



OFFICE OF  
HOUSING COUNSELING

# Housing Counselor Certification Rule: HUD Community Planning and Development (CPD) Programs

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**November 4, 2019**

# Webinar Logistics



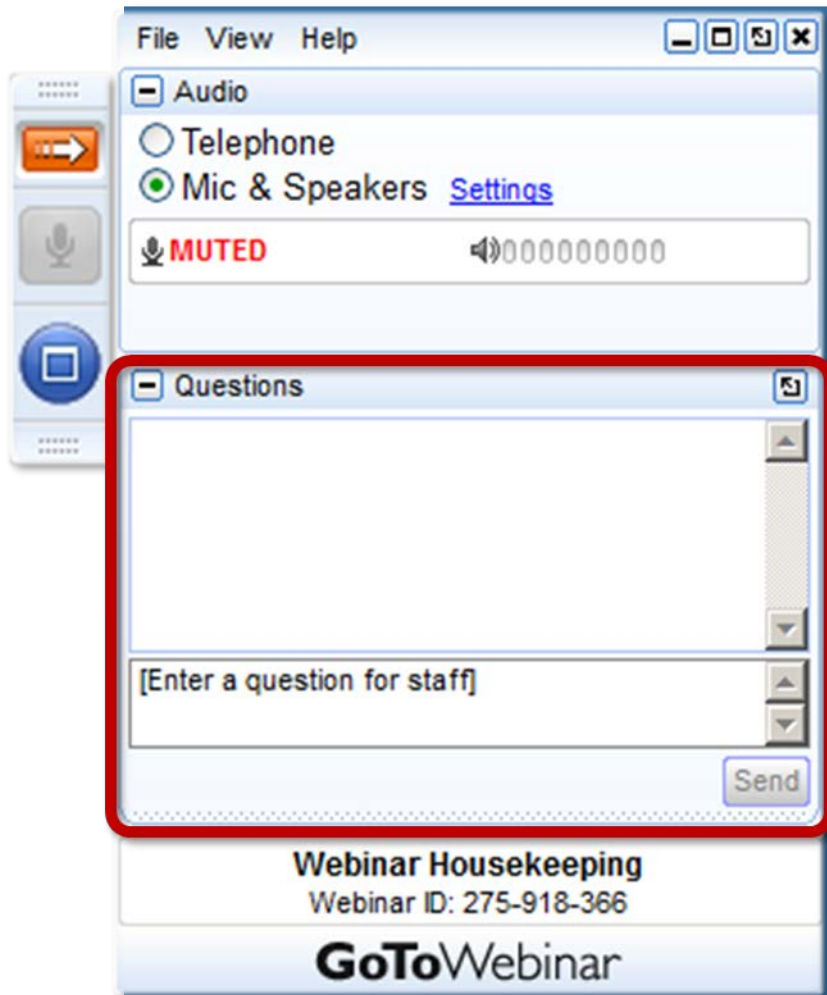
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- There will be Polling Questions. Please respond to them.
- There will be Q&A periods.
  - With questions taken over the phone.
  - If so, the operator will give you instructions on how to ask questions or make your comments.

# Other Ways to Ask Questions



- Please submit your text questions and comments using the Questions Panel. We will answer some of them during the webinar.
- You can also send questions and comments to *housing.counseling@hud.gov* with the webinar topic in the subject line.



# Welcome

**Lorraine Griscavage-Frisbee**

Deputy Director

The Office of Outreach and Capacity Building

Office of Housing Counseling (OHC)

U.S. Department of Housing and Urban Development

# Webinar Objectives

- Inform grantees and partners about HUD's Housing Counselor Certification Rule
- Review how each program is covered by the HUD Housing Counselor Certification Rule
- Plan for options for grantees
- Determine implementation and next steps, based upon options

# Presenters and Q and A

- **Presenters**
  - **Lorraine Griscavage-Frisbee and Robin Penick**, HUD OHC, Office of Outreach and Capacity Building
  - **Shawna LaRue Moraille**, ICF, TA Provider
- **Q and A**
  - **OHC - Rebecca Maclean, Jane Charida, and Virginia Holman**
  - **Office of Affordable Housing Programs (OAHP) and Office of Block Grant Assistance (OBGA) - Celia Jones, Josh Furman, Puping Huang, and Gloria Coates**
  - **ICF - Les Warner**

# Feedback

- There will be Feedback Provided in Mentimeter throughout this presentation. When prompted by the icon to the right, please respond to questions at [www.menti.com](http://www.menti.com) using your computer or smart phone.

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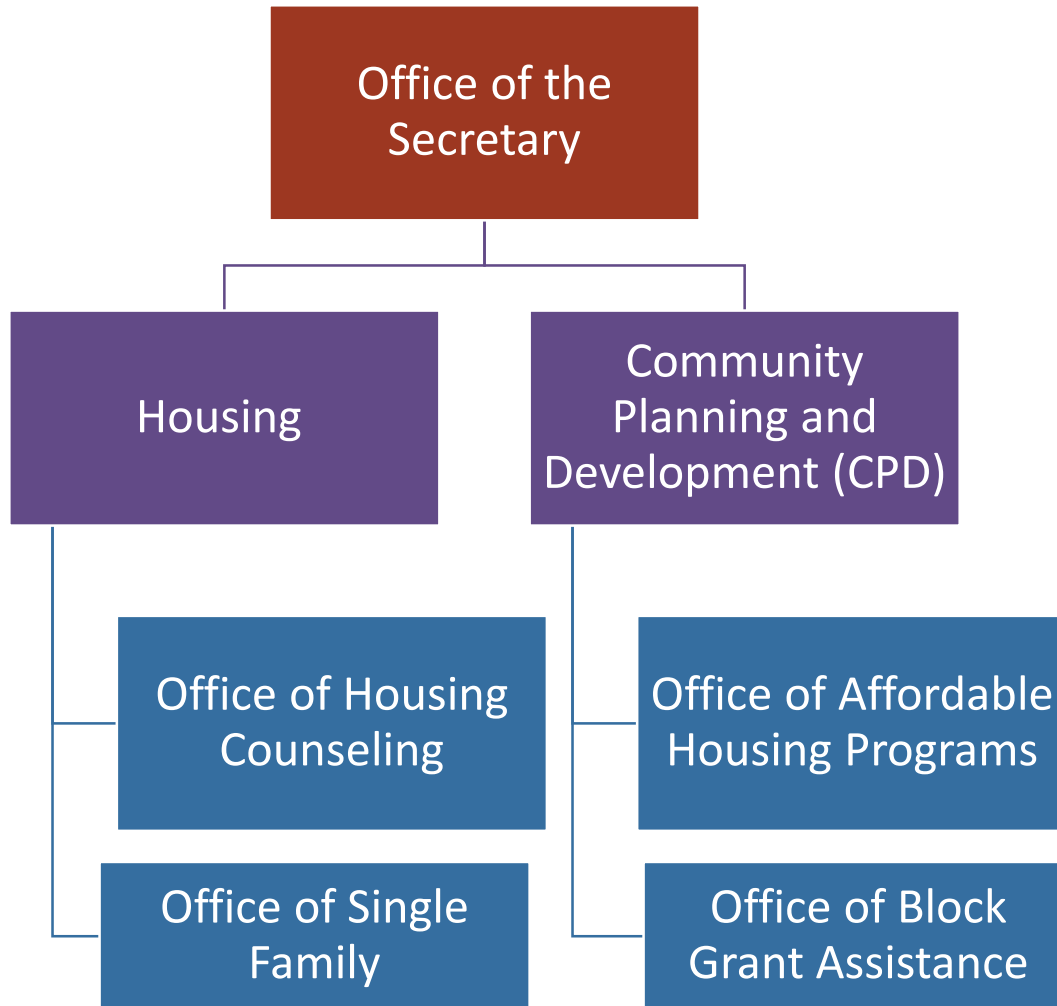
# Agenda



- Housing Counseling Office and Program
- Housing Counselor Certification
- Next Steps to Consider

# Housing Counseling Office and Program

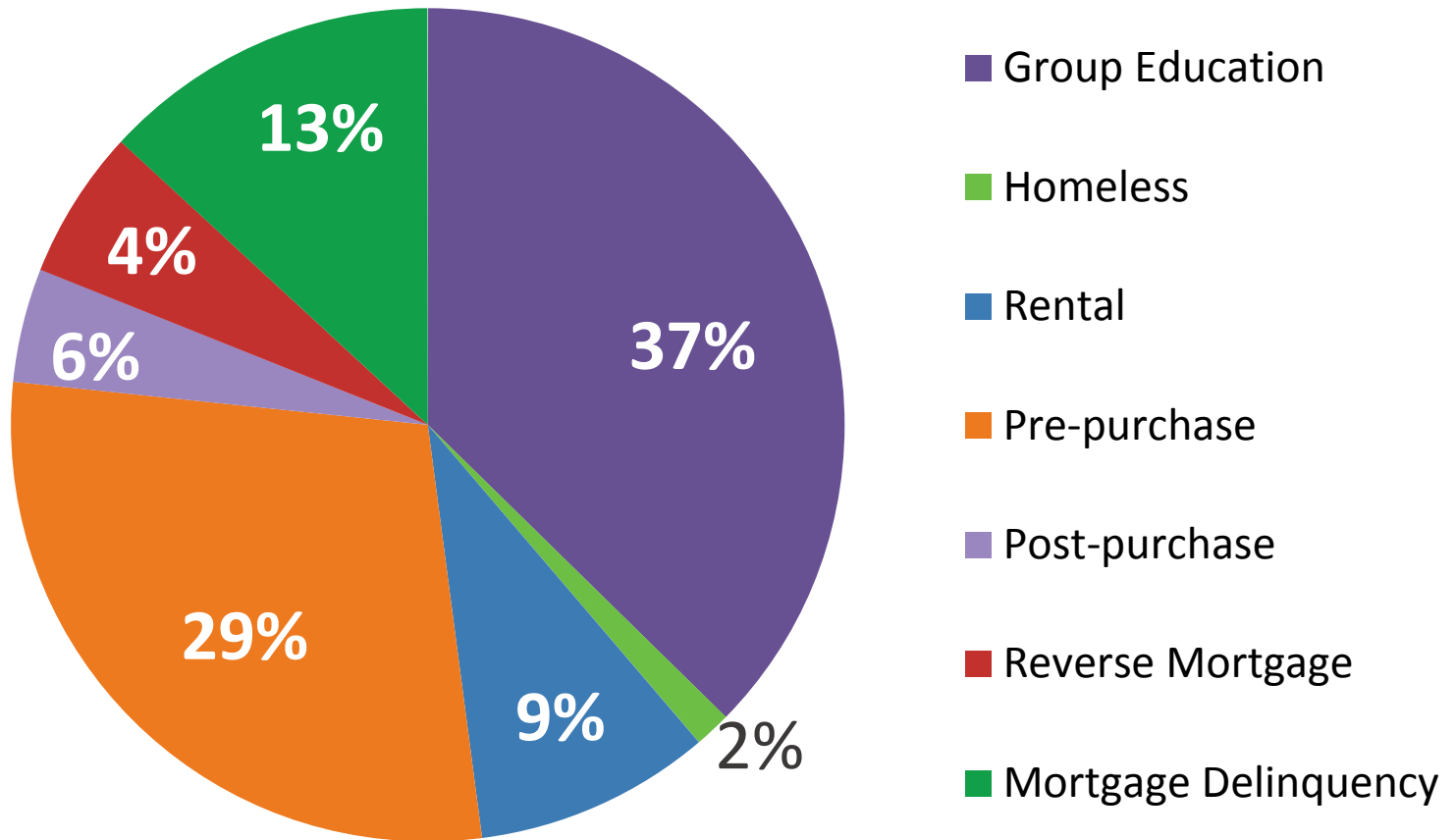
# Office of Housing Counseling



# Who are Housing Counseling Agencies?

- Public or nonprofit organizations
  - Almost 1,750 agencies participate in HUD's program
  - Some apply for funding via NOFA
  - Not all are funded by HUD's NOFA
- Types:
  - Network agencies (with Affiliates/Subgrantees)
    - National or regional intermediary organizations
    - State Housing Finance Agencies (e.g., MSHDA)
    - Multi-State Organizations
  - Local Housing Counseling Agencies (HCAs) (e.g., community action agencies)

# National Housing Counseling Activity FY 19 Q3



**Total Counseling Activity – 799,165 Clients**

# Definition of Housing Counseling

- **What is housing counseling (CFR § 5.100)?**

Housing Counseling is independent, expert advice customized to the needs of the consumer to address the consumer's housing barriers and to help achieve their housing goals.

- It must include the following elements:
  - Intake,
  - Client budget,
  - Financial and housing affordability analysis,
  - A client action plan, and
  - A reasonable effort to follow-up with client.

# Group Education ≠ Housing Counseling

- Housing counseling is individualized assistance that is customized to the consumer.
- Group education including Homebuyer Education is not housing counseling.
- Online education classes by themselves do not meet HUD programmatic requirements for housing counseling.

# Case Management ≠ Housing Counseling

- Housing services provided to eligible persons (including persons undergoing relocation, homelessness or risk of homelessness) that are incidental to a larger set of holistic case management services are not housing counseling



# Housing Counselor Certification Final Rule

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# Benefits of Certification



<b>Broader knowledge = Better counseling</b>	<b>Create professional recognition for housing counselors</b>	<b>Elevate the value of the program for consumers</b>
<b>Consumers avoid scammers and con artists</b>	<b>A credential for counselors</b>	<b>Consumers benefit from HUD approved agencies</b>
<b>Housing counseling offered in connection with HUD programs meets OHC standards</b>	<b>Programs and counselors eligible for grants and scholarships</b>	<b>Increased visibility and awareness of housing counseling</b>

# Housing Counselor Certification

## KEY PROVISIONS



Housing counseling required under or provided in connection with **any** program administered by HUD shall be provided **only** by organizations and counselors certified by the Secretary.

A HUD Certified Housing Counselor is a housing counselor who has **passed** the HUD certification examination **and works** for a HUD-approved housing counseling agency.

Effective date: August 1, 2020

# Covered Programs



**Required under or provided in connection with any program administered by HUD means:**

1. Housing Counseling is required by HUD (e.g., HOME and HTF homeownership)
2. Housing Counseling that is funded under a HUD program (e.g., HOME or HTF rental, HOME homeowner rehab, CDBG, CoC, and ESG)
3. Housing Counseling that is required by a grantee or subgrantee of a HUD program as a condition of receiving assistance (e.g., CDBG, CoC and ESG)
4. Client served by a HUD program is referred to housing counseling (e.g., any covered program)

## When HOME Requires Housing Counseling

- §92.254(a)(3) requires that all HOME-assisted buyers receive counseling



- Recipients of homeownership or residential mortgage loans funded under the HOME program
- Homebuyers assisted with HOME such as:
  - Homebuyers receiving HOME-funded direct homebuyer assistance (i.e., downpayment assistance)
  - Homebuyers purchasing units developed with HOME funds
  - CPD Notice 18-09
- Community Housing Development Organization (CHDO) and subrecipient homeownership activities also trigger the rule

## When HOME Funds Housing Counseling



- If part of a HOME activity, housing counseling must be provided by a HUD Certified housing counselor regardless of the funding source to pay for housing counseling services
- Non-homeownership housing counseling is an eligible HOME-funded cost (e.g., rental housing counseling paid out of administrative funds)

## When HTF Requires Housing Counseling



- Before purchasing HTF-funded homeownership housing, all homebuyers must receive homeownership counseling
- In all instances, this required housing counseling must be provided by HUD certified housing counselors working for a HUD approved agency

Note: HTF requires deep targeting (30% or less than area median income); however, once the fund exceeds \$1 billion, 50% of AMI may be served and the likelihood of homeownership activities increases

# When HTF Funds Housing Counseling



- HTF funds cannot be used to fund stand-alone housing counseling programs
- Housing counseling is an eligible administrative cost as part of services to potential HTF-assisted tenants and homeowners
- Other types of housing counseling that are not required by HTF statute and regulation and are eligible HTF-funded administrative costs
- If the HTF grantee funds housing counseling with HTF administrative funds, housing counseling must be provided by HUD certified housing counselors working for a HUD approved agency



# When CDBG or CDBG-DR Funds or Requires Housing Counseling

CDBG/CDBG-DR as a HUD Program where housing counseling is either funded or required by the grantee/subgrantee under the program:

- Homeownership housing counseling is not required by CDBG regulation, but such counseling is an eligible CDBG-funded cost
  - Public service (under 24 CFR 570.201(e)), subject to 15% cap
  - Homeownership assistance activity (24 CFR 570.201(n))
  - Housing counseling eligible as a housing service in support of the HOME program (24 CFR 570.201(k))

**CDBG-DR Federal Register notices FY17 forward require coordination with housing counseling agencies**

# ESG/HOPWA/COC Funds or Requires Housing Counseling



- Holistic case management for persons experiencing homelessness is not housing counseling
- If activity (housing services) is part of holistic case management for persons experiencing homelessness, it is not housing counseling
- There may be instances where housing counseling, as defined in the Final Rule, is being provided
  - Ex: if program participant is receiving housing counseling as a separate specialized service

# Other Housing Counseling Rule Provisions in Effect

- Any agency that covers pre-purchase, post-purchase, or default, must cover all homeownership topics relevant to the client:
  - The decision to purchase a home
  - The selection and purchase of a home
  - Issues arising during and affecting the period of ownership of a home (including financial, refinancing, default, and foreclosure, and other financial decisions)
  - The sale or other disposition of a home
- Distribution of Home Inspection Materials

# Impact on Pass-Through Organizations and Management



- Staff who fund, oversee or administer a housing counseling program **and** do not directly provide housing counseling are not required to become HUD certified
- Only use designation “**HUD Certified Housing Counselor**” if you have passed the exam and are activated by your agency in FHA Connection

# Next Steps to Consider

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# Identify Your Options

- Become a HUD-Approved Housing Counseling agency
  - Public agencies or nonprofits are eligible
- Partner
  - Identify housing counseling agencies working in your state or look for a national, regional HUD intermediary or state housing finance agency
    - Conduct an RFQ to gather partners, or search for qualified partners
    - Issue procurement or enter into a subrecipient agreement
  - Stop delivering housing counseling by August 1, 2020

# HUD Approval

## How to Become a HUD Approved Housing Counseling Agency

Organizations interested in becoming HUD-approved to provide counseling services must be either: 1) a private or public nonprofit organization or 2) a state or local government. For-profit entities are not eligible to become HUD-approved Housing Counseling Agencies.

The [HUD Approval Process Overview](#) shows the steps in becoming a HUD-approved Housing Counseling Agency.

There are two ways to participate in HUD's Housing Counseling Program:

1. Organizations may apply directly to HUD as one of the following: a Local Housing Counseling Agency (LHCA), an Intermediary (regional or national), a multi-state organization (MSO), or as a state housing finance agency (SHFA).
2. LHCA's can also apply through a HUD-approved Intermediary or SHFA. Intermediaries and SHFAs provide LHCA's with critical supportive services, including training, tools and templates, pass-through funding, and technical assistance. They also monitor their networks to ensure services meet program standards and effectively meet the needs of their clients.

### Qualifying Criteria

Section 106(a)(2) of the Housing and Urban Development Act of 1968 (12 USC 1701x) provides the legislative authority for HUD to provide housing counseling services directly or through private or public organizations with special competence and knowledge in counseling low and moderate income families.

Detailed information and additional requirements of the housing counseling program are provided in the [Housing Counseling Program Handbook 7610.1](#). The program handbook lists the qualifying criteria that all applicants must meet to receive HUD approval. A few of the more important are:

1. **Nonprofit Status.** The applicant must function as private or public nonprofit organization. The agency must submit evidence of nonprofit status as demonstrated by Section 501 (c) of the Internal Revenue Code.
2. **Experience.** The applicant must have successfully administered a housing counseling program for at least one year.
3. **Community Base.** The applicant must have functioned for at least one year in the geographical area that the applicant proposes to serve.
4. **Counseling Resources.** The applicant must have sufficient resources to implement its proposed counseling plan no later than the date of HUD approval.

### Instructions for Submitting Applications to HUD for Approval

Please use the [Housing Counseling Agency Eligibility Tool](#) to determine if your organization is ready to apply. The

### Are You Ready to Apply?

#### Housing Counseling Agency Eligibility Tool

[Access the Tool](#)

[Download Tool Questions as a PDF](#)

### Frequently Asked Questions on Agency Approval

- [How does an agency become HUD-approved?](#)
- [How long does it take to process the application to become a HUD-approved housing counseling agency?](#)
- [If we do not have a 501\(c\) designation but are still an exempt organization, can we still apply to be a HUD approved housing counseling agency?](#)

<https://www.hudexchange.info/programs/housing-counseling/agency-application/>

# Housing Counseling Agency Eligibility Tool (HCAET)



- Anyone with a HUD Exchange account can use the tool
- Provides in-depth explanation of eligibility criteria
- Evaluates agency readiness to apply based on information provided to the tool
- Provides an agency with a user report to follow up on next steps
- **Does not replace a formal application review by HUD**



# HCAET (cont)



## Housing Counseling Agency Eligibility Tool

**Questions?**

- Agency Eligibility and requirements, email HUD
- Technical issues with the tool, contact the HUD Exchange team

### State and Local Requirements

**\*Is your agency in compliance with state and local requirements to do business in the communities served?**



**Learn More**

HUD-Approved housing counseling agencies, branches, and affiliates must be in compliance with state and local requirements to do business in the communities served (e.g., a certificate of good standing from a Secretary of State office). They must meet all state and local requirements for their operations as described in the HUD Housing Counseling Program regulations in 24 CFR 214 and in Chapter 2, 2-2 of Handbook 7610.1 Rev 5.

← Previous

Next →

<https://www.hudexchange.info/programs/housing-counseling/housing-counseling-agency-eligibility-tool/>

# HUD Approved Agencies

TUESDAY, SEPTEMBER 10, 2019

**HUD.GOV**  
U.S. Department of Housing and Urban Development  
Secretary Ben Carson  
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## HUD Approved Housing Counseling Agencies

[GO BACK](#)

This listing is current as of 09/09/2019.

[Click here to narrow your search.](#)

[Printer Friendly Version.](#)


Agencies located in MICHIGAN

Agency Name	Phone, Toll-Free, Fax Number, Email, Website, Agency ID	Address	Counseling Services	Languages	Parent Organization
COMMUNITY ACTION AGENCY - ADRIAN BRANCH	Phone: 517-263-7861 Fax: 517-263-6531 Agency ID: 84544	400 W. South St. ADRIAN, Michigan 49221-3825	<ul style="list-style-type: none"> <li>- Financial Management/Budget Counseling</li> <li>- Non-Delinquency Post Purchase Workshops</li> <li>- Pre-purchase Counseling</li> <li>- Pre-purchase Homebuyer Education Workshops</li> <li>- Rental Housing Counseling</li> <li>- Services for Homeless Counseling</li> </ul>	<ul style="list-style-type: none"> <li>- English</li> <li>- Spanish</li> </ul>	COMMUNITY ACTION AGENCY
NORTHEAST MICHIGAN COMMUNITY	Phone: 989-358-4600 Toll-free: 866-484-7077 Fax: 989-354-5909 E-mail: <a href="mailto:nielsen@nemcsa.org">nielsen@nemcsa.org</a>	2375 Gordon Road ALPENA, Michigan	<ul style="list-style-type: none"> <li>- Financial Management/Budget Counseling</li> <li>- Financial, Budgeting, and Credit Workshops</li> <li>- Mortgage Delinquency and Default Resolution Counseling</li> </ul>	<ul style="list-style-type: none"> <li>- English</li> </ul>	MICHIGAN STATE HOUSING DEVELOPMENT


- <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

# Find an Agency with HUD Certified Housing Counselors

[https://entp.hud.gov/idapp/html/hecm\\_agency\\_look.cfm](https://entp.hud.gov/idapp/html/hecm_agency_look.cfm)

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Secretary Ben Carson



Información en Español

# Other Implementation Tasks

- Update written agreements to include the requirements under the Housing Counseling Certification Rule
- Revise policies and procedures, applications, etc. to reflect requirements
- Revisit participating v. using outside housing counseling agencies periodically until 8/1/2020
- Determine who will verify HUD certified housing counselors public search – future, more guidance forthcoming



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# Housing Counselor Certification Landing

## Final Rule and Exam

### Everything You Need to Know about Certification

The Housing Counseling Certification Requirements Final Rule implements statutory requirements that housing counseling providers offer or provide in connection with HUD programs that are provided by HUD Certified Housing Counselors by August 1, 2020.

#### How Do I Become a HUD Certified Housing Counselor?



**Other HUD Program Participants**

List of programs covered by the HUD HUD housing counseling agency.

**Related Websites**

HUD housing counseling agency training and testing website.

**Notices and Press Releases**

Press Release

Federal Register Notice

HUD housing counseling agency training and testing website.

**Frequently Asked Questions**

This page covers everything you need to know about the certification final rule and the examination process, including key resources for HUD Certified Housing Counselors.

## Apply for Certification

### HUD Certified Housing Counselor Application Process

After passing the HUD Certified Housing Counselor exam and receiving the exam results from the HUD Certification process, HUD will provide the application process for HUD Certified Housing Counselors. HUD will provide the application process for HUD Certified Housing Counselors. HUD will provide the application process for HUD Certified Housing Counselors.



This page provides the application instructions through FHA Connection for HUD housing counseling Certification.

## HUD Programs Covered

### HUD Programs Covered by the Housing Counseling Certification Final Rule

The HUD rule implements the requirements of the HUD rule. HUD will provide the application process for HUD Certified Housing Counselors. HUD will provide the application process for HUD Certified Housing Counselors. HUD will provide the application process for HUD Certified Housing Counselors.



The final rule standardizes housing counseling requirements for all HUD programs. Read this page to figure out if your HUD program is covered by the final rule and review your options for complying.

## Tracking Progress

### HUD Certified Counselor Progress: Meeting Our Goal

The HUD rule implements the requirements of the HUD rule. HUD will provide the application process for HUD Certified Housing Counselors. HUD will provide the application process for HUD Certified Housing Counselors. HUD will provide the application process for HUD Certified Housing Counselors.



To meet HUD's new requirements by the final compliance date, HUD is tracking the progress of HUD certification in every agency. This page provides a tracking graphic and information about agencies that have already met their goal.

## Success Stories

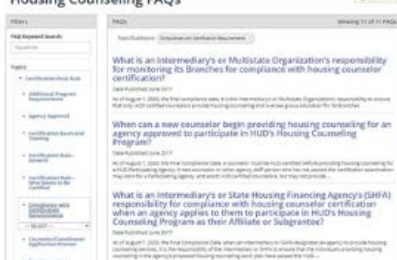
### Certification Success Stories and Best Practices



As agencies work to get their counselors certified, they have developed best practices, compiled lessons learned, and shared their stories with HUD.

## FAQs

### Housing Counseling FAQs



The Office of Housing Counseling has published almost 200 Frequently Asked Questions (FAQs) on a wide range of topics related to HUD Certification.

<https://www.hudexchange.info/programs/housing-counseling/certification/>

# HUD Programs Covered by the Housing Counseling: New Certification Requirements Final Rule

The **Final Rule** implements the requirement that as of **August 1, 2020, the final compliance date**, all housing counseling required under or provided in connection with HUD programs, as defined in CFR § 5.111 (b), must be provided by HUD certified housing counselors that must work for agencies approved to participate in HUD's Housing Counseling Program.

There are many benefits to HUD's Housing Counseling Program. Research consistently shows that counseled consumers have better outcomes (improving credit scores, avoiding foreclosure, increasing monthly savings) compared to similar consumers who are not counseled.

Looking for more background information about the Final Rule, resources for passing the certification exam, and how to begin the certification process? View [Everything You Need to Know about Certification](#).

## Is your organization providing housing counseling?

Many HUD-funded organizations are delivering housing counseling around the country. Organizations need to determine which of the services being delivered are considered housing counseling, and which are not.

**Housing Counseling (CFR § 5.100)?** Housing Counseling is independent, expert advice customized to the consumer to address the consumer's housing barriers and to help achieve their housing goals. It must include: intake, client budget, financial and housing affordability analysis, a client action plan, and follow-up with client.

### Housing Counseling?

Housing Counseling provides only housing information, or placement or referral services, or supportive activities (e.g., program eligibility determinations, intake, case management) that provides housing services as incidental to a larger case management and does not include housing counseling. Housing Counseling does not include: housing counseling without individualized housing counseling services.

Organizations may have staff that do not deliver housing counseling directly, and as a result do not need to be HUD certified. However, if these organizations oversee a group education class, a HUD certified housing counselor must develop the curriculum and the materials provided to the clients, and must monitor the delivery of the class.

## HUD Programs Covered by the Housing Counseling

The following HUD programs are covered.\* If you are a grantee or sub-grantee covered by the Final Compliance Date, August 1, 2020, or choose one of the alternative options on this page.

The [HUD Housing Counseling Eligibility chart](#) also provides a high-level overview.

Housing Counseling only includes active programs. Programs that are not included (e.g., Back to Work) may be HUD certified but may become re-authorized.

### Is my program covered?

Read the following sections in order to find out:



1. Determine if your organization is providing housing counseling.



2. Read about your program and how it may or may not be covered by the final rule.



3. Review your options if your program is covered by the final rule.



4. Access more information and Resources.

## Office of Community Planning and Development (CPD) Programs

Community Development Block Grant (CDBG)

Community Development Block Grant Disaster Recovery (CDBG-DR)

Continuum of Care (CoC)

Emergency Solutions Grants (ESG)

HOME Investment Partnerships

Housing Opportunities for Persons With AIDS (HOPWA)

Housing Trust Fund (HTF)

Neighborhood Stabilization Program (NSP)

Rural Housing Stability Assistance

## FHA Single Family Mortgage Insurance Program

Home Equity Conversion Mortgage (HECM)

## Public and Indian Housing (PIH) Programs

Conversion of Distressed Public Housing to Tenant-Based Assistance

Displacement Due to Demolition and Disposition of Public Housing

Family Self-Sufficiency (FSS)

<https://www.hudexchange.info/programs/housing-counseling/certification/covered-programs/>

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# Conclusion

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