



Final Transcript

**HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:
Housing Counselor Certification Rule and CPD Programs**

November 4, 2019/2:00 p.m. EST

SPEAKERS

Virginia Holman
Lorraine Griscavage-Frisbee
Shawna LaRue Moraille
Rebecca McClain
Les Warner
Josh Furman

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Housing Counselor Certification Rule and CPD Programs. At this time, all participants are in a listen-only mode. [Operator instructions]. As a reminder, this conference is being recorded.

I would now like to turn the conference over to our host, Ms. Virginia Holman. Please go ahead.

Virginia

Good afternoon, and welcome, everybody, to this really important webinar on the Housing Counselor Certification Rule and CPD Programs. But, before I turn it over to our presenters, I would like to go over some logistics with you.

First, as the operator said, the audio is being recorded. We will be posting a playback number along with the PowerPoint and a transcript on HUD Exchange. That'll be in about a week. The Training Digest on HUD Exchange will be updated when that webinar is posted.

Unfortunately we did not send the handouts out prior to the webinar. We were still making some changes. And they're also not in the control panel. But, they will be sent out, as I said, in the archives so you will have access to it.

We're not calling them polling questions. They're Mentimeter questions and Shawna will explain how to do that. We will be taking questions not over the phone but over the question box, which I will explain to you shortly.

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The control panel on the right-hand side of your screen has a box that says Questions. If you enter your question there, we have people that are monitoring those. Please tell us what program you're asking us about so we get it to the right person, and also indicate whether or not you're actually participating in the program at this point. If after the webinar is over you still have questions, you can send them to housing.counseling@HUD.gov and put the topic in the subject line, again, so we get it to the right person.

Now, let me turn the webinar over to Lorraine Griscavage-Frisbee, who is the Deputy Director of Outreach and Capacity Building in OHC.

Lorraine?

Lorraine

Thank you very much, Virginia. Welcome, everyone. We appreciate you taking time out of your busy day to join us today. We're very excited to be able to talk to community planning and development stakeholders about housing counselor certification and how it might impact your program.

So, let's talk a little bit about the objectives of today's webinar. What we hope to accomplish today is to let you understand first of all about this

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rule, housing counselor certification, and we're going to talk about how the rule is covered under each of the CPD programs. We're also going to explain to you if you are covered and you're going to have to comply, options that you have available so you can meet the program requirements by August 1, 2020. We also want to give you some guidance on determining how you can implement these requirements and some next steps based on the options that are available.

I'd like to tell you who all will be speaking today. You've already heard from Virginia Holman, and we are both with the Office of Outreach and Capacity Building in the Office of Housing Counseling. We also have Shawna LaRue Moraille. She is with ICF, who is our TA provider for both the Office of Housing Counseling and some of the community planning and development programs, if not all of them. Shawna, you can correct me on that.

And, we are also going to have, due to the high volume of people attending, some subject matter experts in different program areas that can help answer your questions today. We have Rebecca McClain, Jane Charida, and you've already heard from Virginia, from the Office of Housing Counseling. And then we have with the Office of Affordable

Housing Programs and Office of Block Grant Assistance, these are both CPD offices, we have Celia Jones, Josh Furman, and [audio drops] Wong, and we also have Les Warner on hand with ICF that can help answer questions. So, we're very excited to have everyone's participation today and we hope you find the information to be very valuable.

Briefly looking at our agenda—excuse me, before we do that, we're going to start out with our first Mentimeter question. I'm going to turn that over to Shawna.

Shawna

Thank you, Lorraine. This is Shawna LaRue Moraille. Thank you, everyone, for joining today for this really important webinar. So, if you can, on your desktop or separately on your phone, we are going to be getting some feedback through Menti.com. So, if you can go ahead and log into Menti.com, and then put in the six-digit PIN, and we're going to again be able to gather a lot of feedback this way.

Lorraine mentioned that there's so many of you. I think over 1,000 had registered. We're still having people join the webinar as we speak. And we want to make sure—and thanks for clicking on the thumbs up, many of

you are already on the polling software. So, we want to make sure that you can log in.

We'll be doing this a couple times throughout the webinar and also at the end so you can give us feedback on the webinar so we know if we met your expectations or not. We'll go ahead, and I think most of you are logging in, and go to the first question.

This is incredibly important, particularly since we might have a mixed audience here. We want to know whether or not you in your agency are currently participating in HUD's Housing Counseling Program. What we mean there is that you are already HUD-approved. There are some cities, some counties, you might be a non-profit partner who's joined this webinar. We want to make sure that we capture that you're participating or not just so we can gauge our responses, in terms of participating in HUD's program, what that means for certification, and how that will impact your other CPD programs.

It seems like you are fairly proficient at Menti, I love it. So, we have about half of you reporting in at this point; very quickly, half yes, half no, a few people unsure. That's okay if you're unsure. We have a couple of

questions that we're going to ask today that you may be unsure about but hopefully will give you some ideas as to what to look for in your office or who to talk to in terms of next steps related to HUD's Housing Counselor Certification Rule.

We'll just let some of the results come in. I'm just going to go back to the PowerPoint so we can continue with that. Menti will still be open so please feel to keep providing responses.

Lorraine Thank you, Shawna.

Shawna Lorraine, back to the agenda.

Lorraine Yes, and I just want to comment on the numbers that we saw. I think it's very exciting to have such an evenly-matched audience. Those of you that are participating in our housing counseling program should already be aware about our certification requirements but it's very good that you're listening in because you're going to have a better understanding of potential partners that may be contacting you in the future that are not currently involved in our housing counseling program but are covered by this Final Rule. So, thank you, everyone, for joining us today.

In our agenda, we're going to talk a little bit about the housing counseling program and a little bit about the Office of Housing Counseling, but we're really going to focus in on housing counselor certification. What are the requirements? How do we define housing counseling? And then, the next steps. If you've determined that yes, this looks like it's is going to apply to my program, we're going to give you some options on how you can meet the compliance requirements.

The first thing I'm going to start out with is talking a little about housing counseling. It's a subject that all of us are very passionate about. I want to start out by first giving you an understanding very briefly of the different organizational structures and what's so very exciting about this. The Office of Housing Counseling is actually a part of the Housing program, which includes other things, including FHA mortgages, single family, multifamily and hospitals. And, community planning and development, CPD, is a separate program office. And of course we're only two of many programs within that are covered and administered by HUD.

But, what is very exciting about both CPD and Housing is we're basically the blue boxes are working together. We have had the opportunity to collaborate over the last few years with CPD and we're very excited for that relationship. We're working together to make sure stakeholders that are covered by this new rule in both program areas are well-informed. So, I really want to take this opportunity to thank the CPD participants for joining us today.

Next I want to talk about who participates in our program. We actually have a variety of agencies that participate in a little bit different structures. All of them are going to be public or non-profit organizations. They can be units of local or state government or 501(c). Those are our two main requirements.

We have over 1,750 agencies that participate in our housing counseling program. And, they have the option as being approved to participate they can apply for our NOFA, or notice of funding availability. We recently awarded \$43 million for fiscal year 2019 to approximately 350 agencies. But receiving funding from our program is not a requirement to participate in the program. So, it's optional whether you decide to apply for funding or not.

And, we have a couple different types of organizations, and those of you that aren't familiar with the program, but that will be covered by certification, this is a segue into what we'll cover later, how if you're interested you can participate in our program. We have network agencies which basically you have a parent agency that monitors their network with affiliates and sub-grantees.

For the purposes of grant funding, we will give the network lead—and a good example for that is NeighborWorks. They have the largest organization of affiliates in our program. And then they would redistribute the funds to all of their sub-grantees and they would also help monitor compliance with our program requirements.

We also have state-housing finance agencies that participate. Similar structure but the agencies that are part of that network will just be within their state, and one example might be the Michigan State Housing Development Authority. We have about 20 state housing finance agencies. You can join their networks if they are accepting new members. We also have multistate organizations that cover regions of the country, like they may cover the northwest for example.

And then last, we have independent local housing counseling agencies. They're not affiliated with any network. They run their own housing counseling programs in up to two states. And, they, too, can have branches. So that's just a little background about the agencies that participate in our program.

Now, annually, we serve about one million clients. This is our activity through the third quarter of fiscal year 2019, and this gives you an idea of the kind of services that our agencies provide. Group education is by far the most popular service that our agencies provide, and they can include group education on how to buy a home. That's typically the most popular but other types of group education can include financial literacy, fair housing, rental topics like how to deal with your landlord for example, or how to—for example if you're homeless, some activities they can try to educate the homeless population on options that are available.

The rest of the topics are one-on-one housing counseling, and we have six main categories. I am very happy to see over the last two years a trend where mortgage delinquency counseling has now become less of a required service and pre-purchase has again taken the lead in the topics.

During the foreclosure crisis, it was very lopsided. Mortgage delinquency and default counseling was our most popular service. So, this is another indication to us that the shift in need is now towards pre-purchase. Like I said, we serve about a million clients each year.

Very important to this training is an understanding of how the program defines housing counseling. This definition applies to all programs across HUD that require or fund housing counseling and it is in the code of federal regulations 5.100. Housing counseling is defined as independent, expert advice that is customized to the need of the client to address the client's housing barriers and to help them achieve their housing goals.

And, what we mean by independent is the counselor can give recommendations of different services that are available but ultimately it is the client's decision to decide what services they want to use. Housing counselors should not steer to certain programs. They should just outline the options. We actually require that if our agencies discuss any particular program they must also provide alternatives if it's available. The whole goal of housing counseling is to make sure consumers understand these are their options and they can decide what's the best option for them.

Now, included in the definition of housing counseling are the following elements, and this is also critical. They include an intake component, which is basically the collection of demographic data that agencies report to us on. A client budget, if a client needs to solve their housing goals, one of the first things we have to do is look at how much income they have available to address their housing situation. So, housing counselors are responsible for creating a client budget with input from the client.

The housing counselor also reviews the housing and financial affordability analysis. In other words, if a client says I want to purchase a \$500,000 house, but they only have \$1,000 left over after all their other expenses are paid, it's up to the housing counselor to work with them and say well, there's two choices here. You either look for a less expensive property or let's evaluate your budget and determine where we can cut expenses.

The housing counselor also helps them understand the monetary impact of owning a home. They have to set aside budget for emergencies, like a new water heater, something they didn't have to deal with when they were a renter.

The counselor also develops a client action plan. And what this action plan is, specific to housing counseling, talks about their steps for ensuring and reaching their goals. This is what they need to do. Examples of a client action plan can include disputing credit reports, maybe there's items on the credit report that doesn't belong to them, maybe they need to take a homebuyer education class or a financial literacy class, or maybe they're mortgage ready so their next step would be to contact a lender or a real estate professional of their choice.

And then lastly, the agency has to make a reasonable effort to follow up with the client. Essential as part of our reporting requirements is to find out the outcomes of housing counseling. Did they buy a house? Did they tap into available resources? What was the ultimate outcome as a result of the counseling? And we do report these to Congress every year.

There's one important distinction that I need to make and that is housing counseling is not group education. We have noticed in some of our outreach and some of the questions we've received that there is confusion on this. As I said, housing counseling is individualized to the client based on their information. Group education, including homebuyer education, is not housing counseling. It's just like the name suggests; it's a group of

people that are getting together and learning about certain topics. That's why it is not housing counseling.

When you see the housing counseling requirements—and I apologize, I just got kicked out of my system so now I can't see the PowerPoint anymore. I'm trying to log back in.

Some typical group education classes include eHome America and Framework. Those are the two most popular. Again, they are not housing counseling. If you refer your clients to those, you are not satisfying the housing counseling requirements.

Next slide, another thing we often confuse housing counseling with is case management. Especially in several of the CPD regulations that deal with some of our programs, they use the term housing services. Housing services are not housing counseling. Housing services are provided to eligible persons such as those that are undergoing relocation, maybe homelessness or the risk of homelessness. And the housing services are incidental to a larger set of holistic case management. Again, these are not housing counseling. Shawna is going to talk a little bit more about that as we go further.

Shawna, would you like to do Mentimeter next or open for some questions specific to what we mean by housing counseling?

Shawna

Let's do Mentimeter first and then we can see what comes in, and I also wanted to pause here for a second so folks actually could see the results. So, it looks like we're still split about half of you are participating, half of you are not participating, and a few folks are unsure.

I think what would be very helpful is to find out which programs you're primarily representing today. So, we have the options of Home, we have the option of Home and CDBG. I put them together because some of you really operate your programs hand in hand. Some of you may be working in just CDBG or CDBG Disaster Recovery. Some you might be participating in the Housing Trust Fund Program. And then finally, HOPWA, Continuum of Care, and Emergency Solutions Grants, that might be what you do on a daily basis. I group you together because we're going to talk about those programs together.

And then finally, a few of you may be representing housing counseling, like you are the housing counseling agency and as Lorraine said, you're

really interested in getting cross-trained on the requirements for the other CPD programs.

I picked two similar questions for CDBGDR, but thank goodness we have numbers right here. It looks like we have a lot of you that are participating in Home and CDBG together, and we also have a fair number representing the Continuum of Care programs and HOPWA and ESG, and then we also have Home, participating jurisdictions or maybe your community housing development organization, etc. We'll let some of the more results come in here as we move back to the slide deck.

Lorraine, if you could do me a favor and cover a couple of slides here. I think you have a couple on the benefits of certification, and then I will jump into Home.

Lorraine

That sounds really good. We'll hold off on answering any of the questions just now. We'll wait until Shawna finishes.

I just want to talk a little bit about housing counselor certification. It is actually a form of a licensing where counselors that are participating in HUD's Housing Counseling Program have to take an examination and it

tests their knowledge on topic areas that are required under our legislation in the Final Rule. But, besides it being a requirement, there's actually some very important benefits that are derived from having an industry standard and certification. I think one of the important ones, and we have it right central in the box, is we have created a credential for housing counselors, which they never had before. So, we're very excited with that.

It's also the consumers that go to housing counseling agencies are going to benefit from working with certified housing counselors because these counselors that have passed the exam have demonstrated that they have a broad knowledge about different aspects of housing counseling. They may concentrate in one specific program or type of service but they have knowledge across all of them. That will be very helpful.

And, it also is going to guarantee that housing counseling that is offered in connection with other HUD programs, like the CPD programs that Shawna just polled you on, are going to have one standard across all programs. All clients that receive housing counseling are going to receive all those services that I discussed when I described what is housing counseling. So, these are some of the benefits of certification.

Let's now get into the nitty-gritty. What are the regulations and what do they say? Well, we actually published a Final Rule. It's called the Final Rule on Housing Counselor Certification and it was published in December of 2016, if you have the desire to read it. But basically it says that housing counseling required under or provided in connection with any program administered by HUD—and this is all across the department. There are about 26 programs that actually impacted.

Housing counseling can only be provided by organizations and counselors that are certified by the Secretary, basically means they're approved. And, what a HUD-certified counselor is that is an individual who has both passed the certification examination and has to work for a HUD-approved housing counseling agency. Their approval and their certification is tied to an agency. They can't become certified just because they passed the test; they also have to work in the industry.

The effective date is August 1, 2020. I know many of you are thinking, well, that's ten months away. We have plenty of time. In all honesty, now is the time to think about am I covered by this program and what are the steps I'm going to take to comply with it because the clock is ticking on that.

Now, what we mean by required under or provided in connection with any program, those are two key phrases. What we mean by that is for example housing counseling is required by a HUD program, examples would be either your Home and your Housing Trust Fund, home ownership programs. The second category is housing counseling that's funded under a HUD program, examples can be Housing Trust Fund Rental, Home, Home Ownership Rehabilitation, the CDBG, the Continuum of Care and the Emergency Shelter Grants. Those are some options that fit that second category.

And the third category is housing counseling that's required by a grantee or sub-grantee of a HUD program as a condition of receiving assistance. For example, you have to have the housing counseling first to be eligible for these programs. And some examples of those can be CDBG, Continuum of Care, and the Emergency Shelter Grant.

And then lastly, the client is served by a HUD program and referred to housing counseling. An example like that would be a Continuum of Care client. You have stabilized them, for example, in transitional housing but their ultimate goal is to rent in a certain location and so you can refer them

for further services for further housing counseling. When you make that referral, it's very important that effective August 1, 2020 you only refer them to a HUD-approved housing counseling agency that has HUD-certified housing counselors.

I'm going to stop at this point. I'm going to turn it over to Shawna and she's going to go into more details on this. Shawna?

Shawna Lorraine, thank you so much. I would like to just triple check with our folks monitoring the questions box if there are any clarifying questions from anything that Lorraine has touched on so far.

Rebecca Yes, Shawna, we have a few questions. One of them was, "Does every counselor have to be certified or is there a percentage per the agency that must be certified?"

Lorraine That's a very good question. Thank you, Rebecca. I will answer that question. An agency has to have sufficient housing counselors in order for them to implement their approved housing counseling work plan. For those of you that aren't familiar with our program, each agency that participates has an outline of the services they're going to provide and the

number of clients they expect to serve each year. So, they have to have sufficient resources, including certified counselors that are going to be sufficient for them to implement that work plan.

Shawna Any other clarifying questions?

Rebecca Yes, I have one more. We have an agency with Home, using a down payment program that requires homebuyer education. Can you please clarify whether or not they would be able to continue using group education or would they also need to do one-on-one counseling?

Shawna Yes, so I'm going to go ahead and fast forward because that is my very next slide, so great segue, Rebecca, I appreciate that.

We can use your exact example. Home is one of the programs that are affected by the housing counselor certification rule that says that housing counseling is required, and it's required for all homebuyers regardless of who provides it, the participating jurisdiction, it could be a community housing and development organization, also known as a CHDO, could be a sub-recipient. All homebuyer activities must have housing counseling and must meet the definition of housing counseling, etc.

So, a couple of different things related to homebuyer assistance that might be provided. Many of you operate different kinds of programs. Some of you do down payment assistance, some of you do soft [ph] second mortgages, some of you use home funds to develop individual units, individual homes and sell those off. So, all those things would count. When we're talking about housing counseling, it's more than group education, to answer Rebecca's question. We have to have that individualized assistance as we talked about earlier that meets the definition of housing counseling.

What's great that the home office has done is they put together a community planning and development notice, 18-09, that really drills down deep into what are the procedural elements, what's included in terms of housing counseling. It includes the entire process of home ownership, included in there. As Lorraine said earlier, it's written very hand in hand with how the certification rule had been written. So, in there it also talks about individualized assistance.

When Lorraine underscored earlier about group education, this is something for you all to know, is that there could be group education as a

piece of a housing counseling program, however, the one-on-one assistance, the one-on-one counseling really is what meets the definition. So, you could be doing both for a client; it's totally fine to have them do something for an hour online but they're meeting individually with the counselor and again going through all the five different areas that Lorraine that covered in terms of intake, client action plan, financial affordability analysis, etc.

So, thanks for that. That is when Home requires housing counseling. Let's talk about the instance where Home may simple fund housing counseling. Just to touch on, any type of activity that's happening for Home, if it's Home, Homebuyer, there could many different sources in terms of who pays for that housing counseling. So it's not the [indiscernible] of housing counseling, it's a requirement of the program.

So, Home could pay for it. It could be a project delivery soft cost that is reimbursed at the time the Home homebuyer purchases the property. It could be paid out of Home admin, or the homebuyer can also pay for their own housing counseling. It's an eligible cost underneath the program.

It may be rare but we could see rental housing counseling or home owner rehabilitation counseling, all of those would be fine to pay out of Home admin. It just can't be a standalone program, which I think most of you know.

That's Home. And I'm going to move on to Housing Trust Funds. And definitely HUD folks, if you want to stop and clarify anything, you know I'm always open to that. So Housing Trust Fund, the Housing Trust Fund is the national Housing Trust Fund, some of you have state programs, but it's the national Housing Trust Fund that states are grantees.

And so if there is any homebuyer assistance that's being provided, then that home ownership would need to have housing counseling as a part of the program. Today, the funds for the Housing Trust Fund is less than \$1 billion. So, when it's less than \$1 billion then the targeted audience or those at 30% or less of very mean [ph] income, so we're talking extremely low income. However, if the fund ever goes above \$1 billion then there's a certain percentage where they can be served at 50% or less of very mean income.

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We're probably going to see home ownership more in the future, potentially, with those at 50% of AMI, but it's the same rule as Home. If it's homebuyer, housing counseling is required any type of homebuyer education. Same with Home, Housing Trust Fund cannot be a standalone program. It is an eligible administrative cost, however, if you wanted to pay for rental housing counseling in a Housing Trust Fund program.

I think that that probably covers this sufficiently. Again, not a standalone, might be good for an admin activity, if you have excess admin. We have exactly one slide on Community Development Block Grant programs, so don't throw tomatoes over here. But, we also want to cover Community Development Block Grant Disaster Recovery.

So, this is an area where Lorraine covered earlier, so it's not required by these programs. However, they could be funded, and many of you probably joined this call because you fund a CDBG-funded homebuyer program. So there's a couple of different options for you in terms of how you might fund this activity. It might be a public service underneath your 15% cap. You might have a standalone home ownership assistance activity, potentially, providing down payment assistance or something like that. And then finally, housing counseling that supports the Home

program, something like that, and if it's Home, Homebuyer, obviously that's going to trigger the requirement. For you looking at your CDBG program, the funding is what makes it a requirement if you have it as a homebuyer has to do homebuyer education.

And then finally, we might have some of you working in the disaster recovery programs. We just wanted to make you aware that for federal register notices in fiscal year '17 forward, there was a section there that talks about requiring coordination. And so, again CPD is working hand in hand with housing counseling and it would be helpful to have housing counseling agencies a part of a disaster recovery effort and we know that some jurisdictions have done that. So, for example, in New Jersey for Hurricane Sandy, they actually did an RFQ to procure their housing counselors, and then also like in Louisiana, they also funded housing counseling related to some buyout programs.

For Emergency Solutions Grant, or Housing Opportunities for Persons with AIDS, or the Continuum of Care program, they fund or they might require housing counseling. So, Lorraine covered this well earlier. If we're talking about case management, often known as holistic case management, that is not housing counseling. Only if it's a separate funded

activity that's housing counseling would you actually trigger the role and have to have counselors and go through HUD approval. It needs to be a separate specialized surface outside of holistic case management to trigger the role.

Those are the programs in a nutshell that we wanted to cover. And then we have this slide here that I think is pretty important to mention because a lot of people talk about HUD's Housing Counselor Certification Rule. It is called Certification Rule, but there are a couple other things that occurred with the Certification Rule that are included. Such as, if there's any type of housing counseling that's done with pre-purchase, post-purchase, default, they have to cover basically the soup to nuts, everything related to home ownership from the decision to purchase a home, to the selection, purchase, during the ownership of the home, any type of refinancing that might be done or if they might be facing some type of default, any other financial decisions that might need to be made, and then finally, all the way to the end where there's the sale or disposition of the home. All of these have to be covered.

If you're working in other programs and not Home, you can borrow from 18-09 that actually covers a lot of these topics as well. It might be a good head start on some procedures.

And then finally, there are two home inspection materials that is required underneath the Certification Rule. They're available in English and Spanish. One is called, *For Your Protection Get a Home Inspection*, and then, *Ten Important Questions to Ask a Home Inspector*. Those two are required to be distributed. I know many of you have been working in homebuyer and home ownership for a number of years, you may be providing these; you may not. But, it comes with the rule change as well, underneath 24CFR5.100. So, you have to do that.

Some of you might be sitting there thinking, and the question that came up that Rebecca asked about who needs to be certified. So, some of you may be overseeing a program, you might be a state agency, you might be another type of organization where you simply oversee a housing counseling program or you fund it, but you're not doing the direct housing counseling, so you're not required to become HUD certified. It might be somebody who leads your department. For example, it's only those that are directly providing housing counseling need to be certified.

Only those, as Lorraine mentioned, that have the HUD-certified housing counselor is somebody who has passed the exam and they work for an agency that is HUD approved. This slide mentions FHA Connection that may be new to many of you working in the CPD programs. It's just a separate online webpage that is used by single family related to FHA mortgages and things like that that housing counseling is leveraging to track and maintain this connection between the certified counselor and the HUD-approved housing counseling agency.

I just want to pause here for a couple minutes. Are there any HUD staff that want to clarify anything that I just went through and then also what kind of questions do we have in the queue?

Lorraine, anything to add first?

Lorraine

No, I think you did a great job covering that. I am seeing some questions in the queue about the difference between case management and housing counseling. If they're working on example Continuum of Care or ESG, they asked if their case managers have to become HUD-certified housing

counselors.

Shawna I'm just going to go back to the slide. So, if they are doing case management, as a part of their program, then that is not considered housing counseling. Case managers are not doing that. It's only if it's funded as a separate service that it triggers the role. But, case management on its own does not trigger.

Other clarifying questions about any of the programs?

Rebecca Shawna, we have some questions about when housing counseling would apply. For instance, this one asks, "Is pre-purchase or home ownership counseling the only required type of counseling under CPD programs?" So, I guess depending on the situation, what is required and what other housing counseling types should be offered as well?

Shawna If I'm understanding correctly, they didn't give us a specific program. So, if I could boil it down to Home and Housing Trust Fund have the requirement for homebuyer, must have housing counseling must meet the rule. It's required in the program for both of those. What's different is when you get to CDBG and also the Continuum of Care, ESG, HOPWA

programs, that's where it's a little bit different because what are they funding? Are they funding housing counseling? Is that a part of their program? Is it a requirement of their program like the City of Minneapolis? Are they requiring housing counseling as a part of that CDBG program or something like that? So, requiring it or funding for the rest, if that helps separate the two.

Rebecca Yes, absolutely. Thank you.

Shawna Sure. Other questions?

Lorraine I have quite of bit of them. I have an interesting question that, "Under CDBG program, we provide case management and mediation for landlord-tenant disputes as a neutral third-party. Will our mediators need to certify?"

Shawna That's a great question. I think what would be helpful to remember, particularly for CDBG that can cover so many different activities, is what's actually going on. It sounds like you're doing one task. You're doing mediation, and if you're doing mediation only, then I would say that that doesn't trigger the rule. But, if this is a part, if mediation is a part of

your housing counseling program and it's just one of the services that you offer, then I would say you trigger the rule because it's housing counseling that you're funding, as public service or some type of activity that way.

Does that help?

Lorraine

And I would also like to add to that. Remember at the very beginning I described how we define housing counseling. It has to have a budget component. It has to have an action plan. And I don't think mediation is an example of housing counseling if all you're doing is trying to work out an agreement or negotiate between the landlord and the tenant. So, please keep that in mind when you think about, okay, is my program covered or not.

Shawna

That's a great point, Lorraine, and I also forgot to ask Les if he wanted to clarify. But, we've gotten a lot of questions for CDBG around—you guys do a lot of fair housing. Like education, that's just education. That is not—you're not doing individualized assistance in CDBG so that wouldn't be considered housing counseling either.

Les, or anyone else from CPD, want to clarify anything or any other questions that are coming in?

Les There have been questions about, "I have agencies in my community that are able to provide this. Do I need to essentially create this in-house?"

Shawna Right. So the next step.

Les Yes, you're really looking at how you're going to meet this program requirement and we're talking about the rules that would apply to whomever is doing this, whether you, yourself, as a CPD provider are going to do that in-house or you're going to use another agency to be able to do that. But, you're certainly not required to do it yourself directly.

Shawna Yes, thanks, Les. That's helpful. And, we have a whole section on what do I do now. Let's go ahead, while you are looking at other questions in the queue, and make sure that we move on to our next Menti question. We have two here together.

We want to know from the audience, have you heard of the Certification Rule? This is going to be helpful to us to make sure that we figure out if

the messaging that's already gone out from CPD, from housing counseling, etc., whether or not we're meeting if you've ever heard of the rule, if we have gotten the word out there. Many of you are saying yes so far. We have a third of you reporting in. Some of you are saying no, and again, we always have the unsure because you may be unsure about whether or not you've heard of the Certification Rule.

We'll just let this populate a little bit. Other questions that might have come into the queue that you would like to ask us, maybe specific to the programs that we covered?

Rebecca Shawna, I have one asking about COCs. And this is, "Can a COC lead agency fill the role of the agency which is HUD-approved for the intention of allowing certification of COC projects throughout their geographic area?"

Shawna So, it sounds like a Continuum of Care lead would like to look at potentially providing housing counseling, I would assume, and that they would like to know if they could do it for their entire Continuum.

Rebecca That's what it looks like, yes.

Shawna Okay. So, yes, that is possible so long as the Continuum of Care leads are typically non-profits or public agencies, and as Lorraine covered earlier, it has to be one of the two types. I'm going to show a tool at the end. We created a survey tool that might be helpful for that Continuum of Care to take that tool to see how close they are with the requirements and may help them with the application.

Other questions in the queue?

Rebecca Here's a good one. "Which comes first, getting an agency certified as a housing counseling agency or having a staff member become certified as a housing counselor?"

Shawna That's a great question. Do you want to handle that, Lorraine?

Lorraine Absolutely. The agency has to participate in our program first, and then members of their staff can become certified. It's interesting because if you are considering joining our program on August 1st or thereafter, you will have to provide evidence to us that staff that will be housing counselors have already passed the exam. Now, if you don't wait and

apply before that date, then that won't be a requirement of application and you'll have enough time to get your counselors certified by August 1, 2020. But the first step is to get approved to participate in our program.

Shawna Thanks, Lorraine. Other questions?

Rebecca Shawna, we have gotten several questions about other HUD programs outside of CPD, like FSS Section 8. Can one of you talk briefly about how this impacts other HUD program areas?

Shawna We are going to be doing a separate webinar probably in the next month, don't you think, Lorraine, where we're going to cover the public and Indian housing programs.

Lorraine Yes.

Shawna However, I am going to show HUD Covered Programs page toward the end where we [indiscernible] for each of the programs. So, in general, if it's FSS or Section 8 to home ownership type programs, where home ownership is a requirement of the program, then anybody who is working in that program would have to become certified. The agency would have

to become HUD-approved or find a partner, which is what we're going to talk about next. Because, as Les said, you don't have to do it yourself, it could be somebody else. But, in general, any time it's home ownership that's going to be the trigger even in the PA [ph] programs as well.

Lorraine

Shawna, we had a question that said in the Continuum of Care program they also provide budgeting. So does that mean they have to become certified, are they providing housing counseling?

Shawna

I think it goes back to is that budgeting a part of holistic case management, and if it is, then no. It's whether or not you're funding housing counseling as a separate service when we're talking the Continuum of Care. And even though we're talking about what triggers and what doesn't, obviously if you want to do it, then yes, it might be beneficial to your community. We talked about all the benefits of having a certified housing counselor working with your clients. They're going to get expert advice that's individualized to them.

So some of you may choose to participate because you want to provide that level of service to your clients. But knowing, whether or not you have

to and you do the cost benefit analysis in terms of should your agency participate or shouldn't it, or maybe find a partner, all that goes into play.

Great. Let's ask another question. So, if your CPD program triggers the rule, we want to know approximately how many housing counseling clients will need to be served. And this is going to be helpful for us as we go into the next section where we talk about what options you have for participating. It would be helpful to know those that are less than 30, the number of programs that are somewhere between 30 and 50, whether or not you're in the 50+ category, or if you're largely unsure. And, it's okay to be unsure. I know some of you may be coming to this webinar where you're working in so many different programs and for you to even know the sheer number of clients served may be impossible for you. But, we still thought it would be helpful because Lorraine has some good ideas in terms of those of you that are at a certain threshold in terms of whether or not it makes sense for you to participate directly or whether or not you may need to find a housing counseling agency that's currently participating, a partner, just do it directly or partner.

I'm seeing a lot of you are unsure, which is totally fine. There's a third of you reporting in. I am seeing equal buckets here of less than 30, 30-50,

50+. I'm hoping this number grows and we can certainly check back at the end of the webinar with the feedback. I'm hoping that one of the thirds comes out as the winner, Lorraine, so we can—

Lorraine

Absolutely. I might just add, we didn't arbitrarily pick the number 30. In order to actively participate in our program, you need to counsel a minimum of 30 clients a year. The only exception to that requirement is if you only provide HECM counseling. HECM counseling deals specifically with seniors that want to tap into the equity of their property through a reverse mortgage, or under FHA that's called a HECM or a home equity conversion mortgage. Otherwise, primarily for pre-purchase counseling for example, if you wanted to join our program you need to serve at least 30 clients a year.

The range 30 to 50 is somewhat on the low side for the administrative efforts that you need to take and so primarily for that amount or under 30 we would recommend other options than approval. If you have 50 or more clients a year, you might want to consider joining our program. We're going to talk about that next, I believe, Shawna, as some of the options.

Shawna

Yes, and continue to go ahead and provide your responses. Like I said, we'll go back in there later. There's so many of you on this webinar and we want to make sure we're using our time wisely. So, thanks.

This is the next step section. It's really important that you identify your options, some of you have already done that in the questions box. You're trying to figure this out. So, some of you may choose to directly become a HUD-approved housing counseling agency. As we mentioned before, public agencies and non-profits are eligible. You cannot be a for-profit. You cannot just be a realtor, which is one of the more common questions that we get.

But, many of you are probably going to look to partner. And there is, as Lorraine covered earlier, 1,750 agencies across the country that currently participate. That also includes approximately 19, 20 state housing finance agencies as well, and a lot of those national and regional intermediary agencies.

As I mentioned before, New Jersey for their DR program, they had housing counseling as a requirement. For their program, they did an RFQ to figure out how many housing counseling agencies can I have serve my

entire state of New Jersey for these funds and they're already currently participating, so doing an RFQ to find those already participating would be helpful. You could also issue another type of procurement or do a sub-recipient agreement. I'm going to show you where to look on the HUD Exchange to find your partner.

And then finally, what we don't want you to do is to stop delivering housing counseling on August 1, 2020. But those that do not meet the requirements at that time will need to cease operations.

We've spent the last—ever since December of 2016, we have spent an inordinate amount of time building pages on the HUD Exchange. They have now been all linked up to all the CPD programs, as of the date of this webinar. So, I just want to show you a couple of things here just as you contemplate what am I going to do next.

So, we have an entire page on HUD approval. We link to the part of the handbook; we link to the form that must be used. We also link to, and I have a slide on this, the housing counseling agency eligibility tool, where you can go ahead and, if you're that Continuum of Care that wrote it in or others, you just simply want to go and answer a bunch of questions that

we have available. You can download all the questions as a PDF or you can access the tool. But this page really helps get you started in terms of HUD approval.

We lovingly call this HCAT, so this tool is a survey-based tool where you answer simple yes or no questions. And then there's also a section that includes a Learn More so that you—it's a teaching tool. You can get up to speed on HUD's requirements for HUD's Housing Counseling Program, just by simply taking the tool.

And, this is a way in which you—you have to have a HUD Exchange account in order to access the tool. But you can go back to it. You can stop the tool and go back to it if you need to in order to gather data. It does not take the place of a formal application or you don't have to upload any documents. It's just there as a learning tool.

It does provide HUD housing counseling, though, their office with good data about who's taking the tool and what kind of organizations are out there looking for assistance. It also gives them information as to what's the most common out of the 20 or so questions that folks are struggling with in terms of the requirement.

This is what the HCAT screen looks like, for example for one of the questions. Again, yes, no, check mark is yes; x is obviously no. And then, the Learn More is down here. So, we provide the direct link here in the PowerPoints that you will get after this training. We can make sure that the slides are emailed out to you before being posted on the HUD Exchange.

Some of you may already know that this exists. This is the HUD.gov page. We do link to it on the HUD Exchange if you search for find a housing counselor. But you're able to use this page on HUD.gov to find organizations that are providing housing counseling and the first page of this is like a map. You would just click on and then it will drill down to the area. You can also search by zip code, as well, which is managed using the same data on the Consumer Protection Financial Bureau's website.

That is how to find an agency. Separately, there is how to find an agency with a certified counselor. The connection between the two is separate right now, but this is great because if you're working in Michigan, all you need to do is put in the state and then for the type, there's a toggle here.

It'll say HECM or it'll say certified. Make sure you get yourself over to certified. But, that will give a list of everyone that's currently participating with HUD and has at least one housing counselor, which would be very helpful. So, if you're looking at partnering, I might go here first.

There's some other implementation tasks in terms of those that do trigger the rule. You probably need to update, you will need to update your written agreements to include the rule, to make sure that again, if you're in Home, Homebuyer, that you're covering the requirements for the certification of the counselor and the HUD approval of the agency.

You're also going to need to revise policies and procedures, possibly your application process. And then you're going to need to revisit participating versus using a partner periodically, obviously up until the deadline. Some of you may say, you know what, our long-term goal is to participate but right now, we're going to find a partner. I'm going to go ahead and look online and I'm going to find the housing counselor locally that I can use and use them until I can participate.

And there is—I looked at the HUD checklist the other day, it does list the housing counseling being a requirement in the Home checklist. So, HUD will be looking at this in a couple of different areas. Both CPD and housing counseling will be looking to see who is going to comply.

I would like to go to Mentimeter first and then we'll see what kinds of questions we have in the queue. We want to know from you how are you planning today to comply. Are you going to participate directly? Are you going to find a partner? Or, again, it's totally fine to be unsure. Those that answered unsure, we have a follow-up question for you.

Lots of folks planning to participate directly. About a third are reporting in. A couple of you said that you're going to find a partner.

Lorraine

That's a high number. That's very good to see. Also, I would like to challenge those of you that are thinking about joining our program and participating directly to start the application process now because it does take us several months to work with you. You start out by contacting us and we have an individual on the Office of Housing Counseling staff that will work with you, review your application so it's complete before you

submit it. And then we have to go through the approval process which takes some time.

So, please, consider starting now or early January if that's what you want to do.

Shawna

That's a good point, Lorraine, and we'll check and see what kind of questions we have in the queue as well. I would also make sure that if you are just working in CPD programs and the Office of Housing Counseling is new to you to get on the mailing list so that you are getting the Listserv messages. They are done separately from the HUD Exchange currently and we have a link for you to be able to get on the Listserv message because then you're going to find out about like we mentioned the Training Digest early on Ginger mentioned. That is specifically of housing counseling, so you want to make sure that you're getting the support that you need as you join HUD's Housing Counseling Program.

We'll let the responses still—we'll give it another minute. Questions in the queue. I do want to get back to the unres but I want to make sure that folks are able to answer this question because this is one of the most important ones. Questions in the queue related to participation, maybe.

Rebecca Shawna, we've had several people ask about what happens if we become a housing counseling agency and have certified counselors and then staff leave or there's turnover. What happens in the interim?

Shawna Lorraine, would you like to take that one?

Lorraine I sure would. Obviously you need, after actually starting August 1, 2020, to have certified housing counselors on staff. In the event, let's say, you only had one certified counselor and that certified counselor either temporarily went on leave for an illness or decided to leave your agency, we would put you in what's called an inactive status. And, your information would not be shown on our website, and Shawna showed that just earlier what that looks like, so you wouldn't have to worry about new clients contacting you.

That gives you time. Typical inactive status can run anywhere from 90 days to 6 months. That gives you the opportunity to either hire a counselor that's already passed the exam who then can become immediately certified or you can take other staff and work on developing them. We didn't talk a lot about the certification process during this

webinar because we wanted to educate you more in terms of the CPD programs that are impacted by it. But we have a website which Virginia will talk about later in resources. That is free. That provides training options, provides online training to prepare for the cert exam and a host of other tools to help staff become ready to take the exam.

Shawna That's super helpful, Lorraine. Thanks. Other questions?

Rebecca There's a ton. I'm just looking for some more common themes. We did have some confusion about back to what we have been talking before how Home and HFT have for homebuyers' requirement in the reg versus funding as eligible activities in CDBG or CDBGDR. So it sounds like they might need to revisit that a little bit.

Shawna Possibly. And it might be—I don't know exactly who the attendees are made up of but it may be that we have a bunch of non-profits or those that receive funding from a CDBG agency, and they're unsure where the requirement lies, if that makes sense, for housing counseling. We're just trying to be clear about when it's Home, Homebuyer and Housing Trust Fund, Homebuyer, which will be rare, those are the ones that actually

trigger the rule. CDBG and Continuum of Care have a lot more flexibility in terms of are they funding it or are they requiring it on their own.

Like is the City of Minneapolis literally requiring housing counseling?

That's really what you need to drill down to, if that makes sense. I'm sorry that there continues to be confusion there but you just have more options than CDBG.

Rebecca

Thank you.

Shawna

Sure. So, we're going to go ahead. We'll move on to the next question.

It looks like we have a few folks that are going to participate; some people are going to find a partner. If you're unsure, we want to know what else we can do for you, frankly. So, what would help you decide if you're on the fence in terms of partnering versus participating directly? So, just let us know. This is an open scroll. You can let us know.

Is that NA maybe possibly TA? Oh, have to check the COC regulations.

Okay, partner. So, in the COC regulations, it talks about case management. Again, case management is not the same thing as housing counseling, and we actually provided a Listserv message that went out a

couple weeks ago and we tried to be very clear about what triggers for Continuum of Care programs on the HUD Covered Programs page, which I still need to do that.

Possibly some TA, a couple of folks say not applicable, so maybe you're saying not applicable because you don't need assistance from us. More clarification, resources. A couple of you realize that it doesn't apply to your program. Well, that's good news. I'm glad that you're sharing that with us. That means that hopefully we've explained the requirements.

Somebody else said not in a position to make that call. That makes sense. You may not be able to make the decision for your agency.

And it might be a cost benefit. Somebody wrote in ease of applying to be a certified counselor versus time expended, cost basic requirement.

It sounds like we have at least one housing authority who is on.

Great. Well, I'm going to let those continue to roll in. I do want to make sure that we touch on a couple of things here. This is another resource that we put together that includes all things housing counseling and

certification where we have a Final Rule page, how to apply for certification, the HUD programs page which I mentioned before that I'll take a deeper dive on, tracking progress, we're really trying to track among the 1,750 agencies currently participating those that have certified counselors. We're now up to 35% now. That just changed yesterday. Success stories, and then frequently asked questions. So, I wanted to make sure we highlighted that.

Those of you that are on the fence or would like to take a deeper dive, we provided case scenarios on this page that we lovingly call the HUD Covered Programs page, where you can click on the green buttons that are on the page, and you can just scroll down to some sample scenarios. Hopefully that will be helpful to you so take a look at that. We have it separated from CPD, from PIH, from FHA.

We do want to make sure—I'll just cover a couple of these and we'll see if we have time in terms of other questions. But, some of you do ask for a certificate of training. GoToWebinar will provide that within 48 hours. Those of you that are working in housing counseling programs, a lot of you like to track your education. This allows you to get credit. Anybody

that has a HUD Exchange account can get credit for this webinar. It's done separately outside of this webinar system.

Before I launch the last Mentimeter question, let's see what kind of questions we have in the queue.

Rebecca Sorry, I was eating candy leftover from Halloween.

Shawna That's okay.

Rebecca We had a question about states. "Are all states eligible to apply to become a housing counseling agency?"

Shawna A state is a public agency, so I don't see why not. There are other states that currently participate in HUD's Housing Counseling Program.

Rebecca We are getting questions about specific things, like examples of MLUs [ph], how they would work with non-profits, those kinds of things. So, it sounds like we need to get some details about what our next steps would be where they can find resources.

Virginia

Yes, I was going to mention that. We will get a report that has all your written questions that we will pass to the appropriate people. If it's an agency specific, someone will probably get back to you. If you look at that page that Shawna showed of the landing page, there's a big section on FAQs. A lot of your questions may actually be posted there.

If not, you can send us the question at housing.counseling@HUD.gov, and we'll work to get that answered. If we find a lot of common questions, and that's what Rebecca was mentioning, that we will add to our frequently asked questions. So, you will not be without resources to get your answers.

Lorraine

This is Lorraine. I also want to point out a very nice way you can learn more about the Office of Housing Counseling without having to go into quite a bit of detail like reading the handbook, what we do have is an online training that takes about 30 minutes to complete. And it's called The Intro to Housing Counseling. It gives you more information. It is right there and Shawna is right there. It gives you an overview of our program. It's a good starting point if you're considering participating in the program.

I also want to add that the benefits of participating include of course access to funding through our NOFA which is a competitive process, and does of course depend on Congressional appropriations each year. We also have training partners. They're grantees that receive training funds from us and they provide scholarships to housing counselors that work for HUD-approved housing counseling agencies.

NeighborWorks has national training institutes, so does Unedo [ph] and NCRC. And then we also have Rural Community Assistance Corporation, and they primarily focus more on individual play-space [ph] class. All of them offer online training as well and webinars so there are some good sources. There are also other trainers that we list on there that aren't part of our training grants but they do provide training sometimes for free or nominal costs. You can find all that on where Shawna is showing you, the housing counseling training partners.

So, we have a lot of resources available. Before we leave, I'd like to ask Josh if he has any additional comments he'd like to share with the audience.

Josh

No, I have nothing to add. I think that was great.

Lorraine Thank you.

Virginia Lorraine, I would like to just remind everybody that the presentation, a written transcript and an audio replay number will be posted on HUD Exchange probably within less than a week. So, I know that's a question that many of you had, so watch for that and we will also post it on HUD Training Digest when that has happened.

Lorraine Great. Thank you. Good reminder. Well, I want to thank everyone very much for their participation today and greatly appreciate all the good questions that you asked and look forward to seeing more people join our program. Thank you.

Moderator Thank you. Ladies and gentlemen that does conclude our conference for today. Thank you for your participation and for using AT&T TeleConference Services. You may disconnect.