



U.S. Department of Housing and Urban Development

Housing Counseling Federal Advisory Committee

May 22, 2018 Meeting Minutes

The Housing Counseling Federal Advisory Committee (“HCFAC”) of the U.S. Department of Housing and Urban Development convened a public meeting from 11:00 a.m. to 2:00 p.m. EST on Tuesday, May 22nd, 2018, via teleconference. Sixteen (16) members of the public and ten (10) HUD staff members were in attendance.

HCFAC Members present (Phone & Webinar):

1. E.J. Thomas, Chair, Real Estate Sector
2. José Larry Garcia, Mortgage Sector
3. Meg Burns, Consumer Sector
4. Pamela Marron, Mortgage Sector
5. Buz (Arthur) Zeman, Housing Counseling Sector
6. Judy Hunter, Housing Counseling Sector
7. Afreen Alam, Consumer Sector
8. Cassie Hicks, Real Estate Sector

HUD Staff present for all or part of the meeting (Phone & Webinar):

1. Dana Wade, General Deputy Assistant Secretary for Housing
2. Sarah Gerecke, Deputy Assistant Secretary, Office of Housing Counseling and HCFAC Decision Maker (DM)
3. Virginia Holman, Designated Federal Officer
4. Emelda Kennerly, Alternate Designated Federal Officer
5. Brenda Lambert, Contracting Officer’s Representative
6. Jerrold Mayer, Director, Office of Outreach and Capacity Building
7. Julie A Rice, HUD Staff
8. Kristen Villalvazo, HUD Staff
9. Terry Carr, HUD Staff
10. Stevens Lamarla, HUD Staff

Please see remaining list of attendees at the end of this document.

Opening of the HCFAC Meeting

HUD Designated Federal Officer Virginia Holman opened the meeting at 11:00 a.m. EST. A roll call was taken to ensure a quorum. Ms. Holman turned the meeting over to HCFAC Chair E.J. Thomas to make introductory remarks.

Mr. Thomas welcomed everyone and turned the meeting over to Deputy Assistant Secretary for Housing Counseling Sarah Gerecke. Ms. Gerecke introduced Dana Wade, who serves as the General Deputy Assistant Secretary for Housing. Ms. Wade announced that the Senate has come to a time agreement on the nomination of Brian Montgomery as Federal Housing Administration (FHA) Commissioner. She said that Mr. Montgomery is a strong supporter of housing counseling programs and the work of the committee. Ms. Wade noted that Congress' intent for the committee was to bring together representatives of the mortgage, real estate, consumer, and housing counseling industries to improve the impact and effectiveness of HUD's Housing Counseling Program. HUD Secretary Ben Carson is committed to economic empowerment and financial self-sufficiency and HUD's Housing Counseling Program is an important piece of the Secretary's vision. In FY 2017, the program taught more than 1.1 million families about budgeting, responsible use of credit, and ways to address barriers to housing. Ms. Wade then thanked the committee for its recommendations from the March meeting. She said they are exploring ways to help housing counseling agencies expand their capacity to assist reverse mortgage borrowers who may be at risk of default due to an inability to pay taxes and insurance. She noted that the Home Equity Conversion Mortgage (HECM) program at FHA continues to be a focus.

Ms. Wade noted that the OHC has already adopted some of the committee's suggestions. As part of Financial Capability Month in April, the OHC joined the Federal Emergency Management Agency, the Department of Treasury, and many other federal agencies in a social media campaign highlighting important aspects of being financially responsible.

HUD is planning to launch several EnVision centers and Ms. Wade noted that housing counselors have been involved in the launch. HUD is convening a June meeting in Detroit to connect housing counseling agencies to the first three EnVision centers. The centers will be a "one-stop shop" for residents to access employment and education services and become less dependent on publicly-assisted housing.

Ms. Wade said another HUD priority is to assist victims of recent natural disasters to recover and find stable and secure homes for their families. She said the agency hopes to announce additional grant funding for training and disaster preparedness and recovery, with emphasis on place-based training in Puerto Rico and the Virgin Islands. She said it is increasingly apparent that housing counselors can serve as a vital resource to homeowners who need help in the face of natural disasters. These funds reflect HUD's commitment to encouraging agencies and counselors to develop greater expertise in this area.

Ms. Wade next took a moment to recognize founding members Meg Burns, Larry Garcia, Cassie Hicks and Buz Zeman, whose terms expire at the end of May. She also noted that the OHC has received 128 applications to fill the eight open HCFAC member positions and has plans to announce the new members as soon as possible this summer.

Ms. Wade turned the meeting over to Ms. Gerecke, who provided three updates. First, she noted that while housing counseling agencies are interested in the upcoming FY 2018 Notice of Funding Availability (NOFA), the law does not allow HUD to comment on the timing or content of the NOFA. She said that Congress appropriated funds at beginning of May and the agency is committed to disbursing them as quickly as possible. She then mentioned a few recent policies that have been supportive of housing counseling. The Treasury Department issued a white paper on community reinvestment that contains recommendations to the oversight committees, including a recommendation for financial education. Next, Ms. Gerecke noted that the Mortgage Industry Standards Maintenance Organization (MISMO) adopted standards for housing counseling activities and reporting in April. She said that because of those standards, lender origination and servicing systems can now accept and track housing counseling data. The third highlight Ms. Gerecke shared is the agency's continued outreach, which she said was spurred by the committee. She noted that the HUD Exchange website had the second highest number of views for all of HUD and the video on housing counseling, which is on HUD's YouTube page, is also the second highest viewed video on the HUD website.

With respect to the additional support for disaster recovery mentioned by Ms. Wade, Ms. Gerecke said the agency has made available additional funds for the HUD training grantees to provide housing counselors with additional training in disaster recovery. Ms. Gerecke emphasized the difficulty in working to help people through a disaster and the important role that housing counseling agencies can play. She said that additional training is needed because the current pre-purchase or foreclosure prevention training is not sufficient for working with disaster victims. Ms. Gerecke also thanked training partners for current training programs provided by HUD and other industry groups on topics like post-traumatic stress and mold remediation. Lastly, Ms. Gerecke said the research by HUD and other organizations will soon provide additional reports that will be shared with the advisory committee through the Listserv and additional webinars.

Review of Housing Counseling Advisory Committee Recommendations Office of Housing Counseling Update

Mr. Thomas next began the discussion of the committee's review of the recommendations from the March 1, 2018 meeting.

Recommendation 1

HUD should engage HCAs to work with loan originators on:

- a. Collecting consumer fees for counseling in the loan transaction.**
- b. Providing credits to closing costs or LLPA for counseled borrowers.**

José Larry Garcia expressed support for the recommendation and said that implementing the recommendation will generate more than \$300 million to help sustain the 1,900 housing counseling agencies. He added that all stakeholders will benefit in that buyers will receive more homeownership

counseling and education, sellers will benefit from shorter mortgage closing time periods, and lenders will have buyers who are mortgage-ready and otherwise better prepared.

Mr. Thomas asked Mr. Garcia for his thoughts on where the repository for the fees should be located. Mr. Garcia responded that the issue needs to be researched to determine any procedural or legal issues. He also said that the OHC can serve as a facilitator to develop the fund and that the players would come to an agreement about where the funds would be housed and how they would be distributed.

Mr. Thomas next asked Ms. Gerecke how such a fund would work. Ms. Gerecke noted that some research has been done but said that a statutory change would be required by Congress because HUD is not currently authorized to collect and distribute private funds. Ms. Gerecke also noted that the desire to charge a fee on every transaction would also require legislative change and complicated changes to state and local tax rules since the transactions are generally closed on a county or city basis.

Referencing Recommendation 4, Ms. Gerecke said that this is a large and complex project and not one the agency has the capacity to explore at this time. She added it would be costly even to undertake the research necessary to determine how to implement the recommendation. Ms. Gerecke noted that some states have already implemented similar measures. For example, Maryland and Oregon collect real estate transactions fees and dedicate some of those fees to housing counseling. Ms. Gerecke did note that the agency is researching ways that housing counseling agencies can diversify their revenue base and said the agency plans to put out a research product on that in the next few months.

Ms. Hicks suggested that the committee research partnering with state housing finance agencies to access their housing trust fund or housing counseling dollars and create a set aside. Ms. Gerecke agreed to research the idea.

Ms. Marron suggested that the committee implement a fee for service to be paid by the consumer up front. She said this idea is well received in the mortgage industry and mortgage loan originators can provide a credit on the closing disclosure for the service that a borrower may have incurred at a housing counseling meeting if it is designated for a specific service and is approved on the closing disclosure statement.

Ms. Gerecke thanked the advisory committee members for keeping the focus on revenue and sustainability overall. She expressed the desire to continue working with loan originators on Recommendation 1. Ms. Gerecke stressed the importance of maintaining the independence of housing counseling free of incentives to steer consumers. HUD rules state that the mission of housing counseling needs to maintain firewalls between housing counseling and lending, and that counselors act in the interest of the client and do not have financial incentive to steer clients to homeownership or a particular lender. She added that HUD also regulates consumer fees to make sure they are reasonable and customary, with a sliding scale for those who cannot afford to pay the fee. Ms. Gerecke noted that the agency recognizes that many stakeholders, including lenders and the clients themselves, benefit from housing counseling and stated the expectation that agencies leverage their federal funds into other sources of revenues.

Ms. Gerecke added HUD would like to gain clarity on what the rules permit in terms of consumer fees, collecting fees in the transaction, and providing credit for counseled borrowers. As a result, HUD has begun a review of federal, conventional, and FHA policies regarding closing costs and loan-level price adjustments. The agency will then provide appropriate training to HCAs and loan originators. Ms. Gerecke added that the MISMO adoption will greatly assist these efforts because lenders will be able to track the counseling in a standardized way.

In addition, Ms. Gerecke said that there are preparations to modify Form 9911, which is a certificate that the counselor will be able to issue that proves that the client has received counseling that meets HUD standards. She mentioned that such a certificate already exists for reverse mortgage counseling, and the modified one will be for pre-purchase, default, rental and other types of counseling, and will be part of the loan or modification package.

Recommendation 2

HUD should consider the timing of appropriations and create ways to minimize financial stress to housing counseling agencies on late grant awards.

Ms. Gerecke said there are two laws that prohibit HUD from discussing the timing or the content of appropriations but said that HUD shares the committee's concerns that grant awards are made very late in the fiscal year. She emphasized that the agency cannot make awards until the appropriations law is passed. Ms. Gerecke said HUD needs to adjust the NOFA each year to meet current needs, and it expects to do so this year and that HUD has increased the flexibility of agencies to spend funds by allowing an 18-month performance period.

Afreen Alam asked whether it was possible to create of a pool of federal funds that HUD could disburse during the period before the congressional appropriations process is complete. Ms. Gerecke said the current statute requires that the funds are distributed competitively and for the year that they are appropriated. Congress would need to make a special appropriations to permit spending of funds prior to release of the NOFA and would require congressional action.

Ms. Alam next asked whether HCAs can take up the issue with their respective lawmakers in Congress. Ms. Gerecke noted that as a member of the executive branch, the agency cannot advocate for legislation with the legislative branch. She noted that as constituents, committee members can advocate in their individual capacity with their congressperson.

Judy Hunter commented that from an intermediary's perspective, most will not spend HUD funds until the grant award is made, so even with the 18-month grant period they often only have six months to spend the funds. This creates a lot of stress on both the Rural Community Assistance Corporation (RCAC) and also on sub-grantees. Ms. Gerecke indicated the agency will explore any flexibility within the parameters of the current award timeframes.

Recommendation 3

Form Subcommittees as needed to conduct research and expedite work.

Ms. Gerecke said the authority to form subcommittees already exists in the Federal Advisory Committee Charter, which specifically states that the Secretary has exclusive authority to create and disband subcommittees. Subcommittees can only report to the committee established by the charter and may not provide advice or work products directly to the agency. The committee itself is the only entity that can approve the work of the subcommittee. Ms. Gerecke added that in addition to forming subcommittees, the committee can choose to form working groups for any purpose. However, Ms. Gerecke said, it cannot meet in a group bigger than the quorum for the committee, because that would trigger Federal Register Notice requirements.

Recommendation 4

HUD should promote sustainability of housing counseling agencies. Research alternatives such as a dedicated fee (i.e., \$50 at home closing) to go to a fund to distribute to HUD housing counseling agencies.

Mr. Thomas noted that Ms. Gerecke already had responded to Recommendation 4 as part of the discussion of Recommendation 1. Ms. Gerecke added that HUD data show that agencies raise approximately six dollars in non-federal funding for every dollar of HUD housing counseling grant funds received. Ms. Gerecke also said that in the research on revenue sources, there is a wide variation in the types of revenues that agencies receive. For example, the issue of whether to charge clients fees for services varies quite substantially among agencies, with some considering it and others offering services for free as part of their mission. Ms. Gerecke emphasized that HUD permits but does not take a position on charging clients fees and provides guidance to agencies that choose to do so. She added that sharing information on how agencies have successfully charged clients fees may be helpful to others and said HUD will publish the information hopefully towards the end of the summer. She also said a webinar on diversification of funding sources was offered during the spring and that HUD will offer another webinar in the future as part of continuing efforts to help agencies find other sources.

Mr. Garcia urged HUD to continue to research a path to implement the recommendation, including sharing the research with stakeholders and legislators. Ms. Gerecke indicated sharing the research can be achieved.

Ms. Marron asked whether there are written instructions on how to form a working group and how can the information on setting up a successful fee for service be shared with the group. Ms. Gerecke said the OHC will send the committee guidelines on working groups as well as ways the committee can share information among committee members. She noted that there are limitations because the information will be publicly accessible due to sunshine law requirements.

Mr. Thomas asked Ms. Gerecke whether there is any prohibition against creating language to share with congressional representatives or U.S. senators in committee member home districts that would provide a legislative solution to creating the fund. Ms. Gerecke said she would get the Office of General Counsel guidance on committee member communications with elected officials both as members of the advisory committee and in their private capacities. She noted that the guidance will be shared with all the committee members. Mr. Thomas said that obtaining the guidance would be helpful because some committee members have strong advocacy functions within their respective organizations and having guidance around what can be said would be helpful.

Recommendation 5

Marketing and awareness/public relations:

- a. Explore changing the name “housing counseling” and choose a name that makes folks feel good about asking for help.**
- b. Expand the Listserv to include all HCFAC members (done).**
- c. Provide training on social media. Train HUD to better use Facebook, Snapchat, and other social media tools.**

Ms. Gerecke said that HUD has begun to research the process and implications of changing the name “housing counseling.” She explained that that the process of changing the name “housing counseling” could be as far-ranging as changing the name of the OHC, which would require a legislative change. She added that the process could also involve recommending a name that housing counseling agencies use for themselves, which is something not directly under HUD’s control, but they may be able to suggest and move the industry in that direction. Ms. Gerecke said appropriate names must be found and the legal implications of each option must be determined. She noted that both Deputy Assistant Secretary for Single Family Housing Gisele Roget and Ms. Wade support exploring a name change and the process has been started. The committee will be updated on an incremental basis with the results of the name change options and legal implications.

Mr. Thomas asked Ms. Gerecke how long would the process take with respect to obtaining a number of acceptable names for consideration for an in-house vote. Ms. Gerecke responded that she did not know how long the process would take or what legislative parameters currently exist. She added that best practices need to be researched with respect to other programs that have similarly instituted a name change.

Ms. Gerecke indicated that the second part of Recommendation 5, expanding the Listserv to include all HCFAC members, had already been completed.

With respect to Recommendation 5.c., Ms. Gerecke noted that HUD has already started implementing the suggestion to train HCAs on social media. HUD has created a six-part series of webinars on ways to reach consumers using social media and media relations, and has conducted trainings on basic social media use and advancing content strategy. The webinar series will be completed at the end of May, in time for agencies to take advantage of HUD’s homeownership month messaging in June. HUD staff have

also been trained and HUD's social media presence in housing counseling is being reviewed. Ms. Gerecke also noted that, spurred by the committee, the OHC recently joined FEMA and other federal agencies in a Facebook Live event and HUD program policy specialist Terri Ames conducted a live chat on Facebook during Financial Literacy month. The chat received thousands of views in the five days after the event. Lastly, Ms. Gerecke mentioned that 2018 is the 50th anniversary of HUD's Housing Counseling Program and requested assistance from historians that can help to compile a history of the program. She also noted that HUD is contemplating an event to mark the anniversary that would probably occur in the fourth quarter of the year.

Recommendation 6

Create continuing education classes in housing counseling for loan originators and real estate agents.

Ms. Gerecke said that HUD is interested in implementing this recommendation and will reach out to industries that conduct the training. She also asked committee members for any contacts they have in the continuing education area.

Ms. Marron said that the training is needed in both the mortgage and real estate industries. She has found that many mortgage industry colleagues are not aware of the help that housing counseling can provide borrowers. Ms. Marron noted that while real estate agents are more cognizant, there is still not enough awareness of what housing counseling can provide borrowers other than it is required to obtain down payment assistance.

Ms. Alam agreed and suggested that the continuing education be provided free of charge.

Ms. Hicks suggested that the committee partner with local, state, and national real estate industry conference groups to have a large audience for the classes. Ms. Marron indicated a working group created from this committee would be great for this purpose. Ms. Gerecke expressed interest in partnering on this and said HUD had great housing counseling presenters around the country.

Ms. Hicks also suggested that once HUD obtains the relevant contacts for conferences, it should also work with local and state agencies to continue the partnership.

Mr. Zeman commented that the National Reverse Mortgage Lending Association does a good job training lenders who want to be ethical and responsible about selling reverse mortgage loans, though he still encounters situations where the HUD protocol for reverse mortgage counseling is ignored by lenders who just want to close the loan.

Recommendation 7

Permit HUD to distribute funds from private funders. Create a pool that donors can contribute to that would supplement the appropriated funds.

Ms. Gerecke noted that this recommendation is similar to Recommendation 4, but that instead of a charge on each transaction, foundations or other organizations could contribute to a pool. She said that implementing this recommendation would also require congressional legislative action. HUD is not authorized to accept or distribute funds outside of the monies appropriated by Congress. Ms. Gerecke also mentioned that in past years, the President submitted a proposal for HUD to distribute private funds for the housing counseling program but there was no interest from Congress to pursue it further.

Recommendation 8

Bake housing counseling into the mortgage process through incentives and ensure the counseling occurs early in the process (prior to contract of sale):

- a. Require or incentivize housing counseling on FHA loans.**
- b. Review and revise all FHA requirements to embrace housing counseling (origination and loss mitigation).**

Ms. Gerecke noted that HUD generally has been encouraging these policies. She discussed the recommendation with respect to FHA loans with both Ms. Roget and Ms. Wade who appreciate the committee's concerns but said that there are other immediate priorities. These priorities include preserving the Mutual Mortgage Insurance Fund, responding to needs of disaster victims, and ensuring reverse mortgage borrowers avoid default. However, Ms. Gerecke said, they do want to take up the committee's recommendation to review FHA protocols around housing counseling. She said the OHC and the Office of Single Family Housing will work together to identify opportunities to better connect borrowers to housing counseling agencies on both the origination and loss mitigation sides. Ms. Gerecke explained that it is still possible that HUD will incentivize counseling on FHA loans in the future and noted that because there may be new leadership at FHA, the OHC will continue to make FHA aware of the committee's view on creating an incentive for FHA mortgages.

Recommendation 9

Reverse Mortgage #1: Terms for nonborrowing spouse too onerous. Consider alternatives to evicting the nonborrowing spouse if borrower is in assisted living for more than a underwrites for the younger borrower, but that borrower can't benefit from it. Train HCs to help them understand NBS requirements.

With respect to the first of three recommendations related to reverse mortgages, Ms. Gerecke explained that this recommendation is not under the purview of the OHC. However, she shared Recommendations 9 through 11 with Ms. Roget and Ms. Wade and they indicated HUD has made significant changes to the HECM program to improve its financial sustainability and is always reviewing how the program is working. Ms. Gerecke added that the leadership of the Office of Single Family Housing and the front office would like to speak more to the advisory committee about the issue, but noted that HUD does not currently have plans to change the requirements regarding HECM borrower residency in the home absent additional information from practitioners. Ms. Gerecke emphasized the

importance of training housing counselors on the issue and said that there is an intent to research and support training for housing counselors to help them better understand the non-borrowing spouse requirement.

Ms. Burns expressed concern with the wording “if borrower is in assisted living for more than a year” going above and beyond the concerns around the nonborrowing spouses. She asked the committee to consider reframing the recommendation in a way that speaks to the broader concern that nonborrowing spouses do not have the same set of benefits that the borrower has and that counselors should ensure that consumers considering a reverse mortgage understand that. The suggestion is to remove the second sentence.

Mr. Zeman agreed. He also noted that the recommendation could expand on the last sentence. His agency added a signoff by the counselee saying they understand the potential problems of using the reverse mortgage as a nonborrowing spouse, including that there is no guarantee that the nonborrowing spouse will be able to take advantage of it. He noted that most counselors do not even talk about this aspect of HECM and that many lenders do not understand all the details.

Ms. Burns agreed, suggesting that “and constraints” be added to the last sentence in the recommendation.

Recommendation 10

HUD instructions on HECM default can be improved. 1/3 people in T&I default can be helped. HUD should improve directions to lenders, should allow catching up if more than \$10,000 in default, should allow those over 80 to catch up. Require lenders to assist borrowers with workouts. Require lender referrals to HECM default agencies.

Mr. Zeman clarified that HUD guidance on the issue suggests that lenders assist borrowers if they are less than \$10,000 in default but does not encourage them to assist borrowers who are more than \$10,000 in default or more than 80-years old. He noted that the issue is at the lender’s discretion, but lenders should refer people to HECM default counseling agencies rather than just default.

Ms. Gerecke said that the recommendation touches on an important issue for HUD, which is a concern about borrowers who cannot pay their taxes and insurance. She said that the issue has become more of a problem for loans that closed before HUD began requiring escrow agreements. Ms. Gerecke also mentioned that HUD is reviewing all recommendations on ways to reduce tax and insurance default and the Office of Single Family Housing is developing a response strategy, including tools to support agencies providing HECM default prevention services. She said that the OHC sees the need for broader capacity for agencies who can become skilled in helping borrowers avoid default in reverse mortgages.

Mr. Zeman indicated he has received a grant for default counseling, but not HECM counseling.

Ms. Marron noted that Recommendation 10 is important because some HECM borrowers in Florida also have Property Assessed Clean Energy (PACE) loans – loans to make energy improvements to a home.

The PACE loans are being attached to the tax bill, and there are increasingly more HECM homeowners shocked by the additional tax bill. Ms. Gerecke said she will share the issue regarding PACE loans with the Single Family team.

Recommendation 11

HECM borrowers need keys for cash program where default ends when keys are given. Now they must continue to pay until the paperwork is processed. Make it simple.

Ms. Gerecke asked Mr. Zeman to read his full proposed recommendation. Mr. Zeman:

“When a HECM borrower leaves the home, one option is to do a ‘deed in lieu of foreclosure,’ which is the same as turn over the keys. And that’s a common result when a borrower owes more than the home is worth. Currently, it can take up to a year for this to go through. Worse, in the meantime, the borrower or heir is told by the lender and HUD they must keep up taxes and insurance until the process is complete. Housing counselors and lenders tell HECM borrowers ‘you never owe more than what the home sells for.’ Borrowers are not told they could have tax and insurance obligations after they move out of the home. And my further contention is that if there are costs associated with delay that just can’t be avoided, then the mortgage insurance pool should handle those costs.”

Ms. Gerecke said Ms. Wade and Ms. Roget were very appreciative of this recommendation and would like to have more conversation with experts in this area and the national servicing center to understand the process. She added that they will also look at the forward mortgage process and conduct more research and information gathering to determine options. Ms. Gerecke also told Mr. Zeman he may be asked to have a conversation with them directly.

Recommendation 12

Create a more standardized and streamlined approach to housing counseling across the board.

Ms. Gerecke told the committee that the OHC wants to understand where the program pain points are and make things easier. She said the OHC recently rolled out tools to help agencies decide whether they want to join the program and become HUD-approved and to self-assess whether they are ready and understand the requirements. Ms. Gerecke said it would be very helpful to hear more feedback from the committee about where streamlining is most needed and also where additional standards may be required.

Ms. Gerecke also stated one issue from the last meeting is that consumer experience varies from agency to agency. The OHC would like to know more on this.

Ms. Alam said one of the issues with respect to standardization is that some agencies have very different experiences from one HUD audit to another. She added that the recommendations proposed by HUD staff also varied from time to time. Ms. Gerecke agreed that HUD has been inconsistent and is working

towards consistency. She invited agencies that have questions about their review or concerns about the HUD staff interpretations of the rules to seek review of the issue. If the agency prefers to be anonymous, it can also file a complaint. Ms. Gerecke said that if there are issues where staff need more training or one individual is holding a very different standard than another that can only be addressed if it is known. She also said the agency is working on a revision to its review process that will create more standardized outcomes.

Mr. Thomas thanked the committee members for their comments and Ms. Gerecke for her responses.

Recognition of founding members whose terms will be expiring

Mr. Thomas then acknowledged the hard work and professional input that Ms. Burns, Mr. Garcia, Ms. Hicks, and Mr. Zeman have provided during their time on the committee and thanked them for their comradery during the process.

Ms. Gerecke also expressed gratitude to the four members. She said that each member has contributed something special to the committee and to the program and that the OHC will continue to seek their input as long as they are interested in providing it.

Ms. Burns thanked Ms. Gerecke and the full committee. She appreciated the opportunity to meet the members, discuss the issues, and develop a set of recommendations and is happy to offer additional help to the committee in the future. Ms. Gerecke said Ms. Burns has left a strong mark on this program and expressed appreciation for learning from her.

Mr. Garcia thanked entire OHC staff for their dedication. He also thanked Ms. Gerecke for the latitude she gave to the committee. Ms. Gerecke thanked Mr. Garcia for his commitment to see revenues come through for the housing counseling agencies. Mr. Thomas thanked Mr. Garcia for his service.

Ms. Hicks expressed that she was thankful for the opportunity to have been a voice within the council. She said she is looking forward to the positive outcomes that will come from the committee's work and will be of assistance in any way she can. Ms. Gerecke thanked Ms. Hicks for her work and said her insights come from a deep understanding of the barriers that some people face to become homeowners. Mr. Thomas said that Ms. Hicks' compassion has shown throughout her service on the committee.

Mr. Thomas credited Mr. Zeman for providing a learning experience with respect to HECM. Ms. Gerecke said Mr. Zeman is always a resource to the committee. Mr. Zeman thanked all on the committee and stated that Mr. Thomas' leadership on the committee was very impressive.

Public Comments

Mr. Thomas opened the meeting for public comment.

Ms. Jena Roscoe with Operation HOPE expressed appreciation for the comments with respect to providing housing counseling services to people impacted by natural disasters.

Final Comments and Adjournment

Mr. Thomas noted that the committee discussed the potential for putting together an in-person meeting in Washington, D.C. after October 1st, when there will be an FY 2019 budget and asked Ms. Gerecke for any updates.

Ms. Gerecke said that prior to the in-person meeting, the Secretary will have to appoint the eight new committee members. The OHC will be reviewing the new member applications, the Secretary will make the appointments, and then there will be a meeting to orient the new members. Once the new members are on board, there will be a full meeting, estimated to occur at the beginning of FY 2019. Tentative dates will be sent to those members who are continuing on the committee. In the meantime, the existing members may be invited to the new member orientation.

Ms. Alam asked whether it is possible to obtain HUD's responses to the recommendations in writing. Ms. Gerecke said there is a lengthy clearance process in providing that, but noted that the meeting is recorded and committee members will be sent a link to access the recording.

Ms. Gerecke thanked all of the committee members for putting together the list of actionable recommendations and Mr. Thomas for his leadership.

The meeting adjourned at 1:00 p.m. EST.

Summary of Action and Follow-Up Items

Follow-Up Items	Page No.
1. The OHC agreed to research partnering with state housing finance agencies to access their housing trust fund or housing counseling dollars and create a set aside pool of funds.	4
2. The OHC plans to put out a research product on diversifying revenue base in the next few months.	4
3. The OHC is reviewing policies regarding closing costs and loan-level price adjustments and will provide appropriate training to HCAs and loan originators.	5
4. The OHC will explore any flexibility within the parameters of the current award timeframes to reduce stress on grantees.	5
5. The OHC will share research on alternatives such as a dedicated fee to promote sustainability of housing counseling agencies.	6
6. The OHC will send the committee some guidelines around working groups as well as ways the committee can share information among itself.	7
7. The OHC will update the committee with respect to “housing counseling” name change activities.	7
8. The OHC will obtain Office of General Counsel guidance on committee member conversations with elected officials and share with all the committee members.	7
9. The OHC will contact industries that conduct continuing education classes for loan originators and real estate agents to assist in creating continuing education classes on housing counseling.	8
10. The OHC agreed to work with Ms. Marron on creation of a working group on educating loan originators and real estate agents on housing counseling.	8
11. The OHC and the Office of Single Family Housing will work together to identify opportunities to better connect borrowers to housing counseling agencies both on the origination side and the loss mitigation side.	9
12. The leadership of the OHC and the front office would like to speak more to the	9

Follow-Up Items	Page No.
advisory committee about the issue of HECM borrower residency in the home.	
13. The OHC will research and support training for housing counselors to help them better understand the non-borrowing spouse requirement.	10
14. The OHC will share the issue regarding PACE loans with the Single Family team.	11
15. The OHC would like to hear more feedback from the committee about where streamlining is most needed and where additional standards may be required in housing counseling.	11
16. The OHC will send the committee members a link to a recording of the meeting.	13

List of All Attendees (Cont'd)

Contractor Staff, PAVR Software Solutions, LLC (Phone & Webinar):

1. Ravi Nara, Managing Principal
2. Zach Urban, Staff
3. Rabab Butti, Staff
4. Tamu Wright, Staff
5. Sheila Anders, Staff

Public Attendees (Phone):

1. Freddie Corbitt Batchelor, Enterprise of Destiny
2. Christina Brown, Atlantic Bay Mortgage
3. Amber Bruffy, Atlantic Bay Mortgage
4. Brian Carman, HCDA
5. Aida Colon, Detroit MI
6. Sue Ellen Holmes, Christopher Community, Inc.
7. Joy Huska, CFS
8. Theresa D Kemp
9. Sherri L King
10. Edward Daniel Malloy
11. Suzett Moffitt, God's Helping Hand
12. Shawna A Nelms, Community Homeownership Center
13. DeAnna Nuce Oflaherty, SJHP
14. Anthony Rico-Storey, Louisville Metro Housing Authority
15. Jena Roscoe, Operation HOPE
16. Maile Smith, Parkview Services

We hereby certify that, to the best of our knowledge, the foregoing minutes are accurate and complete.

Signature

Date

E.J. Thomas, HCFAC Chair