



Final Transcript

HUD-US DEPT OF HOUSING & URBAN DEVELOPMENT: Managing Expenditures and Avoiding Recapture of Housing Counseling Funds

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SPEAKERS

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PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by, and welcome to the Managing Expenditures and Avoiding Recapture of Housing Counseling Funds. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session. Instructions will be given at that time. [Operator instructions]. As a reminder, today's conference is being recorded.

I would now like to turn the conference over to Ms. Virginia Holman.

Please go ahead.

Virginia

All right. Thank you, and welcome, everybody to today's very important webinar. We want to make sure that you spend all of your funds, so we'll go over what the process is of managing those funds. Next slide.

I just want to cover some logistics first before we get into the meat of the webinar. As the operator said, the audio is being recorded. We will be posting a playback number along with the PowerPoint and a transcript of this webinar on HUD Exchange. That will be in the archive section on the OHC page. We'll send out a listserve when those archives have been posted, and that usually takes us a week or so to do. All your lines are muted. We did send out some handouts this morning, the presentation for you to make notes, but they're also available in the control panel on the right-hand side of your screen, or you can just click on the document name and download it.

There are going to be, I believe three polling questions, so please respond to them. We will also have question and answer periods, and at that point

the operator will give you instructions on how to ask your questions or make your comments. While you're asking your question, please don't use the speakerphone. That just muddles the audio. Next slide.

There are a couple of other ways to ask questions. One, again on the panel on the right-hand side of your screen there's a box labeled "questions." If you'll just type your question in there, we have staff that are monitoring those, and periodically they will be asked to the presenters and get some answers. If all of your questions are not responded to we will have a record of them, and every effort will be made to respond to you. Also, after the webinar is over, if you still have questions or comments please send them to housing.counseling@HUD.gov with the title of the webinar in the subject line so we get it to the right person.

Also, if you have logged into the webinar you're going to receive a thank you for attending email from GoToWebinar, and that's usually within 24 to 48 hours. The email is going to say, "This is your certificate of training." Please be aware that there is no attachment. It's just that email, so print it out and save it for your records. Okay. At the end, there's also going to be a brief survey that will be launched, so please take a few

moments to respond to that, because your input is very important as we continue to improve our webinars.

At this point I will turn it over to Kisha Wright, the Deputy Director of the Office of Oversight and Accountability. Kisha?

Kisha

Hi, yes. Thank you, Ginger. Good afternoon, everyone. As Ginger said, my name is Kisha Wright. I'm the Deputy Director of the Office of Oversight and Accountability within the Office of Housing Counseling. It is my pleasure to welcome you today to today's webinar, which is on Managing Expenditures and Avoiding Recapture of Housing Counseling Funds webinar. We're so pleased that you're able to make it today. This is a very important webinar.

It's designed to provide you a definition of recapture, some kind of reasons why recaptures occur, and as well as provide tips, and we can answer some questions in regard to help you as well as your agencies avoid the recaptures in the future. We're pleased that you're here joining us today, that so many of you are in attendance. It definitely shows your commitment to HUD's Housing Counseling Program, and what you would need to do in order to spend all your money down.

Thank you for attending, and now I'll turn it over to Shawn and Les, who are our technical assistance providers, ICF, who will start the training.

Shawna?

Shawna

Thanks so much, Kisha. Good afternoon, everyone, or good morning if you're on the West coast. I'm Shawna Moraille, and I am the day-to-day person who works at the Office of Housing Counseling on a couple of technical assistance grants, and I've been working with Housing Counseling since 2014. I also have funded a lot of housing counseling agencies when I worked in local government.

Les Warner, do you want to say hello?

Les

Sure. Hello, everybody. My name's Les Warner. My background before coming to ICF, I worked at the state level for about 20 years, and so worked with local governments and nonprofits in program administration, keeping in compliance with all the federal requirements, and that included some work done with the Housing Finance Agency, which was providing housing counseling funds to a number of nonprofit organizations around the state.

Shawna

Thanks so much, Les. We are so happy that we are joined today by two folks who work within HUD's Office of Housing Counseling. We have Carolyn Hogans, from Oversight and Accountability; and Shawn Rich, from Policy and Grant Administration. They will be fielding your questions. These are the folks that Kisha and Ginger mentioned are available in the questions box, and they'll also be talking throughout the presentation as necessary.

Let's just take it away, and talk about how to avoid recapture and definitely managing those expenditures. Here is our agenda for today. We have two parts that we're going to cover. The first one is a little bit of data on recapture trends that we've been seeing the last couple of years. Then I would say the bulk of the presentation is really going to be in Part 2, which is when Les is going to come in and talk to you about strategies for spending your housing counseling funds. Then we will open up the phone lines at the end of the presentation, as we mentioned, for some Q&A if we didn't cover everything sufficiently on the webinar, but you can certainly chat in your questions in the meantime.

As we get started here, we wanted to find out what type of organization do you represent? This first polling question helps us. As you folks might have realized when you registered, only your email is a part of the registration, so we need to know, what type of organization are you?

The first option is you're currently participating as a local housing counseling agency. You might be option 2, which is participating housing counseling agency as a sub-grantee, which means that you're funded, or you might be an affiliate of an oversight agency. Oversight agencies is option number 3, which includes HUD-approved intermediaries, which might be national, it might be regional, state housing finance agencies, or multi-state organizations. Option number 4 is that you're non-participating. Maybe you simply had some time on your schedule this afternoon, and you'd like to learn more about HUD's housing counseling program, so let us know if you're a non-participating agency. Then finally, we might have some HUD staff who also might be in attendance as well, so we'd just like to see who's out there today. I believe the polls are open, is that correct Jane?

Jane

Yes. We're ready to share the results.

Shawna Okay, great. Go ahead.

Jane Okay. Well, we have 37% local housing counseling agencies, 22% participating agency or sub-grantee or affiliate, 24% represent oversight agencies, 10% non-participating and 6% HUD.

Shawna Okay, terrific. Among options 1, 2, and 3 that were presented, it sounds like we have a good percentage, at least 25% in each category, so that's super helpful. We a nice mix. This is exactly what we had planned for in the material, so it's always helpful to receive that feedback. Then the 10% of you that are non-participating, welcome. We are very happy to have you, and hopefully you enjoy the presentation today.

We wanted to start off with simply, we're going to talk about what recapture, we're going to talk some trends. Like I said, we have a couple of data slides. First, I want to take a second and just make sure that you are a little bit aware of the process that we went through. In terms of recapture, and kind of looking at who could we touch base with out there who are high performing agencies, we had some informal conversations with participating agencies of all sorts. We talked to several local housing counseling agencies, we talked to a couple of state housing finance

agencies, as well as an intermediary, so we have a nice group of people that provided us with feedback about what do they do, so we thought we would let you know that we had a little bit of background piece that we conducted before putting together this presentation.

There will be eventually some guidance, some written material that is accompanying this webinar that we'll also be looking to prepare for the Office of Housing Counseling. There might be some checklists or tool kits, you guys might even chat into the questions box if you have ideas on either something you've already developed, or potentially would like to see developed by HUD's Office of Hosing Counseling. We're all ears for what you might need in the field.

Let's talk a little bit about what is recapture in this particular section. We wanted to make sure that as folks remember, you do have a grant agreement. Your 2017 grant agreements may also be in your hands very shortly, and there is a section there that talks about funds recapture. This is about unspent funds. When we talk about managing your expenditures, we're really trying to make sure, that as Kisha said earlier, that you are expending all of them. There have been some instances where people have not spent all of their housing counseling funds for a variety of

reasons which we'll touch on in the presentation, but this is what we're really talking about, is unspent.

As a grantee of HUD's Office of Housing Counseling, you need to be working with your HUD point of contact as much as possible, and keep them updated on how you're doing with expenditures. Obviously, you're going to be doing that through your quarterly reports, but also as conversations are had with your HUD point of contact, that's really important. These unspent funds may be used for future notice of funding availability or NOFA, or in any way in which HUD is authorized to use these funds. They would rather you spend it after you receive funds from them from the beginning, so we just want to make sure that we cover that a little bit, so we're talking about unspent funds.

We looked back and the Office of Housing Counseling provided us with some data from HCS, and we wanted to first look at your local housing counseling agencies out there to see okay, how are you doing related to the last couple of federal fiscal years? You will see on this particular slide that we're really talking about \$500,000 that remained unspent over a three year period. Out of \$11 million, we have close to \$500,000, and as you can imagine, \$500,000 could be used by other agencies, so this is the

trend that I said that we're trying to pay attention to and make sure does not happen in the future. This is your bar chart just with the raw numbers, and then the next screen here shows a pie chart. We're talking about a small percentage, but you can see it's still a lot of money on the table. This is really higher percentage than we ever want to see in the program for local housing counseling agencies.

We also thought for those of you on the call who represent oversight agencies or might work with an oversight agency, okay, and that's where you get your funding, we separated out HUD intermediaries from State Housing Finance Agencies, and in terms of intermediaries the recapture amount was close to \$240,000. Then for State Housing Finance agencies was a little bit lower here in terms of just total award dollars. For the percentage, actually I think those were swapped. It should be State HFA on the left, and Intermediary on the right, because this is the correct slide. So, intermediaries had a lower percentage of unspent funds, and state housing finance agencies had a little bit more. We will quickly revise those slides and make sure that you guys see those on the website once they're in the archive, so just cross that on the last screen, is this is the correct one.

We're really talking about a larger dollar amount for State Housing Finance agencies over the last couple of years, and really these percentages should be as close to zero as possible. We looked around, and we also talked to a lot of very experienced HUD points of contact, and we looked at the reasons why agencies experience recapture. Often it was simply a lack of staff or agency capacity. They were unable to find costs that they could attribute to the grant, things like that. We found more often just agencies weren't very nimble. They had an inability to reprogram funds quickly, so we'll talk about reprogramming when Les talks in part 2, but being nimble is really going to help you guys. Those that could not spend all of their funds had problems reprogramming.

They might have just simply, they don't have the right systems or tools in place to address their grant awards. There are many high performing agencies that are looking at their data weekly, monthly, bi-monthly. They're looking at it more often to make sure—and they have tools in place to make sure that they're well on track to spending their housing counseling funds. In a couple of instances we heard from some folks that simply couldn't determine what costs were eligible for the program. We know that labor costs, as well as other direct costs, both are eligible. Some agencies simply just do labor, and that's totally acceptable, but

some people had some eligibility of cost questions that unfortunately they didn't go back to their HUD point of contact, they didn't consult their grant agreement, or look at their NOFA application, but it's all there for you. That was limited, but still something that's worth mentioning.

What Les is going to touch on in the next section is really looking back to the beginning of the federal fiscal year, because we found that those that had recapture issues simply lacked the authority. They were unable to go back to October 1 of the federal fiscal year to start recouping eligible costs. We really want to have you guys think about your grant expenditures all the way back to the federal fiscal year if at all possible. Some of you cannot because of your agency policies, etc., but that is something that we really want you to start paying attention to if you're not today.

Reasons to avoid recapture, basically it doesn't help when HUD, Sarah and others on Capitol Hill and really talking about the benefits of HUD's Housing Counseling Program, and really furthering all the good things that you folks are doing out there to try to get additional funding. When they see unspent funds, doesn't look at good at the time of Congressional appropriations. It has also been a consideration in previous NOFAs, so

you want to make sure that you're spending all of your funds so that you can continue to receive Housing Counseling funds from HUD in the future. They definitely take a look at it, typically at the time of the next NOFA to see how you're doing.

It is unnecessary administrative burden. It's not just on you guys as the grantees, but also on HUD, and HUD points of contact. This is something that everyone pays attention to. Even if the dollars don't look sizeable to you, it does take a lot of time to work this out, so you want to reduce administrative burden as much as we can.

There are other high performing agencies who could've spent the money, they could have spent that half million that we mentioned for local housing counseling agencies. I think some of you, if you're non-participating, you could certainly use the money. We definitely want to make sure that recapture is hardly anything in the next couple of federal fiscal years. I just wanted to cover a couple of things like that.

We have our next polling question that is available for you to go ahead and do. Have you ever thought you might be in danger of not spending all of your housing counseling funds? Have you ever thought that you may

be in danger? Answers are obviously yes, no, or don't know, totally fine if you don't know, but it's always good to know if folks have been in this boat before, and this will lead us into the next section, which is what Les is going to cover.

Jane Well Shawna, it's pretty close here. Forty-three percent said yes, 49% no, and 8% don't know.

Shawna Okay, wonderful. Okay, so again, totally fine for those of you that don't know, but those that said yes or no, I think either way we could look at this. Being in danger of not spending all is fine as long as you do spend it all. Those of you that said yes, you're winners as long as you spend all of your housing counseling funds. Those of you that said no, you're probably really good at tracking your funds, and potentially spending your funds early, which is going to another technique that Les mentions in the next section.

I'll go ahead and turn it over to Les Warner to cover Part 2.

Les Great. Thank you, Shawna. As Shawna mentioned in the introduction, the way this was put together, we went through a process of talking with a

number of agencies, and we heard some of the challenges that folks had experienced in the past on trying to make sure they expended all their dollars. We also got a lot of input from high performing agencies talking about the strategies that they used internally to try to make sure that they were going to be able to expend all of their funds. We'll be talking about a number of those techniques or strategies that were being used in this session. Now, keep in mind that we have a number of different types of agencies, so some of the strategies are going to be more appropriate for a local housing counseling agency, or perhaps a sub-grantee, or affiliate, but there are some other things that will be particularly a tool that an oversight agency might be able to use, so we'll try to point that out as we go forward.

As we were thinking about these strategies, we broke them out over the period of time. We've broken these into planning, this is pre-award, pre-starting your period of performance, and then actions or strategies that you could utilize during that period of performance once the funds are in place. Then also thinking about at the close out of your project, what things could be done at that point. You might be surprised in thinking about—we heard from many of the high performing agencies that there actually was quite a bit of planning and preparation that was done as part of this

planning phase to be positioned well to make sure that they were going to be able to launch their program quickly, and have the tools and systems in place to be able to deliver those services, and make sure that their program would move forward expeditiously during that time period. We also heard from folks that during that closeout period, they also were trying to evaluate, learn from what worked, what didn't work, to make sure that going forward that they would continue to use those techniques that were useful, and perhaps tweak their system a little bit for future operation.

Our next slide is just showing us a graphic of this. When we're talking about planning, we're really talking probably three to six months prior to the start of that period of performance. Then at the end of our project, we're talking about that 90-day time period where you, as the recipient of funds are working to file your closeout report with HUD as well as submitting your SF425 and the final invoice for your program.

Let's take a look at our period of performance. This is where some of our planning really comes into play. Your period of performance may vary depending on the type of award, but in this graphic we're looking at an 18-month period of performance for our housing counseling funds and recognizing that there is a delay in having access to those funds.

As Shawna mentioned, some of our agencies in planning and thinking about how they're going to be able use their funds are tracking and preparing to be able to recognize costs and seek reimbursement for all quarters of their grant period. There are some other agencies that will not be able to bill or invoice, or recognize those costs for during the period when they don't actually have access to the fund. Part of our planning process is thinking about, for my period of performance, what's my period that I'm going to be recognizing and tracking expenditures that I'm going to bill towards my housing counseling grant, and recognizing, we'll talk more about this, that most of the agencies that we had the opportunity to talk with have a whole mix of other funds.

Of course, some of those other funding sources will have another period of performance and some priorities on that, so we're working within that context. During this time period is also where our oversight agencies were thinking about, as Shawna mentioned, this ability to reprogram funding, and wanting to have in place those systems on the front end to be able to track and monitor the process for each of their affiliates, and have the opportunity to perhaps be able to reprogram those funds late in that process to make sure that all of those funds were going to be expended.

When we look at our planning strategy, some of the general categories start with really looking at and knowing your local market. Not only is that a planning strategy, but that's really an ongoing function for you, as a housing counseling agency working within that local context, and generally within a network in your service area. This helps you to be aware of other opportunities that might be available, but also is part of being able to try to be part of a comprehensive approach.

Often, housing counseling funds are only one portion of that overall strategy to try to provide a comprehensive assistance. We heard from many folks that being part of that network helped them to identify where there were gaps in services, and also help them to anticipate where there were opportunities that might be an appropriate use for their housing counseling funds. That also helped these organizations to recognize what the other resources were within their market, who the other partners were on that, which helped them anticipate what their case load would be, and anticipating the staffing that would be needed for their organization and also in conjunction with their other network partners, so really keeping an eye on the market and what their role might be, and how that might evolve over time.

From the oversight agencies, many of them talked about how they were administering their grant application process, how they were determining who their partners would be in this, the affiliates and sub-grantees that would be running local programs, part of that collecting information about the capacity of those other organizations. In some cases, we heard from oversight agencies that had put in place a rating and ranking system in trying to determine how they were going to essentially spread the funds that they received across those organizations based on market needs, based on capacity of each of those organizations. As part of this, this is where oversight agencies often began to think about how they track over time, how the spending was happening with those organizations, and setting in place the ability, if needed, to be able to reprogram funds when it became obvious that there were issues on expending those original allocations.

On our next slide, we're talking about our cost strategies. Really, this is in the context and thinking that most of our agencies, the housing counseling funds were really a small portion. We heard that in most cases they were less than 20% of that overall operating budget. Part of the planning is looking at the overall operating budget, and determining how and when the housing counseling funds would actually be used. In some cases, we

heard from organizations that said that they, within the first two quarters of their period of performance had billable hours that they could spend down the entire amount. Other organizations were essentially prorating those funds across each of the quarters that those funds would be available, so essentially having some kind of plan of how and when you intend to spend down those funds, and how that works in conjunction with the other funds that you have in place.

One of the common threads that we heard from folks was this issue about when the money was actually received, and were they able to, in the first two quarters of their 18-month grant period, be able to expend those funds? The funds to be reimbursed were not initially available, and so many of these organizations talked about their ability as an agency to be able to essentially float those expenses until they were able to seek reimbursement. One of the best practices we heard, from organizations when they had the ability, was to essentially have reserve funds as an organization. We heard a range of between three months—we had a high performing agency that said they had up to a year of funds in place, and obviously, that may not be possible for all organizations. In other cases, we heard from organizations that were not allowed as an agency policy to be able to expend or provide services prior to the point that they were able

to seek reimbursement. They were using other funds within the organization, and budgeting or planning to use their housing counseling funds during those later quarters within their period of performance. That's a decision that's made up front in how you're planning on programming.

Our oversight agencies talked about putting in place the possibility of reprogramming, and in some cases that was a matter of laying out a process where they actually allocated less than 100% of their money in the initial funding, and then came back later with a supplemental award for high performing organizations. In other cases, oversight agencies talked about having, within their contracts and their written agreements, the ability to make adjustments.

If we had one of our affiliates that was not able, was not on track to be able to expend all of the funds that had been awarded to that particular agency, that there was a process and really a timeline on which that evaluation would be done. Usually there was interaction with that agency, and then a process in place as part of their written agreements to be able to reduce that particular agency's award, and then be able to reprogram their funds to another agency that would have the ability to expend those funds.

That needed to be planned for, and those systems put in place up front during that planning phase.

When we talk about tools and strategies as part of this, one of the key elements that we will talk about throughout this is this ability to really know what the status is for each grant. Being able to track each of our open grants separately, being able to track—since many of you will have multiple funding sources—is to be able to track where you are currently with each one of those systems. In coordination with that, then thinking about what's the appropriate workload and assignments that would be made, whether that was within your agency staff, or in the case of an oversight agency where you were determining whether each of those affiliates were on track and whether there needed to be some adjustment in those funding levels.

As part of this, looking at them, at their policies and procedures, if needed, developing new tracking tools. We heard a lot of folks who said we put together an Excel spreadsheet and we are using that alongside of CounselorMax or other systems to be able to track not only individual performance, but our overall position and where we are in terms of how we prorated that budget out over the period of performance.

One of the reminders that we heard from folks was this need to keep active in the system, so in eLOCCS, in CMS, in HCS, to make sure that we're not locked out. Sometimes that's a matter of not actively working in the system or having changes in staff. Some of our agencies said they had a standard of logging into the system at least once a month whether they needed to actively be in the system, they wanted to make sure that their logins were current, and working. We also heard from a number of folks who said recognizing that we have multiple funding sources is looking at ways that they could essentially piggyback on that collection of data that was needed to report for their different funding sources, and trying to use, as much as possible, one system or forms to collect that information, just sort of streamline that process of collecting information that would be needed for reporting.

Let's switch then, and think about during that award period of performance. As we mentioned in the planning phase going through this process of making some budget assumptions during that planning phase about how we expect the timing and assignments for staff, or for our affiliate sub-grantees, on how we expect the services to be provided, and the timing on that. So, during that period of performance, then revisiting

on a regular basis how we're doing compared to what our planning was on the front end of that. Oftentimes, we heard from folks that that was a matter of simply checking in. Some folks, some of our agencies talked about having a weekly meeting with their staff to be able to look at goals, look at the process that had been made to date on that. In some cases this was on a monthly basis. We also heard from agencies that said, the later we get into our award period, our period of performance, that we intensify this and revisit this more frequently to try to make sure that we remain on track.

Some of the tools that folks were using were looking at the 9902 data detail report. At least one of our agencies mentioned that they'd found as part of using that report, that they sometimes saw errors where the funding year that the services were being charged to. They sometimes had errors, so prior to the end of each quarter, looking at that report and trying to clean up any data entry errors that had been made.

Also, looking using the executive summary in CounselorMax, to be able to track the number of cases. A number of our agencies talked about using that on a weekly basis and then meeting with staff about where they were with their goals, and setting some goals as part of that. Another tool that

could be used during the award period of performance would be using, if you're working in CounselorMax, the audit report. This helps to point out where you have records that are missing data. We heard from a number of agencies about using the CounselorMax audit report, the 9902 audit report, to be able to troubleshoot, go in, make corrections, so that they kept their data complete, and made sure that their process was in order.

We're now going to talk a little bit about some cost strategies. Shawna mentioned earlier on that one of the decisions that has to be made is about what costs you're going to be charging to this grant. We want to make sure that you understand what your costs that are related to this program are, and then specifically which of those are going to be eligible for that.

Thank you, Shawna.

Shawna

Yes, so sorry. I had the tools slide up, and I just went back to cost. I apologize.

Les

Okay. As part of that your policies and procedures, and your planning would be determining what you're going to be charging to your housing counseling grant. As Shawna mentioned, I think most typically we're

seeing agencies that kept it pretty simple and were charging off only on labor. In other cases, other direct costs were also being included in that.

We also talked about the frequency on this, so thinking about if I have an 18-month period of performance, am I going to be essentially prorating or stretching my housing counseling funds across each of those quarters, or might I be recognizing costs and charging invoicing for work in only the first couple of quarters, because you would have the ability to expend all of those funds first, and then use other funds within your mix of funding for those later quarters as part of that.

With those goals and the planning on the frequency on spending down your housing counseling funds, would then be that you need to be reviewing those financials frequently to determine am I on schedule? If not, looking either internally within your agency, or as an oversight agency looking at your sub-grantees or affiliates, and trying to determine is there an issue, how do we get back on track as part of this?

In some cases we heard larger agencies are doing this on a daily or weekly basis, but I think every highly performing agency that we talked to was doing this function on at least a monthly basis to make sure that they

understood what their current position was. I mentioned as part of that, using some of these tools such as the audit report, the data detail report, to determine that what they had within their system was correct. Many of our organizations also were using some kind of an internal tracking tool. I think the majority of the agencies that Shawna and I spoke with actually have put something relatively simple together in Excel, and were using that alongside the other programs to try to reconcile, and make sure that these systems were up to date. As much as that can be done early, prior to the end of the quarter will also speed up the process of being able to complete those invoices and bill for the costs that have been expended.

So, during that award period, making sure that we have contracts, or amending those contracts with our agencies to follow what our planning was on expenditures and draw requests, continual oversight on making sure that our own agency or in an oversight role, that we are remaining on target. We heard from a number of agencies saying that not only is part of that conversation trying to figure out if their agency or one of their affiliates was not on target, were there things that could be done? Was this a matter of staffing? Was this a matter of simply getting the data into the system or prioritizing the use of the housing counseling funds versus one or the other sources that they were working with within the agency?

But I really think the key that we heard from folks was this frequent meeting with their staff, with the network of agencies to make sure that they were on target, and recognizing if there was issue, recognizing that as early as possible, and trying to craft a strategy to be able meet those needs. In the case of oversight agencies that had a reprogramming process in place, this also meant working with each of those agencies that were not meeting their goals, trying to determine early if there was a way to assist them in being able to get back on track prior to having a reprogramming happen.

As part of this process again, this routine oversight with staff, in some cases providing some technical assistance, so trying to determine what the issue was, providing in some cases some training, just making sure that folks were staying on track and try to problem solve. A number of our folks talked about not only the need to keep the HUD point of contact current on how that grant process was going, but also the fact that the HUD point of contact can be helpful in figuring out how to assist this organization getting that back on track, but keeping that communication open as part of that. For our oversight agencies, having a timeline to determine when would that reprogramming of funds kick in, and having a

plan to then be able to shift funds, needing to allow time to be able to amend contracts, to get that funding moved early enough that there was the ability to be able to get those funds spent before the end of that time period. Having that timeline and a tickler system in place became key for this group reprogramming of funds.

Some of the tools that we heard from folks, again I think the most common thing was not something terribly complicated, but having some Excel-based spreadsheets that they were using in conjunction with housing, with the CounselorMax, things like the executive summary report, to really be able to know on an ongoing basis throughout that period of performance what their current position was, and have specific goals that they were able to then compare that to, to be able to determine are we staying on track? We heard from a number of agencies saying when they got into the third and fourth quarters for a 12-month grant, or in the case of an 18-month grant in the fifth and sixth quarters, that that tracking, that the communication flow became more frequent to make sure that everyone stayed on track.

As part of that, many of the agencies talked about using internal and external deadlines, setting that up in a calendar. In some cases that went

specifically to a, at a staffing level, person by person, of what their goals were on a weekly or monthly basis to make sure that we stayed on track.

Then finally, when we're looking at some of our strategies, we look at the closeout process. As we know, we have 90 days from the point of the completion of that period of performance to complete our final draw, complete our final HUD report, there is the option on a case-by-case basis for HUD to grant an extension. Obviously, our best scenario here is to be able to track, and plan, and avoid being in the situation where it looks like there would be a recapture of funds, but knowing that you were not going to meet that expenditure deadline in advance, asking HUD about an extension.

As part of that you'd need to be able to justify the period of time that you were asking for that extension, what your strategy was to ensure that if granted an extension that you would be able to expend the remaining funds. Keep in mind you could only do that in conjunction with HUD approving this, this would be reviewed on a case-by-case basis. Keep in mind that that's really probably going to be a one-time extension on this.

Another thing that we heard folks mention during closeout was this was really where they went back and reviewed their program, and looked at what worked, what didn't, how they might change things, what tools were effective for them, and in many cases we heard from agencies that talked about changing or amending their internal or their external protocols and procedures to make sure that in future awards, that they would avoid some of the challenges that they had experienced. So, planning on the front end, evaluation on the back end of these programs to determine what worked and what you might want to use in the future. Particularly from oversight agencies, we heard them talk about looking at what the training needs were, and whether that was internally for their organization, or also for their partners to make sure that folks had the appropriate skills and tools in place.

We're going to close out this section with our third polling question.

What we're asking is, what is one strategy that you plan to use in the future to ensure housing counseling funds are spent in a timely manner?

First option 1 is examining how your costs are charged against the grant, making changes accordingly; 2 is developing a new tool to track those draws better; 3, working with your accounting department more closely; 4

is communicating more with your HUD point of contact; and 5 is I don't know. If you can go ahead and vote, please.

Jane Okay, thanks for your responses. We have 50% examine how costs are charged, 15% develop a new tool, 17% work with accounting department more closely, 15% communicate more with HUD point of contact and 2% don't know.

Les Great, thank you. I'm going to turn things over to Shawna.

Shawna Okay, great. Well thanks, everyone. I just wanted to take a moment here and say that hopefully when you listened to Les' presentation that you got some ideas about some additional things that you might be doing in your grant's period of performance, and hopefully before and afterwards as well, and hopefully just covering them in those three different chunks provides you with some timing things that you could think about, given your agency's policies and procedures, and how you operate. I just wanted to mention that as well.

I do have the resources slide here. We always like to provide you with the main page for housing counseling. There are also some frequently asked

questions available that talk about things related to the grant agreement, related to expenditures, eligible costs, etc., some housing counseling delivery questions that are common.

The webinar archive, we also provided you with the direct link here. Also, there are some capacity-building toolkits that frankly aren't utilized as much as they could be utilized. There are several there, including some specifically for oversight agencies and their sub-grantees and affiliates. I want to make sure that you have those there. I guess I'd like to find out are there any written questions that folks would like to—I'm just going to go to this slide—that Shawn or Carolyn would like to cover while we get Marybeth getting people in the audio queue?

Moderator Excellent. [Operator instructions].

Shawna Okay great. Thank you so much, Marybeth. Carolyn and Shawn, questions from the queue that we should cover as a group?

Shawn This is Shawn, I'd just like to take the opportunity to thank both you and Les for the overview. I don't have any policy questions yet, but there is a question from a few of the attendees about having a spreadsheet, if we

actually have a spreadsheet available for their use, a sample spreadsheet.

I'm not really sure, Shawna, if that's in the toolkit or not.

Shawna We are still brainstorming those items within the little mini toolkit, but a spreadsheet that might help you compare quarter-to-quarter how you're doing against your overall grant budget and expenditures certainly sounds like something that could be useful to folks. There's not one that exists to my knowledge unless Jane corrects me if I'm wrong, or Tracy, but it's something that we could entertain developing.

Jane I don't believe we currently have anything, Shawna, but it would be a great tool to track the period performance.

Shawna Great. Thank you for that, Shawn. Carolyn, anything from the questions box that you want to bring up?

Carolyn We got some questions regarding how to become HUD-approved, and that kind of question that we are going to get with the persons that asked those questions directly. We have sent some of those responses. We did get a question about definition of an oversight agency, and we sent that answer to the person stating that oversight agencies include state housing finance

agencies, multi-state organizations, and regional and national intermediaries. They operate at the national, regional, and state levels to oversee and support the network of housing counseling agencies.

Shawna Thanks, Carolyn. We do use either oversight, some people like the word “parent agencies,” other people don’t prefer that term. Thanks for clarifying that again. In terms of those new agencies, and I know you’re going to provide a response, Carolyn, but we do have an Intro To Housing Counseling, which is an online self-paced training that you can get to from the main page that I showed you on the prior screen underneath Online Training. There’s a little new button, it’s toward the bottom. There’s also a page on how to become HUD-approved as well, that you can link to from the main page, lots of great information there.

Carolyn Great. I can’t remember whether it was mentioned or not, but there is a toolkit for oversight agencies. I don’t know whether that was one of the resources on the resource page or not.

Shawna Yes. You can get to all of those oversight agency toolkits, Carolyn, on the Capacity Building toolkit link that’s at the bottom of the site I’m showing

currently. There are some links there for folks. Other questions, was there anything else written in?

Jane Do we want to see if there's anyone in the queue yet before we go to more written in questions?

Shawna Sure.

Jane Okay.

Moderator Well actually, there are no participants in the audio queue. We have a shy group today.

Shawna Well, we would love to entertain any questions, or if you guys also have ideas, or maybe you have your own tickler system that we didn't mention through Les' presentation. Maybe you do something a little bit differently that we didn't mention that you wouldn't mind sharing. We're open to any comments, feedback, or any question.

Jane While we're waiting, we do have a written in question.

Shawna

Great.

Jane

How do we leverage HUD funds with fee-based services?

Shawna

Okay, that's a great question. I'm going to recommend that there are a couple of things that you could do in terms of resources. There are several frequently asked questions about charging fees that you might want to take a look at in the FAQ section of our website. And then we are going to be doing, as another webinar probably next month or in October, one on leveraging funds, actually. It's going to be about HUD's housing counseling program, plus other HUD, other federal lender-supported Housing Counseling Programs, things like that. We're going to cover leverage funds and fees a little bit during that presentation. If they have more specific, if they could chat in and ask a more specific question about what they're looking for us to provide that might be helpful, Jane, but those are a couple of resources in the interim.

Les

Shawna, I would just suggest that as part of that networking with the other local service providers, that may be a good way for an agency to think about where are there gaps or opportunities that could be done on a fee

basis, to look at the agency capacity and how they might take advantage of some of those opportunities.

Shawna Anyone else, Jane, in the queue? Of if the folks write in specifically about their question we can certainly take it.

Carolyn I think I see a hand raised on—

Jane I was going to say we do have a follow up to the question about fee-based services. If we could take that first. Some examples are registration fees are charged from a homebuyer education clients. Can the agency bill for the labor to the HUD grant?

Shawna Carolyn, what are your thoughts on that?

Carolyn Well, I would suggest that we get more information for that person, get more resources. We have a lot of information in the Housing Counseling handbook, and also in the final rule, and in our toolkits regarding charging fees. But I agree with the one that's been spelled out already. Additionally, we have agencies that provide home equity conversion mortgages, and they charge. I believe you can charge a fee for any

counseling other than mortgage default and mortgage delinquency counseling, and HECM. Those are the types of services you cannot charge for, but all of the others are chargeable. If you do, if an agency charges fees, they are required to have a copy of the fee schedule hanging in their office at all times for the public to view.

Tracy

Shawna, this is Tracy. Also just try to direct a few people because there are several questions about fees. I directed them to our housingcounseling.gov mailbox so that it could get to the appropriate area for them to respond.

Shawna

Okay that sounds helpful. If there are a lot of questions, I know that was one thing that had been suggested at one point. Maybe there needs to be another webinar specifically about fees, all things related to fees. That might be something that we should put together here shortly in the future, if there are a lot.

Jane

Okay, those are all of the written-in questions we have so far. Is there anyone on the phone line?

Moderator There are currently no participants on the phone lines, but just in case, one more time, ladies and gentlemen. [Operator instructions]. If you would bear one moment please, we do have a questioner in the queue, thank you.

Shawna Great.

Moderator We'll go to the line of Karen Emerson. Please go ahead and ask your question.

Karen I had a question in the queue. I was just wondering what type of training was happening internally at HUD to help expedite the grant approval, and the timely quarterly reporting approval? What best practices you would suggest for that, because it seems that there's quite a bit of lag time once we submit quarterly reports in order to be able to submit an eLOCCS request. I was just hoping that maybe this webinar could help address that.

Shawna Okay, who would like to take that question? Thank you for your question, Karen.

Karen You're welcome.

Carolyn Well, I'll chime in on this. We train all of our staff, all of our point of contacts on the quarterly reports. We try to process them as soon as possible. I would recommend if there's a lag, and if you feel that it's taking too long to hear back from your point of contact regarding your report that you send your question or send something to the housing counseling mailbox, and we will get back with you. If it goes through the mailbox, it will get to the POC or the POC supervisor, and we will get you an answer regarding your report. We try to process them as soon as we can.

Kisha Hi, Carolyn, this is Kisha as well, just to followup to answer and respond to Karen's question. Carolyn is absolutely correct. I just was wondering if it had anything to do with eLOCCS as well, or is it just a matter of you not getting a response and you drawing down in eLOCCS. I just needed a little bit more information and clarification as well.

Karen It's definitely getting a response quarterly once we submit a report. That's what we're waiting for, usually.

Shawna One thing, as you were talking, Karen, that might be helpful in the toolkit, maybe there's a little mini timeline that we could provide that includes some of the approvals that need to happen in the process, like what's a best practice for that timeline. Would that be helpful, Karen?

Karen Sure. That would be really good. Thank you.

Shawna Of course.

Moderator There are no further questions in the queue.

Shawna Okay, Jane, anyone in the questions box?

Jane Not at this point, thank you.

Shawna Okay. Unless there are some stragglers, which we're happy to entertain, I just want to remind you what we had earlier in the presentation from Ginger is that your email will be your certificate of training, there isn't an attachment. I know many of you track your continuing ed hours, so we

Shawna Okay, great. All right, well I just want to thank everyone for participating. We really appreciate your time today, and I'm looking forward to looking at your expenditures for the next federal fiscal year. Thank you so much.

Moderator Ladies and gentlemen, that does conclude our conference for today. We want to thank you for your participation, and using AT&T Executive TeleConference services. You may now disconnect. Host and speakers, you may stand by for debrief.