education and "housing counseling" which we define in the rule, which is one-on-one service that involves an intake and an action plan to analyze the individual's housing need, a financial analysis. That's what we consider to be "housing counseling." Not just a general kind of group education.

- Lorraine Thank you, Bill. That's a very important distinction.
- Brianna Somebody asked another question about group education. They asked if a HUD approved housing counseling agency can charge for group education, for example, workshops.
- Bill Yes.
- Lorraine Yes, they can as long as they first, if they're in HUD's housing counseling program, they will need to adjust their housing counseling work plan and submit that to HUD for approval.
- Brianna Somebody else asked another really good question about group education, I think it's about group education. Somebody stated that, "I thought I heard in this presentation that online services were not HUD approved." I don't know, Lorraine, if you know what portion of the presentation that was and if you want to clarify about online services.
- Lorraine I did. Thank you. This is in regard to online education. There are several vendors out there that provide home buyer education classes online, eHome America is one example, Framework is another one and those are just two of many that are available. I want to clarify, HUD does not approve any online vendor classes so that's what I meant by that statement. If you're going to use an online education as a service available to your clients then that's something that you would include in your workplan to us. I hope that clarifies that point.
- Brianna Some of the people wrote in to say they were having a hard time hearing the audio and when will the webinar be given again? Could we talk about when this webinar will be available?
- Ginger Sure. That's one of the things that I would have gone over had technology not jumped in. Within about seven to ten days, we're going to be posting the webinar on HUD Exchange/Housing Counseling in our archive section and we'll be posting the full presentation, an audio replay number as well as a transcript, so you'll have all of those materials available to refresh yourself. So we will not be giving the webinar again but you will have all that information available as I said, again, within seven to ten days
- Lorraine We just about have one minute left. Do we have any one last caller with a question?

- Moderator We have a question from the line of Karen Middleton.
- Karen We have a home buyers' club in Georgia through our Housing Authority and our ROSS and our FSS coordinators, we all kind of work as the resident initiative staff and facilitate that program. We would like to make it official under the HUD counseling. Is that something that we can do and no conflict of interest?
- Lorraine I think the best thing to do is to go ahead online to our housing counseling eligibility tool. It's going to be a great place for you to start and get some definitions of what we consider to be conflict of interest. It's difficult to answer the question without a lot of detail. You can also send us an email and put in the subject that you're interested in HUD approval and we'll have one of our staff contact you and talk about that.
- Moderator The next question will come from the line of Vicki Bolock.
- Vicki We have a different type of FSS program. Our program actually is subcontracted so that our FSS coordinator's not actually an employee of the Housing Authority. What I'm wondering is, due to the fact that she's not actually our employee and a lot of the classes and stuff that she refers, they actually come to her place of business and they have their classes there and stuff. Would she need to be the certified person or do we need to still have all the people that are providing the classes certified. If so, we have a problem because there's not one in our area.
- Anice Okay, so two pieces. If she's not providing the classes, if she's just doing the referrals then it applies the same was as for anyone else because she's being paid through the FSS grant so it doesn't matter that she's not actually at the Housing Authority. But from what you've described, she would not need to be certified herself. However, once the final rule goes into effect, she would need to be referring to certified people of agencies so it sounds like, very likely, her agency and whoever is actually providing the housing counseling that she's referring to would need to become certified.
- Vicki Okay. Because she does do some of the classes also and we do not have—I went through your list, there's not one person in our area within about, I don't know, at least 100 miles, that's certified to provide any of the classes for us.

- Lorraine So, she's just providing the education or is she also providing what you would consider housing counseling?
- Vicki All of it. So she actually goes over a plan, gets their budgets and then we actually have the banks, we have several people from the banks and the colleges and different things like who come in and actually do the classes at her facility.
- Lorraine Is she currently employed by a nonprofit entity?
- Vicki Yes.
- Lorraine So then the option would be for the nonprofit entity to consider becoming HUD approved and her to become certified.
- Vicki Okay, now is that 140 for her entity and then 140 for her?
- Lorraine The 100 or the 140, if you take it at a proctoring center, is the cost for an individual to take the certification examination. There's no cost involved in applying for HUD approval.
- Vicki Okay.
- Lorraine Yes. Okay, well thank you very much. I, first of all, want to thank Anice, Bill McKee, Brianna Benner and Jamie Spakow for helping and definitely our IT lady, Ginger, for hanging in there and finally getting everything to work and Amy as well as our AT&T support Operator. We strongly encourage if we didn't have the opportunity to get to your FAQ, please go and check out our certification FAQs on the HUD Exchange. Also, after you've done that, if you still haven't had your question answered, you can email us at [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov) and, Anice, do you want to share the FSS email box again too?
- Anice Sure. It's just [FSS@HUD.gov](mailto:FSS@HUD.gov), same box that you'd submit for everything else and I'll let my teammates know who are monitoring the box that they can forward me any of the housing counseling questions.
- Lorraine Okay. Well thank you all very much and speakers, hang on. And Amy, you can dismiss everyone else.
- Ginger No, Lorraine, I have a couple things I want to say before we hang up.

Lorraine

Oh, okay. Okay, sorry. Go right ahead.

Ginger

A couple things that also we were unable to mention because of the technology, you will be getting an email within 24 to 48 hours saying that this is your certificate of training so you get credit for the class. Now, realize, it will be the email, there's will be no attachment so just save that for your records. You will also, when you hang up, there will be a survey launched by GoToWebinar and please take it because it's really important as we plan and prepare future webinars. I'm not sure you need to mention that we had a real technology problem because we're all very aware of that and we'll try to avoid that but any other positive or suggestions would be very appreciated. That's what I have. Thank you, Lorraine.

Lorraine

Thank you very much, Ginger. Alright, we appreciate all of you taking time from your busy day to join us.

Moderator

Thank you. Ladies and gentlemen, that does conclude our conference for today. Thank you for your participation and for using the AT&T Executive Teleconference service. You may now disconnect.