



Final Transcript

HUD-US DEPT OF HOUSING AND URBAN DEVELOPMENT: Housing Counseling Exploring the Pros and Cons of Tribal Participation

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SPEAKERS

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Don

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Housing Counseling Exploring the Pros and Cons of Tribal Participation. For the conference all the phone participant lines are in a listen-only mode. There will be an opportunity for your questions, instructions will be given at that time. As a reminder today's call is being recorded.

At this point I'll turn the conference over to Ms. Virginia Holman. Please go ahead.

Virginia Welcome to today's webinar on tribal entities and their participation in the housing counseling program. But before we get started with the substance of the program, I want to go over some logistics. As John indicated, the audio is being recorded, and we will be posting the playback number, the PowerPoint, and a transcript on the HUD Exchange page. We'll send out a LISTSERV when those archives are available. Again as John said, all your lines are muted during the presentation. You are all set.

Those of you who registered were sent a handout this morning, is also available in the control panel under handouts. You can just click on the document name and download it to your computer.

Next slide. We have a number of polling questions, so they're important to give us background information and some ideas of who we have in the audience, so please respond to them.

At the end of the presentation, there's going to be a Q&A period. And at that point, John the operator will give you instructions on how to ask your questions or to make comments. If you're doing that, please keep your phones on mute until you're actually speaking, and if you're asking a question, do not use the speaker phone.

Next slide. In addition to asking your questions, when we open up the lines, there are a couple other ways. The panel on the right-hand side of your screen has got a box that's labeled, questions, and if you just write your question in where it says, enter question, we have a couple staff people who are monitoring those questions, so we will make every effort to get an answer to you. You can also send an email to housing.counseling@HUD.gov, and put the topic of the webinar in the subject line so we get it to the right people.

Next slide. As I mentioned if for some reason all the lines are open, do mute them; it can be distracting to hear background noise.

Next slide. There's going to be a brief survey at the end of the webinar, so please save some time to fill it out. We're constantly striving to improve our webinars and our training, and your responses are vitally important to that project.

Next slide. And you will, within about 24 hours to 48 hours, you'll get an email from GoToWebinar and me, Virginia Holman, thanking you for attending. And it's also going to say this is your certificate of training. There is no attachment, it is that email that's your certificate, so be sure and print it out and save it for your records.

And now let me turn it over to Jerry Mayer, the Director of Outreach and Capacity Building within the Office of Housing Counseling. Jerry?

Jerrold

Thank you, Ginger, and good morning to everybody and welcome to today's presentation on HUD's Housing Counseling Program. Our webinar's produced in partnership with HUD's Office of Native American Programs and we thank them for their help and thank you all for participating.

Today we have presenters of HUD's Office of Housing Counseling and also the Rural Community Assistance Corporation, or RCAC, and they are a HUD-approved housing counseling intermediary agency.

We're going to learn about HUD's housing counseling program, the HUD Office of Housing Counseling, grant opportunities, and how your organization can apply to become a HUD-approved housing counseling agency. We have a lot of material to cover so without further ado, I'll turn the mike over to Joel Ibanez.

Joel

Thank you, Jerry. Thank you, everyone, for joining today. My name is Joel Ibanez. I am a housing program specialist here within the Office of Outreach and Capacity Building. And without further ado, just to give you a little bit of an understanding of what we're going to cover today. As Jerry said, we are going to give you a sense of the Office of Housing Counseling, some of the goals that our office has. We do have some polling questions for you, as Virginia stated earlier, and then we'll give you a little bit of an understanding of the history of housing counseling and the impact that housing counseling has in the communities that it serves. We will give you a little bit of a brief understanding of the funding opportunities that come along with participating in the program, and then give you a general summary of how to become approved in the program. But the real area that I want to be able to focus on is definitely toward the end here when we start discussing the pros and cons of tribal participation within the program and get to some of the Q&A that we can move to, so that we can have a little bit more of an exchange with you directly.

So without further ado on that, I'll just give you a general summary of the HUD Office of Housing Counseling. Our mission statement here obviously is to help families to be able to get into their homes and retain their homes. We've accomplished the mission through a strong network of HUD-approved housing counseling agencies. We have a network of approximately 2,000 housing counseling agencies across the country. Our office reviews and approves each of these agencies and monitors them for compliance with the HUD regulations, and is able to provide any organizational or financial support through our grant program, and then

provide them with technical assistance and training. We are able to also connect the clients directly with the appropriate housing counseling agencies that serve their communities.

Our staff are outstationed from headquarters, but we are located pretty much all across the country, from Anchorage, Alaska, all the way down to Miami, Florida. We have 75 staff located in approximately 25 offices; however, our portfolios [ph] that we service are not assigned specifically geographically; we have people on the east coast serving groups that are on the west coast, so it moves all the way across.

Now to understand some of the actual goals of our office, our main goal is to be able to enhance credit access and financial literacy, especially within underserved communities. We also are seeking to be able to assist households in achieving their housing goals, and the only way to be able to do this is through the groups that we have on the ground that are working directly with these clients on a daily basis.

We also try to seek to help groups to partner with other HUD programs. We have a number of groups that offer services not only in housing counseling, but are also very active in the Section 8 program and also with regard to fair housing programs. There's a lot of community development programs that are out there that groups are participating in, so we try and keep them abreast as to all of the other opportunities that HUD has to offer as well.

We do have an interoffice collaboration team that consists of the Public and Indian Housing Community Planning and Development, the Office of Housing Counseling, Office of Fair Housing and Equal Opportunity, and the FPM as well.

And we also have some valuable tools that are able to be provided. We have a monthly newsletter that is known as *The Bridge*. This is a useful tool in that it features some of the work of agencies across the country, and it's able to be a beacon to be able to allow agencies to connect with each other. We definitely highlight a lot of the training opportunities and best practices that are conducted across the country, we have more than 15,000 subscribers to our list that receives *The Bridge*, so it is a great opportunity for exposure for your agency and to be able to connect with other agencies as well. So if you're interested in this, whether you are HUD-approved or not, if you're interested in this, you can sign up at housing.counseling@HUD.gov.

So now that we've given you a little bit of a summary about the Office of Housing Counseling itself, we're interested in getting to know you as an audience a little bit better, so what we'd like to do is go ahead and start the polling questions.

Ginger, if you could go ahead and open up the poll.

Our first question is, quite simply, "Is your organization part of a federally recognized tribe?" And we're just seeking the yes and no on that. And then we're very interested in understanding whether or not you have a currently active housing counseling program. If you don't, that's not a problem, we're interested in talking to groups who are interested in starting a housing counseling program.

Virginia Joel, at this point, you can see the results of the first question. Our audience is fairly well split: 41% are a federally recognized tribe and 59% are not, so I think that's a good—

Joel That's a good split, yes.

Virginia —a good split. Let me go to the next question, which is the one you were starting to discuss.

Joel Yes. "Do you have a currently active housing counseling program?" Okay, and that looks good because it looks like a good portion of the groups here say, yes, here. We got approximately 64% of the groups on the line right now have a currently active housing counseling program and 36% do not, so I'd say that's interesting that even that the groups that are not federally recognized tribes do have a housing counseling program in place and that's a great benefit. So one way or another for those groups, they would be able to, I think, if you're interested in subscribing to our monthly newsletter, it would keep you abreast on just the housing counseling arena as a whole.

And for the next question, you can go ahead and move to that.

Virginia This is the key housing issues that are facing your communities, your tribe, your agency, and please select all that apply.

Joel Absolutely, this is a multiple answer question, so if there are multiple issues that pertain to your particular community, we're definitely

interested in understanding what issues are affecting you the most, and it could be all of them for all we know, so—

Virginia

Here are the results.

Joel

From what I can see, the top answer that was on the results were 82% of you stated that lack of affordable housing, and definitely not alone on that one, that is a national issue right now; 72% of you said that there is a low level of financial literacy, 72% also stated that homelessness is an issue; 56% stated that low homeownership rates are an issue; and 42% stated landlord/tenant conflicts tend to be an issue. So that's an interesting result, and that's pretty much the kind of answers we get on a national level as well. It's all about the availability of affordable housing, the level of financial literacy that's out there in the community, and being able to keep people in their homes.

For the next polling question, we'll go ahead and open that up. "What are the key training needs within your program, for all that have an existing program?" And for those that don't but maybe had one in the past, you can also answer on that as well, to be able to understand the issues that were facing your housing counseling program. We're getting some results in, and I think that turned out pretty much as I would've expected it to as well: 69% of you say that [indiscernible] counseling is a key training need within the program; 60% stated that hard [ph] application and administrative processes are one of the key issues, definitely not alone on that one; 54% of you stated that housing counseling and training and tribal housing rules and regulations is an issue; 52% of you stated that program quality control is a key training need within your program; and 37% said that being able to locate other tribal programs within HUD is an issue. So that's a pretty good split right there.

You can go ahead and move on to the next question, and this is one we're definitely interested in. "What obstacles do you see preventing you from becoming HUD-approved?" For all of the agencies that are out there who are not currently HUD-approved housing counseling agencies, what obstacles do you see preventing you, possibly? And we got an email [ph]. It can be any combination of these issues, so feel free to open up on that. So these were interesting results, and I think the top issue obviously here that was listed was 71% of you stated that there was a lack of adequate training, and that's one area where our office can definitely help out in being able to connect you to the proper training needs that you have. We have active housing counseling training providers within our program that

are able to provide the training, and at the same time, we provide direct housing counseling training related to various administrative and program requirements, so that you can understand the program better. But I think that being one of the top issues, that's something I'm going to want to talk about later.

Fifty percent of you stated that a lack of budget, and that's definitely understandable; 45% of you mentioned administrative requirements; 39% of you said that there was a lack of personnel, that was one thing that was keeping you from it; and 8% stated there was a lack of interest, so that's an interesting and understandable. Some groups don't really have an interest in becoming HUD-approved in that a lot of groups simply feel that a lot of the issues that we're dealing with don't apply to their communities directly, so sometimes that can be the case, but I think you might be surprised how many actually do.

Let's go ahead and move to [indiscernible]. I think we can close that up because we've finished our polling questions now [indiscernible]. Why am I seeing that on there?

Virginia You're back [indiscernible] presenter. Yes, I don't know what happened there.

Joel Okay, I'm back on a presenter. Can everyone see my screen here?

Virginia Not yet.

Joel Okay, let's make sure that's happening—there we go.

Virginia There you are.

Joel All right. So we'll definitely get into some discussion as to results of these polling questions here, but at this point I'm going to go ahead and turn it over to Theresa Bardwell [ph] of the Rural Communities Assistance Corporation, who is going to tell us a little bit about housing counseling agencies and what their purpose is. Theresa, if you want to take it from there?

Theresa Thank you. If you want to go ahead and move to the next slide there. There we go. So as Joel had mentioned earlier, there are about 2,000 non-profit agencies across the country that do provide housing counseling services, and you see the different topics that are approved by HUD listed

here, and an agency is the one who selects what they want to offer in their area. So it's based on your agency, what's your expertise is, and what's needed in your area; so you can provide all of them or just one or two, and we certainly have agencies that just have one that they provide because that's what's needed in their community. And so what we find too is that a lot of times housing counseling agencies will provide additional services: there may be down payment assistance, utility assistance, they may have kind of training, daycare, food banks, and if not then they have those partners in the community that they can refer their clients to.

Next slide please. So what are the goals of housing counseling? So the main thing that the housing counseling group is trying to do is, HUD-approved gives you sort of a stamp of approval, that you're following certain requirements, and keeping the best interest of the client in mind. So you're going to have unbiased assistants to help your clients and that can be either in a workshop setting or on a one-to-one.

One of the important things that a counselor will do is work with each client on a one-on-one to come up with an action plan. So they're going to look at their goals for housing, what the obstacles are, and then help them with steps to overcome any barriers that they face. They're going to help the clients access community resources, so for instance, if a client needs legal assistance or maybe SNAP food programs, they would refer them to the people that could help them with those services.

They also are responsible for following up and monitoring client's progress in reaching those housing goals, and so they're touching base with them on a regular basis to make sure they're moving forward in their action plan.

And then the last goal is to assist clients working with lenders. It could be helping a new client, first-time homebuyer, or it could be helping someone that's either having rental issues or working to resolve mortgage delinquencies.

Next slide please. So here you see listed the different housing counseling services that are available, and again the agency would decide: do they want to do rental assistance; pre-purchase counseling to help those new homebuyers; post-purchase includes making sure that people are comfortable with maintenance of their homes, as well as financing afterwards; reverse mortgage. HUD does have the HECM product, but as we see baby boomers aging, the reverse mortgage is becoming a bigger

product. Mortgage delinquency and default, and that's what a lot of our agencies have been doing in the last few years, is a lot of foreclosure, delinquency, and default. Homeless prevention, working with homeless, finding them housing and longer-term. And then financial management, or sometimes you'll hear financial capabilities, financial literacy, that's also important just to help people with that life skill.

Next slide please. So counselors have various ways that they can connect with people. They can do in person, one-on-one counselling, they can do group education, and they can also do online webinar, such as you're attending today. They might meet with the client in person, they can also use various technical means, such as Skype, doing something on the internet, and there has been a lot of phone counseling in the last few years; so all of those are perfectly great ways to meet with a client.

Next slide. So you might ask yourself, can HUD-approved agencies charge a fee? And that did change several years ago, and yes, for most of your counseling you can and, actually, we encourage you so that you can become sustainable; and so for any of your workshops, if you have pre-purchase, homebuyer education, rental workshops, and also for your one-on-one counseling as well. We see probably more workshops having a fee charge, but I think agencies are starting to understand that that one-on-one is something they may want to consider too.

The only two areas that you're not able to charge for would be mortgage delinquency and homeless, and I think those are pretty self-evident that it's just the situation they're in, it would not make sense. So mortgage delinquency and homeless are no, the rest of them you can go ahead a charge fees.

Next slide please. And then HUD has been very active in disaster relief, and housing counseling agencies play a big part in this. When an emergency happens such as, we had the Hurricanes' Katrina and Sandy, and this year alone we've had fires in LA, we've had tornadoes in Oklahoma and Texas and flooding across the country. So when those national disasters, those big ones, happen, a lot of times the housing counselors are the ones that are local, they're kind of the boots on the ground that get in and help immediately. And so if you do go to the link that's here or you can go to the HUD Exchange, there's a whole section on disaster assistance and there's resources there. So there is a disaster program guide that was just updated in February of 2016, and that would be very helpful to walk you through, here's the kind of things that housing

counselors can do, here's some funding for it, and CDBGDR is often used for disaster relief, that's Community Development Block Grant Disaster Relief specific funding from HUD, and so a lot of times we'll see that used. So if you do want more information, that's a real critical one to help local people as disasters happen and that could give you some guidance on that.

There's also efforts, you know, partnering between HUD and FEMA and the traditional housing in Section 8 Voucher [ph] transfers, so the housing counseling agency can be a part of that.

Now I'd like to go ahead and turn it back over to you, Joel, for some of the impacts of housing counseling.

Joel

All right. Thank you, Theresa. As Theresa stated and we've stated before, we do have approximately 2,000 housing counseling agencies, including branch offices of various agencies throughout the country. In the last fiscal year, we were able to serve 1.3 million consumer households that were counseled over that period. Over one-third of all that counseling was for mortgage default and foreclosure prevention, so as Theresa stated earlier, that's definitely been, I would say, dating all the way back to 2007, 2008, this has been the number one service that has been provided, you know, in demand over the last few years; however, we are seeing that gradually, that trend is changing. Approximately 176,000 consumers did seek pre-purchased counseling, so this just gives you a general snapshot of the demand for housing counseling that is out there.

Of the nearly 1.5 million households that we served over the course of the last fiscal year, still, mortgage default is definitely the highest in demand. But in group education and [indiscernible] counseling are gradually rising again. We also found that there was a rise in rental counseling. There's a lot of people out there who aren't ready to make that purchase; however, with rents rising on a national scale, there can tend to be a lot of landlord/tenant issues that might come up, so we've found that particular type of counseling is definitely going up as well.

And this just gives you a general snapshot here of the number of households that had these specific results. As you can see here at the top, definitely the number one result that we're looking to be able to find is that a counselor was able to develop a sustainable household budget for the client. Whether the client is seeking to look into the home purchase or whether they're seeking to simply sustain their rental contract, one way or

another, that's the number one thing we want to make sure that households have.

However, as you can see, there was some pretty impressive results with regard to improving financial literacy, gaining access to the housing resource that they needed, and receiving the one on one counseling and group education. That's an important one, because a lot of times we'll have people that come in through our group education programs that don't follow through and receive the one on one counseling. So, it's always good when we see people who get both, because we do find that the one on one counseling definitely, working one on one with a counselor and creating a personal action plan always helps people to move forward a little bit more.

We did have our fiscal year 2016 appropriation bill that was passed by congress. It does provide for \$47 million in grants this last fiscal year. We did just have a competition on that. That was announced in February of 2016 here. There was \$42 million available for program funding and we just recently had the competition. April 4th was the deadline for this last fiscal year's funding, and we're in the process of being able to process that, at some point where an announcement can be made.

However, on, we do provide this type of funding on an annual basis, so we're able to go ahead and open it up to new groups that open up. I know last year what we did have is a supplemental grant for new applicants that had just entered the program, and we were able to provide some funds for that as well in FY '15.

So, with each fiscal year, there's a new competition, and there's a new, you can either apply directly if you are HUD-approved. If you are not HUD-approved, you're able to, you know there are other ways that you can actually seek out that funding by working with another organization, and Theresa will be able to go through that here at some point.

So, I'll go ahead and, the other sources of funding that you do have like I was saying, there are several awards that come through intermediary organizations. You can also establish training partnerships with some of our existing HUD-approved training providers, and this is an interesting funding opportunity that I think is, that I'd like to highlight, is that I know that in the tribal states, there are issues that you face that are different from the average consumer. There are rules that you have specifically with regard to land transfers and what not. So, there are training issues that you

may be able to provide to your community and be able to receive funding through, through some of our existing HUD-approved training providers, and one of the things that we're definitely encouraging our training providers to do is to partner up with regional groups on a regular basis to be able to provide sub-awards or partnership awards in order to get the training needs met in each locality.

So, if you're interested in looking into that, we do have a group of training providers and this is also on our webpage, a list of training, HUD-approved training providers that you can reach out to. So, be on the lookout for those types of things. There's also state based funding that can come through depending on where you are located. A lot of state based funding will have opportunities that they do, many of those do require the HUD approval status. There's also external funding available through banks and charity organizations.

I will touch a little bit just on oversight and risk. As far as the program is concerned, yes there are risks with the housing counseling program itself, such as misuse of federal funds, poor quality of housing counseling as some people are getting information that conflicts with what's actually going on on the ground. Sometimes, you do have weak organizations. Sometimes it's just more on an administrative level. That's why we do conduct our agency performance reviews to improve the process that each group has. We definitely look at it more as a technical assistance perspective.

We're looking to be able to improve all of the groups that we have within our network. That's our job, and we are actually, based on performance reviews, and the oversight that we're able to provide, to the groups, we did have less than 1% recaptures over the last fiscal year and minimal complaints about any of our housing agencies across the country. So, we enjoy the partnership that we have with our external groups.

I also wanted to touch a little bit on the fact that there is research out there, that housing counseling itself is every effective. There've been group studies out there that do show that borrowers are less likely to go into either default or delinquency when they do receive housing counseling services. It definitely reduces the delinquency rates for first time homebuyers.

These are actual studies that have been conducted over time and that have consistently shown the same result. There's always an increase between

the control group and the group that is actually receiving the housing counseling services. We're able to see that benefit. So, these are just some of the examples that we have that have been conducted over the years of actual research that shows the benefit of housing counseling. So, if you'd like to look that up on-line, various groups such as the Federal Reserve Bank, Urban Institute has conducted a number of studies over, annually, along with Freddie Mac as well.

Now, I will go ahead and turn it over to Theresa to tell us a little bit about how to become a HUD-approved home and counseling agency.

Theresa

Thank you, Joel. So, we'll go to the next slide. The first thing to know is that you do need to do your application on-line. So, we do have the link here, and it's really a fairly easy process. You'll have to have tax exempt status or be federally recognized tribal entity, and typically if you have tribal counsel or whatever your ruling group is, you can do a resolution, and as long as you have that federal designation, then you can just do a resolution and you don't have to be a 501(c)(3). A lot of times, groups think that you have that, and there are other ways to do it. So, certainly HUD can help you with that if you have more questions. They do want to see some audited financials, and you have to provide one every other year.

So, that would be something, if you haven't done, you would want to make sure you have. You have to have one year of housing counseling program experience and that's in the geographic area that you wish to apply to be a HUD-approved group for. You have to have accessible facilities. They want to make sure people can get to you. You have to have a client management system and internet access because everything is reported to HUD electronically and all of our information is captured in the client management systems. I think the list now has about 37 approved programs on it. Most agencies use either Countermax or HCO and I'll get into that in a minute.

Then, the compliance handbook, the 7610.1, revision 5 came out in May 2010, and that's kind of the Bible for housing counseling. It goes through and gives you the detail on here are the requirements for the program and what you have to follow. So, it really does answer most of your questions.

Then the last piece to the application is probably the most critical, and that's the agency work plan. What are you going to do? What type of counseling? How are you going to do it? So, if you go to the HUD Exchange, there is a capacity building tool kit section, and there is a

template in there for the work plan, and you can, it'll lead you right through everything you need to incorporate into your work plan and it has done an excellent job putting that together and that will be a huge help for you, and that's probably the biggest piece of doing the application, the hardest piece and you've already got a tool there to help you. So, I highly recommend taking a look at that. And then again the link will take you into additional information. The other thing is to find out who your head representative is in your local area, and they can certainly answer questions and help you with this process as well. Next slide please.

So, the program requirements include that you have to have adequate funding, has been very honest upfront and they're not going to fund 100% of your housing counseling program, so you do have to prove that you have other funding for it. You do need to have experienced staff, so at least half of your staff has to have six months experience in housing counseling, and that does not mean a related field such as real estate or mortgage lending. It does need to be in housing counseling. Again, the accessible facilities.

You have to have knowledge of the local housing market, because you're dealing with housing and helping people with their housing issues and so you need to know what's available in your area and that would be both reservation and offer reservation. You would want to have a good feel for what's available. You would want to make sure that you have the ability to report, so if you are in an area that does not have internet access, HUD would have to help you figure out or work around programs so the quarterly, you'd be able to report in. So, the internet access is important with the client management systems.

Then, quarterly activity reports, again, those are drawn out of the client management systems largely and so once you've got your information into your CMS system, the quarterly reports are fairly easy to do. Those are done automatically on the systems and then they go into HCS, which is the HUD housing counseling system.

The agency work plan is something you develop as part of your application, and then you update that annually and just make sure it reflects the work you're actually doing. And the quality control plan is a real important piece, particularly when HUD comes in to check on you. That's your proof that you're doing supervision of your counseling program and your counselors. So, it's not always a lengthy plan, but

there's some things in place to monitor and document to make sure that you have that supervision going on. Next slide please.

So, the counseling requirements, if you're going to count a client as a HUD client, there's certain things you have to have. So, one is you start a client file. It can be electronic, hard copy, or a combination. You create a budget and conduct a financial analysis for that client. It's pretty difficult to help them if you don't know how much money they have available and where their issues are, so the budget's a very important piece. Then, you discuss alternatives depending on why they're in to see you. You'll discuss what the alternatives are for that issue. You'll establish the client action plan, which we discussed earlier, and that's to help them figure out what their goal is, what the obstacles are, and then steps to reach the goals that they are there for.

You'll assist in helping them complete the action plan, so you'll have follow-up and as things change within that plan and you'll assist them with rewriting the steps or you may do several sections and keep them going forward. You'll make referrals if necessary, so if you're not a fair housing agency, and they need fair housing, you'd refer them, or if they need legal assistance or maybe you know of a rental assistance program in your area, so those are the types of partners you'd have that you'd refer out to.

Then you have follow-up. In the handbook, it has a step follow-up plan. So, you need to be checking in with your client at least every 60 days, and then you'll document termination of counseling, and there's seven reasons for which you can terminate your clients. Hopefully they're successful in their goal, but there are other ones as well. Okay, next slide please.

Then there are participation options. So, Joel had mentioned earlier that the Tribally Designated Housing Entities, or the TDHE, has the following options and the 501(c)(3), we can work around that. So, the first option is that you can apply and attain direct HUD-approved status. So, you're going to complete the application, send it in to HUD, and they will approve you directly. They'll be responsible for your oversight.

The next way is you can obtain indirect approval and funding through a HUD-approved intermediary. There are about 26. I know they've been approving some and we've had a couple drops. I think the number's around 26 right now, and if you're going to do that, our suggestion is go to the list and contact intermediaries and find one that's a good fit for you,

because there's a good variety. Some of them are small. Some of them are large. RCAC for example's an intermediary and we just do rural housing counseling agencies. So find a good fit there, and then they can come in, you can either be direct approved with HUD, and get your funding through the intermediary, or the intermediary can do that approval for you. If it's done through the intermediary, then once you leave that intermediary for your funding, then you would not have the HUD approval, so that's kind of the difference there.

Then the last thing is becoming training partners with existing HUD-approved housing counseling trainers, and Neighborworks, National Counsel of La Raza, or National Community Reinvestment Coalition are all partners with HUD, and so that would be another option for you. So, that tells you a little bit about how to become HUD-approved.

And now I'm going to turn it back to Joel and he's going to talk about the housing counselor's certification.

Joel

Thank you, Theresa. Yes, I'll go ahead and open up on the housing counselor's certification. This is something that is not currently in existence, but is more on the horizon, I guess you could say. It is a result of the Dodd-Frank Act. We were able to go ahead and put forward a proposed rule that included a housing counselor certification for each individual housing counselor.

As you know currently, our current standard is quite simply to approve on an agency level, where we'll go ahead and say, okay, this agency is HUD-approved, or not HUD approval participating agency, whereas the individual counselors don't have any credentials of any kind. They have a, so, it was looked at that in that each housing counselor needed to have a certain skill set in order to be able to provide the services to their clients, and so there some statutory requirements that went along with that, that came out of Dodd-Frank.

Each housing counselor has to have a basic knowledge of financial management, property maintenance, responsibilities of home ownership and tenancy. There are housing laws and requirements, housing affordability, and avoidance of and responses to rental and mortgage delinquency or eviction or mortgage default. So, what we did is we went ahead and launched a training website. Before I actually go into that, I'll go ahead and open up on this.

We have had a lot of people who've come forward and said, well, wait a minute. We don't provide that type of counseling, so we're, that's not within our work plan. So, why do we need to be able to have a general knowledge of all of these areas of specialty? Well, the general idea behind that is that, whether or not you provide the service, you would need to understand what the situation is of the individual, so that you could refer them to the proper channels, if necessary.

So, if someone were opening up about some issues that they were having with regard to financial management and you had, or say a rental issue, but you don't provide rental counseling. We would need you to be able to interpret what their issue is in order to be able to send them to the proper agency. If someone is having a discrimination issue, and they want to be able to take it to the next level, in order to be able to interpret that, they want to be able to move that too, they want you to have, each counselor to be able to have a general knowledge of that.

So, what the office of housing counseling did, is we launched a training website June 4th of last year. It was the, and this is the link that you can go to in order to be able to get that, to that training. It is a free on-line training, and downloadable. It has a downloadable student guide. The exam itself is not yet available, because the final rule itself has not yet been published. So, that's why I say this is definitely on the horizon.

We do not currently have a housing counselor certification requirement in place until that final rule gets published. At that point, then, there will be some requirements as to, there will be some timelines that will be specified in the final rule on how soon you need to be able to obtain the certification and what not. But, at this point, what we really want to do is simply be able to prepare people for the actual housing counselor exam, and this particular training that is posted at this link, provides all of that information that you would need in order to be able to move forward with that, because the exam itself is in the process of being finalized.

Training, this training that we're providing here is not a requirement. However, it's definitely encouraged, because it does provide you with all of the information that you would need to pass the exam. But, like I said, the final rule, until the final rule comes out, we really can't give you any more information than that, because it's the final rule that will put it all out, and will start out the requirements themselves.

Other than that, I just simply wanted to go ahead and reiterate some of the useful information that we have on our website. We do have housing counseling resources in addition to the training for the housing counselor's certification. We do have information specifically that applies to applicants to homeless people to renters to homeowners, homebuyers.

So there are housing counseling resources available to the general public, but we also have a counseling professionals link. So, this link would be able to provide all of you with some information on the notice of funding ability, any future grants that are being proposed, how to become HUD-approved, recording due dates, and we do have a Tribal Counseling Capacity building tool kit that provides you with all the general understanding of the requirements to be able to maintain your approval within the program. So, there's lots of information pertaining to this.

We do have other important links along with *The Bridge* newsletter that I had mentioned previously. Whether or not you're actually subscribed to *The Bridge*, *The Bridge* itself is posted at this site on a monthly basis. So, if you are interested in getting the latest information and, you can join our lists served. Just contact Jerry Mayer [ph] at his email listed here, and he will sign you up. He's our director that introduced us earlier.

Now, I'd like to go ahead, this is what I really want to be able to get into, is the conversation with all of you on the pros and cons for tribal entity participation. So, we can discuss some of the pros that we've been able to go over a little bit in the presentation. But, first of all, I know there were some, I have seen some questions that have come out of some of our tribal partners with regard to eligibility exemptions, whether or not there are exemptions specifically. There are no real exemptions for any particular group.

However, I do want to shoot down the myth as Theresa said earlier, about the requirement for 501(c)(3), non-profit status. The fact is, if you are a tribally designated housing entity, you are treated the same as a local government would be treated, say a city or county government, or state for that matter. So, with that, you do not need to maintain a 501(c)(3) non-profit, private, non-profit organization status.

I know for a lot of groups that's been something that has kept them from actually applying, because they feel like, oh, I don't want to have to go through the trouble of going through the IRS and the tax exemption and everything. But for tribally designated housing entities, that's not an

issue, and we have confirmed that with our office of general counsel. I have had some questions that come across as far as, well what about serving some people that are specifically tribal members. Does that create a conflict with regard to some of the other issues which you have? Well, as long as you have, you do have designated service areas, that allow for a limited geographic scope.

So, if you are serving a particular tribal region, and obviously as a result of that, most of the people within that geographic area would be tribal members, it wouldn't be as much of an issue, and if it did ever come up, where you had someone come into your doors that was not a tribal member, all we would ask of you is that you refer them out to another HUD-approved agency that could serve them. We would be able to work with that.

Another thing that has come up, is alternate training curriculum standards. The fact is with some of the tribal rules and land transfer rules that exist within the tribal territories, that there are going to be different rules that apply with regard to say pre-purchase counseling, different programs that would apply, like say with regard to the Section 184. I know that can tend to be a very popular FHA program, so we offer an alternative, we offer the alternate training curriculum standards that you would be able to provide to the public and your staff.

There are definitely increased homeownership opportunities and financial well-being for the tribal members. As I stated earlier, we do have documented research studies that have shown that when people receive the housing counseling services, there is a less likely chance that they will go into either delinquency or default in any situation. So, if you're interested in looking that research up, please do.

Theresa, you want to go ahead and continue with some of the pros that we have with regard to tribal membership?

Theresa

Sure, we're getting pretty close on time, so I'm going to try and do these fairly quickly. Whether you're offering down-payment assistance or partnering with it, it does open up additional opportunities, when you're a HUD-approved agency. So, that down-payment assistance can be a critical piece particularly for tribal members. For increased funding opportunities, again, you'll have that HUD-approved status, and many of the funders now are requiring that you are HUD-approved in order to apply for funding. So, it opens up those opportunities for you.

As far as exposure, HUD does an excellent job of doing public relations, and some advertising, plus you would be listed on the HUD housing counseling approved list, and that's where a lot of people go to find their counselors in their local areas, so being on that list is huge. And then the partnership opportunities, just as a HUD-approved agency, you carry that status quality and so it helps you in forming those partnerships.

Joel? I'll turn the next schematic over to you.

Joel

Okay. Okay. And we'll go ahead and talk about some of the cons that have been brought up as well. I know that some groups have brought up the fact that there are administrative challenges in establishing and maintaining and adhering to the housing counseling agency work plan, and a quality control plan. These are just basics that we need in order to be able to ensure that we understand what services each group is providing, where the need is, what the needs of the community are that you're serving, and then how you are able to provide internal oversight to your housing counseling program itself.

We do have quarterly reporting requirements where every 90 days we do require a general activity report to be submitted. We do require that each in each one-on-one client counseling file, this is an individual client file, and we do require maintaining group education files for each workshop that is conducted.

As far as compliance, we do have some fiscal reporting requirements to be able to show us what your budget is in comparison to any of the financial grant funds that you are receiving from HUD. We do conduct a performance reviews every one to three years, just to make sure that everyone is within the standards of the program itself. We usually don't treat these with a very heavy hand. What we're looking to be able to do is better the performance of your agency one way or another.

And, of course, financial reviews. We do have to verify. We do have financial auditors that are able to verify that the costs that are being reported to us are actually what occur and those occur on occasion as well. Theresa?

Theresa

The next one is technology can be an issue in some of the areas and you do have to have internet access to do your quarterly reporting and the cost. It can be the CMS systems; HCO, which is a Fannie Mae product, is still

free. The other often used one is Counselor Max, that's \$600 a year for 5 licenses, so there is some cost there as well and many of the programs go up from there.

The other piece you need to think about is Grants Management. Once you get your funding, read your contract and see what it is you have to provide but being able to the reporting on time, having the information ready and do your draws through the lock system at HUD, those are all things that you have to learn and the first time or two may be a little bit of a process but it does get easier once you learn how the systems work. Joel.

Joel Okay. Alright. At this point, we would like to go ahead and open it up. We'd like to open the lines to any questions that you may have specifically regarding the Housing Counseling Program and how it relates to any of the housing counseling activity that you have in place currently. We'd be happy to answer any questions you have.

Don, if you want to go ahead and open up some of the questions, open up the lines to some of the people what are available.

Don Okay.

Joel I know that we do have some online questions as well.

Don Yes, we certainly do. Let me know when you'd like for me to begin with those, Joel.

Joel Okay.

Theresa Let Don give the instructions for asking the questions first.

Joel Don, go ahead. If you could open that up.

Moderator Certainly. Thank you. (Operator Instructions.)

Joel Thank you. I know we do have some questions on the queue. Let me go ahead and look—

Don [Indiscernible] the questions I was referring to, the questions where people have actually written in specifically and asked questions.

Theresa Go ahead.

Don I'm sorry.

Theresa I said, "Go ahead".

Don Oh. Thank you. I have a question from Iris Fritey [ph]. Are tribes included as an eligible entity?

Joel Tribes as an eligible entity. Yes, tribes are, any recognized tribe is included as an eligible entity to participate in the program itself. We look at that entity specifically the same way we would look at a local government entity, such as a city or county housing authority. We're able to go ahead and work with you. These are eligible entities.

Theresa Actually, a non-Federal tribe could get their 501(c)(3) non-profit status and be [indiscernible] that way.

Joel That is correct.

Don Okay. I'll proceed ahead with the next question.

That question has been written in by Stephanie Ball [ph]. A HUD grant, on average, will provide approximately what percentage of the agency's budget. If a HUD grant is awarded, on average, what percentage of funding is provide? 20%, 40% were given as suggested examples.

Joel I gotcha. Ultimately, I can say that is varies agency to agency and it simply depends mostly on the size of the entity that's applying themselves. I know that when you have some of our smaller, local housing counseling agencies that don't have as many funding providers, sometimes the percentage can be a much higher percentage just to keep their doors open. Whereas you do have some larger organizations that are either multi-state or even regional or national intermediaries where the HUD grant, itself, is quite minimal compared to the overall budget because their receiving funds from multiple states, multiple charitable organizations; United Way, you name it. Sometimes the HUD grant can be as low as 10% or less. It varies on a case by case basis.

Don Okay.

Theresa Could I add just a quick comment here?

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Joel Yes.

Theresa If you're looking at the HUD NOVA, the Housing Counseling Nova, it's done on a competitive basis so it's not a percentage basis, it's done on a score so the higher you score the more monies of what's available you would get. That comes in play as well.

Joel That is correct. Definitely, because with the application, the application process itself will determine the size of the award that can be distributed.

Don Okay. I'll proceed with the next question.

This question came in from Jolie Brooks. Can TDHEs go through state finance agencies for HUD approval or is that approval required through national intermediary organizations?

Joel Okay. I can answer that. Yes, you would be able to go through state housing finance agencies. State housing finance agencies are considered parent organizations, just the same as an independent national intermediary organization would be. The answer is yes, you would be able to go through FHFAs.

Don Okay. The next question from Leanne Brown.

My question is, If I'm a certified counselor and I'm listed on the register, am I able to help any person that contacts me or will I be subject to our tribal policy. What happens to availability in excess to our own tribal members? This question may have already been answered but that's the question post by Miss Brown.

Joel I'll give you an understanding on that. A certified counselor, and it was put forward in the proposed rule that we have. A certified counselor, in general, the thought behind this is that the counselor would have to be connected to a HUD-approved agency one way or another. If you are working for a tribal agency, that naturally you would have to comply with their tribal policies. Whereas, I can't say too much about it at this point because the final rule itself has not been published. However, the details will be within that. Once you are certified as a counselor, that can move around, you might be able to move around to other agencies as long as you're working with a HUD-approved agency. If you are working for an agency outside a tribal agency, then the rules would change.

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- Theresa Also, Joel, I think another way to interpret that is if you're working for a tribal entity and the tribal policy says you can only provide services to tribal members, then you have to comply with that policy except we would expect you to refer non-tribal people to another agency. You couldn't just ignore them, you would have to provide them some other location.
- Joel Yes. That is the game, yes.
- Don Okay. Next question and this question has been addressed but to certainly acknowledge that Miss Gibson has asked the question.
- Are you aware that in a HAFDA does not prevent service to the non-Indian community?
- Joel That we are aware of and with that, as was stated earlier, because of the fact that we do have the geographic scope of a particular area, it probably would not effect that as much. However, if you did have anyone that was a non-Indian that was seeking help, the only thing that HUD would ask have your agency is that they be referred out. Your agency would not have to serve them in any way but we would ask that you send them to an agency that can serve them. That's the only thing that OHC would ask.
- Don Okay. I also have a question from McDalia Corping [ph].
- Question, Is a HUD-approved housing counselor a full-time job for one person?
- Theresa I can address that one. You can hire a full-time, you can hire a part-time. It depends on the program at your agency. I've seen agencies that have just a half-time person. It's really based on your program and what you're going to offer and the size of your program. It can be a part-time person, keep in mind though, if you only have one person or one and a half people, you still have to keep that 6 months experience in.
- Don Okay, very good. That concludes the questions that have come in electronically written. Joel, it's back to you.
- Virginia Don, there are a few more questions.
- Joel There are a few more, Don.

Theresa From McDalia [ph]. She talked about internal policies in place and I think Joel addressed you would need to have a quality control plan and a housing counseling plan, which would essential be the policies that would guide your program. Then, Joel, maybe you can do this. Where does one locate the complete list of HUD-approved housing counseling agencies or a geographic locator associated with that list?

Joel On our webpage, we do have a link that is able to hook you up with a housing counselor and locator. It essentially gives you a map of the United States and you would be able to click on whichever area you are looking in. If you are looking in the state of Colorado, all of the HUD-approved agencies within the state of Colorado would be able to show up on that list or you would be able to type in a zip code and they would also be able to come up as well.

Theresa Is there a list of HUD-approved tribal housing counseling agencies? I don't believe that's one of the criteria that we use as a filter. Is there, Joel?

Joel No. I don't believe we have that as one of the elements that we would be able to run a search on. However, if you are interested in being able to find out all of the tribal housing counseling agencies that are approved within our program, we could be able to get that to you. That came from Cheryl Cloud, is that right?

Theresa Yes. Yes.

Joel We would be able to get that to you and we can get that to you through the [indiscernible] of Native American programs.

Joel We did receive a question from Joanna Donahoe [ph]. It mentioned that there were national intermediaries that housing counseling agencies can partner with. Will you be bringing into the program other national native organizations that provide native focused homebuyer education?

We do have a number of national intermediaries that work currently work with the HUD-approved tribal organizations and non-HUD-approved tribal organizations that work simply as participating agencies on a sub-grantee level. There are a number of national organizations that currently work with tribal organizations as well. If you're interested in that, I know for one, World Community Assistance Corporation works with some tribal agencies as well. If you look at our list on national and regional

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intermediaries, which is also located on our website, you'd be able to find out which organizations are working with them.

Theresa Of course, those two that you mentioned, if they're not intermediaries now but are interested in becoming them, you can have them contact Jerry Mayer and he can give guidance as to their next steps.

Joel Absolutely. If you're interested in actually becoming an intermediary organization that works with tribal organizations, that would be one way to apply. We could go ahead and walk you through the application process itself so that you understand what steps need to be taken.

Theresa One other thing that you might want to keep in mind too is that once you have HUD funding, if you have the comprehensive housing funds, a piece of that can be used for education. If you had a counselor that you specifically wanted to have trained by the National American Indian Housing Counsel, at least I know [indiscernible] does some as well that are tribal driven and the monies could be used to do the training at those groups as well.

Don Joel, we do have additional questions. I'll be glad to read the next one if you like.

Joel Yes, go ahead.

Don Next question is from Christine Roberts. Is there a matching requirement? I assume this is probably competing for the grants. If yes, can it be a Federal fun match?

Joel There is no matching requirement. However, in applying for the program, one of the elements that we base our scoring on with regards to the application score itself, is leveraged funds. If you do have any other leveraged funding that you are receiving from other sources, it's always good to be able to stick those in the application so that could be taken into consideration with your overall budget. Can it be a Federal match? No. That's the key there is that we do not allow any federally leveraged funds. What we want to know is what other funding sources do you have? The answer is no, there is no specific matched requirement.

Don Okay. We have another question from Miss Roberts, Christine Roberts. Please advise of the national intermediaries that currently fund TDHEs.

- Joel At this point, I don't know off the top of my head but we can definitely provide you with a list of intermediaries that are currently working with the TDHEs and we would be able to get that information to you. Please email us at housing.counseling@HUD.gov and we can get you that information.
- Don I do have another question from Leanne Brown [ph]. Looking up this question, I think it's probably going to be one where we want to answer it individually because it's very technical in nature. It's just a technical kind of question which involves policies, samples, funding, etc. I'll go past that one.
- Theresa Remember, Don, we do have the tool kit that has a lot of documents that they can use. It's a capacity building tool kit. It may have information that will answer some of their questions.
- Joel I would definitely focus on that. If you're able to go to our website and look at our capacity building tool kit, there's a lot of information on some of the policy samples and the templates that you would be able to utilize as well. Specifically, for example, work plans or quality control plans. That information is available there. As far as what affect it has, I know there is a little bit of an issue. What affect does this have on Indian Housing Block Grant funds when they are billing for certain services? The key there is we simply do not allow for double funding. If you're charging a particular service that you're providing to the Indian housing Block Grant, you would not be able to charge the same service to the Housing Counseling Program. When I say that, I mean if you are serving a particular client and it's charged to the Indian Housing Block Grant, you can't charge the time that you're billing for to the Housing Counseling Fund. Whereas, if you're charging half of the time that you spent with the client to the Indian Housing Block Grant Fund and then there was an additional period of time that you spent with the client, that would be able to be charged to the Housing Counseling Fund.
- Don I have another question from Leanne Brown. Actually I'm wondering if this is referring back to another question. I'll go ahead and read it. HUD has a pathway program for housing counseling. Does this training match the training for this program and would this be good training for tribes to start the process or is this training different than the current HUD pathway training?

- Joel I would have to get back to you on that. I'm not familiar with the HUD pathways training that is offered. However, as I stated before, we do have three HUD-approved training providers that provide housing counseling training that is approved and the curriculum has been approved by HUD in the program that they offer. If you're interested in taking that training from these three HUD-approved training providers to date, then you would want to go ahead and try and contact those agencies through our webpage. I would have to get back to you on what the HUD pathways training consists of. I'd have to take a look at it in order to compare it. Leanne, we would be able to get back to you on that.
- Theresa Also, Joel, the pathways is a homebuyer education program. It's designed specifically for tribes. Tribes I've talked to that have used it, really like it. I think this one program is a little bit longer than your typical homebuyer ed. but it is a good program and I think some of the HUD trainers [indiscernible] and I think some of them still offer classes in that. That might be helpful information for Leanne.
- Joel Thank you.
- Don Joel, Theresa that appears to be then end of our questions. Virginia, do you have any other questions that you thought of as well?
- Virginia I was just going to ask Don whether we had any callers.
- Don We had no questions on the phone.
- Virginia Okay. Then I think that we're probably done except for final remarks from Joel and Theresa.
- Joel If those are all the questions that we have today, I do thank you all, once again for attending our training today. Once again, here as you can see on the screen, if you're interested in finding out more about the Housing Counseling Program, please visit us here at our webpage on HUD Exchange. You can go directly to the link here or you can email us at housing.counseling@HUD.gov and if you'd like to go ahead and put this training in the subject line so that we would be able to know which way to route that we can answer any other questions that you might have about this program and definitely work to help you understand some of the application or administrative requirements that we have within the program. We definitely look forward to working with you. Thank you

very much and Theresa, I'd like to thank you as well for helping us out with this and answering any questions. Andrea as well, thank you.

Andrea Thank you, Joel.

Joel Alright. Virginia, thank you very much.

Virginia Thank you all.

Joel Thank you for doing this. I appreciate that.

Tom Hardy, as well.

Tom Thank you, Joel.

Joel Alright. Thank you very much. Everyone have a nice day.

Virginia Don, I believe we're done.