



Final Transcript

**HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:
House Counseling Certification for Arizona Housing, Arizona Counseling-
Home, CDBG and PHA Stakeholder Call**

April 26, 2017/9:00 a.m. PDT

SPEAKERS

Jane Charida

Stephanie Smelnick

Jerrold Mayer

Lorraine Griscavage-Frisbee

PRESENTATION

Moderator

Ladies and gentlemen, thank you for standing by and welcome to the Phoenix HUD Office Housing Counseling Roundtable. Now, at this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session, instructions will be given at that time. [Operator instructions.] As a reminder, today's call is being recorded.

Your host and speaker, Jane Charida. Please go ahead.

Jane

Thank you so much, Kevin, and welcome, everyone. My name is Jane Charida and I'm with HUD's Office of Housing Counseling and I'd like to go over a few webinar logistics with you today for the folks who are joining us via the webinar.

We will record this audio and a playback number to access the audio along with the PowerPoint and a transcript will be available. You will receive a notice in about seven to ten days letting you know where to find that. I also want to make sure you know that the handouts were sent out prior to the webinar and can also be located in the boxes to the right of your

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 2

screen, if you'd like to pull those up and that way you'll be able to follow along as we proceed.

We will have a Q&A period at the end of the presentation. The operators will give you instructions on how to ask your questions. We also have another method. If you prefer to, you can write questions or comments into the boxes to the right of your screen and we'll do our best to get to those in the presentation.

During the discussion, the phones will be unmuted so while you are waiting to queue up, please make sure your phone is on mute until it's your turn to speak. We will issue a survey at the end of the session, so we really appreciate your comments as well as any suggestions that you have on how we can make these presentations better, or if you have any other ideas for topics you'd like to learn more about.

We'll also issue a certificate of training. You'll get an email from GoToWebinar within the next 48 hours letting you know that this is your certificate of training. Please be sure to print that out and save it for your records.

Now, it's my pleasure to turn over today's presentation to Stephanie Smelnick, HUD Field Office Director for the Phoenix office. Thank you.

Stephanie

Thank you. Welcome, everyone. As she said, I'm Stephanie Smelnick, I'm the Director of the Phoenix Field Office. I'm very excited to see the people in the room and to know there's people on the phone. Today, we're going to be talking about the housing counseling certification and as she said, there's going to be an open discussion later where you can ask the questions that you need to ask.

Without further ado, I would like to introduce Jerry Mayer, who's the Director of the Outreach and Capacity Building with the Office of Housing Counseling.

Go ahead, Jerry.

Jerry

Thank you, Stephanie, and I really appreciate the opportunity along with Lorraine, who's there onsite with you all to present on housing counselor certification, and thank you, especially to the Phoenix office of HUD, for helping to organize today's webinar.

Today, we're going to talk about housing counselor certification and our agenda today, the first part of it, is really going to be the housing counselor certification portion. We're going to talk about HUD's Office for Housing Counseling and what is housing counseling, the housing counselor certification program that we're rolling out, what the effects could be on other HUD programs, some of the requirements for home ownership counseling, and then some resources and other information.

To start off, HUD's Office of Housing Counseling's mission is to help families obtain, sustain and retain their homes, and we accomplish this mission through a very strong nationwide network of HUD-approved housing counseling agencies and their counselors, who will be the subject of certification. Our network has approximately 1,900 housing counseling agencies nationwide and HUD monitors their compliance with our regulations and we oversee their independence, making sure there are no conflicts of interest. And, we also help them with content and standards and the things that they need to do to comply with our regulations.

And, HUD also connects clients and consumers with participating housing counseling agencies through our website and also through various search tools such as found on our website and on the Consumer Financial Protection Bureau's website that brings the client to the agency across the internet. And, finally, HUD provides grant funding for qualified applicants. We're right in the middle of processing our grants right now and we hope to have some announcements out fairly soon on NOFA awards.

So, what is housing counseling? Housing counseling is independent expert advice that's customized to the need of consumers. It addresses the consumers' housing barriers and helps them achieve their housing goals, and must include these elements: client intake, client budget, a financial and housing affordability analysis, an action plan, except for reverse mortgage counseling, referrals to appropriate other services and a reasonable effort to follow up with the client.

Here are some statistics for you and we'll have some local statistics as well. Nationwide, you can see that in FY '16 about 32% of housing counseling activity was geared towards group education. This is primarily towards first-time homebuyers, people purchasing homes and you can also see that the purple slice of the pie, at 19%, is also geared towards that pre-purchase. But, that's one-on-one counseling.

Then, post-purchase is the little light blue 4%, so if you add all those up, you're well in excess of 50% of housing counseling activity geared towards pre-purchase. Now, on the upper left quadrant, at 26%, that's your mortgage delinquency, and if we were to be showing you the same pie chart a few years ago, it would be like two-thirds of the chart because we were in the depths of the foreclosure crisis. Now, that's kind of receded and pre-purchase, first-time homebuyer type counseling, has really become more than half of the counseling that's going on nationwide.

Now, rental counseling nationwide is about 10% and reverse mortgage nationwide at about 7%. And then there's that little 2% sliver and that's our homeless counseling, which is really important and we wish there was a lot more homeless counseling activity out there because there is certainly a great need. If you're with an agency that is thinking about homeless counseling and how to do more, we'd certainly like to have a discussion with you on that.

Now, the national impact on one-on-one counseling, you can see that 388,000 or so worked with a housing counselor to develop a sustainable household budget; almost 300,000, 293,000 received fair housing information, which is extremely important; about 197,000, close to 200,000 there, improved their financial capacity; and about 190,000 or so gained accesses to resources to help improve their housing situation. You can see that housing counselors are making a big difference for a lot of people.

Now, if we look at Arizona, there's a big difference, in terms of group education, is a much larger slice of the pie, in Arizona, and also that pre-purchase is also a very large slice of the pie, post-purchase not so much, HECM kind of reduced and rental a little bit more. That homeless number is close to zero, statistically almost zero, and there are homeless folks in Arizona, so if any of your agencies are contemplating doing some homeless assistance, we would certainly love to talk to you about that.

Last year, there was about \$0.5 million in HUD funding that went into housing counseling in Arizona for the 39 agencies. Not all of them are grantees but some of them are and some of them get funding from their intermediary so they get funding from a couple of different ways. And, about 28,000 folks were seen in the state of Arizona through our HUD-approved housing counseling network.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 5

Now, the impact just in the state of Arizona was about 7,500 or so developed that sustainable household budget; about 3,600 or so received fair housing information; about 2,300 received one-on-one counseling and group education; and a little over 2,000 improved their financial capacity after receiving housing counseling. So that is a lot of consumers that were helped in the state of Arizona by the network of housing counseling.

Now, let's talk about some of our program initiatives. We have a lot of research that's on our website, and I think there'll be a slide on that a little bit later, that allows you to prove that housing counseling is effective for consumers, it's effective for lenders and realtors because they get better educated consumers who in turn are able to perform better on their mortgages.

Now, if you see this little poster we have here, it's called Beat the Odds. It was sent out to a lot of our housing counseling agencies nationwide. If you have not gotten one of these posters, you can send me an email or you can send an email to housing.counseling@HUD.gov and you can say I want one of these posters. We also have in in Spanish.

And, a couple of the things that I want to point out on this poster, which could be hung up in the counseling agency's lobby, if they're so inclined, is that the homeowner's net worth is 36 times that of your average renter, which is amazingly significant and very important to let clients know that homeownership does add value to them.

Then, there's another statistic there on the right side that I'll point out and that basically says that a borrower who's in trouble with their mortgage and they see a HUD-approved housing counseling agency, they're 283 times more likely to receive a loan modification than someone that's just trying to do it on their own. So, the value proposition of housing counseling is extremely important and this poster helps you make that case when you're talking to your clients.

Also, on our website, we've posted a lot of toolkits for our industry professionals on a whole range of subjects from things like how to create a workplan, and so on. And, if you review our website on the HUD Exchange and you see a toolkit that you think needs to be revised, and you think we should add a topic that would be helpful to you, we want to know about that because we will get right to work on creating a new toolkit on that topic. And, you can just send an email to housing.counseling@HUD.gov and we will get right on that.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 6

Another area that I'd like to let you know about is our Housing Counseling Federal Advisory Committee. Those of you who are on our Listserv know that we have a meeting coming up on May 15th of this year and our Housing Counseling Federal Advisory Committee consists of 12 folks drawn from our industry and also some lenders and realtors and just some ordinary citizens who are interested in housing counseling to meet quarterly and advise us on what we're doing.

And, it's really great to have these folks on board because it gives us a sounding board and their advice is very important to us. The meetings are public and anyone can attend. You can attend remotely or in person. They're held in Washington D.C. if you're so inclined. We'd certainly love to see you all there. There will be opportunities in the future to refresh the Advisory Committee. They all serve for specific terms and if you're interested in serving on the Housing Counseling Federal Advisory Committee, we would love to have your application to review. The committee members are chosen by the HUD secretary, so this is a great opportunity to get involved with housing counseling on a very high level and we encourage your participation.

So, these are those studies that I was referring to and you can see here's eight of them and there's a lot more. They're all on our website and each one of these little boxes gives you a little indication of the benefit that housing counseling has brought to consumers. Those studies are available. You can download them, you can excerpt from them; you can reference them. These make the case that housing counseling works and I think it puts to rest any doubts about housing counseling. In scientific terms, it's measured, it's proven housing counseling does work.

Now, let's talk about housing counselor certification. So, we rolled out our housing counselor certification earlier this year, I think in January. Some of the key provisions of the final rule that came out are that all housing counseling provided under any connection with all HUD programs must be performed by a HUD-certified housing counselor, and we'll talk more about those programs in a little bit.

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. Some of the benefits of certification, and these are benefits that will be really to consumers and the counselors themselves. And, the first thing that I want to point out is the credential for the housing

counselor. In the mortgage industry, and in the real estate industry, everyone has a credential, everyone has a license, a certificate of some sort, whether they're a real estate broker or agent, a loan officer, a title person, an appraiser, everyone is professionally certified in some way except for our housing counselors.

And, Congress recognized that housing counselors are professionals, just like all of the other folks that are involved in a real estate transaction, and decided that we're going to certify those counselors to bring them up to the same professional level as everyone else. Now, housing counselors are great professionals right now. They showed what they could do during the foreclosure crisis, they were essentially our first responders when it came to helping consumers who were in crisis and losing their homes, and this recognizes the critical role that housing counselors have played in the last few years and elevates the counselor, professionally, as far as the consumer is concerned in our industry.

And, what we're going to be doing is we're going to be changing our messaging around so that we're going to be telling consumers to ask for a HUD-certified housing counselor that works at a HUD-approved housing counseling agency. This is going to help consumers avoid scammers and con artists and the consumers will definitely benefit from working with HUD-approved agencies as opposed to working with nobody or working with some sort of a fly by night organization. We think that the testing that we're going to be doing will give housing counselors broader knowledge and equal better counseling, and it's certainly going to increase the visibility and awareness of housing counseling nationwide and then hopefully, we'll just take housing counseling up to a whole new level.

So, the counselor certification will require that counselors pass a certification exam that'll cover six major topics. We'll go into those in a second. Now, counselors only have to pass the certification once and they're certified for life. They will be certified as long as they're working for a HUD-approved agency that is approved to participate in our housing counseling program and we're going to verify that through an electronic federal system.

Counselors can become certified just as soon as that exam is available but they will have 36 months, or 3 years, after the exam becomes available to get this done. So, there's really no need to rush out and do it on day one because you have three years to get this done after we open testing, so you have ample time to study and prepare.

There'll be six topics that we will be testing counselors on and those are financial management, property maintenance, responsibilities of home ownership and tenancy, fair housing laws and requirements, housing affordability and avoidance over responses to rental and mortgage delinquency and avoidance of eviction and mortgage default. That's a mouthful but it's really important.

You'll need to register to take the exam through the website we set up for you and that's www.HUDhousingcounselors.com. There will be a free practice exam and a free study guide that'll be available. So the best way to describe how this is going to work is you avail yourself of the free study guide and then you take the free practice exams to hone your proficiency. And, this is kind of the concept that's kind of like what you see at the Department of Motor Vehicles, where you can go online and you take the practice exams until you feel you can pass that driving test, and then you go and you plunk down your money and you take the driving test and you pass with flying colors.

So, we're going to give you this opportunity through the free practice exams to hone those skills and make sure that when you do sit for the exam, you do really well.

Now, you'll be able to take the exam proctored online or at a physical proctoring site and that's up to you which way you'd prefer to do it. We'll accommodate both means. Now, the estimated cost is going to be about \$100 for the online and about \$140 for the proctored in-person version and that is subject to change and we're working hard to get those costs down. The fees go to defer the cost of the certification exam and program and like I said, we're working to get that price down for you. Now, one thing to remember is that the fee can be paid for out of your HUD housing counseling grant, so counselors shouldn't have to go out-of-pocket in order to take the test.

The test will be available in English and Spanish and while you can take that test multiple times, until you pass, you have to pay a fee each time. So, that's where that free practice exam is going to come into play. Sit there and do the practice exam until you know that you are proficient and that you will pass your certification exam. So, you only have to pay that fee once. We don't want you to have to go to any extra expense; that's why we set up that free practice exam for you.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 9

And, we're going to publish a Federal Register notice to announce the availability of the exam, so look out for that on our Listserv and our website and in the Federal Register and that'll tell you when you can start taking your exam. But, again, no need to all rush in there at once. You'll have three years to get this done.

So, kind of the impact on our intermediaries, which are also known as pass-through organizations, they're like housing finance agencies, and multi-state organizations, and also on the administrative staff of local housing counseling agencies. If you're not doing housing counseling, let's say you're an administrator, a board member, an executive director, an accountant, and you just don't see clients, and you don't counsel anyone, then you don't need to take this exam.

The exception would be like let's say you're working at a small housing counseling agency and you have a couple of counselors and the flu is going around and the counselors call in sick and you have a waiting room full of people. And, historically, other folks have stepped in to help those clients, maybe the executive director does, maybe even the accountant if they're trained in housing counseling. Now, if those folks want to continue doing that, they probably should get certified, if you want to count what they're doing on your HUD 9902, and it's important that you get credit for all the counseling that you're doing out there. So, if you're not doing that role, if you're strictly the accountant, then you don't have to worry about certification but if you fill in once in a while, then you probably should get certified.

Now, the impact on other HUD programs, so we said, like we said earlier, that all housing counseling provided under or in connection with all HUD programs has to be by a HUD-certified housing counselor and a HUD-certified housing counselor is a housing counselor who has passed the HUD exam and works for a HUD-approved housing counseling agency. It's certainly worth repeating this particular slide.

So, let's talk about what's not housing counseling because this impacts housing authorities and community development corporations that are doing something that they may think is housing counseling but may not exactly be the entire spectrum of housing counseling that we talked about in that early slide where we had like client intake and budgets and things like that.

So, what's not housing counseling is simple services that provide housing information or just referrals, routine administrative activities, client intake, case management, program eligibility. In other words, the receptionist at the housing counseling agency may not need to be certified because they're just collecting information.

And, then, some specialized stuff, case management that provides housing services that are incidental to something larger, like housing of people with AIDS, emergency shelter grants or continuum of care services that really isn't housing counseling. Now, fair housing advice and advocacy, that is just processing complaints and filing claims, is not housing counseling because they know they're not taking a budget or doing that other stuff we were talking about. Then, group education without any individualized services at all, no one-on-one sessions, that's not really housing counseling either.

So, let's go a little bit more into group education. Group education is usually for one or more people. It could be in a classroom, it could be online, it could be a simple conference call or any other delivery method that arises in the future. The major differences from a one-on-one housing counseling session is that it's not customized for individual needs and it doesn't offer any individual or financial analysis or a client action plan. It's a group of people taking a course either online or in a classroom so they're not getting that same one-on-one full cycle, full unit of housing counseling. But, all HUD-approved housing counseling agencies, this is the caveat, must offer counseling on the same topics as group education.

Then, additionally, group education must be overseen by a HUD-certified housing counselor. Now, that doesn't mean you can't have guest speakers. We encourage guest speakers, someone who knows about the loan process, someone who knows about the real estate process; that's great. We love to see those professionals come in and participate in group education so long as the course is overseen by a HUD-certified housing counselor.

So, what organizations might possibly be affected by this new rule on housing counselor certification? We have state and local governments that do some counseling, Public Housing Authority, certainly, the State Housing Finance Agencies. About half of the State Housing Finance Agencies nationwide are already HUD-approved intermediaries and certainly the other 50% might be looking very carefully at their participation.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 11

Also, community housing development organizations, CHDOs, and your CDBG block grant recipients and community development corporations may be doing activities that fit the definition of housing counseling, so they should look carefully at this as well. And, then, a variety of other non-profit or local government agencies that are also doing housing programs for consumers that may fit the definition of housing counseling.

Now, there are some HUD programs that we know will probably be affected and those include CDBG, PIH and home programs could be affected depending on the activity that's going on, and we really narrowly defined this rule so that it should be fairly easy for those program areas to determine if they're doing housing counseling and we're always available to consult. So, if you have a question, that can be sent to housing.counseling@HUD.gov and we will answer that question for you.

Now, some of the examples that we see in the home program, down payment assistance and purchasing units with home funds very frequently come with a requirement for counseling by a HUD-approved housing counseling agency and then going forward they will probably be inserting by a certified counselor working at a HUD-approved housing counseling agency. Then, on CDBG, there are programs that pay for housing counseling when that assistance requires housing counseling, so a lot of municipalities are inserting that language into their grants to their sub-recipients so that housing counseling is required from a HUD-approved agency. Then, family self-sufficiency, but only if the home ownership counseling is performed as funds, then the coordinator will have to be certified as well.

So, some of the options for affected agencies, if you think that what you're doing might fall under housing counseling, one option is to apply for HUD approval or join up with a HUD-approved intermediary or State Housing Finance Agency as an affiliate. We have a HUD approval process and it could take about 60 days to go through our approval process. We do a lot of due diligence on our applicants to make sure they're qualified so leave some time for this.

At the end of 3 years or 36 months, agencies will have to be in compliance, so we strongly advise that you do not wait until the end of the 3-year period but really start thinking about this at the beginning of the 3-year period. Then some of the other options that you have is you can partner with a HUD-approved housing counseling agency and do referrals

or funding agreements with them so that they could handle those aspects for the program. And, an example of that might be a Public Housing Authority that is doing a lot of work and maybe doesn't have staff and resources to take on housing counseling, well they could partner with an existing HUD-approved housing counseling agency in their area and handle compliance that way.

Another aspect could be to modify the program in that agency so that it is compliant, which means stop doing things that look very much like housing counseling and sort of work things around so that that is a little bit different or upgrade your program so it is compliant, which would mean you'd have to apply for approval.

Then, finally, the one we don't want to see is to stop delivering those housing counseling services. We think there needs to be more services. This is an option but I think it should be a last resort option because consumers need assistance from all of our partners and to stop delivering housing counseling services is probably a last resort that really should not happen. We want to see more housing counseling.

So, how to become HUD-approved if you're not already a HUD-approved housing counseling agency, you need to be a non-profit or a state or local government entity. You need at least one year's experience providing housing counseling and you need at least a year of operation in a proposed geographic service community and you need to demonstrate that you have the sufficient resources in order to carry out a housing counseling program. Now, in terms of experience of housing counseling, we do look at substantially similar experience as well, so if you're doing something that's very similar to housing counseling but it's not exactly housing counseling, we will definitely take that under consideration.

Now, to get the ball rolling, you only need to email housing.counseling@HUD.gov and schedule an appointment with one of our application advisors and they're standing by to talk to you about your organization and help you pull your application together, go over your qualifications to make sure that your application would be successful. We found that since we've added application advisors to the process that we're seeing a very good success rate with qualified applicants and a much lower reject rate from unqualified applicants. It's also reduced workload on the part of counseling agencies that are applying because someone is there to advise them and hold their hand throughout the process. And, it's also reduced workload and saved some tax dollars for

consumers because we are not reviewing every single application that crosses our threshold. Instead, we're talking to counseling agencies and prospective counseling agencies to make sure that they're qualified before they submit that application.

There's a website that is listed below that talks all about the housing counseling application process and takes you through the entire thing on our website. All of these links, just to remind you, are available in the PDF download that you can download from this and you're all going to receive this by email as well, so there's no need to scribble down long URL links. You're going to have it in your inbox and you can download it right now through the system.

We also added a housing counseling agency eligibility tool, which is kind of exciting. It's sort of a decision tree so that if you're thinking that you want to take your agency and go through the HUD approval process, it'll take you through this decision tree, walk you through it, and like if it asks you do you have a 501(c)(3) and you answer yes, it takes you to the next section. If you answer no, it will tell you that you need a 501(c)(3) or you need to be a local government or state government in order to proceed.

What it also includes is some educational material that explain the various steps and finally, it will give you a user report with all of the deficiencies that you need to follow up on so that you can become qualified. And, the tool has been well-received by potential applicants. It allows them to have a very educated discussion with our application advisors and instead of starting the discussion with I want to become HUD approved, what do I do, the discussion starts with I took the eligibility tool and I see I have to work on items 4, 3, 7, 16 and 12 and that is a much more efficient discussion and much more fruitful for the applicants. It also speeds the whole process up.

So, we would encourage you—

Lorraine

I just wanted to check with the folks in the room, is there anybody here that is not currently in the housing counseling program? Okay. So, I don't know about those on the telephone but everybody here is HUD approved but it's still a great tool just to look at to brush up on eligibility requirements and it only takes 30 minutes. Okay, thank you, Jerry.

Jerry

Oh, sure. Thanks, Lorraine. Yes, I think it's a valuable tool and if you have some spare time and you want to test your agency and just use the

eligibility tool, you might learn some things about your agency and your qualifications, so it's certainly worthwhile at some point.

So, what became effective on January 13th when we published this Federal Register notice on the Final Rule for Housing Counselor Certification and one of the items is a requirement that agencies participating in HUDs housing counseling program must address the entire process of home ownership. That's from A to Z, how to find a home, all the way through to how to sell your home if you want to trade up and do something different, and information on mortgages and real estate brokers and to every aspect of home ownership.

There were requirements, which already existed, but we reiterated in this that the distribution of home inspection materials is very important, that the home inspection pamphlet, that you all know and love, for your protection get a home inspection—we also look to make sure when we do our monitoring that is provided to every potential homebuyer so that they know a home inspection is very important.

Now, there's also a new requirement and that's on the misuse of housing counseling program grant funds and this is called a material violation. And, basically, in a nutshell, a material violation is money that is misappropriated and unaccounted for and maybe goes to the wrong place, and that material violation, essentially stealing the housing counseling money, which I know no one on this call is doing. But, stealing that money will result in the housing counseling agency being forever barred from ever receiving housing counseling money ever again, so we're very careful about material violations.

Now, if you're having some problems with your budget or you're having some problems accounting for counseling money, what we would ask is that you contact us upfront and we'll help you work through that. Errors is not a material violation and bringing that to our attention will help us help you get through that little problem and get it fixed. So, don't be shy about calling us when you think there's an issue. We want to help you through that, we do not want to have any material violations, so please contact your housing counseling point of contact right away when you have any questions at all about the use of housing counseling funds.

Then, finally, on this slide, a federal election law. There's a new prohibition against distributing housing program grant funds to any organization that's convicted of any violation under federal election law.

We haven't seen that in our housing counseling program but should it arise, that would also prevent the housing counseling agency from ever again receiving housing counseling funds from HUD. So, that's very important to pay attention to.

Lorraine

Jerry, I have a question in the room, "How would they find out about election law violations?" And, basically, they would have been notified by the authority that oversees it if they had any election law violations. Correct?

Jerry

Oh, yes. If an organization is indicted and found guilty of an election law violation, you'll know it because you'll be talking to people with badges and attorneys and your life will be miserable. So, don't violate election laws.

So, what is home ownership counseling? Home ownership counseling is counseling that covers the decision to purchase a home, the selection and purchase of a home, issues arising during and affecting home ownership, which could include financing, or refinancing, default, foreclosure, and any other financial decisions.

And, then things that are unexpected, like a flood takes out the house and the homeowner needs to recover or there's a fire or the heating pump breaks or all these kinds of issues that could cause a mortgage to go into default because the homeowner now has to make a decision. And it's very important that home ownership counseling cover those eventualities to prepare home buyers for those eventualities. And, also, finally, the sale and disposition of a home.

So, some of the examples we have of home ownership counseling are pre-purchase, post-purchase, mortgage default and of course reverse mortgage counseling, also known as HECM, or the home equity conversion mortgage. The home ownership counseling requirement is in the Federal Register under our housing counseling rule 214.300. It, basically, reiterates again that housing counseling has to address the entire process of home ownership. And, the housing counseling agency has to be prepared to address all of the home ownership topics that are relevant to any individual's needs or circumstances and provide any information a client requests on the home ownership topic.

Lorraine

Jerry, before you continue, I just want to say a couple of things about home ownership topics. Note the emphasis and bolding of the word

agencies. We do expect counselors in individual counseling sessions to have to go through every single topic with each client that is in one of those four categories. What we're looking for is the agency workplan to address how you might do it.

I am going to talk about Desert Mission. I visited their office on Monday and they require all of their clients, their pre-purchase clients to go to homebuyer education first so they, in essence, have chosen that manner to cover these topics for their pre-purchase clients. And so as an agency, you can decide is that how you want to handle it. Do you want to provide hand notes? And we have several FAQs that cover this.

Lastly, we aren't expecting you to update your workplan immediately and send it to us. When we come out to have a performance review, at that time, we'll talk to you about updating your workplan. Okay. Thank you, Jerry.

Jerry

Alright. Thanks, Lorraine. I appreciate that. Now, let's talk about some resources and other information. On our HUD Exchange, which is the website we rolled out last year, you can click on housing counseling, HUDEXchange.info@housingcounseling will take you right to it, and you'll find press releases and the Federal Register notice that announced certification. There'll be a list of the programs that are covered by housing counselor certification and charts of supervisions and dates that'll take you through the timeline.

You can also subscribe to our Listserv and our *Bridge* Newsletter and this will give you more information about housing counseling. Our Listserv will publish a notice, the Federal Register notice, and bring it right to your inbox on the date it appears so you don't have to wait and you'll also find those toolkits and program models and other resources on our website that we talked about earlier.

We've also posted a really extensive list of frequently asked questions about housing counselor certification and a bunch of other housing counseling topics and it's searchable. It's a very dynamic database. You can download it as a PDF and print it out and read it at your leisure. There's hundreds of questions so you probably want to start by searching by topic for what you're interested in. We just published, yesterday in fact, a whole bunch of new frequently asked questions that were based upon feedback and questions that we got from our stakeholders. We try to turn those around fairly quickly and then we don't just answer one person,

we try to save the question as a frequently asked question and then answer it for everybody because you may have the same question as that person that just emailed us a question.

And, if you have that question, and you don't see it covered in frequently asked questions on our website, just email housing.counseling@HUD.gov and we will get you an answer. We try to answer all of our inquiries within 24 hours and hopefully, you'll find the service to be very good for answering your questions.

Now, the Office of Housing Counseling, like I said, can be found at www.HUDEXchange.info/counseling. The housing counseling training and testing website is www.HUDhousingcounselors.com and again, you can always email us at housing.counseling@HUD.gov. These links are in the PDF version that you can all download during this presentation on the right side of your screen, and you'll also be emailed a copy as well.

Now, we're ready for questions and Kevin, if you could open up the line for questions and Jane, in the meantime, if we have questions from the audience through the webinar, why don't we start with those.

Moderator

[Operator instructions].

Lorraine

While we're waiting, does anyone in the room have a question?

Tracy

Do you have a gauge of what you think the increase will be because of the publications, the certifications, the press releases?

Lorraine

That's a good question. Tracy wanted to know if we had any idea how certification and our efforts to increase visibility of housing counseling and the certification, the fact that counselors are going to be certified, do we have any way of determining how much that's going to increase demand for services?

Jerry

Well, we don't know. What we do know is that in our messaging, by telling consumers to contact a HUD-certified counselor at a HUD-approved agency, it should direct a certain amount of business to counseling agencies but we don't know what that will be yet. And, then, plus, the addition of the other program areas that are not currently HUD-approved housing counseling agencies could change the landscape as well.

We do have a lot of, for example, public housing authorities that are currently HUD-approved housing counseling agencies but we're expecting more to join the network. We don't know how many more will join the network, so it's really going to be an as-we-go gauging kind of thing going forward.

Lorraine

We have a potential. There are approximately 800 housing authorities that participate in the Family Self-Sufficiency Program. Those of you that might be familiar with that program, and so they would more than likely come under the housing counselor certification requirement. And, then, community planning and development, there's probably 1,000 grantees that are involved in the community development block grant. That may also have the potential of this program.

But, remember what Jerry had said, these other agencies have options. They can, of course, become approved themselves or they can reach out to you. So, there might be opportunities for you to maybe make relationships with them and maybe also possible funding from them. So, we don't really know how that's going to progress, but there may be opportunities.

Yes, sir?

M

I was just going to ask based upon what you just said there, is it a possibility that you all could survey them to get an idea of their intentions, which would give an indication to those [audio disruption] who might be looking to partner versus who might be looking to—

Lorraine

The question that came in, perhaps we could survey them to see if they are interested in what's happening. And, Jerry, I welcome your feedback, too. We've had an aggressive outreach campaign to notify them, to let them know this program is on the horizon, but that was the main reason that we had these three-year period, so it will give them plenty of time to make their decision.

Jerry, would you like to add anything?

Jerry

Yes, in terms of running a survey, we haven't done that. It's something that we could consider. We have, anecdotally, we've talked to a lot of public housing authorities and community development corporations and block grant recipients and there's a lot of interest out there. So, we certainly expect to see interest grow but we're kind of thinking that it's

going to grow over this three-year period. We don't expect to see it happen all at once.

Right now, our pipeline of approvals for new agencies has not altered, so at this point we're in a wait and see mode and I think they are as well. A lot of agencies, currently, are working—public housing authorities and especially community development organizations, are working on a lot of big issues and housing counseling is certainly on the horizon for them, but we're not so sure that this is their highest priority, at the moment.

Lorraine Do we want to see if there are any callers?

Moderator At this time, we have no questions from the phones.

Lorraine Oh, no. Okay. Well, that's good.

Jane This is Jane. We don't have any written in questions either, at this time.

Jerry Alright. Are there any other questions in the room?

Lorraine Somebody wants to know where your office is located, Jerry.

Jerry Oh, I'm in Santa Ana, California and the Office of Housing Counseling is a virtual office and we're scattered all over the country. Lorraine is in Las Vegas, Jane is in Kentucky and we have folks in about half of HUD's offices nationwide.

Lorraine Okay. Last call for questions.

Moderator [Operator instructions].

Lorraine What I'd like to do, the second part of our presentation is going to be a stakeholder's discussion and as we welcome those on the telephone, especially, to chime in on that discussion, I think we'll take about a five-minute break and then come back. But, before we do that, I just want to emphasize again, www.HUDhousingcounselors.com is our training website. It's free. You can do online or you can do downloadable study guides.

We are in the process of translating the study guide into Spanish, so we will have the practice exam and the study materials in both English and Spanish as well as the test itself but it's free. If doing online training is

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 20

not conducive to your learning style, our training grantees, NeighborWorks, National Counselor [indiscernible], NCRC, and Rural Community Assistance Corporation also have online and in-person training.

Tracy, you were telling me they're having a class in Phoenix, right? NeighborWorks?

Tracy Yes. Place-based [ph] training that Chase is putting on next week.

Lorraine Okay, great. So, that's another opportunity for you. Are they offering scholarships for it?

Tracy Yes, it's free.

Lorraine So, those of you on the telephone as well, there'll be a NeighborWorks-sponsored class for free next week.

Okay. Why don't we just take about a five-minute break and then— Stephanie, where are the restrooms?

Stephanie Straight down the hall on the right-hand side.

Lorraine Okay. Alright. Jerry, we're going to take a couple of minutes. Okay?

Jane We're going to put you on mute. Great job, Jerry. Thank you.

[Break]

Lorraine Jane, when we get started again, can you identify, for the group, everybody that is signed on for the webinar?

Jane Sure.

Lorraine And that way we'll know who all is participating. Thank you.

Jane and Jerry, we're going to get started in one minute but I'm wondering if you can go back to slide 11? One of the first questions is to ask the group how has their activity changed since 2016.

Jerry Jane has control right now so she'll be able to wind it back to 11 for you.

Lorraine Okay, that'd be great.

Jerry Okay.

Jane Slide 11 is actually where we introduce you, Lorraine. What was the title?

Lorraine It's the Arizona Housing Counseling Activity—oh, that's right. I don't have the logistics slides.

Jane Okay. I have it. Thanks. You should be able to see it on your screen now.

Lorraine Yes, there we go. Thank you. I certainly do. On the second part of the presentation, I don't know if, as a group, you have the opportunity to get together and talk about housing-related topics. Do you have, like for example, through the Arizona Housing Alliance, do they get together?

W There is a group but they haven't met in a long time.

W Workloads are crazy.

Lorraine I think if it is something that you're interested in doing, they would be more than happy to work with Stephanie to help coordinate that. What I actually do in Las Vegas, we have a much smaller pool. We get together twice a year and we typically combine like some training or bring in a guest speaker that'll talk about Nevada-based programs, and so it becomes an opportunity to network and it also becomes an opportunity, too, to learn some information that helps you.

What I would like to do first, if you don't mind, is have everybody introduce themselves.

W [Indiscernible].

W [Indiscernible].

Owen Owen Carlson [ph], Newton Community Development Corporation.

W [Indiscernible].

Lorraine Okay, great.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 22

- Anita Anita Baldwin [ph], City of Chandler, CDDT Programs [ph].
- Lorraine Great. But, are you already in HUD's program, housing counseling program or no? No, okay. Do you provide housing counseling services or at least what we would define through your program or do you refer those out?
- W We normally refer those out.
- Lorraine Okay. Okay. And, you can most certainly continue to do that. We have representatives from the city of Chandler, from Newtown and Desert Mission. And, Jane, could you share with us who's on the telephone, the agencies?
- Jane I'll be happy to, Lorraine, and apologies in advance if I butcher your name. We have Anita Baka [ph], Chris Eondeto [ph], Francisca Peones [ph], Herb Jackson, Ines Galarza, Corrina Ortega, Morris Brundage, Lavera Thompson, Maria Dios Reyes, Owen Moorhead, Rolanda Sivas [ph], Cheri Tate, Theresa Torres, Veronica Garcia, Linea Gonzales, and Yvonne Arreola [ph].
- Lorraine Okay, great. Thank you very much. And, please, the stakeholders meeting only works if everybody besides we, HUD folks, talk. So, this is an opportunity for you to share.
- So, going back to this slide 18, and this was last year's activity and group education was the primary and then mortgage default was about 24%. Can you share with us any trends? Is your service kind of mirroring that for FY '17 or are you seeing increases in pre-purchase or group ed? I'm just curious, what's going on? And, let's give the folks on the telephone an opportunity. You can either call in or type in in the chat box.
- Hi, ladies. Would you please introduce yourselves? Everyone announced who they are and where they're from.
- W I'm [Indiscernible].
- Lorraine Thank you.
- W [Indiscernible].

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 23

Lorraine Alright. We're doing the stakeholder's portion. Jane, do we have anybody that is willing to share how their activities are changing or are they the same?

Jane So far, we don't have any written in questions. Operator, could you open the queue, please?

Moderator [Operator instructions]. One moment.

Lorraine We'd really like your feedback, how your services are. While we're waiting, let's start with Housing America. Have you seen any changes in your service demand?

W We were providing foreclosure companies [indiscernible].

Lorraine Oh, okay.

W [Indiscernible].

Lorraine Okay, thank you.

W We're seeing a lot more renters coming in. They're not really interested in getting all the documents together for rental counseling. We're getting a lot more questions from the community on that.

Lorraine Oh, on the rental.

W Yes.

Lorraine Are you noticing any trends like in fair housing issues or landlord tenants or just trying to find affordable rentals?

W We do work for a lot of people who are landlord tenants. Unfortunately, a lot of them are at eviction, and it's a little too late.

Lorraine Oh, no.

W That's the calls we get, too.

W Yes.

W Yes.

W They're trying to find affordable housing.

Lorraine Affordable housing.

Moderator We have response from the line of Edna McLaughlin. Please go ahead.

Edna Hi. Can you hear me?

Lorraine Yes.

Edna Thanks for hosting, Lorraine. I have two comments. One is CHRA in Phoenix is seeing a high level of demand for pre-purchase counseling, especially from current renters. We started an online homebuyer education course that really has taken off. It seems to be more convenient for renters. And then as well now that we have a little bit of funding available through WISH and still open doors, we're seeing a lot of people that want to purchase right now, a lot of long-term clients but some that are ready. So, that's our comment about the housing component.

My next question, which I tried to ask earlier, is if we have housing counselors whose certification through NeighborWorks or NHNLA are getting ready to expire, do we wait until the HUD certification becomes available, or do we continue getting them recertified with NeighborWorks or NHNLA?

Lorraine Jerry, do you want to answer that one?

W Maybe Jerry is on mute.

Lorraine The answer is our certification is not designed to replace other certifications. Ours is fulfilling the requirement of the law and our final rule. We would strongly encourage you to continue with your other certification and your other training. So, I would plan on having them renew their certificates.

Jerry I'm sorry, Lorraine, yes, I was on mute. I agree completely. Professional certification and professional career development is separate from housing counselor certification, which is sort of a legal requirement and we strongly encourage that to continue.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 25

When we do performance reviews, one of the things we look for is that housing counselors have met continuing education requirements. Now, this is not a part of the certification exam because once you're certified, as a HUD-certified counselor, you're certified for life, so long as you're working at a HUD-approved housing counseling agency. But, that doesn't mean that professional development and those certifications aren't just as important, so we certainly encourage your participation. And, also, remember that HUD does provide money to all of our training NOFA grantees to give you scholarships for your counselors. So, we try to minimize the cost of counselors having to obtain further professional development training.

Lorraine Alright. Thank you very much. We still have a question. I'm going to ask the gentleman from Newtown.

M I think we're seeing a lot of folks who are interested in pre-purchase counseling. It seems like some of the places fill up, and more people become interested in finding down payments [audio disruption] buy a house. We do a lot of work with what we would call long-term clients, who are quite a ways away from the ability to purchase a house, mostly because of credit issues [audio disruption] a huge barrier and then saving for a down payment [audio disruption].

Over the past two years, we've been working really closely with many of the family self-sufficiency programs and we see that there is quite a need there [audio disruption]. People that come into that program early on are usually quite a ways from being able to buy a home and we know that they have credit issues [audio disruption].

Lorraine Well, I applaud you for sticking with the client over a long period of time. So the gentleman was sharing with us that they work with their clients long-term and see an increase in pre-purchase and down payment assistance. So, thank you very much for sharing that.

Anybody else on the telephone?

Moderator Yes. We have response from Herb Jackson. Please go ahead.

Herb Thank you. Thank you for hosting this call. I just wanted to bring you up to speed on what's going on here at the Urban League. We've also noticed an uptick in pre-purchase. Quite a few people are interested now. My barriers there mostly are they can't afford what they think they can

afford because housing costs, as we all know in Phoenix, has risen quite a bit. So, even if you have great credit, it's kind of tough with the down payment assistance available to buy a \$232,000 house when you make \$60,000 a year. So, that's one of the issues.

The other issue that I'm running into is I'm getting a lot of resets on the MODs and so I'm getting folks coming back in now who are now—unfortunately for them, their wages didn't reset upward. They are unable to now afford their homes so I'm having some of those issues too, but that's kind of what's happening here at the Urban League.

Lorraine Okay. Thank you very much for sharing. I was wondering about that because a lot of MODs that are five years is coming up. Is anybody else experiencing that? You guys stopped offering mortgage default. What do you do? Do you get calls from former clients?

W If former clients that [indiscernible] ownership again.

Lorraine Oh, okay. Good.

W We see a lot of people [indiscernible]. We work with them to establish credit [indiscernible].

Lorraine Other members of the group shared with us, they are finding folks that had foreclosures or short sales are now coming back into the purchase process, also new immigrants have to establish credit histories and things like that.

W Herb, what is the response from the bank when you have to go back on modification?

Moderator I think Herb's line may have gone on music hold. That's the music that you hear now. He may have answered a call or something so I'm going to mute him real quick here. Okay?

Jane While we're waiting for Herb to get back on the line, we do have some written in feedback and a question as well. Another in Arizona is working towards pre-purchase but they are still getting modification requests and most of those are of the module resets.

Lorraine Okay.

- Jane A question that we had is from a housing counselor who's in the process of getting a license as a mortgage loan originator and wanted to know if having that license would prevent them from getting the certification as a counselor.
- Lorraine Jerry, would you like to answer that question?
- Jerry That's kind of a conflict of interest question or also known as identity of interest question, and what we want to see from our housing counseling agencies and counselors is that housing counselors should not be mortgage originators for clients that they're seeing as housing counselors.
- If you're employed at a HUD-approved housing counseling agency, it might not prohibit you from obtaining your counseling certificate but if you are—for example, if you are an originator at a for-profit lender, you wouldn't get a housing counselor certificate because you have to be employed at the housing counseling agency and the executive director of that agency will have to go into our system and certify that you are an employee of that company.
- So, we really wouldn't be looking to see that there's no identity of interest; that any transactions are arm's length. Basically, the model that most housing counseling agencies follow, if they are doing some community lending, because there are a lot of agencies that do community lending, is that the counselor is not the same person doing loan origination; that that client is handed off to another person.
- And, also, very important that clients know that obtaining a mortgage or any other services through that housing counseling agency is not a condition of being a client under HUD's housing counseling program. So, even if that client declines to participate in a mortgage program or some other program, it shouldn't preclude them from receiving some quality housing counseling.
- Lorraine Okay, great. Thank you very much, Jerry.
- Mercedes Lorraine, I have a comment. A lot of the clients that call us for pre-purchase are looking for down payment assistance, that's the reason they're calling. I was just wondering if the other agencies experience the same thing [indiscernible] it would be nice if they just came and [audio disruption]. I was wondering how we could capture everybody, not just those with the down payment assistance.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 28

- Lorraine That's a very good question. I don't know if you all heard Mercedes but she was saying that most of the clients that are interested in pre-purchase are actually looking for the money and so whatever it takes, then they go ahead. And if that means they have to take buyer ed or housing counseling then they do it. But, we're wondering if there's any way we can get more folks interested in having pre-purchase counseling, just to learn the process and understand the process.
- Any comments or feedback to that from folks on the telephone?
- Moderator I'll go back to Herb's line. One moment, please. Herb, are you there?
- Herb Yes, I'm here.
- Lorraine We had a question for you.
- Edna Okay.
- Tracy This is Tracy. How are you finding the banks to work with when you go back to renegotiate the modifications?
- Herb It's kind of tough to say. It really depends upon the client, I think. A lot of times, I find them to be—if it's one of the bigger banks like Wells Fargo or Chase, because I've developed a relationship with them, it's a lot easier. With these odd ones, line Shellpoint and Bayview, people like that, it's difficult. They don't seem to understand what you're asking for and they're kind of back to that old thing, give me more documents, give me more documents. You send them and they don't understand them and I'm calling them and kind of going back and forth with them.
- But the Wells Fargo's and the Chase's, I haven't had any Bank of America, but Wells Fargo and Chase, because of relationships I've established when we were doing this before, I don't seem to have a problem with them.
- Lorraine That's interesting. Thank you.
- W Is there anybody from Trellis on the call?
- Lorraine Trellis, any representatives from Trellis, can you also share what you're seeing?

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 29

- Moderator And if you're on the phone, just go ahead and press star zero if you want to respond. Okay, no response at this time.
- Lorraine She might have left. So, then, I just wanted to go back to Mercedes's question. Any ideas about how we can get more people interested in pre-purchase counseling? One of the things that we are working on are lender and realtor toolkits because we want them to understand the value of housing counseling for their clients. It makes their job easier if they have an educated client.
- Mercedes Some of them do [indiscernible].
- Lorraine I think there's a fear factor. I've heard real estate professionals say, I sent them to the housing counseling and they never come back to me. Well, perhaps, they got educated and you weren't exactly a shining star, there's a ledger in the street. But, anyway, the key is to educate all of our industry partners and we're doing that through the toolkit, we're doing that through our federal housing counseling Federal Advisory Board because we actually have lenders and real estate professionals on there that are giving us ideas on ways we can bring the industry in it, and increase the visibility of housing counseling.
- Okay. I'm going to move on to the next topic we had and that is HCEM counselors but we don't have Trellis on the line. How many people have come to Nancy West's presentation? She's with our Santa Ana home ownership center. She does FHA updates. She does a fantastic job. Next time you hear she's in town, it's really worth attending, especially those of you that do pre-purchase because she talks a lot about FHA changes.
- She was telling me there's only one agency that offers HECM counseling for all of the Phoenix Metro area.
- Moderator I'm sorry for the interruption, we do have that line you were asking for. It's open now. Okay?
- Lorraine Yes, okay. Can you also talk about the HECM issue?
- Theresa Hi Lorraine, this is Theresa. I don't think we have the housing counselor on the line who's doing the HECM counseling. She's actually with a client so I was like trying to let them know that we were here listening, it's

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 30

just that I had my phone on mute. I realized that. I was like what's going on, I pressed the line, but it was on my side that I muted the phone.

Lorraine Are you Theresa Torres?

Theresa Yes, that's me.

Lorraine You moved to Phoenix.

Theresa I sure did.

Lorraine Wow, we miss you.

Theresa I miss you guys, too. I miss Vegas.

Lorraine I'm glad, though, that you're working here in Phoenix. The community will definitely benefit from you. Theresa worked for an agency in Las Vegas and she was very dedicated, especially for mortgage default clients, and she would always call me up and say, this FHA lender isn't doing what they're supposed to do. Great. Well, congratulations on your new job.

Theresa Thank you.

Lorraine Okay, so we don't know much. We can't talk much about HECM.

W [Audio disruption]?

Lorraine That's a possibility, MMI, Theresa, may have some HECM counselors in their offices here. I'm trying to verify that information because apparently, Trellis has been getting all of the referrals and they can't handle the volume.

Theresa I can tell you by talking to the person who's in charge of doing the HECM counseling that she is very busy, not just with the local, but we also do the national HECM counseling. So, we do get clients from out of state that are getting the counseling that is required for them to go through the HECM process.

Lorraine Those of you that do not do HECM counseling now, something [audio disruption]. You do have to take an exam, the HECM Roster, so it's a

two-step process. You pass the exam. NeighborWorks, especially, has HECM training available to help you prepare.

HECM is very complex. It's a complex mortgage concept and you have to be able to explain it to seniors that sometimes have difficulty understanding, so it is challenging but it is also worthwhile because it's one of the best ways that a senior can maintain their independence and stay in their home. So, something to consider.

If you are interested in learning more about HECM, and becoming certified, just send us an email at housing.counseling@HUD.gov and we'll have our HECM experts reach out to you. And you can also charge for HECM counseling.

W Is there a reason counselors don't want to do? Just because it's more difficult, more time-consuming?

Lorraine Yes. I think taking the test—when you hear that, taking another test, what do you think? No.

W Mainly, we haven't known there was such a market for it, but with the aging of the baby boomers it makes sense, so we definitely have to bring that up.

W We may want to consider it.

Lorraine Something to consider and you know it is a potential revenue stream for you, an option.

W Can you set your own fees on what you charge?

Lorraine I'm not sure of the fee schedule. I don't think we have a set fee anymore but I think you have to be able to justify your fee. I have seen typical fees around \$125 to \$150 per counseling session.

Okay. I was just curious. I don't know if we have any rural agencies on the telephone. I know WACON was planning to attend. Does anybody serve outside of Maricopa County in the room? Okay. So, you're way south. Great. You guys drove in. Wow.

Jane Lorraine, I'm sorry to interrupt but we have a couple of more people who are on the line who'd like to talk about HECM counseling.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 32

Lorraine Great.

Jane Cheri Tate and then Kris [audio disruption] Family Housing Resources.

Lorraine Okay. Go.

Jane Operator, would you mind?

Moderator Okay, I'm going to open the line briefly and let them speak. Go ahead and say something now.

Cheri Hello?

Moderator Okay.

Cheri Okay.

Moderator One moment, please. If you're there, go ahead and hit star zero right now. Star then zero on your phone. Okay, one moment, please.

Lorraine It's much easier to do everything in person. Thank you for those of you that came.

Moderator Alright, now that line is open now. Okay.

Cheri Hi. This is Cheri Tate. Can you hear me?

Lorraine Yes.

Cheri Hi. I do HECM counseling at Western Arizona Council of Government so for those of you that have an overflow, don't hesitate to send them to me and I've been doing it since 1992.

Lorraine What agency are you with?

Cheri I'm with Western Arizona Council of Government.

Lorraine Okay, great. Where is your office located?

Cheri We're in Yuma, Arizona.

- Lorraine Great.
- Cheri And, we serve Yuma, Mojave and La Paz so I'm certified to do them in a couple of states, and I've been doing them, like I said, I've been doing them since 1992. I did them with Consumer Credit Counseling Services Southwest which then became MMI, so it is intimidating but anybody that gets into it loves it because you get to be the middleman.
- Lorraine It's nice to help seniors. Well, thank you very much, Cheri. I appreciate that.
- Cheri No problem.
- Lorraine Any other comments?
- Cheri I was going to comment on what we do down here. We're seeing a lot of the modifications coming back and our pre-purchase is really the same as it is in Phoenix. You wouldn't think so in this area but unless they're working with Housing America, and they're doing the sweat equity programs or they are looking for the WISH programs, it's just very difficult.
- Because the housing stock prices are going up and wages are not keeping up with them, so it becomes difficult.
- W Does anybody have a slide about that? It would be really good to educate our board about the—has the state put out anything? Do you know? I'm sorry, I'm trying to figure out if anybody has a slide that they put together about the rise in prices compared to what wages are doing in Arizona or even in Maricopa.
- W HUD PDR has done—when they come in and they do the surveys, they've done the economic surveys and they have reports out on Flagstaff and I think, the Phoenix MSA and the Tucson area, so I can give it to Lorraine and she can send it out to everybody. It's a very comprehensive report, it talks about jobs, it talks about wages, it talks about the housing, what's available. I hold statistics in all three of those MSAs, the demand is far outpacing the construction.
- I mean, what you guys know intuitively and I knew that, too, but when I pulled the numbers, I was like wow. It's really off, like I'll just use an example. The demand for sales in the Flagstaff MSA is 1,075 units and

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 34

under construction is 170 and Phoenix is worse. Phoenix, Mesa, Scottsdale, demand is 72,000 units for sale and under construction is 3,600 units. There's a huge difference.

What they've done, of course, because you have more demand than supply, it drives up the prices and so all of the median prices of housing is in the mid-250 range for both Coconino County, Maricopa, even Pima County down in Tucson is about \$178,000, just for median. So, you know that there's more above and there's just not too many below. So, intuitively, you already know that. We'll get you that link to those reports and they're very educational.

Moderator We have a response on the phone from the line of Kris. Please go ahead.

Kris Yes. I'm calling from Tucson Family Housing Resources. I also do reverse mortgage counseling.

Lorraine Great. Thank you, Kris. And, again, the name of your agency?

Kris Family Housing Resources.

Lorraine Okay. Wonderful. In Tucson, that's great to know.

W Do you still have the mortgage credit certificate?

Kris Yes, we do, for Pima County.

W Thank you.

Lorraine Great. Anybody else on the phone want to share?

Moderator [Operator instructions].

Lorraine I have a lot of questions about your services. Are there any particularly different challenges? Obviously, housing is a statewide issue, and the price of housing. Do you have any issues with your more rural communities? Like, for example, do they not have internet access for one thing? No, you're not seeing issues with that. Okay. Well, that's good to know.

W [Indiscernible].

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 35

Lorraine That's really good. She made a comment. One of the challenges for Yuma is they deal with so many immigrants that need to establish their credit history, and I think that's terrific that they're coming to you because I can only give you a basis in Las Vegas. Our immigrants would go to buy a car and they were told that was a good way to establish credit but they were being charged 20% for a car loan. You're all shaking your head.

W [Indiscernible].

Lorraine Now, they don't matter. Yes. That's the power of you guys, the job.

W We're seeing the refugees, now it's Arabs, Syrians, Iraqis, so that's rewarding.

Lorraine That's great. Yes. That is wonderful. Alright. Thank you.

W [Audio disruption] and all those people are on unemployment. Like, right now, the steady unemployment has been [indiscernible].

Lorraine How about USDA? Is Yuma too big for USDA now?

W [Audio disruption]. Even in rural areas, the property values have increased substantially.

Lorraine Wow. They're saying in the rural area, USDA is available but the price of a house exceeds USDA mortgage limits. Anybody else on the phone and then I'm going to get to the ladies from Chandler?

Jane, do we have anybody else or any written comments?

Jane Not at this time, Lorraine.

Lorraine Okay. Okay. Ladies from Chandler, do you have available sufficient funds for your down payment assistance or are there more requests than you have funding for?

W [Audio disruption].

Lorraine Okay. That's good.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 36

W But, one of the things that I can say is that I work with the families that are kind of receiving section 8 because they're all rental and it is becoming very, very challenging for them to find affordable rentals. They think the answer is to transfer to other cities, they can use a voucher and try to find affordable housing in other cities. [Indiscernible] that we work closely with [indiscernible].

W Same thing, all of the rental amounts have gone up 10% to 15% over ten years but it's where you cannot—even the new properties that are being built down here, studios are going for \$900. It's crazy. I mean, people can't find anything they can afford.

W And, I think, the future is even more scary because they're getting rid of this tax credit.

W Right. When the president is discussing changing the corporate tax law, and so the people that take advantage of the tax credit are saying well, what do I need it for now? So, there are already some pricing changes going on on new construction. At one point, we were getting \$0.95 on the dollar, now I'm hearing \$0.65 and it's getting worse.

W And, that's the only way we develop rental units. I mean, Arizona, that's a particularly critical problem because we don't have new affordable rentals coming online.

W And, also, there's discussion about the CDBG funds, which are being used normally for GAAP funding and the home funds specifically. That's a concern as well.

Lorraine Well, thank you all very much for sharing. Now, we would really like the opportunity to get feedback from you about what we're doing, what the Office of Housing Counseling is doing. Jerry and I are part of the Office of Outreach and Capacity Building and the things that we work on are for example, the toolkits and Jane and Charida as well.

Jane and Charida work very closely with our contractor that helps develop and manage the HUD Exchange and we have a lot of toolkits there, we're developing some online training, more toolkits. We need to know if we are fulfilling your training needs, if you have any suggestions, what topics you'd like to see covered and any suggestions in general about our webinars because that's primarily what we do are webinars.

Certification has given us the opportunity to meet and see you in person, which I find to be totally invaluable. I love it, it's great having the opportunity.

So, I'm going to open it up to people in the room first and then we can queue up some callers about your training needs. Any feedback here?

W I'm been doing the modules and I really think they're good.

Lorraine Okay. On housingcounselors.com? Okay, thank you. I'm glad to hear that. Great. How many people watch our webinars? Okay, Mercedes has, you guys watched, too—yes. Alright, thank you. We do post them about a week after and audio only lasts a year but we do have now, we started doing transcripts, which will never go away. So, when the audio is gone, you can read what we said; not as easy as listening but at least it's there.

So, are you satisfied with the length of the webinars? What's your ideal length for a webinar?

W [Audio disruption].

Lorraine Jerry, we have feedback that they really like the 30-minute webinars. We've been trying to do some of them, calling them tutorials, where we're doing just one focus topic.

W [Audio disruption].

Lorraine Okay. That's good feedback. Thank you.

Jerry Also, we'd love to have additional small subjects, we call them small subject webinars where we're just focusing in on one little aspect and providing information on that. So, if you have other topics for us that you'd love to see us cover, just let us know at housing.counseling@HUD.gov and we'll crank out a webinar on that topic pretty fast.

Lorraine Yes. We prefer that our training be geared to what you suggest instead of us trying to figure out what you need. It's much easier.

How about the folks on the telephone? Do we have anybody?

Moderator [Operator instructions]. Okay, no response from the phone at this time.

- W What was the lead time?
- Lorraine The lead time and what?
- W When is there another webinar coming up?
- Lorraine We try to get the notice out at least two weeks out, right, Jerry, or do we try three weeks?
- Jerry I always encourage our folks to get it out as soon as possible so we can maximize the promotion of that. Sometimes in the past, we've gotten it out a month or so in advance, other times because we're working with a request for something, and we're trying to get it out as quickly as possible, it might be two weeks.
- But, watch the Listserv, that will give you a catalog of everything that's out there from us, our training partners, our training NOFA grantees, and then some other housing counseling industry-related events as well.
- W [Indiscernible]?
- Lorraine Do you get Jerry Mayer Listserv messages? Yes. Definitely. He sends every trainee notice out, that's good. Anybody on the telephone have any feedback? We'd love to hear from you. It's your opportunity.
- Moderator [Operator instructions].
- Lorraine Okay.
- Moderator One moment, someone. Okay, it looks like we have something from Theresa. Please go ahead.
- Theresa I just have a quick question. Watching those webinars that we have about the certification and the trainings, are they going to be updated as there's going to be any changes in that and that means that we'll have to watch those webinars again? Is that going to be a continuous update as we go along and get into the final stuff?
- Lorraine That's a very good question, Theresa. Her question has to do with HUDhousingcounselors.com. That material and the information we have on there changes over time and actually, we didn't release a Listserv

message yet because we're waiting for some other things, but we did update some modules because of the Making Home Affordable.

And, the test is always going to be based on the most current information that's on that website, and on the website is going to be a document called Revision History. So, let's say you've taken the course six months ago and you want to see what's changed, you just look at the Revision History document and it'll tell you what you need to study so you don't have to go through the whole thing.

Theresa Awesome. Thank you.

Lorraine We're trying to make it easier for everybody, so a good question, Theresa.

Theresa Thank you.

Lorraine Anybody else? Okay. I want to talk about *The Bridge*. Does everybody read *The Bridge*?

W Yes.

Lorraine Alright. Great. Let me tell you, we're always looking for agency stories and client stories so if you are interested in submitting an article, our next month— June, we're looking for home ownership stories, November we always feature veterans. So those are some common themes.

But, if you want to share with us you have a unique program, you have a good client story to share, just you can send an email to housing.counseling@HUD.gov and put *Bridge* as the subject and one of us will get back.

We're having a stakeholders meeting, Jerry, I don't remember when our stakeholders meeting is for *The Bridge*.

Jerry Let me look that up for you. Just give me a moment.

Lorraine Thank you. We'd like to invite all of you because we need feedback, we need to know how we can keep your interest level. We need to know what works and what should be changed. Yes?

Jerry Okay, Lorraine, on May 18th we have our *Bridge* stakeholders meeting. It will be a webinar. You can find the link to it in the last training Listserv.

The Bridge is a really great opportunity for us to tell your story. We want to feature the best practices and the good works in the community that your agencies are doing. We want to focus on your champions of counseling, the counselors that you have that are doing an outstanding job serving clients, and *The Bridge* is a great place to really echo all of that going on out there.

So, if you want your agency to be highlighted in *The Bridge*, we want to know about that so just like Lorraine said, send that to housing.counseling@HUD.gov and someone on our *Bridge* editorial board will get back to you right away to help you tell your story.

Lorraine

Absolutely. We had a question in the audience, what is *The Bridge*? It is like Jerry said, it's an opportunity for agencies to share their story, what they do, what are their best practices, what kind of programs do they have. It puts a face to housing counseling. We have found testimonials are probably the best way to promote the benefits of housing counseling and you can relate to a client or to an agency.

So, if you get Jerry Mayer emails, he lets you know.

The last is open discussion. Is there anything we haven't covered that you'd like to talk about? Everybody in here is looking at [indiscernible] is running out.

Anything on the phone or any comments?

Moderator

Let me open those lines momentarily and see if anyone has something to say. One moment, please.

W

Is there any continuing ed requirements for certification?

Lorraine

No. There was a question, is there continuing education requirements for certification? The answer is no because it's a one-time only. Anything else?

I want to thank you all because I know your time is very valuable and I really appreciate those ladies from Yuma for driving. I hope you found it worthwhile for the drive. We were absolutely delighted to have all of you here.

HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

April 26, 2017/9:00 a.m. PDT

Page 41

I wasn't able to speak but kudos to Jerry. Jerry, I want to give you a round of applause. Thank you very much for stepping in.

Jerry

Well, thank you and I really appreciate the opportunity to attend today's roundtable and talk to you all, and I look forward to more opportunities in the future.

Lorraine

Absolutely. Thank you.

Moderator

Thank you. Ladies and gentlemen, that does conclude your conference. We do thank you for joining. You may now disconnect. Have a good day.