



**U.S. Department of
Housing and Urban
Development**

Office of Housing Counseling

**Best
Practices for
Expanding
Housing
Counseling
Services**

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1. Introduction

This best practices guide is designed to assist HUD-approved Housing Counseling Agencies (HCAs) with expanding housing counseling services, particularly to reach rural and underserved communities. The guide also offers detailed strategies for expanding rental, homeless, and home equity conversion mortgage (HECM) counseling programs.

2. Expanding Housing Counseling Services

When expanding housing counseling services, it is important to understand the ways in which an HCA can expand. HCAs have both opportunities and obstacles to expand based on how they are structured and the communities they serve.

Local Housing Counseling Agency

Same Site

A local HCA (LHCA) serving a local community has various avenues through which to expand. Physical expansion of an existing agency is a common means of expansion. Physical expansion at the same physical location can be challenging depending on various constraints. It may not be feasible to expand the size of an HCA at the existing location. Identifying a more spacious location nearby may be a viable solution. In some cases a partnership or agreement with other community service providers can result in shared office space, shared resources, or flex-space for workshops and other events. A traditional office building space may be too expensive or inaccessible. Other commercial lease options within retail storefronts, strip malls, or vacant offices within state or local government complexes can also be considered.

TIP Because HCAs tend to bring in a significant amount of foot traffic, it is important to discuss with potential landlords the impacts of expanded counseling services on parking, restroom facilities, and security.

When expanding physically it is important to determine space needs for counselor work space, counseling session space, and workshop hosting. Many office buildings are suitable for counselor work space and have meeting spaces appropriate for counseling sessions. However some office buildings may lack workshop or classroom space. This obstacle can be overcome by identifying alternative locations for workshops or educational events, such as libraries, schools, churches, or community centers.

Branch Site

An HCA can consider expanding their services to branch sites at locations within the same city or consider offering branch locations in cities within a specific region. A branch office can be space donated by another community non-profit, a local library, or a government office building where other social services are offered. A branch office can be mobile in the form of a school bus or other large vehicle.

Expanding into a regional presence with branch offices is a significant investment. This investment can be made incrementally with a staggered approach to expansion.

Additionally, HCAs can operate offices on a rotating basis to ensure coverage over a larger area. However, any geographic expansion of services needs to be included as an amendment to the HCA's Work Plan.

TIP Host a foreclosure workshop in a rural area once every two months in cooperation with a local library. Perform follow-up counseling via telephone and mail.

Virtual Site

Virtual expansion of housing counseling services can be an effective way to increase the number of clients served, services offered, and HCA capacity. Virtual expansion refers to increasing email, telephone, fax, and internet-based counseling services. This can include methods from serving client solely via telephone to combining virtual counseling with face-to-face methods. Skype.com is an example of a free video conferencing service that can be used to perform internet-based counseling sessions. Unfortunately; many mortgage servicers, debt collectors, and other third parties will not likely be able to participate in this type of video conferencing. However, HCAs can use internet-based tools such as Skype to complete the client counseling session, with follow-up completed via telephone or conference call with a third party. To make free conference calls without having to upgrade telephony systems, freeconferencecall.com is an example of a resource to use when multiple parties need to communicate regarding a client's case file.

If a client needs a way to track their action plan, there are several online options to consider. To coordinate tasks with a client via the internet, HCAs may consider using sites such as asana.com. Using this and similar sites, HCAs can set up, track, and follow tasks and responsibilities within a given project. This website can be used by both clients and counselors to track and accomplish the tasks listed in the Client Action Plan.

HUD Intermediary

Expansion for housing counseling intermediaries can include expansion into new communities, or expansion into new service areas or delivery methods.

Current Markets

A HUD intermediary can consider expanding their presence in existing markets by broadening their network of affiliates in the desired geographic area, or by supporting the expansion of existing affiliated agencies. When expanding within an existing market, it is important to conduct sufficient research regarding community needs, housing trends, and the size of the prospective client base to justify the expansion of a HUD intermediary.

New Markets

HUD intermediaries may consider conducting a market study prior to service expansion. A market study is performed by marketing and economic professionals to highlight current and potential housing market conditions within a specific geographic area. Most market studies focus on smaller sub-markets or specific neighborhoods. The benefit of conducting or contracting out a market study is to demonstrate to potential funders that service expansion will help HCAs respond to unmet local or regional demand for housing counseling services. A market study can be adapted from other studies completed by a local chamber of commerce, an economic development office, or other local resource. It may not be necessary to cover the cost alone, as it may be possible to attract other partners to participate in the study.

If the opportunity to expand within existing markets has been accomplished or is part of the strategic plan of an organization to consider expansion into new markets, it is critical to assess the needs, demands, and unique characteristics of the potential new market. The most cost effective manner to assess the needs of a new market is to reach out to existing independent HCAs within the prospective market. This analysis can be completed in the form of an individual interview with LHCA's in the community, or as a survey of multiple existing HCAs. In every HUD Homeownership Center (HOC), there

are multiple resources, including the HCA's assigned Government Technical Representative (GTR), to support intermediaries' efforts to expand to specific geographical areas.

Virtual Site

As a HUD intermediary, it can be difficult to meet in-person with clients, or it may be a strategic goal to focus solely on telephone and internet-based counseling methods. Whether a HUD intermediary is providing direct counseling services, or operates through a network of affiliates, intermediaries may consider virtual service expansion in order to increase the number of clients served, services offered, and capacity. HCA intermediary staff should review the virtual expansion strategies offered on the previous page for LHCA's.

If a HUD intermediary is executing a virtual counseling expansion plan through the use of affiliates or sub-grantees, it is important to conduct training, due-diligence, quality control, and IT security assessments with each participating agency. When conducting IT security assessments, participating HCAs should have proper protocols in place to meet certain information security standards. Expanding an HCA's use of internet-based systems, telephone systems, and other IT-connected systems requires intermediaries to ensure that information security measures are in place to protect confidential data. An international standard for information security management systems, known as ISO 27002, can be used by a contracted security analyst to ensure that an agency's information technology security systems are in place at or above this international standard. Although this is not a HUD requirement, using this standard does ensure that client and HCA data is properly protected.

3. Analyzing HCA Capacity for Service Expansion

Determining whether an HCA should expand services begins by analyzing the HCA's capacity and resources that would support a successful expansion. This analysis has its challenges, but can lead to an exciting opportunity to provide much needed services to new or underserved communities.

An HCA's decision to expand its services is a big step. A strong commitment from leadership and staff is essential in deciding to move forward. However, there are several key components an agency should analyze in order to determine if this is the right decision.

Existing Services

HCAs should evaluate their current housing counseling services level and determine which service(s) can be broadened to reach more clients. During this review, HCAs should evaluate the number of housing counselors available to provide each service, and also review the impact, cost effectiveness, counseling outcome, and demand for each service. Calculate the number of hours spent counseling each client per service, resources needed to meet specified counseling goals, and total staff hours used towards reporting, outreach, client follow-up, and other agency-related duties.

Geographic Reach

HCAs should identify the geographic areas suitable for service expansion, research the area's socioeconomic and demographic trends, and also investigate the research questions suggested below:

- ✓ Which housing counseling services are not currently available? Which services are available?
- ✓ How great is the demand for these services?
- ✓ What is the foreclosure rate compared to the national average?
- ✓ What is the size and age composition of the population?
- ✓ What beliefs, behaviors, and languages exist in the particular culture?
- ✓ What are the economic drivers (employers and industry types) of the area under consideration?
- ✓ What is the homeownership rate vs. renter rate?
- ✓ What is the Area Median Income (AMI)?
- ✓ What is the average median home value?

Need for Services

HCAAs should assess the need for service(s) in the targeted area, and decide whether there is sufficient capacity to meet this need without impacting the community currently being served. Knowing your community is crucial to determining if there is a need to start from scratch or build on efforts that already exist within the community.

Funding for New Services

When exploring the possibility of expanding services, HCAAs should carefully determine the amount of funding needed to sustain service expansion. Will HCAAs use new funding sources, or can agencies use existing grants to finance expansion? Upon reviewing current grant awards, HCAAs should bear in mind the current grant timeline, proposed number of clients served, purpose, and awarded grant amount. If HCAAs need additional funding, financial assistance may be available through local, state and federal grants. This is especially true for rural communities in a state. HCAAs should communicate with the state division of housing, county community development departments, and local housing authorities to see if funding is available for the specific housing counseling services planned for rural communities.

Adjusting Staffing Levels

Decide staffing needs for expanding services. Evaluate options for using existing staff or hiring new staff. Consider the following when making this decision:

- ✓ Can an HCA use existing staff to expand services? An HCA should take into consideration the current counselors' client capacity, workload and the demand for services.
- ✓ In what ways will current staff roles and responsibilities change? Be sure to use training and skill sets of the existing staff to the fullest potential.
- ✓ If hiring new staff, is there a designated work space equipped with necessary office equipment and supplies? Explore the options of donated work space and equipment for counselors through community partners such as local government entities or other non-profit organizations.
- ✓ Is the agency capable of effectively providing services remotely, if needed (i.e. phone, Skype, email)?
- ✓ Are face-to-face services required to provide the most effective service?
- ✓ Is HCA staff familiar with the community served? If HCA counseling staff do not physically reside in the community served, it is recommended that staff occasionally visit the community to develop an understanding of the community and identify potential resources available to community residents.

Resources

Determine what community organizations and local government entities are accessible to develop mutually beneficial partnerships. Partnerships are essential to providing housing counseling services in any community because of client referrals alone. Client referrals to and from local resources can improve the odds of success for an agency launching new services in a community.

Beyond referrals, partnerships can create additional funding opportunities, produce more robust outreach efforts, and facilitate in-kind resource donations. Partnerships can help when it comes to the evaluation of agency's impact on a community's housing needs through its provision of housing counseling services.

Effectiveness

Create a short- and long-term action plan based on the above mentioned items for continuing or terminating services. If housing counseling services are not effective they can be a drain on the community in which they are intended to help. By developing a plan of action to evaluate service effectiveness an agency is likely to set more realistic goals.

4. Expanding Services to Existing Clients

Expanding services might be as simple as an HCA doing what they are currently but more efficiently. Even changing small aspects of a counselor's daily routine could help an HCA expand services to existing clients. Existing clients may be more receptive to additional information than an audience with no existing connection or relationship to those providing the information.

Cross-Selling

Many housing counseling activities are closely related to one another and can be combined to produce better results for clients. For example, homeownership education counseling is also the ultimate foreclosure prevention tool. Promoting foreclosure prevention counseling during a homeownership workshop informs clients that free foreclosure counseling is available even before they have purchased a home. Another example would be informing a senior client who is delinquent on their mortgage that the HCA also provides HECM counseling that could help prevent foreclosure. These additional efforts should not increase expenses and the opportunities to cross-sell are only limited by the services that an HCA provides.

Internal Productivity

Continual evaluation of counseling processes, documents, and counselor habits to identify areas of ineffectiveness can help improve service delivery to existing clients. Making it simple and easy for a client to communicate with counselors, complete necessary documents, and stay in touch after counseling, will help HCAs improve and expand existing services. HCAs improving service efficiency may see an increase in client appointments and a decrease in the client no-show rate.

External Partnerships

Client follow-up is not only a required aspect of providing housing counseling, but is also a great way to expand services. During follow-up activities, an HCA could provide information to clients about new lender outreach events or about new housing programs appropriate for the client's needs. By creating external partnerships HCAs can stay current on housing related programs, community resources, and available housing products.

Affirmatively Furthering Fair Housing

Fair housing education must play a role in every type of housing counseling service. Expanding services to include fair housing education opens up discussions about potential housing discrimination and allows HCAs a greater ability to promote fair housing rights enforcement to clients.

Google Maps and Other Productivity Tools

There are many options when it comes to using technology to promote housing counseling services. HCAs can use broadcast text messages, and online email communication systems. These tools can help an agency promote new services or information about community resources. For example, an agency might allow clients to sign up to receive a quarterly newsletter, created specifically for housing counseling clients, that is produced and distributed through an online email communication system.

5. Areas of Conflict in Expansion Efforts

There are several potential conflicts that an agency could encounter when attempting to expanding services. Some of these conflicts are actual conflicts, while others are conflicts perceived by either the agency or the population they wish to serve. Potential conflict should be addressed prior to commencing services. The success of the expansion efforts could hinge on appropriately addressing any and all potential conflicts.

Geographic Conflicts

Geographic constraints are among the most common areas of conflict when expanding housing counseling services. For instance, an agency has a physical location in one area and would like to provide services in an area with demonstrated need several miles away from the office. This constraint can be addressed by training counselors to provide telephone or online counseling or even setting up a satellite office in the new service area.

State Boundary Conflicts

Some HCAs are restricted by state and geographic boundaries. An LHCA cannot provide services to more than two connecting states. If an LHCA wants to expand services beyond two connecting states they must apply to be approved as a Multi-State Organization (MSO), Region Intermediary Organization, or a National Intermediary Organization.

Name Conflicts

An HCA's name could create a challenge while attempting to expand housing counseling services simply because the agency's name contains a reference to a specific neighborhood, county, or general geographic area. For instance, if an HCA's name is Northwest Phoenix Housing Corporation it may be difficult to expand to the neighboring city of Scottsdale, Arizona. The community of Scottsdale may not immediately connect that Northwest Phoenix Housing Corporations services are available to them when they receive marketing and outreach materials. An HCA could use an acronym for the agency's name when conducting marketing and outreach in a new area to address any name conflicts.

Stated Mission Conflicts

Every non-profit housing counseling agency has a mission. The HCA's mission statement helps to guide the HCA as they serve the needs of the community. Before attempting to expand housing counseling services, an agency should reflect on whether the expansion effort is in line with its mission and goals.

Work Plan Conflicts

Housing counseling work plans are a critical part of being a HUD-approved HCA. Every HCA provides HUD with a work plan detailing the services they are providing to the community. These details include the agency's target audience, services provided, and geographic area in which the HCA is providing services. If service expansion is outside the scope and geography of the HCA's existing work plan, the work plan should be updated with HUD prior to starting expansion efforts.

Funding Conflicts

Housing counseling funding is provided from many sources, but each funding source defines parameters for using the funding. For example, if the Jackson County Community Development Office provides Community Development Block Grant Funding (CDBG) funding, the funding agreement will have guidelines that must be followed. If the funding agreement states that the HCA is to provide foreclosure prevention counseling to the residents of Jackson County, the HCA is not allowed to use the funding to serve residents of a neighboring county or provide any other services not listed in the agreement. New funding sources are typically needed when expanding services.

Cultural Conflicts

Before attempting to expand housing counseling services, an HCA should examine any cultural differences between the community they currently serve and the community they plan to serve. Cultural conflicts can prevent successful expansion efforts. Cultural conflicts could involve language differences, religious barriers, and ethnicity differences. It is important to respect cultural differences and attempt to communicate appropriately when providing housing counseling services. Researching a community's cultural diversity can help an HCA identify any potential cultural conflicts. An HCA could develop community partners with other non-profit organizations to overcome cultural conflicts to successfully expand services to a new community.

Board Conflicts

It is possible that a board member could be on the board of two different HCAs simultaneously. A conflict could arise if the HCA's expansion plans include crossing into geographic areas or communities that are already being served by the other HCA on which the board member serves. A best practice for expanding services of any kind is to include the HCA's board of directors in the expansion planning process, and to get board approval for the expansion effort.

TIP Always notify HUD, more specifically the GTR, about any changes to the HCA's approved Housing Counseling Work Plan.

6. Expanding Services to Rural and Underserved Areas

Rural Areas

Housing counseling services are typically limited or non-existent in rural communities. Often HCAs from a nearby metropolitan area are stretched to cover gaps in coverage of rural areas. The associated travel costs to provide housing counseling services can be an obstacle to service provision within rural areas. This chapter provides a series of best practices that will help LHCAAs increase agency capacity to serve rural clients, leverage local resources, adapt existing resources to specific geographic needs, and bolster collaborative efforts.

Underserved markets within both rural and urban areas may be a result of HCAs lacking cultural competence, providing non-congruent counseling delivery methods, and unresolved communication barriers. HCAs can overcome these obstacles with appropriate marketing tools, counseling best practices, proven cultural competence training methods, and a diverse set of communications best practices.

The challenge with expanding services into rural areas is a very basic challenge. Sparse populations and disparate locations make it difficult to execute an expansion strategy on a cost-effective economy of scale. However, rural areas are also often tight-knit communities where marketing is done via word of mouth and outreach efforts are very inexpensive.

Underserved Areas

Underserved areas within housing counseling services can be identified as one of two types: demographic or geographic. The best way to analyze the expansion strategy that will produce the greatest results is to analyze the target market through these two lenses of geographic and demographic expansion.

Demographic Expansion

To execute a demographic expansion of services, it is important to conduct a survey of the community to identify groups of people who have not traditionally used housing counseling services. A community survey can start with the data collected from clients already engaging with a housing counseling agency which will help identify those demographic groups who have traditionally been heavy users of housing counseling services. This identification of heavy users can be cross-referenced with U.S. Census Bureau data to determine those groups underserved by the services offered by housing counseling agencies.

Geographic Expansion

To conduct a geographic expansion of housing counseling services, it is important to understand that an HCA can expand geographically in two ways:

- ✓ The first method is to infill within an existing service area to ensure adequate and equal coverage across a pre-existing service area.
- ✓ The second method of geographic expansion is to identify a larger service area in which to offer services.

Marketing and Outreach

Underserved communities require targeted marketing and outreach. It is helpful to include persons within the underserved communities as a part of the marketing and outreach development process. Prior to developing any marketing and outreach strategy, it is critical to take steps to listen to the needs of the community. This may be accomplished through the use of public forums, listening tours, and even simply walking around neighborhoods. HCAs are likely to be more successful in their expansion strategies if they integrate local input, participation, and involvement in their marketing campaigns.

HCAs should also consider organizing community events in their targeted underserved community. Community events include foreclosure workshops, housing fairs, homeownership education classes, or home repair seminars. The purpose of hosting community events is to actively reach residents where they live. It is a best practice to host a workshop or other event in local community centers at least once per month if not more frequently.

Photovoice

Photovoice is a data and research gathering technique that may be particularly useful for HCAs seeking entry in underserved communities. Photovoice is designed to provide a target audience with disposable cameras that allow them to take pictures of a particular aspect of their lives. This program uses video and/or photo images captured by residents within the community showing aspects of the environment and resident experiences with the ultimate goal of sharing them with others. The program is designed to allow the eye of the underserved person to tell the story of their housing circumstances. The pictures can then be used to highlight the conditions and issues experienced by the residents of the underserved community; the media can also be shared with policy makers in order to support positive change in the housing counseling industry.

7. Safety and Security Considerations

An imperative and often overlooked aspect of providing housing counseling is safety and security. This is particularly relevant when discussing the expansion of services to a different physical location. Counselors are by nature caring people who want to help clients whenever possible, but counselors can also find themselves in vulnerable situations. HCAs should always take measures to ensure the safety of counselors by implementing safety policies. Safety policies in the housing counseling environment are not unlike other industries that interact with the public. Some simple rules to include in an agency safety policy are:

- ✓ Counsel in an office facility where other people are present and know you are with a visitor.
- ✓ Require all visitors to sign in at the front desk and wear a visitor's badge.
- ✓ If a counselor is working after hours at the office or an event, ensure another staff member or trusted community partner is present and exit together.
- ✓ Organize counseling rooms such that the counselor is the closest to the exit instead of the client.
- ✓ Set tolerance limits; do not allow clients to be verbally abusive.
- ✓ Clearly post a participant code of conduct policy at workshops or similar events.
- ✓ Follow local safety laws regarding group events.

HCAs may also ask the local police community safety officer if they would evaluate the agency's safety policy and the counseling environment for potential improvements.

8. Foreclosure Prevention Counseling

Foreclosure prevention counseling provides guidance and solutions to homeowners experiencing difficulty paying their mortgage payments. Foreclosure prevention counseling is essential to a homeowner facing foreclosure as it helps them navigate through the foreclosure process and provides information on the options available for their particular circumstances. This type of counseling typically addresses the consequences of default and foreclosure, budgeting and credit counseling, obtaining re-certification for mortgage subsidy, and establishing reinstatement plans. It may also include helping clients affected by predatory lending, providing referrals to other sources; and assisting clients with locating alternative housing.

HUD believes that face-to-face counseling is ideal, but alternative counseling delivery methods are allowed when it is in the best interest for the client. A homeowner facing foreclosure may not have the time or resources to meet face-to-face with a housing counselor at the agency's offices; may not reside within a 50 mile radius of an HCA; or an HCA may be experiencing high demand for services. Under these circumstances, an HCA may arrange to meet with clients at an alternative location or through alternative delivery methods.

Workshops

Foreclosure prevention workshops are a useful strategy for an HCA to use when one-on-one counseling sessions are not possible. Workshops are also effective tools to use when experiencing a high demand for foreclosure counseling; as a means to provide general information to empower a homeowner to take immediate action; or for underserved and rural communities where a housing counseling agency's physical presence is limited. Workshops quickly raise awareness of housing counseling services in an area that has been hard hit by foreclosures.

HCAs can successfully conduct a foreclosure prevention workshop by following a couple of simple steps: determine the best area for a foreclosure workshop using recent foreclosure statistics, develop or re-connect with community partners to host and spread the word, conduct outreach if necessary, and conduct a one-hour structured workshop allowing time for questions. Be sure to also provide one-on-one sessions for further counseling if available.

Benefits

- ✓ Foreclosure prevention workshops have the ability to reach a large number of homeowners seeking foreclosure prevention counseling when appointment times are not readily available.
- ✓ Homeowners are provided tools to get started and are empowered to take immediate action.
- ✓ A homeowner may resolve the issue without further assistance from a housing counselor.
- ✓ Appointment times may be provided for those needing more intensive loss mitigation.

- ✓ A workshop participant who later schedules a face-to-face appointment will be able to maximize the appointment time to discuss their particular situation.

Challenges

- ✓ A workshop participant may become discouraged and not take further action or seek additional assistance.
- ✓ Workshops hosted outside of an agency's service area may limit the ability to schedule a face-to-face appointment for a more detailed counseling session.

Individual Counseling

Expanding individual foreclosure prevention counseling services to homeowners with limited or no access to a local housing counseling agency requires advance planning and in some cases an increase in outreach efforts. This delivery method is typically the most costly for an agency, but also the most productive. The biggest challenge an HCA faces with expanding individual counseling services is properly managing the volume of calls and requests for appointments. Callers should be scheduled using a triage method to ensure the best use of available counseling time. HCAs should use advanced preparation methods to ensure the homeowner has completed an intake package and has copies of all required documents for the counseling session.

One best practice using individual foreclosure counseling to expand services is to develop an agreement with a neighboring community to provide counseling sessions one day a week in the community partner's local office. The counselor travels to the community once a week to counsel clients and to develop a presence in the community. The staffing of this newly developed area is later assessed and adjusted appropriately.

Benefits

- ✓ Allows for an in-depth analysis of a client's situation and tailored approach towards a resolution to avoid foreclosure.
- ✓ Allows for the counselor to be involved in a conversation with the mortgage lender if necessary.
- ✓ Allows the counselor to provide an overall greater level of customer service.

Challenges

- ✓ Large time commitment per client
- ✓ Large financial resource commitment as cost per client can be high compared to a workshop.
- ✓ Managing increase volume because of outreach efforts can be difficult.

Loan Modification Scam Counseling

Loan modification scam counseling consists of both education and remediation. It is considered a value-added service to educate clients regarding the pitfalls and snares involved with loan modification scams. Making clients more aware of loan modification scams will increase the number of clients seeking housing counseling and less likely to seek services from unscrupulous competitors. By providing information about loan scams, an HCA is promoting the use of housing counseling as an avoidance tool. Developing a campaign in concert with the local district attorney's office or the State Attorney General's office surrounding the issues of loan modification scams is a great way to expand services, build credibility, and decrease the use of loan modification scam outfits. When conducting remediation effort with clients who have previously engaged the services of loan modification scam companies, it is worthwhile to receive training or education regarding the various laws, regulations and penalties at the local, state, and federal level regarding loan modification scams. It only takes a few minutes to send a terse letter via email to one of these companies asking for a full refund. In many cases this small effort pays off through the refund provided to the client. However, whether a refund is made or not, HCAs may still refer alleged scams to the proper authorities. Here is a sample letter sent to a loan modification company where the client received a full refund within several days.

Sample Letter to Loan Modification Scam Artist

Dear Loan Modification Scam Artist,

On behalf of Jane Doe of 1234 Jackson Street Fort Lupton, CO 80621, I am requesting that you submit without any further delay a full refund of all payments, charges and fees paid to you or your company by Jane Doe. Please send the full amount of these funds directly to Jane Doe. Any delay in processing this full refund may result in the forwarding of this matter to the Colorado Attorney General's office and the Colorado Division of Real Estate for further review. Please confirm today that you are processing this full refund.

In addition to needing to comply with the Colorado Foreclosure Protection Act, anyone negotiating a mortgage loan in Colorado should also consider the requirements outlined in Title 12 section 61 part 9 of the Colorado Revised Statutes which describes the licensing requirements for mortgage loan originators. This matter can be resolved today with your swift action to refund her hard earned money. Please contact me with any questions. I look forward to your prompt response.

*Sincerely,
Housing Counselor*

Benefits

- ✓ With a robust loan modification scam campaign, an HCA can prevent clients from being taken advantage of by scam artists.
- ✓ With a solid remediation program in place, clients may expect to get refunds that can be applied to delinquent mortgage payments
- ✓ Partnerships with local, state, and federal law enforcement agencies can help build an HCA's credibility.

Challenges

The most significant challenge with respect to a loan modification scam counseling program is sustainable funding for these efforts. Generally most funding opportunities focus on direct foreclosure prevention counseling activities, with this educational outreach being ancillary. While several national organizations have established nationwide campaigns regarding this issue, funding opportunities to support these efforts are rare. Operating a loan modification scam refund program where a housing counselor assists with the process of attempting a refund can also run into legal issues. It is important to have an attorney review any correspondence between an HCA and a loan modification scam company.

Lender Outreach Events

Lender outreach events can allow homeowners to connect with a lender and begin the process to work through a delinquent mortgage. If an HCA is invited to participate, these events also provide an opportunity to connect with and counsel new clients. Many major mortgage lenders have established strong and positive relationships with HUD-approved HCAs, creating an effective outreach effort to delinquent homeowners. A mortgage lender may notify a delinquent borrower of an upcoming outreach event through written communication, but a delinquent homeowner may evade any documents sent by the mortgage lender. HCAs can be available at an event as a third party entity to speak with homeowners. HCAs also have an opportunity to promote these events to existing and potential clients as an approach to avoiding foreclosure.

Lender outreach events provide homeowners real-time solutions to their situations and can result in a positive solution. The draw for many homeowners to lender outreach events is the chance to meet with their lender and achieve a workout agreement, but many homeowners will benefit even further from establishing a relationship with a housing counselor.

Benefits

- ✓ Typically homeowners receive expedited reviews of their financial hardship and proposed mortgage workout.
- ✓ Homeowners meet face-to-face with lenders.
- ✓ Client volume increases in a short period of time.

Challenges

- ✓ Not all HCAs are invited to participate in outreach events; thus, some HCAs must be proactive about contacting lenders to join events.
- ✓ Time constraints allow only short initial counseling sessions.

9. Pre-Purchase Counseling

Pre-purchase counseling includes but is not limited to:

- ✓ Advice regarding readiness and preparation for homeownership
- ✓ Information about Federal Housing Administration insured financing, housing selection and mobility, search assistance, fair housing, fair lending, and predatory lending
- ✓ Analysis of budgeting, credit, and money management
- ✓ Information about loan products and feature comparison
- ✓ Determining purchase procedures and estimating closing costs
- ✓ Selecting a real estate agent and the importance of home inspections
- ✓ Guidance on alternative sources of mortgage credit; down payment assistance; locating housing that provides universal design and visibility, how to apply for special programs available to potential homebuyers, how to purchase a home using the Section 8 Homeownership Voucher Program, and referrals to community services and regulatory agencies

Pre-purchase information is provided by many entities in the community, but HUD-approved HCAs are typically considered unbiased providers. Other entities providing this education have a vested interest in the homebuyer's choice of mortgage products and home selection. There are many options when looking to expand pre-purchase counseling services.

Homeownership Education Classes

Homeownership classes are a useful strategy to use when a one-on-one counseling session is not possible. The classes can also be an effective tool to use when experiencing a high demand for counseling, as a means to provide general information to a large group of people, or for underserved and rural communities where a housing counseling agency's physical presence is limited. Workshops can also be beneficial as means to quickly raise awareness of housing counseling where services may not currently exist.

It is not uncommon for an HCA to partner with a homebuilder, a local association of realtors, or a city providing deed restricted housing to provide homeownership classes.

Benefits

- ✓ Homeownership classes have the ability to reach a large number of homebuyers when appointment times are not readily available.
- ✓ A homeowner may resolve any home buying challenges without further assistance from a housing counselor.

- ✓ Appointment times may be available for those needing greater assistance in the purchase process.
- ✓ A workshop participant who later schedules a face-to-face appointment will be able to maximize the appointment time to discuss their particular situation.

Challenges

- ✓ A workshop participant may become discouraged and not take further action or seek additional assistance.
- ✓ Workshops hosted outside of an agency's service area may limit the ability to schedule a face-to-face appointment for a more detailed counseling session.

Individual Counseling

As with any individual counseling activity pre-purchase counseling can be a lengthy and time consuming process, but very productive as well. Being able to discuss an individual's credit report and loan products that best fit the client is invaluable. HCAs can expand individual pre-purchase counseling activities in communities with a high percentage of non-owner occupied housing. HCAs can use renter surveys to gauge interest in homeownership. If a large percentage of renters seek homeownership over renting then there is a potential for expansion of services.

Benefits

- ✓ Allows for detailed review of credit and income data.
- ✓ Allows for detailed comparison of potential appropriate loan products.
- ✓ Provides an individualized action plan created for the client's situation.
- ✓ Allows the counselor the ability to provide more detail on topics relative to the client's situation.
- ✓ Allows the counselor to make better community referrals if needed.
- ✓ Allows the counselor to provide an overall greater level of customer service.

Challenges

- ✓ Large time commitment per client.
- ✓ Large financial resource commitment as cost per client can be high compared to a workshop.
- ✓ Managing increasing client volume because of outreach efforts can be difficult.

Down Payment Assistance Program

Pre-purchase counseling involves providing potential homebuyers with community resource information to help them purchase a home. First time homebuyer loan products and down payment assistance programs can be valuable and help a homebuyer

overcome potential hurdles to becoming a homeowner. The promotion of down payment programs can help an agency expand pre-purchase services. An example would be notification from a partner at a nearby housing authority that has received new funding enabling them to provide down payment assistance to area residents purchasing their first home. The partner also states that they would like to contract with the housing counseling agency to provide individual pre-purchase education to participating homebuyers. In this example the HCA can expand individual pre-purchase counseling through the promotion of a locally available first time homebuyer program.

Benefits

- ✓ Targets audiences for both pre-purchase counseling and down payment assistance programs.
- ✓ Helps connect agencies to community resources that could help with marketing and counseling outreach.

Challenges

- ✓ Keeping track of the availability of down payment funding.
- ✓ Keeping up to date on changes with program guidelines.

Homebuyer Clubs

Homebuyer clubs are a great way to help homebuyers stay motivated while overcoming obstacles to becoming a homeowner. Homebuyer clubs can help prospective homeowners overcome obstacles such as credit repair challenges, saving for a down payment, debt reduction, and building job history. With a lengthier program schedule, (i.e. setting up short workshops over several months), these support groups guided by an HCA can be a great way to expand capacity in new or existing areas. Even though these workshops are pre-purchase workshops broken down into smaller segments, they provide a “one step at a time” approach and more peer encouragement than traditional pre-purchase workshops.

Benefits

- ✓ Lengthens the education process for someone who is not immediately ready or qualified to become a homeowner.
- ✓ Ongoing support for the client if they encounter unanticipated challenges along the way.
- ✓ Peer support can help keep clients on track.
- ✓ Success is measured in small milestones moving towards homeownership.

Challenges

- ✓ Longer service delivery timeframe may mean higher program costs.
- ✓ Smaller size groups than traditional workshops.

10. Post-Purchase Counseling

Post purchase counseling topics generally address home maintenance and financial management for homeowners. However, there are many other specialized topics within this counseling type.¹ The variety of counseling topics in this area of housing counseling provides latitude for agencies to expand post-purchase services. Community needs vary drastically, but an agency that also provides pre-purchase counseling has an edge and access to clients that have just purchased a house. An agency can contact past clients and use a simple online survey to determine what topics could be combined to create a beneficial post-purchase program. Post-purchase counseling services have typically been structured around programs with client participation driven by requirements and incentives. Some loan products may require participation or provide incentives such as home improvement store discounts. Housing counseling agencies can also use incentives to attract clients to participate in their post-purchase services.

Workshops

Post-purchase workshops can be used to promote responsible homeownership. Expanding services with post-purchase workshops can be inexpensive, but measuring successes can be challenging. For instance, if a large portion of a post-purchase workshop is devoted to education about seasonal maintenance and small do-it-yourself repairs, measuring success outcomes (other than workshop attendance data) may be difficult given any reasonable timeframe. As a best practice, couple these topics with other topics that can produce measurable client successes, such as homeowner budgeting and credit management.

Benefits

- ✓ Reaching a large number of homeowners cost-effectively
- ✓ Can be tool to prevent future foreclosures among clients.

Challenges

- ✓ Attracting participants for a large workshop size.
- ✓ Inability to focus on specialized participant issues.

¹ Specifically, counselors address escrow funds management, budgeting, refinancing, home equity, home improvement, utility costs, energy efficiency, and rights and responsibilities of home owners. This counseling area also may include loan and grant options, housing codes and housing enforcement procedures, accessibility codes, non-discriminatory lending, funding for persons who modify their dwellings to accommodate disabilities, visibility and universal design, how to specify and bid construction work, and how to enter into and manage construction contracts.

Individual

Individual post-purchase counseling can be a great vehicle to provide specialized education on working with HOAs, understanding escrow accounts, and credit management. These areas of post-purchase counseling are more easily delivered in an individual setting. Counselors can work directly with homeowners to help plan and budget for improvements. For instance, if the homeowner is planning renovations, the counselor can help plan the timeframe for completion based on the homeowner's budget.

Benefits

- ✓ Counseling based on the client's actual financials.
- ✓ Allows for a counselor to cover only the relevant topics for each client.

Challenges

- ✓ Post-purchase counseling funding may be challenging to obtain unless the program is paired with another well-funded service.
- ✓ Attracting sufficient participants.

11. HECM Counseling

Reverse mortgage counseling assists seniors who want to convert the equity in their homes into income. Expanding services to include home equity conversion mortgage (HECM) counseling can be beneficial to a rural or underserved communities as well as the HCA. This counseling type has the highest barrier to entry as it requires extensive counselor training and certification requirements. In order for an agency to be eligible to participate in the HECM counseling program, they must have a counselor that is on the HECM Roster and must include HECM counseling in its HUD work plan. The HECM program also has a detailed protocol that is listed in the HUD Handbook. Unlike many other counseling services, the HECM program requires that a homeowner must receive one-on-one counseling and a counseling certificate prior to obtaining a HECM. One-on-one counseling can be completed face-to-face or via the telephone.

The steps to developing a HECM counseling program are:

1. Obtain counselor training and have counselors placed on the HECM Roster.
2. Determine if the HCA will charge seniors for the service; if so, determine the fee schedule.
3. Update the Housing Counseling Work Plan to include this information.

Like other counseling programs, the HECM program requires marketing. Outreach should be conducted to raise awareness of the service. Many of the HCA's HECM client referrals will come from lenders who have provided homeowners with a list of participating counseling agencies. It is the HCA's sole discretion to support the program costs by charging clients or fundraising.

Charging fees for HECM Counseling

Agencies are allowed to charge clients for HECM counseling services either at the time of counseling or at the time of the loan's closing through the loan proceeds. The HCA's fee should not exceed the HCA's costs and HCAs should be able to waive the fee if the client cannot afford it.

Benefits

- ✓ Program cost will be supported by fees.
- ✓ Client will take ownership of the process.

Challenges

- ✓ Developing payment structures.
- ✓ Collecting payment if the payment is provided through loan proceeds.

Operating HECM Counseling without Charging Fees

There are funding sources available to agencies participating in the HECM counseling program that would allow the agency to provide the counseling services free of charge. Funding sources include HUD and local county or city Community Development Block Grant providers.

Benefits

- ✓ Potentially a larger demand for services as other agencies may charge a fee for HECM counseling.
- ✓ Elimination of having to determine if a client can afford to pay

Challenges

- ✓ Securing necessary funding to cover all related program costs.

12. Rental Counseling

While rental counseling is considered a core component of any comprehensive housing counseling program, some HCAs have a more robust rental counseling program than others. Depending on market conditions, rental counseling may be a driving force for increased client volume. The core areas of rental counseling include:

- ✓ HUD rental and rent subsidy programs
- ✓ Other federal, state, or local rental assistance programs
- ✓ Fair housing laws
- ✓ Housing search assistance
- ✓ Landlord tenant laws
- ✓ Lease terms
- ✓ Rights of applicants and clients
- ✓ Rent delinquency
- ✓ Reasonable accommodations and modifications for persons with disabilities

Within each of these areas there is the opportunity to expand services. Depending on funding levels, client volume, and overall market conditions, the following methods for counseling may be appropriate. It is important to test each type of new program on a trial basis with a small number of clients before embarking on a large-scale program launch.

Workshop

Benefits

- ✓ The benefit of conducting a rental workshop is to provide a large group of clients with a uniform knowledge regarding basic tenant rights, landlord-tenant issues, fair housing laws, and rental assistance programs. Hosting a workshop can be offered as a general rental counseling workshop with a variety of issues covered or offered as a specific focus regarding direct financial assistance to prevent homelessness.
- ✓ One best practice of conducting rental counseling workshops is to offer workshop participants mini-lessons in mediation. HCAs can use this workshop component to teach tenants how to better communicate, negotiate, and resolve issues with landlords.

Challenges

- ✓ The challenge with all workshop settings is the inability to provide individualized attention to a client's specific needs. The workshop setting can be an awkward setting to divulge sensitive issues regarding finances, possible evictions, or potential issues regarding domestic violence. It is important to set the tone for the workshop at the onset of the meeting. One best practice to overcome this challenge is to

announce at the beginning of the workshop that participants are encouraged to share information they wish share, and that there will be an opportunity at the end of the workshop to schedule a one-on-one counseling session with a housing counselor to discuss issues specific to the client.

Individual

Individual rental counseling can be an effective tool to help clients resolve specific and complex issues regarding tenancy. Individual rental counseling is a difficult area for which to seek sole funding. With many HCAs, individual rental counseling is an add-on service to other programs. While the HUD housing counseling comprehensive grant award will generally cover the cost of this type counseling, this is usually leveraged with other grant opportunities. Rental counseling can be a very productive counseling type with measurable client outcomes derived from the activities, but the benefits must outweigh the challenges when considering expanding this counseling type. In many housing counseling programs the individual rental counseling is a prerequisite for direct financial assistance or used as a credit enhancement for at-risk tenancy applicants.

Benefits

The benefits of individual rental counseling are very meaningful for clients as this counseling provides protection against homelessness in ways other counseling does not. Individual rental counseling can help prepare clients for a discussion regarding homeownership. In some high-risk tenancy cases, a discussion of transition to homeownership is not appropriate. If a client with reasonable credit seeks help with a routine landlord-tenant issue, this may be a good opportunity to begin a discussion about a transition to homeownership.

Challenges

- ✓ The main challenge of individual rental counseling is the intersection of the complex legal considerations in the eviction process and the inability of housing counselors to provide legal advice. The challenge involves walking a fine between offering counseling and steering clear of providing legal advice. HCAs can manage this balancing act by seeking partnerships with local legal advocacy organizations; to find such partners, HCAs may contact their local bar association, pro-bono council, or other legal aid society.
- ✓ Another challenge of expanding individual rental counseling is encountered when this type of counseling is a prerequisite for client financial assistance. The prospect of clients receiving direct financial assistance to help avoid eviction will place an undue burden on the counselor to determine the veracity of claims made by a client in an attempt to receive assistance. One best practice to reduce the burden on the counselor is to require the client to provide third party verification of an involuntary hardship prior to providing direct financial assistance. This evidence of hardship could be medical bills, car repair bills, or other independent documentation of a client's hardship claims.

Landlord/Tenant Issues

Counseling clients regarding landlord/tenant issues can be an area of expansion for an HCA already providing individual rental counseling. This area of counseling can take one of two approaches:

- ✓ Coaching a client on the appropriate ways to communicate effectively with their landlord
- ✓ Actively mediating between a landlord and tenant

HCA's can coach clients regarding landlord-tenant issues in either a workshop setting or in an individual counseling session. One best practice in this counseling area is to host "Landlord 101" workshops for new landlords, or landlords with only a few investment properties. This workshop will help teach landlords the responsibilities, opportunities, and skills required to be an effective landlord. A workshop geared towards landlords could be a revenue source for an agency depending on the quality of content provided and the marketing of this workshop.

Benefits

The benefits of a landlord/tenant issue counseling program include educating both parties about effective strategies to deal with conflict. Funding for this program can be solicited from a variety of sources including local apartment trade associations, local realtor associations, and Community Development Block Grant Funding. Client fees can be collected if done in accordance with HUD regulations and also in consideration of other funding sources.

Challenges

The challenges associated with operating a landlord/tenant issue counseling program involve tensions inherent in an HCA's role as both a mediator and advocate. It is important to train counselors on mediation and negotiation tactics regardless of whether the counselor takes on a neutral or advocacy role. Another challenge is the possibility that the issue will not be resolved in a timely manner and may result in prolonged legal battles. Finally, if an HCA does not properly disclose their role in the mediation process, the HCA may become party to the legal dispute between the tenant and borrower.

13. Homeless Outreach Programs

The development or expansion into homeless outreach or prevention efforts is worthwhile endeavor. This includes, but is not limited to, providing information regarding emergency shelter, other emergency services, and transitional housing.

Conducting a point-in-time count or survey is a critical component of any homeless outreach program. The count is designed to determine the number of homeless individuals on a given night, and provides a snapshot of a community's homeless population. The point-in-time survey is a one-time, reliable, unduplicated count of sheltered and unsheltered homeless individuals and families in the community. This type of survey is a requirement for communities applying for HUD Continuum of Care funding to serve the homeless.

Benefits

Data gleaned from the point-in-time survey can be used to justify expanding or modifying existing services. If the community's needs are demonstrable as evidenced by data, funders are more likely to provide program support.

Challenges

Conversely, if the point-in-time survey is conducted and data over time indicates a limited or decreasing number of homeless individuals, this can be a sign that current service levels are adequate to meet the needs of the community and expansion may not be necessary.

Emergency Shelter

Offering emergency shelter to homeless individuals, or those at risk of homelessness, is a mission-driven enterprise. In other words, an HCA's mission should be consistent with this service because the commitment, resources, and costs associated with operating emergency shelters can be significant. For some agencies, however, an emergency shelter program may be the natural next step in the growth of an HCA and will not pose a significant strain on an agency's budget.

Some HCAs have launched emergency shelters through a consortium of other HCAs and social service agencies. A best practice for HCAs seeking to expand services in this area is to first start with a smaller-scale initiative, such as a cold weather care program developed in partnership with places of worship or other community organizations. Another entry point into this service area is through the use of direct financial assistance to provide at-risk clients with motel vouchers, first and last months' rent, or assistance with utility bills.

Benefits

Local jurisdictions benefit from emergency shelter operations as these facilities often provide homeless or at-risk individuals safe and healthy environments. HCAs providing these services may be able to attract clients at greatest risk of homelessness, and possibly offer this population a continuum of services designed to resolve their housing needs.

Challenges

HCAs operating emergency shelters may encounter "NIMBYism" or resistance from neighborhood residents and business owners concerned about the community risks associated with such initiatives. This challenge can be overcome with education, inclusionary decision making, and transparency. There are operational challenges

related to running a shelter which involve the safety of residents, and the ancillary services associated with transitions from homeless to housing. Many existing emergency shelters offer training opportunities to other non-profits, which can help HCAs launch operations with greater success.

Housing First

Housing First or "rapid re-housing" is a recent alternative to emergency shelter or transitional housing. Housing First suggests that it is more effective to move the homeless individual or household from the streets or homeless shelters into their own apartments, rather than progressing through a series of transitional steps.

Housing First is premised on the idea that a homeless individual's primary need is to obtain stable housing. All other issues within the household can and should be addressed once housing is secured.

Benefits

The benefit from this service type is the ability to focus clients on resolving other obstacles to self-sufficiency as the client's housing need has already been resolved. The primary benefit to funders (taxpayers) is that the Housing First model has proven to reduce the client's demand for other social services.

Challenges

The largest challenge to this program is the ability to find landlords or housing facilities willing to admit at-risk clients. The second challenge in this service area is the necessity to pair this program with a host of other services designed to provide clients with sufficient resources to assist in achieving self sufficiency.

Housing Search

Homeless individuals face many challenges navigating the housing search process. The lack of affordable housing combined with the credit profiles and housing histories of at-risk clients makes conducting a successful housing search very difficult. However, housing search services can remove some of the obstacles faced by homeless people.

Few HCAs have staff focused solely on providing housing search services. Because of the time demands of a housing search, combined with the client's other social service needs, HCAs may be reluctant to participate in this service area.

HUD has developed a toolkit for developing a housing search program. The toolkit offers practical tips and advice, descriptions of model programs, and links to additional resources. Information about HUD's Housing Search Toolkit can be found at <http://www.hudhre.info/housingsearch/index2.htm>.

Benefits

Housing search services often help clients find housing more readily than if they went about the process on their own. This service complements a continuum of services by ensuring that a client not only is able to find housing, but also has learned the skills to conduct a similar housing search in the future.

Challenges

The primary challenge associated with this service involves the credit and housing history of the clients seeking housing. In many cases a client is seeking housing search services due to multiple denials from market-rate housing providers. Also, in some cases the housing search process means negotiating with and entering into agreements with

landlords. These agreements may involve a supportive services plan to assist the client with a list of needs. Whether the housing counseling agency has direct financial assistance involved in the client's situation, or whether the client's case is limited to supportive services, it's important to delineate the role of the agency with any prospective landlord.

14. Service Delivery Methods

This guide has discussed several different counseling delivery methods, ranging from traditional counseling methods (one-on-one, in-person) to new counseling methods (such as web-based conferencing). Each delivery method can help an HCA expand services in a different way. The community, the location of the HCA, and the type of counseling service provided all play a role in deciding which delivery method to use. When an HCA is analyzing which service delivery method to use, keep in mind the community and the agency could benefit from multiple methods. The HCAs should always evaluate the effectiveness of the delivery methods they use. This is even more true when client volume shifts drastically up or down for any prolonged period of time. It is important to note that HUD Handbook requirements must be followed when delivering housing counseling service regardless of the service delivery method and all National Industry Standards for Homeownership Education and Counseling should be applied. Counselors utilizing a new service delivery method may need to develop new skill sets to be efficient and effective. There are many training opportunities from HUD-approved training providers that could help with developing the new skill sets needed.

Online Counseling

Online counseling can be a unique way to bridge distance gaps between counselors and clients, while still providing a face-to-face counseling experience. There are some technical aspects that counselors will need to understand. Online counseling can mean several things but the most common is conducting a counseling session via video conferencing with a web camera and an online video calling software or service. The counseling paperwork is transmitted by mail or electronically and follow up can be done in the method preferred by both the counselor and the client. This service delivery method is a great way to provide services to a rural community where the community size does not warrant starting a counseling agency or maintaining a physical presence of a counselor. Online counseling can also be used to provide group counseling services.

Telephone Counseling

Like online counseling, telephone counseling can also help bridge the distance between counselor and client. In addition, telephone counseling can help an HCA provide services more efficiently during a period of time when requests for counseling are very high. Telephone counseling can be very effective as long as the counselor is able to obtain the counseling paperwork prior to the appointment. With this method the counseling paperwork is mailed or transmitted electronically.

Group Education

Group education is a cost effective way for agencies to meet with more clients and still deliver a wealth of information in a standard format. It is common for a portion of the clients attending a group education session to be scheduled for a follow up one-on-one counseling session. Group education workshops can be used as an introduction to a new community when an HCA is expanding services. The marketing and outreach for a workshop can raise awareness that services are going to be available in the community. Note that an HCA that provides group education must also be able to provide individual counseling if the client chooses that method.

Individual Counseling

Individual counseling is the core counseling service delivery method. It is the most utilized counseling method. Individual counseling enables a counselor to provide detailed analysis of the client's situation and then craft a specific action plan to guide the client towards a specific end result. Whether it is foreclosure prevention counseling or pre-purchase counseling, the level of detail provided by the counselor will be much greater. Individual counseling could mean face-to-face, telephone or online counseling, but will always be the counselor and one client. While HCAs may offer a variety of counseling delivery methods, one-on-one individual counseling should be an option available to most clients.

15. Cultural Barriers

There are several challenges involved with counseling where a cultural difference between the client and counselor is present. Rapport may be difficult to establish due to differences in race and culture. Language differences may also hinder effective communication between counselors and clients. Counselors should attempt to thoroughly understand the various cultures present in their community. They should also be mindful of the types of recommendations offered to clients, as some recommendations may be deemed offensive or unacceptable.

One example of a counselor recommendation that may be deemed unacceptable involves asking clients to reduce or eliminate tithing from the household budget. Clients may believe that tithing is not a negotiable or flexible point on their budget. This belief may or not be shared by the counselor. Regardless of the cultural background of both parties, it is critical to avoid imposing a counselor's belief structure or cultural priorities upon a client's stated housing goals. In this example, it would not be culturally sensitive to suggest the client give up tithing; however, it is acceptable to suggest to the client the possibility of reaching out to their faith community during their time of need. Another suggestion that may be more acceptable is to ask the client to consider temporarily replacing a regular tithing contribution with in-kind contributions of time or talent.

Limited English Proficiency

One of the most common cultural barriers for a housing counseling agency to address would be in the area of Limited English Proficiency. It would be appropriate to employ tactics to insure that an agency has the capacity to overcome the barriers related to communicating when a client's preferred language. To learn more about how to implement an appropriate programmatic response to overcome language barriers please visit:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/whatislep

Referrals

When making referrals of clients to other service providers, it is a best practice to review with each referral agency the importance of cultural competencies and provide each referral partner with the resources necessary to address the client's need with appropriate sensitivity to the client's cultural background.

Fair Housing Act

As much as overcoming cultural barriers helps promote effective and productive housing counseling, the expectations and standards for HUD-approved HCAs are much higher. In accordance with Section 808(e)(5) of the Fair Housing Act, participating agencies must affirmatively further fair housing for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. Participating HCAs are expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice.

16. Politics and Housing Counseling

Housing counselors are typically considered trusted advocates and mediators free of any particular political association. While housing counseling activity remains apolitical, the associated fields of mortgage lending, housing finance, affordable housing, tenant rights, and housing subsidies tend to invoke greater political debates than housing counseling. Housing counseling has been proven to be effective, and its solutions to the housing crisis have been lauded by members of every major political party in the United States.

The politics of housing counseling become evident when government-funded housing counseling is debated. Some HCAs have used these debates as an opportunity to educate policymakers about the significant individual and social gains generated by housing counseling activities. Using cost and counseling outcomes data, many HCA advocates have effectively demonstrated the cost-effectiveness of housing counseling. For instance, a foreclosure prevention counseling session that costs hundreds of dollars may yield thousands of dollars saved by banks and mortgage servicers, preserved community home values, and retained equity for clients. Without comprehensive data collection demonstrating the benefits of housing counseling, the cost of housing counseling may be the only item discussed in the public arena, which may discourage continued funding. The political side of housing counseling funding becomes less fractious when advocates use data to show how housing counseling produces high quality outcomes.

Housing counseling will remain prominent in the U.S. housing finance industry even as the private and public sector continue to debate the role of homeownership as a vehicle for economic recovery. Regardless of the outcome of this debate, housing counseling will remain a service accessible by both the private and the public sector to facilitate a more equitable housing finance system.