



Final Transcript

HUD-US DEPT OF HOUSING & URBAN DEVELOPMENT: How to Become HUD Housing Counseling Agency

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SPEAKERS

Ben Yanetta
Jerry Mayer
Esther Richardson
Rhonda Rivera

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by and welcome to the How to Become HUD Housing Counseling Agency Conference. At this time, all lines are in a listen-only mode. Later we'll conduct a question and answer session and instructions will be given at that time. [Operator instructions]. As a reminder, this conference is being recorded.

I'd now like to turn the conference over to Mr. Ben Yanetta. Please go ahead.

Ben Hi. Thank you very much and hello, everyone. Thank you for joining us today for this webinar on the HUD requirements to become a HUD approved housing counseling agency.

My name is Ben Yanetta and I'll be presenting with Esther Richardson. We're both in the Office of Housing Counseling's office of Outreach and Capacity building, and we both work frequently with new applications.

Before we get into the presentation, I have a few housekeeping items to go over, including some things about this webinar's features and how you can interact with us. The first item is that the presentation, this PowerPoint that I'm using, is available for download right now under the handout section of the webinar interface. I believe everybody that registered was also sent an email from Ginger Holman [ph] that contained the same information, the same slides. I really recommend you having a copy of that saved to your computer, because we're going to make references to a lot of web-based information and you'll want to have those links to refer to later.

As was mentioned, the audio is being recorded for this webinar. We're going to save that file and we're going to upload a replay number along with the presentation and a transcript of the call to our HUD Exchange website. It usually takes us about a week to get the webinar uploaded to the archive. If you've joined the OHC Listerv, you'll get an email announcing that it is available on the webinar archives. I put a link on this page to the OHC HUD Exchange webpage. On the right-side of the main page it has a link for joining the mailing list I just described.

We also mentioned that all lines are muted right now. Later, we're going to have a question and answer section and the lines you can join the queue and the operator will go into the instructions at that time on how to join. If you do go into the queue to ask a question over the phone, please unmute your line and also take us off speaker so we can hear you a little bit easier. If you don't want to ask your question verbally over the phone, you can also type it through the webinar's control panel, the questions page. You can just type your question there and it will go into a queue for us to review. We're probably not going to answer the questions directly during the call, but we will answer the questions that come in this way at the end of the presentation as well.

If you don't get your question answered today on the phone or if you have a question that comes to mind after the webinar's ended, you can always send an email to housing.counseling@hud.gov. Just to make it easier for us, if you put HUD approval in the subject line, we can route it to an expert to answer your question.

When you leave the webinar today, a pop-up window will come up asking you to complete a very brief survey. We really do use this information to figure out what worked for you on the webinar and what we could

improve on. So if you have a free minute to fill that out, we'd really appreciate it.

In about two days after this webinar, you'll receive an email from Go To Webinar thanking you for attending. This email itself is the certificate of training. There's no attachment that goes along with it. You could print out the email and save it for your records. All right. With that, we can begin.

I'd like to turn it over to Jerry Mayer to do a brief introduction.

Jerry

Well thank you, Ben, and hello to everyone. Welcome to today's webinar on how to become a HUD approved housing counseling agency. As we rollout certification for housing counselors, we've also seen an increase interest in the very closely-related approval process for agencies seeking to participate in HUD's housing counseling programming. Today's presentation will provide an overview of the approval process for prospective housing counseling agencies and identify the tools and resources you can use to help your agency get started.

Now without further delay, I'll turn this back over to our presenters, Ben and Esther, to get started.

Ben

Thank you, Jerry. Well yes, as Jerry mentioned, we're just going to go over the approval process. But before we do that, I'm going to talk a little bit about the Office of Housing Counseling and some other things that have affected counseling agency approval.

In the audience today there may be very many different types of agencies and non-profits and people. Some of you may be past recipients of grant awards from a HUD approved parent organization and you're making the jump from being a participating agency under that parent organization to becoming approved directly by HUD. Some of you may be providing counseling in conjunction with some other HUD programs and are covered by the new rules that require the Office of Housing Counseling to approve your agency's housing counseling program.

Some of you may not have any housing counseling activity going on right now and are interested in seeing what your agency needs to do to get started. Some of you in the audience may be looking to become certified counselors. We'll talk about how becoming a certified counselor requires also working for one of our HUD approved agencies. I hope we can give

you all the answers you need to figure out what direction to go to meet your goals.

Here's the agenda for the meeting. I'll be giving a very brief overview on the Office of Housing Counseling and then I'll go into the new certification requirements and how that affects non-profits that are involved with housing counseling. After that, I'll turn it over to Esther Richardson who will give you a rundown on the approval process itself.

So a little bit about our office. This is our mission statement: The mission of Office of Housing Counseling is to help families to obtain, sustain and retain their homes. We will accomplish this mission through a strong network of HUD approved counseling agencies and counselors. Finally, we have about 1,900 or so housing counseling agencies that are approved, and every agency has an assigned point of contact within our office and that point of contact tends to get to know the agencies pretty well.

We monitor them for the compliance with the HUD regulations. We oversee the agency's independence and freedom from conflicts of interest. We also look at the content of their counseling and just overall the standards that they use to administer their housing counseling program. Beyond that, we are an oversight organization, but we also work with these agencies to meet the needs in their community and to connect the clients with the housing counseling agencies.

Finally, we do provide grant funding for qualified applicants. I should stress that becoming a HUD approved housing counseling agency does not guarantee any grant awards. You get the approval and then you're eligible to apply for competitively awarded grant funds released through NOFUS [ph]. I should also mention that all grant awards are contingent on congressional approvals.

So let's talk a little bit about the benefits to this HUD approval. As we just discussed: The funding. You become eligible for the said grant awards. But beyond the funding that HUD directly gives to our approved agencies, there are many local and state government programs as well as private funding sources that become contingent on having HUD approval. A lot of them won't look at you unless you already have this HUD approval in place.

Another great benefit is the networking. For example, if you join a parent organization, parent organization receives a larger chunk of money and

they distribute it to sub-grantees. In addition to that, they do a lot of the grant administration work for you, including writing the grant application itself, and then they have best practices and experience in working with HUD approval. Beyond that, they also oftentimes have additional funding beyond the HUD grant that they give out of the sub-grantees.

Another part of networking is that many areas have coalitions of HUD approved housing counseling agencies. These can be statewide organizations and coalitions, or if you're in a larger city it could be more local on just agencies that serve that community. These coalitions often have meetings, and they're a great place for you to learn more about the different programs and services that are available to your clients in your area, and then also may help bring some clients to you if you offer particular counseling services in an under-served area in your community.

The third bullet point, leveraging, is very closely related to funding [ph]. What we mean by leveraging is that with your HUD approval you'll look more appealing to many private businesses that have grants available to non-profits. It just makes you look better to them and they help you gain some additional funding.

Credentials is fairly new in that we're going to start certifying the individual counselors, and I'll go into much more detail about that in a moment. Basically your counselors on your staff will have the certification that will elevate the view your clients may have of the counselors' authority on all these different topics relating to housing counseling.

The bullet point on increasing visibility of counseling, this is great for us in HUD because every agency that we add helps the national goal of increasing this visibility of counseling and bringing it to become more well-known in the communities you serve. We've often heard that housing counseling is the best kept secret and we're doing everything in our power to make that no longer the case by increasing the visibility, not by decreasing the effectiveness of counseling.

The final bullet point, attract more clients. When you join as a HUD approved agency, you're added to a referral system that both HUD and the CFPB [ph] use. It's an online tool that allows people to look at state level data or a zip code to find agencies in their area. This is a great tool that both of our websites use.

Also, when somebody comes into a HUD office looking for support, a lot of times they're directed to this tool to find a counseling agency in their area. There's also [indiscernible] efforts within HUD that drive clients towards HUD approved housing counseling agencies.

So let's talk about the certification rule changes. The counseling certification rule isn't just affecting our existing networks, the 1,900 agencies I mentioned a moment ago. The Final Rule is applying to all counseling done in connection with HUD programs.

Counseling that is done with programs like CBBG, PAH and Home may be covered under these new rules if the activity fits this narrow definition of housing counseling. I'll share that definition with you in a moment.

If you're one of these agencies that's doing counseling in connection with HUD programs, you'll probably have to become a HUD approved agency and that's a big change. The second big change is the counselor certification.

But first, the definition of housing counseling. The rule defines it as "independent expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals." If what you're already doing fits that description, you probably will need to go through the approval process.

This is probably a good time to mention that when you become a HUD approved agency, the counseling that you provide has other requirements on how the counseling itself is provided. You need to create a client budget for each client. You to create a financial and housing affordability analysis and an action plan that's to shows all the steps the client themselves need to take to meet their housing goal. These are all tailored specifically to the client. It's not a form that one size fits all. It has to be very unique to the client's individual experiences and needs.

You also need to make client referrals when necessary if you're not able to meet all the client's needs. You also need to make reasonable efforts to follow up with them to see how their progressing and meeting their need and if more counseling is necessary.

When you become HUD approved, the best resource is the HUD Housing Counseling Handbook 7610 revision 5, and we include this in the links later in the presentation. That's really the best resource for knowing

everything that needs to go into the client sessions, the counseling sessions and also how you have to document all that activity in a client file that's also required.

Okay. I'm going to jump in to the next big change. The second change is actually certifying the counselors that work for these agencies themselves. This is a change that also affects our existing agencies. Before the agency was approved and we looked at the counselor's experience and their training, but the counselors themselves were not directly certified by HUD.

This is all changing this year. The certification exam is going live on August 1 of this year. After that, agencies will have three years to pass the exam and become certified. This was a congressionally mandated requirement that HUD certified the individual counselors that worked for our HUD approved agencies. So now there's two components that work together. You have to be a HUD approved agency and you have to have certified counselors on staff. You can't have one without the other. A new agency will have to have the counselors pass the exam, get certified, and the agency will have to be approved by HUD.

So what are the options for agencies that are underneath this requirement? If you're already providing housing counseling and you're not HUD approved, you'll need to apply for approval from HUD, which is what Esther's going to go into detail on, or you need to join one of the HUD approved intermediaries, a state housing finance authority or one of the parent organizations.

The requirements for becoming HUD approved directly by us or joining one of these parents are exactly the same. It's not easier to join a parent organization. They have the same requirements for you to meet, and all the documentation and all of the activities are the exact same.

The second option is to partner with a HUD approved agency that has certified counselors on staff. You would partner with them and you would refer your clients to them to satisfy the counseling component of your program.

The third option is to modify your program to become compliant. For example, if you're providing one-on-one counseling but also providing group education general guidance, one option to modify your program to be in compliance would be to eliminate the one-on-one counseling and

just provide services on a general level. That we do not consider housing counseling. That's considered group education.

The fourth option—and this is the least desired option for everyone involved—is to stop delivering housing counseling service before the final compliant stage. We really want to work with you as much as possible to see if we can avoid anybody having to suspend their housing counseling operation. So please work with us and let us know what you need and what your questions are before you make that decision.

Just a review, just to go over what I've been saying, if your agency is covered by the housing counseling certification requirements, you will need to become HUD approved and have counselors pass the certification exam before the final compliance date to continue providing your housing counseling. The final compliance date for this is August 1, 2020, three years after the certification exam goes live.

The good news for everybody in the room today or on the phone today is that you have three years. You have three years to decide the best course of action for your agency. Of course, I'd strongly, strongly recommend not waiting until July of 2020 to get moving on this. The approval process can take a little bit of time and it might take a lot longer if we have a bunch of agencies that wait until the eleventh hour to get their applications in. If that's the case, they'd have to terminate their housing counseling program until they get the official approval from HUD for their housing counseling agency and they have the counselors on staff that have passed the exam and become certified. Okay? So that's an overview of why all of these changes are happening within our industry, but I'd like to turn it over now to Esther to talk about the agency approval process itself.

Esther

Thank you and welcome, everyone, to today's webinar on HUD housing counseling agency approval training. We're excited to have you join us today to learn about how you can apply to become a HUD approved housing counseling agency. This training is for non-profit organizations, state or local government agencies interested in applying for HUD approval. For-profit organizations or individuals are not eligible to become a HUD approved housing counseling agency. Next slide please.

So today I will present an overview of the eight steps for preparing and submitting your application. I will talk about where you can find information on the process and instructions on how to apply for approval, on how to access the housing counseling agency eligibility, how you can

schedule an appointment with a HUD housing counseling application advisor. We're going to talk about preparing and where to submit your application and what happens after an agency is approved. Next slide please.

So step 1. Step 1 is to visit the HUD Exchange website, and it is very, very important that you read all the full contents on this page to help you prepare for applying. You will find information on the HUD approval process overview. There will be a link to the Housing Counseling Handbook 7610 that Ben mentioned earlier.

Before applying, HUD recommends that applicants review the HUD Handbook 7610 on the requirements of the housing counseling program. You're also going to find links to housing counseling Frequently Asked Questions and instructions for submitting applications, as well as information about the housing counseling eligibility too. So this is a very important page to review. Next slide, Ben.

So step 2 is the housing counseling eligibility tool. So it was developed in response to the Final Rule, and Ben talked about the Final Rule requirements earlier. The tool allows an agency to determine if they meet the basic criteria to apply for HUD housing counseling program. It's self-paced so you can take your time and complete it. It's an online assessment of the agency's qualifications.

The tool walks potential agencies through the required criteria for HUD approval. What is really neat about the tool is that it has educational materials included. There's supplemental materials, definitions. There's a Tool at a Glance where you can view questions asked in the tool. There are references to the handbook's 7610 requirements. There's links to the housing counseling toolkit. There's frequently asked questions. You can select a topic to learn more as well.

The housing counseling agency eligibility tool will reduce the application process time for agencies, because agencies will be able to go to the tool and the tool will actually—you can find out what areas you may need to meet in order to apply for HUD approval if you're not ready to apply. You will find information in the tool helpful because it's going to clearly outline the resources and detail the questions in the tool. All the information in the tool will be a benefit to you to review before you actually work on the application.

So the tool was designed for a non-profit organization seeking approval. Also the tool can be used for oversight agencies as well, the HUD approval intermediaries and state financing housing agencies can assist the agency with the selection of the affiliate agencies. Now, the tool does not guarantee HUD approval, so you still have to go through that process, the formal process as far as submitting the application, completing and submitting the application to HUD with the support documentations as well. Next slide please.

Okay. So the tool can be found on HUD Exchange on the same page with instructions on how to become a HUD approved housing counseling agency. You have to sign up. It's required, but sign up is easy and it's free. Next slide please.

So step 3. After you complete the housing counseling eligibility tool, if you're ready to apply, send an email to housing.counseling@hud.gov to schedule an appointment with a HUD application advisor. The advisor is going to answer any questions you still may have on the process and provide additional information and information on where you can submit your application. Please use Appointment with HUD Housing Counseling Application Advisor on your subject line of your email. There are two advisors, that's myself and Jevon Black [ph]. We will contact you to schedule an appointment. Next slide please.

So step 4 is completing the required documents to submit with your application. So what I'm going to go over—I'm going to go over a list of required documents that you have to include with your application submission. This list is on HUD Exchange and the instructions on how you should submit your application is listed A through P.

I'm going to start with the HUD 9900, which is attachment A. An agency applying for HUD approval will submit all the documents electronically. We do not accept applications via fax or email. Each document, as I mentioned earlier, must be labeled in order and instructions are on HUD Exchange.

When you prepare your email you will attach each item in an individual file, a PDF or a Word document. Please beware of the limit of the size of email HUD can receive, so if your email is too large it may be returned undelivered. So you can also send multiple emails. Just make sure you label your email. For example, if you're going to send three emails just

make sure it's labeled one of three or two of three and so on. Include your attachment in the emails in the order.

So attachment. The first item is the HUD 9900. The HUD 9900 has fillable questions that you can complete. So you do not have to try to type in your response to the questions or trying to cut and paste the questions. Just complete the fillable questions. Make sure you attach all pages of the application for your first item A. Okay.

So as far as the other questions in the application, you're going to provide the responses to those questions and items, we're going to get that. That's the narrative, item G.

So the next item that you're going to include—so the first item is A, the application 9900. The second item is B, your evidence of non-profit status, your tax exempt IRS letter. So you're going to attach that as item B.

Item C if it's applicable to you is your proof of your authorization to provide housing counseling. This item C is for local, county or state governments.

Item D, you're going to attach your bylaws and your bylaws should specifically authorize, state in the bylaws somewhere, specifically that the agency is authorized to provide housing counseling. Now this is a common deficiency that I see. A lot of times agencies submit their bylaws and there's no authorization to provide housing counseling. So make sure you read your bylaws to make sure that the language is in the document. A good tip is to highlight the language. That's something I normally suggest to agencies, so it's easily identified by the reviewer.

Your next item E is the agency community base. This is the experience. So you're going to describe the agency's achievement in providing housing counseling for the past 12 months for the community in which you're seeking approval to operate.

Now, this statement should include specific activities describing your housing counseling work plan and also indicated on the HUD 9900 application. So part A of the application on the types of services, whatever you mark on the application should be described as far as what experience the agency has during the past 12 months in providing the services.

You're going to quantify the number of households on the HUD 9902 housing counseling agency activity report. That's a requirement too. That's something that's normally not included as an item. That's a [indiscernible] missed in the application. The HUD 9902 can be found on HUD Exchange as well.

Okay. Your item F, you're going to list your staff involved in the housing counseling program. This is going to include all the board members, the supervisory staff, the housing counselors and any clerical support staff. Make sure you list the position, the title, the duties, whether the position is full-time or part-time. If it's paid or in a volunteer capacity. You're going to include the hours of work per week for all the positions and the length of employment. So please note, at least one half of your staff must have at least six months experience in providing housing counseling.

Also, include a written supervisory monitoring and quality control compliance procedure for monitoring the work at housing counseling. Now, this is a common deficiency that I see that's omitted from the application, that there's no supervisory monitoring plan submitted with the application, so make sure you include that in your application.

Item G is your narrative addressing each question on the application.

The next item H is going to be the resumes and training certificate for the staff. So whatever services the agency is going to provide, just make sure you have experienced staff and housing counseling that will provide the services and the support documentation will be a resume and a training certificate. So that's going to be for the housing counseling staff, including supervisory staff.

Make sure you indicate the extent of the counselor's knowledge of HUD housing programs and other programs available in the community. That's a common deficiency that I see, training missing for a specific area of approval, resumes not provided for all staff providing housing counseling, and no information on experience regarding other HUD programs. So make sure you have all that information included. Next slide please.

So step four. So the next item you're going to include is I. This is going to be the map of the target area and other agencies that are located in the area. Make sure that you identify the geographical area that you want to serve as well. Make sure that you provide clear photos of the map.

Your item J you're going to provide photocopies of the facility. This is if you're going to have a branch office. You're going to include photos of your branch as well in your main office; any facility with direct housing counseling will be provided. So you're going to attach a photo of your signage, your meeting space for private one-on-one in-person counseling as well as your group education workshop space.

Also include photos of the storage area for client files. Also include facility space accessible, photos of facility space accessible to the disabled and elderly clients. That would be your ramp, your handicapped parking. Include those photos.

Item K is your budget and funding sources. So you're going to provide a list of sources and amounts of funds specifically for housing counseling that are currently available to you. Provide copies of any written funding commitments. This includes any agreements relative to housing counseling from entities and/or individual committing to these resources for the housing counseling program.

Now, the funding commitment documentation must identify the entity or individual committing to the resources. You're going to make sure you have your dollar value on the commitment. You're going to indicate the resources that will be available during the initial 12-month period of the HUD approval. Include signature, title, telephone number and email of the individual or entity official legally able to make the funding commitment.

You also are going to submit a copy of the current Annual Housing Counseling Budget. This is for the housing counseling. I know some agencies offer other services, but the budget and the approval is for the housing counseling program. So you're going to submit it in your budget for the housing counseling program. You only need to include income. You're going to include your income and your expenses associated with the housing counseling program.

A common deficiency that I do see is that the budget is missing from the application and the funding source is not identified specifically for housing counseling. You can also include a list of your income received during the last 12 months for housing counseling fees that are applicable to your program. You're going to submit in item L, your most recent audited financial statement. So you're going to submit the most recent

financial yearend statement prepared in accordance with generally accepting account principle and recording practices.

Your item M is going to be your community resources. You're going to provide a list of names and interests of public/private agencies whom the agency is working with, has established a working relationship within a community where you can refer clients when additional service is not offered by your agency that they may need.

Make sure you include a brief description of the type of community resources or the services for each of the agencies that you're going to list. So you're going to explain the nature of the working relationship between an agency in each of these community resources.

So a common deficiency with this item is that I see a list of agencies, but it doesn't include the name and address and a brief description of the agency.

Item N is going to be a disclosure statement. The disclosure statement must be in compliance with the HUD Housing Counseling Guidelines, which will be provided to all clients. All clients are going to get a copy of this disclosure. A sample of this disclosure you can find on HUD Exchange under Toolkits.

The next item is item O, the Housing Counseling Work Plan, which I'm going to talk about in the next slide. The last item which is not listed on this slide is P, is assurances and certification. This is section C of your application page 8 and 9 of the HUD 9900. You're going to include that page as your attachment P. Next slide please.

So the next step is still step 4. We're talking about the Housing Counseling Work Plan. You're going to give a description of your target area that that agency is proposing to provide housing counseling. You're going to identify that in your work plan. And your description should include the size of the population, the social economic factors, the makeup of the population, age, the housing conditions. You're going to include the zip code of the target area. You're going to provide a brief statement as to the reason why the agency is selecting your target area and how the organization expects to serve the community and the target area. Make sure you include a list of the zip codes of the target area as well.

The next bullet you're going to talk about the housing needs and problems for the target area. So you're going to provide a description, a statement addressing the housing needs of the target area. You have to provide a statement to cite the specific sources from which you obtained the information. Include special needs of the problem such as the low income or poverty, homelessness, language barrier. You can find this information from data sources you can find online with the state and local municipality consolidated report. You can also find it in assistance tracker. You can also find an analysis of impediment to fair housing as well as the foreclosure data sources. Next slide please.

The next bullet is Affirmatively Furthering Fair Housing Outreach Plan. So you're going to identify your plan barriers to fair housing choice in the agency's target area. You're going to describe the counseling education outreach activity the agency provides to affirmatively furthering fair housing for class protected, another fair housing act.

You're going to also address persons, how you're going to reach out to persons least likely to be aware to pursue housing out opportunities within a specific target area as well as one who needs housing counseling services the most.

Your next item is going to be description of your housing counseling services. Provide a detailed description of the housing counseling activities that you will be providing as a housing counseling agency. The types of services identified in part A of the housing counseling application, you're going to describe those services here under the description of services. The plan should be specific as to these activities and how they will be delivered, how the agency will deliver each type of service.

Your next item is going to be outcomes. You're going to describe the anticipated results of your outcome to be achieved within an initial period of approval. So for each category of the housing counseling activity described under your description of service, you're going to provide a projected number of the household that the agency is going to serve during that initial 12-month period of the HUD approval.

Your next item is going to be alternative settings format. You're going to describe the alternative setting or format the agency will utilize in providing housing counseling services for the target area.

Your next item is going to be client follow up. You're going to explain how the agency is going to follow up with communications with the client to ensure that you're in compliance with the requirement of the Housing Counseling Handbook 7610 and CFR Federal register regulations.

Okay. You're next item, you're going to provide a fee schedule. If the agency decides to charge a fee for services, you're going to submit a fee schedule of the charges to ensure that you're in compliance with the handbook requirements. Include the process to determine the client's ability to pay and procedures to waive any fees if a client cannot afford the fee. So this is an item that I see that's a common deficiency where we do get the fee schedule, but then the agency doesn't have procedures in place to waive fees if a client can't afford the fee for the counseling services.

The next item is your limited English proficiency. So you're going to describe how the agency is going to serve non-English speaking clients. So you can find a sample copy of a housing counseling work plan that will detail how you can write your work plan. It's only a sample. You could use it as a guide. You can find that on HUD Exchange on the developing housing work plan and it's the title of the document. Next slide please.

So you're next step is step 5. So if you're ready to submit in your application, you will contact a HUD housing counseling advisor and they will instruct you where you can submit your application. The HUD advisor will do a cursory review of the application to ensure that the application meets the HUD eligibility requirements to apply for HUD approval.

If the application is complete, it will be forwarded to our application team leader. If it's incomplete, the HUD reviewer will reach out to the agency to let the agency know what documents are missing and whatever the issue is with the application.

Rhonda Esther, excuse me. It's Rhonda. Would you speak up just a bit more, a bit louder please?

Esther Okay. I'm sorry.

Rhonda That's all right.

Esther Okay. So step 6. So we're on step 6. So step 6 is working with a HUD reviewer. So when your application is received, an application will be

reviewed within 60 days of receipt. However, if documents are incomplete or if your application is missing anything or if there's any other issue, it may take longer for HUD to review the application, but the reviewer will contact the agency if there's any deficiencies.

If any issues or deficiencies are not resolved in a timely manner, HUD will issue a deficiency letter to the agency. We will review public records for ineligible participants. So any agency including any of the agency director, the partners, the officers, principles or employees, they must not be suspended, disbarred or have any other restrictions under the department or any federal regulations. They can't be indicted or have been convicted of a criminal offense that may reflect the responsibility and integrity to participate as a housing counseling agency. There shouldn't be any offenses including criminal offenses or the agency individual or staff cannot be prosecuted at a local or state or federal level. Also, they can't be subject any unresolved findings as a result of HUD or other government or performance reviews or investigations.

The reviewer will order a facility inspection. We do go out and visit the main office, and if there's a branch office we do facility inspections of the space we check, the signage, the office space. We tour the office to make sure it's in compliance. Next slide please.

So step 7 is the approval. So if your application meets all the requirements outlined in the HUD Housing Counseling Handbook and Federal register regulations 214103, HUD will approve an agency for a period of up to three years.

So the HUD reviewer will add your agency's profile to the housing counseling system and send you a letter confirming your approval. You will also be provided instructions on accessing the housing counseling system, HCS, for validation and submission of quarterly reports. Next slide please.

So step 8, your agency will be assigned a HUD partner contact and that partner contact will assist you with any questions on the HUD requirements or questions about the HUD system. If you have any questions about the quarterly housing counseling activity report, the HUD 9902, and they will offer any technical assistance if it's needed.

At the end of the approval period and upon completion of a successful performance review, HUD will reapprove your agency. So there is no

application involved, but we will be conducting a performance review of the agency. You can find more information about performance reviews in the HUD Housing Counseling Handbook 7610, Chapter 6. Next slide please.

So listed here is common application deficiencies. I talked about the deficiencies earlier. So this is the list. Next slide please.

Also, this is additional application deficiencies here as well. We talked about these deficiencies earlier. Next slide please.

So listed here are websites where you can find regulations and information and eligibility requirements. An additional training resource that we have is a new online training called Intro to Housing Counseling. This is an online training and it's located on HUD Exchange. HUD's Office of Housing Counseling is very excited to announce Intro to Housing Counseling. It's a new training designed to provide an overview of the HUD housing counseling program. The training covers three topics; what is housing counseling, benefits of housing counseling and how to participate in HUD's housing counseling program. So please check out this new training.

Ben I believe that that's actually the end of the presentation. So at this time, I'd like to ask the operator to give instructions to people who would like to verbally ask the call. I know we're closing in on the stop time of the call, but we'll answer as many questions as we can. Operator?

Moderator [Operator instructions].

Ben Okay. While we're waiting for some questions to come in that way, we have Rhonda Rivera who has been monitoring questions that have come in. Rhonda, would you like to share any with the crew?

Rhonda Yes. There is one question. I think Esther touched upon it, but specifically what language is needed to be included or highlighted in the charter and bylaws? What are you looking for?

Esther The language must state that the agency is authorized to provide housing counseling. That's the language. It has to specifically state that.

Rhonda And if it doesn't have that, then what is the way to [indiscernible] charter?

Esther If the language is not included in any of your bylaws, you can reach out to your board and discuss it with your board and they can make a decision if that's the direction that the agency wants to do as far as provide housing counseling services. The board can meet and provide minutes signed by the board and the board members, or they can also do a resolution and provide that with the application.

Esther The board can meet and provide minutes signed by the board and the board members or they can also do a resolution and provide that with the application.

Moderator And, we do have a few questions from the phone lines, if you want to take those.

Ben Sure, please do.

Moderator David Betler, you're open. Please go ahead.

David Yes. Can you explain—we're just starting to get into housing counseling – can you explain the benefits of going through an intermediary first versus going directly ourselves?

Ben Okay. Sure, I can touch on that a little bit. The benefit to partnering with a parent typically is that they have the experience already. They know exactly what HUDs looking for, both in terms of reporting. Every agency that gets approved by HUD has to quarterly submit a 9902. This 9902 is your housing counseling activity. It's all the clients that you've seen.

And, they also have experience with receiving grant funds and how will they go about both applying for the grant funds and reporting on the quarterly reports that go along with receiving grants. So, there's the benefit of experience. They also may have other programs that you'd become a part of by joining them. That's not every parent has those, but I just know from experience that some have additional funding sources beyond just the HUD grants.

The benefit to coming in yourself, honestly it comes down to autonomy. The parent organizations can have their own rules and requirements and they're allowed to do that, to meet becoming a sub-grantee with them, they may have additional rules on top of what HUD requires. And, they may have specific processes, they may have specific training or group

education that they expect you to use. So, if you don't want to have that oversight from a parent organization, you might want to come in directly as—we call them locally approved [indiscernible], one office shop. You might have a branch office or two, which is okay, but you're not any bigger than just one or a few locations.

Did that answer your question?

David Yes, I think that is a good deal. Yes. I think one of the eligibility tool requirements for becoming a local agency, essentially, is that you have to have been performing the HUD housing counseling for at least—is it six months or a year?

Ben It's a year and that's true for becoming a sub too.

David Okay. So, we couldn't even, without having done housing counseling for a year, we couldn't even come in under an intermediary, then?

Ben Yes, that's correct. I'm sorry, Rhonda. Go ahead.

Rhonda Well, you can still talk to the national intermediaries to see if they will work with onboarding new ones so that you—to affiliate yourself with the organization to get additional training, networking guides and stuff like that to get you going. And, once you gain that additional experience and counseling, then go off on your own.

Still apply on your own but they do offer networking, maybe additional training for new organizations. There are some intermediaries that have that, so it's just searching for the right oversight agency or what we call a parent agency, national intermediary or a state housing finance agency.

David Okay. Thank you.

Ben And, David—you had another question about what was item P on one of the slides? And, I believe that was the—what's the term, Esther, assurances and—?

Esther Certifications.

Ben Certifications. Yes. It's, basically, a lot of self-certifications on the final page of the 9900-application document where you're signing off that you've read everything and that you're going to be in compliance with

everything. When you pull up the 9900 and you look at the last page or two, and you'll see all of those. It's really just signing—the agency's director is signing off on those assurances.

Okay. Can we go to the next question?

Moderator We have Shanika Preston on the phone lines. Please go ahead, you're open.

Shanika Yes, hello. I have two questions. My first question is you mentioned before on slide 12 that if an agency or a non-profit is doing group counseling that would be okay because it's not individual counseling. I mean group education. Is that right? Can you kind of explain that again?

Ben Sure. What it is, is the narrow definition of housing counseling is tailored to the individual. If you're offering group education in a setting in which you're not looking at an individual person's financial goals, their documents, anything that makes their situation unique, if you're just giving overall guidance on any topic related to housing, we don't consider that counseling, so it doesn't fall under the purview of the Final Rule. But, as soon as you start giving one on one education or I should say one on one counseling to a client, that's when it falls under the Final Rule.

Shanika Great. You did clarify. Thank you. Then, my second question is kind of a two-part question. I did have some feedback online but the question is if a housing counselor is certified and they decide to leave an agency, will the certification stay with them?

Then, also, are only housing counselors that are under HUD-approved agencies be eligible to take the test? So, how does that work?

Ben Okay, great. That's a great question. The certification exam is available to everyone. It will be done online. Like I said, it starts on August 1st. Anybody can take the exam and pass the test, but you don't get to call yourself a HUD certified counselor unless you pass the test and your agency is HUD approved, you work for an agency that is HUD approved.

By work for, that can be any number of things. You can be a contract employee, you can be a volunteer or you can be a salaried employee as long as you work for a HUD-approved agency that's taking responsibility for the clients that you see, and all of the clients' files and everything are kept on that agency site, you count as an employee of that agency.

You don't get to be a certified counselor unless you're approved by a HUD-approved agency. So, that's the first part and honestly, I was talking so much, I forgot the first part of your question.

Shanika The first part was if you were to leave an agency and go to another agency, does the certification stay with that counselor?

Ben Okay. Yes, another great question. Once you pass the exam, you always have that ability to be certified, regardless of which agency you work for, so long as they're HUD-approved. It's not uncommon at all for a counselor to work for multiple agencies and each agency can add them as a certified counselor on their roster of counselors, so to speak.

So, if you quit working for one agency and go and work at another one and they're both HUD-approved, your certification does transfer.

Are there any other live questions?

Moderator We have Josh McKinney. Please go ahead. You're open.

Josh Yes, I have two questions for you guys. Number one, for state housing financing agencies looking to be intermediaries, but also employing counselors and providing counseling services, do their bylaws need to reflect that authorization to provide housing counseling if they're seeking their approval as an intermediary or as a recipient of NOFA funding?

Ben Yes. Honestly, I've worked with a lot of state housing finance authorities and it's actually kind of uncommon for the state housing finance authority to provide counseling directly, but it is allowable. But, yes, it would have to be reflected in your bylaws that you're providing counseling directly, as well as looking to become a parent organization for distributing counseling money to other agencies.

Josh Okay. Then, number two, you had said that group education does not require a housing counselor to provide that, but in the webinar last week, the presenters indicated that that is the case. Those group education activities, if they are in connection to any type of FHA or HUD funding activities, they had to be overseen by HUD housing counselors.

Could you clarify that about what it means to be overseen and if that's still the case?

Ben Sure. What it is, is if you're providing group education that does not target one on one, you don't need to become a HUD-approved agency and have certified counselors. The Final Rule doesn't cover you. But, if you are a HUD-approved agency and you provide group education counseling, it is under the rule. So, you would have to follow all the guidelines and requirements that are outlined in the 7610 regarding file keeping and the requirements for group education, which includes with this Final Rule, all of the changes, having somebody that is a certified counselor overseeing the group education. The most typical example of this would be somebody, if they're not providing the counseling, honestly the easiest way to be in compliance would have them be in the room, even if they're not the instructor.

The subtlety is that you don't have to be HUD-approved to be providing group education, but if you are HUD-approved, it has to meet all of the criteria spelled out in the approval guidelines in the 7610.

Josh Would you be able to speak to how that interfaces with online group education provided by the HUD-approved agencies?

Ben Well, if it's group education and you are a HUD-approved agency, the group education does always meet the same requirements and honestly, I think, that's getting a little technical, Rhonda, but could you help me out here?

Rhonda Okay.

Jerry Rhonda, can I jump in? This is Jerry.

Rhonda I was going to ask one of the cert rules team member to—

Jerry Sure. Home care education classes, they take a lot of different forms. They can be online, like the question was asked, or a classroom setting, and home care education that is separate from individual one on one housing counseling is not considered housing counseling. So, for instance, if you are referring clients to an online system to take a course and then they return to the agency for further one on one housing counseling, then that is, by definition, housing counseling. The HUD certified housing counseling would prefer to be qualified or a course that meets the national standards for housing counseling that is a reputable course, and then provide the housing counseling to the client.

Now, housing counseling education that exists, like Ben said, completely in isolation from any one on one housing counseling whatsoever. So, just homebuyer education just by itself, that is not housing counseling and it's not covered by the rule whatsoever. I hope that answered your question.

Josh It does. Thank you so much.

Jerry Okay.

Moderator Next, we have Dolores Bailey. Please go ahead. You're open.

Dolores We are a HUD-approved counseling agency and we have been for many years. Our certification must be renewed at the end of this month. Are we to begin the process that we have described on the webinar now for our recertification?

Ben The certification is totally separate from the performance review extenuating for approval for one, two or three years. If you have a performance review that's coming up, yes, you need to be in contact with your point of contact at HUD to set up that performance review and that's not going to change and that hasn't really been changed by anything that's being done with this Final Rule on the certification.

The HUD agencies always are going to need to be reapproved every one to three years and that approval is the performance review. I don't know if you've gone through one before yet, but it's either done onsite or remotely where we talk with you about everything. It's, effectively, a lot like reapplying for peer approval. We look at the same things we looked at when we approved you in the first place, but it's totally separate from the certification. The certification exam for the counselors doesn't go live until August 1st and you have the three years to meet all of the requirements for having your counselors be certified.

Does that answer your question?

Dolores It does. It does. One other question. We provide more rental counseling than home ownership counseling. Is it the same type of rules and regulations?

Ben Yes. The 7610 covers all the different types of counseling that HUD agencies are approved for.

Dolores Thank you.

Ben No problem. Do we have any other questions coming in?

Moderator There are some on the phone lines if you want to continue.

Ben Sure, we can do that.

Moderator Noelle Granda, you're open. Please go ahead.

Noelle Hi, guys. Hi, everybody. I have a quick question regarding the toolkit that was provided by your advertising materials. I was wondering, can the advertising materials be altered so that it's acceptable for an agency to place their logo on the advertising material, on the toolkit material?

Ben That's a good question. I think I'm going to ask Rhonda or Jerry for their response on that one.

Jerry The answer to that is no, we don't have authority for co-branding of advertising materials at this time. So, you're welcome to print them out as PDFs and provide them to your clients, but co-branding by adding your logo onto it is currently not allowed.

Noelle Okay, alright. Thank you.

Ben We're about ten minutes past. I believe we can only answer one or two more questions that are coming into the queue before we all have to take a break. But again, if you have questions that haven't been answered, please email housing.counseling@HUD.gov because we do want to get responses to everybody that has a question about becoming a HUD-approved agency.

Let's take two more calls if they're in there.

Moderator Next, we have Debra Harmon. Please go ahead. We do have two in here.

Ben Okay.

Debra Yes, I think you've answered my question already. It was about whether or not the process actually applied to existing certified agencies and you explained that very well previously.

Ben Okay, great.

Moderator And, due to time restraints, our final question will be from Janet Collier. You're open. Please go ahead. Janet, your line is open if you're muted.

Janet Thank you. I think you've touched on this but I still need clarification. At one time, our 501c3 was a certified HUD-approved counseling agency. We no longer are, we didn't have any counselors on staff, so we would basically be starting over is my understanding. How do we begin, because we would not have done housing counseling for the past 12 months?

Ben That's a pretty good question. I keep on kicking the ball down the field. Rhonda, do you mind responding to that one? I don't want to give her incorrect advice on reapplying.

Rhonda Well, you would have to establish yourself again in the community that you offer housing counseling services and you're networking with your referral entities that you work with in the community. Without getting more into detail, you may need further—send us your information or contact the tech advisor or put your question in specifically and we can get a hold of you and talk to you more about that. But, you're going to have to restart your counseling program again with your trained staff, experiences, etc.

Once you gain that 12 months of experience in the community, then at such time you could go through this approval process.

Janet So, to gain that 12 months, we would need to work with an intermediary or—

Janet Well, you could but you could still start your program out there that you're in the community. You're out there as a non-profit, that you want to work with the clients in need of whatever services you're offering and show for the next 12 months how you've counseled with clients and what outcomes there were. So, you're going to have to monitor yourself on that and keep information and then, submit it as part of your application.

But, you could talk to an intermediary to see how you can get going, maybe they have resources there to help you out, start up.

Janet Alright, great. Thank you.

Ben

Thank you very much, everyone. I'm sorry we weren't able to get to every question that was given to us but we're about 15 minutes over. So, again, if you have a question that you'd like to have answered, housing.counseling@HUD.gov is your best resource for getting a response back from us. And again, the items listed on the page right now are your best resources for finding out all the steps to get HUD-approved.

You can still save a copy of this presentation from the handout section of the webinar. And again, I'd just really like to thank you all for sticking around and being with us today to learn more about the housing counseling process.

Moderator

Ladies and gentlemen, that does conclude your conference for today. Thank you for your participation and thank you for using AT&T Executive TeleConference Service. You may now disconnect.

