



# Exploring the Pros and Cons of Tribal Participation

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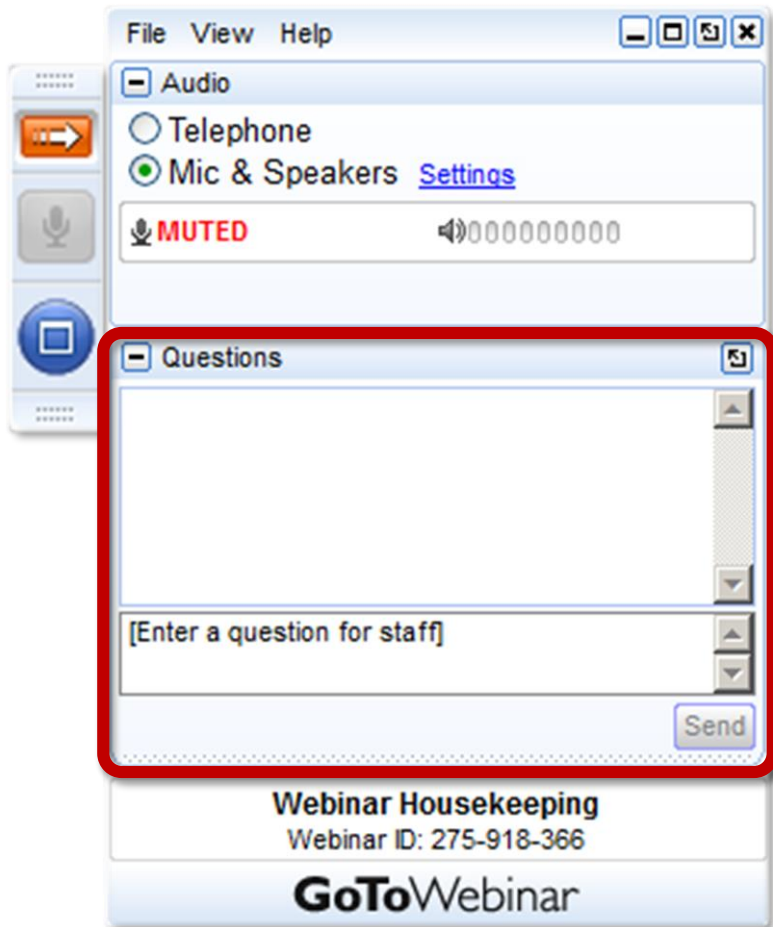
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# HUD Office of Housing Counseling: Exploring the Pros and Cons of Tribal Participation

Presented by:

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Guest Speakers:

Judy Hunter, Housing Counseling Manager, RCAC  
Teresa Bardwell, Rural Development Specialist, RCAC

# Agenda

- The Office of Housing Counseling
- Polling Questions
- What is Housing Counseling?
- Impact of Housing Counseling
- Funding
- How to Become a HUD-Approved Housing Counseling Agency
- Housing Counselor Certification
- Pros and Cons for Tribal Entities
- Questions



# The Office of Housing Counseling



# HUD Office of Housing Counseling

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

- Has a national network of approximately 2,000 housing counseling agencies
- Reviews and approves each agency
- Monitors compliance with HUD regulations and conducts performance reviews
- Oversees independence, conflicts of interest, content and process standards
- Provides organizational, financial support, technical assistance and training
- Connects clients with appropriate housing counseling agencies.

# Staff Composition

- All staff are out-stationed from Headquarters
- Currently have 75 staff located in approximately 25 offices nationwide
- Portfolios are not specifically assigned geographically

# Office of Housing Counseling Goals

- Strategic Planning Goals
  - Enhance Credit Access and Financial Literacy, Particularly in Underserved Communities
  - Assist households in achieving their housing goals
    - Ensure that HUD's Housing Counseling program reaches as many households as possible
    - Quickly fund housing counseling agencies
    - Track Client Data appropriately
    - Measure the progress

# Office of Housing Counseling Goals, continued

- Partner with Other HUD Programs
  - Providing valuable information and updates
    - Counselor Certification
    - Presentations and Training
  - Connecting Housing Counseling Agencies to other HUD programs
  - Identifying areas underserved by HCAs
  - Identify and respond to complaints
- Inter-office Collaboration Team (ICT)
  - PIH, CPD, OHC, FHEO, FPM, OFB

# “The Bridge”

- OHC Monthly Newsletter
- Useful tool
- Features the good work of agencies across the country
- Provides great training and best practices
- More than 15,000 subscribers
- Great opportunity for exposure
- Sign up at [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov).



# POLLING QUESTIONS

???

# Is your organization part of a Federally Recognized Tribe?

- YES
- NO

# Do you have a currently active housing counseling program?

- YES
- NO

# What are the key housing issues facing your local community?

- Low Homeownership Rates
- Landlord/Tenant Conflicts
- Homelessness
- Low Financial Literacy
- Lack of Affordable Housing

# What are the key training needs within your program?

- HUD Application/Administrative Process
- Basic Housing Counseling
- Tribal Housing Rules and Regulations
- Program Quality Control
- Other Tribal Programs within HUD

# What obstacles do you see preventing you from becoming HUD-approved?

- Lack of Personnel
- Lack of Adequate Training
- Administrative Requirements
- Lack of Budget
- Lack of Interest

# Housing Counseling Agencies

## What's their Purpose?



# What is Housing Counseling ?

**About 2,000 nonprofit agencies nationwide are approved to provide numerous counseling services, including:**

- Pre-purchase Education
  - Reverse Mortgage
  - Post-purchase Education
  - Mortgage Delinquency
  - Financial Management
  - Rental Assistance
  - Homelessness
  - Applying for Making Home Affordable Modifications
  - Fair Housing Education
- 

Many agencies provide more services and programs, including down payment assistance, emergency utility assistance, job/interview training, daycare, food banks, homeless shelters, or managing low income housing

# Goals of Housing Counselors

- Provide unbiased assistance to help clients resolve their housing problems or needs
- Provide education and one-on-one counseling
- Design an action plan to address barriers to housing
- Help clients to access community resources
- Monitor client's progress in meeting their housing goals
- Assist client to work with lenders or other third parties to resolve mortgage delinquencies



# Ways Counselors Connect

Skype

Internet

Phone

In Person-  
1:1 Counseling

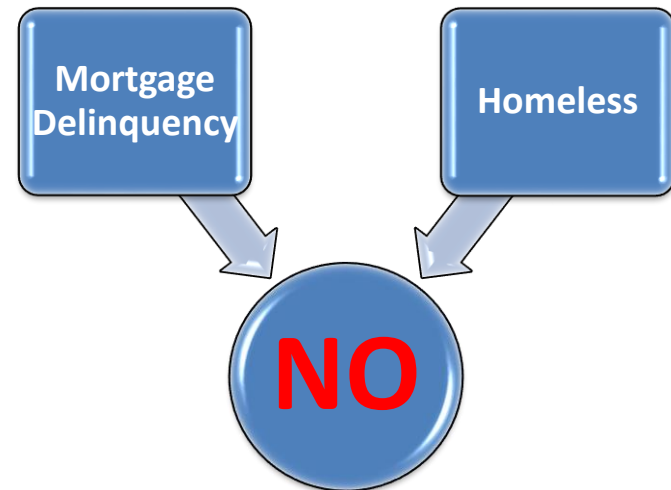
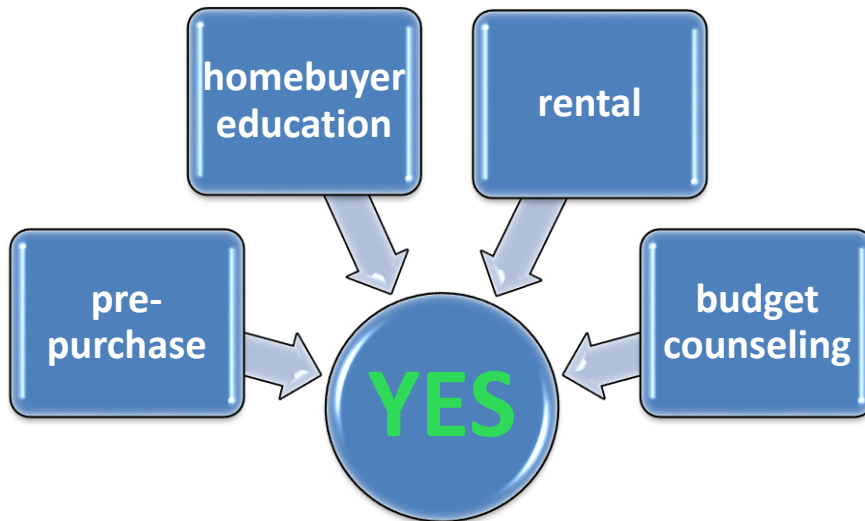
In Person-  
Group  
Education

On-line Group  
Webinars

# Can HUD Approved HCA's charge a fee?

Fees must be commensurate with their location

Must waive fees for clients that cannot afford to pay them



YES, agencies CAN charge client or other funding if cost exceeds the amount of grant received – Must document expenses

# Role of Counseling Agencies in Disaster Relief

- For information go to:  
[www.hud.gov/housingcounseling](http://www.hud.gov/housingcounseling)  
scroll to the bottom and click on:
  - “Disaster Assistance Resources for Housing Counselors”
  - Partnered efforts between HUD and FEMA in transitional housing and Section 8 voucher transfers.



# Impact of Housing Counseling

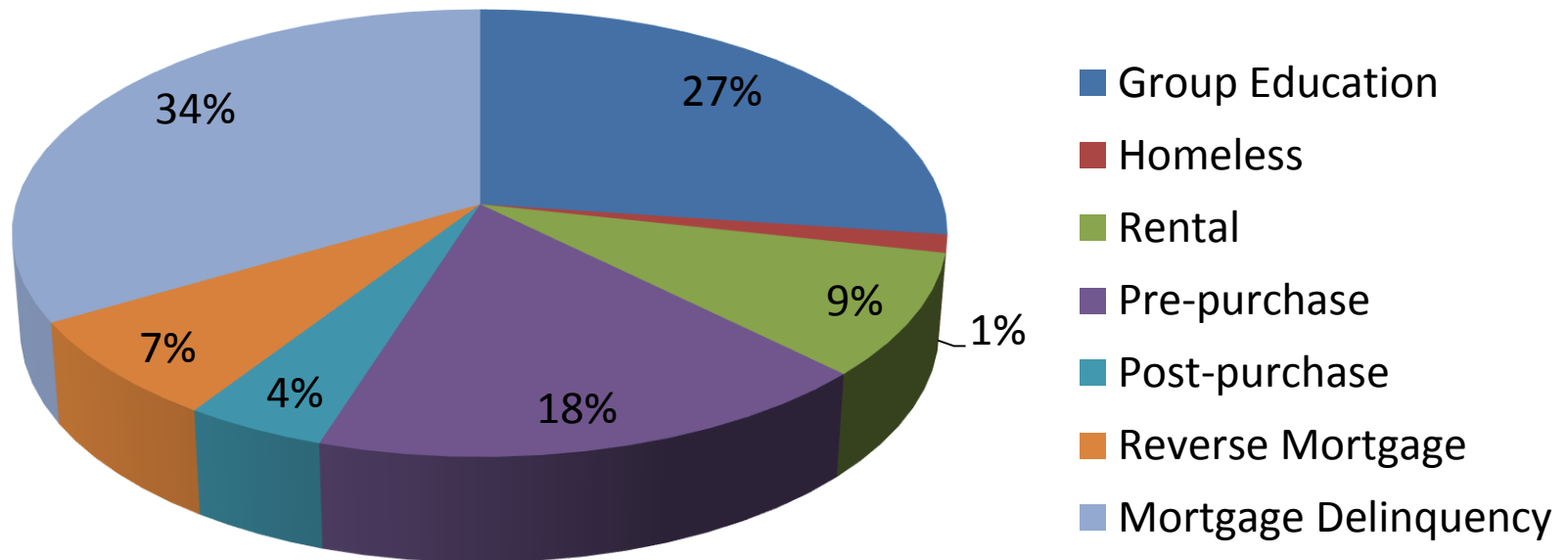


# HUD-Approved Housing Counseling Agencies

- Approximately 2000 housing counseling agencies, including branches
- 1.3 million consumers counseled in FY 2015
- Over 1/3 of all counseling was for mortgage default and foreclosure prevention
- Approximately 176,000 consumers sought pre-purchase counseling

# FY 15 All Agencies HUD-9902 Data

## Oct 1, 2014 to Sep 30, 2015



Total Activity – 1,448,502

# Impact of Housing Counseling in FY 15

## *Households that:*

|   |         |
|---|---------|
| A counselor developed a sustainable household budget: | 403,370 |
|---|---------|

|  |         |
|--|---------|
| Received Information on Fair Housing, Fair Lending, or Accessibility Rights: | 213,433 |
|--|---------|

|                                    |         |
|------------------------------------|---------|
| Improved their financial capacity: | 178,188 |
|------------------------------------|---------|

|                                     |         |
|-------------------------------------|---------|
| Gained access to housing resources: | 170,237 |
|-------------------------------------|---------|

|   |         |
|---|---------|
| Gained access to non-housing resources: | 113,764 |
|---|---------|

|  |         |
|--|---------|
| Received both one-on-one counseling and group education: | 100,872 |
|--|---------|

|   |        |
|---|--------|
| Prevented or resolved a mortgage default: | 93,289 |
|---|--------|

|   |        |
|---|--------|
| Received reverse mortgage counseling and obtained a HECM: | 52,136 |
|---|--------|

|   |        |
|---|--------|
| Received pre-purchase counseling and purchased housing: | 38,145 |
|---|--------|

|  |                  |
|--|------------------|
| <b>Total Impacts (including other impacts not shown above:</b> | <b>1,448,502</b> |
|--|------------------|

# HUD Housing Counseling Grants

- Fiscal Year 16 appropriation bill passed by Congress and signed by the President provides \$47 million for grants, training and administrative contracts
- Fiscal Years 16 and 17 Notice of Funding Availability (NOFA) announced on February 18, 2016
- Estimated **\$42 million** for program funding
- April 4, 2016 deadline
- General Section and NOFA are available at [www.hud.gov](http://www.hud.gov).

# Other Sources of Funding

- Apply for counseling sub-awards through existing HUD-Approved Intermediary Organizations
- Establish Training Partnerships with existing HUD-Approved Training Providers
- State-based funding opportunities that require HUD Approval Status
- External Funding Providers (Banks/Charity Orgs) that require HUD Approval Status

# Oversight and Risk

- Risks associated with housing counseling
  - Misuse of Federal funds
  - Poor quality of housing counseling
  - Weak organizations
- Agency performance reviews
  - Improving the process
- Oversight results are impressive
  - Less than 1% recaptures
  - Minimal complaints about housing counseling agencies

# Housing Counseling Works!

After four years, counseled borrowers had improved credit scores, less debt and fewer delinquencies. *2014 Federal Reserve Bank of Philadelphia*

Counseled homeowners were 2.83 times more likely to receive a modification, and at least 1.78 times more likely to cure a default, than similar non-counseled borrowers. *2014 Urban Institute*

Borrowers receiving pre-purchase counseling and education...are one-third less likely to become 90+ days delinquent over the two years after receiving their loan.

*2013 Neil Mayer & Associates study*

Borrowers receiving counseling through individual programs experience a 34 percent reduction in delinquency rates, all things equal, while borrowers receiving classroom and home study counseling obtain 26 percent and 21 percent reductions, respectively.

*2001 Joint Center for Housing Studies*

Counseled homeowners were at least 67% more likely to remain current on their mortgage nine months after receiving a loan modification cure .  
*2011 Urban Institute*

Counseling reduces the delinquency rate by 29% for first time homebuyers and by 15% overall.  
*2013 Freddie Mac study*

Homeowners in default who received counseling were twice as likely to avoid foreclosure as those who did not. *Roberto Quercia and Spencer M. Cowan 2008*

The monthly payments of households that received counseling were, on average, \$267 less than those who did not participate in counseling. Counseling also made it 45 percent more likely that the homeowner would sustain those payments after modification. *2011 Urban Institute*



# How to Become a HUD-Approved Housing Counseling Agency



# Housing Counseling Agency Approval

Housing Counseling Agencies seeking HUD approval request an appointment with an Application Advisor at [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov), then complete the Form HUD-9900. The Application Advisor will answer any questions and guide you through the process.

## **Applications are reviewed for the following:**

- Tax exempt nonprofit status **or** Federally Recognized TDHE
- Audited Financials
- One year housing counseling program experience
- Accessible Facilities
- HUD reporting ability (Internet Access/Client Mgmt System)
- Compliance with HUD Handbook 7610.1 REV-5
- Agency Work Plan

Agency is issued an approval letter. Agencies are also added to the HUD counseling finder phone line and website.

Specific instructions for submitting new applications can be found at:  
<https://www.hudexchange.info/programs/housing-counseling/>

# Program Requirements

HUD-Approved Housing Counseling Agencies must have the following resources:

- Adequate Funding
- Experienced Staff (1/2 staff with at least 6 mos.)
- Accessible Facilities
- Knowledge of Local Housing Market
- HUD reporting ability (Internet Access/Client Management System)
- Quarterly Activity Reports
- Agency Work Plan
- Quality Control Plan

# Counseling Requirements

HUD-Approved Housing Counselors must perform and document the following services for each client:

- Create a Client File
- Create a Budget and Conduct Financial Analysis
- Discuss Alternatives
- Establish Client Action Plan
- Assist Client in completing Action Plan
- Make Referrals, if necessary
- Conduct Follow-up
- Document Termination of Counseling

# Participation Options

**Tribally Designated Housing Entities (TDHEs) have the following options for achieving participation status:**

- Apply for and obtain Direct HUD-Approval Status
- Obtain indirect approval and funding through HUD-Approved Intermediary Organizations
- Become Training Partners with existing HUD-Approved Housing Counseling Training Providers



# Housing Counselor Certification



# Statutory Requirements

Financial Management

Property Maintenance

Responsibilities of homeownership and tenancy

Fair housing laws and requirements

Housing affordability

Avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default

# Housing Counselor Certification: Getting Ready

- OHC launched training website June 4, 2015:  
[www.hudhousingcounselors.com](http://www.hudhousingcounselors.com)
- **Free** on-line training and downloadable study guide – exam not available yet
- Training for examination not required but encouraged
- Final Rule pending

# Useful Site Information

- Housing Counseling Resources
  - For stakeholders – refer stakeholders to the link that applies to them – Homeless, Renters, Homeowners, Homebuyers, Counseling Professionals
- Counseling Professionals Link
  - NOFA information
  - How to become HUD approved
  - Report due dates
  - Housing Counseling Capacity Building Toolkit
  - Lots of information pertaining to the needs of the counseling agency
- Important Links
- The Bridge
- Listserve – to get all the latest information – Contact Jerry Mayer – [jerrold.h.mayer@hud.gov](mailto:jerrold.h.mayer@hud.gov) – he will sign you up

# Pros and Cons for Tribal Entities



# Pros

- Eligibility Exemptions?
- Designated Service Areas allow for limited Geographic Scope
- Alternate Training Curriculum Standards allowed
- Increased homeownership opportunities and financial well-being for tribal members
- Increased opportunities for down-payment assistance
- Increased Funding Opportunities
- Exposure
- Partnership Opportunities

# Cons

- Administrative Challenges
  - Establish/Maintain/Adhere to HC Agency Work Plan
  - Establish/Maintain/Adhere to Quality Control Plan
  - Quarterly Reporting
  - Individual Client Files
  - Group Education Files
- Compliance
  - Fiscal Reporting Requirements
  - Performance Reviews
  - Financial Reviews
- Technology (cost/availability/internet access)
- Grants Management (if applicable)





# Office of Housing Counseling

Find us at:

[www.hudexchange.info/programs/housing-counseling/](http://www.hudexchange.info/programs/housing-counseling/)

Email us at: [Housing.counseling@hud.gov](mailto:Housing.counseling@hud.gov)