



How to Become a Home Equity Conversion Mortgage (HECM) Roster Counselor Toolkit





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TOOLKIT OVERVIEW

HOW TO BECOME A HOME EQUITY CONVERSION MORTGAGE (HECM) ROSTER COUNSELOR TOOLKIT

Toolkit Description

This toolkit provides detailed instruction on the steps necessary to become a HECM roster counselor. It is designed for HUD-approved housing counseling agencies and counselors that want to provide HECM counseling under the HUD Housing Counseling Program.

Learning Objectives

Users of this toolkit will be able to:

- Understand the basics of reverse mortgages and related counseling requirements for HECM
- Follow the steps to obtain HECM roster certification
- Find related resources for HECM roster counselors



OVERVIEW OF REVERSE MORTGAGES & HECM COUNSELING

What is a Reverse Mortgage?

A reverse mortgage is a mortgage product that pays a homeowner loan proceeds drawn from accumulated home equity and that requires no repayment until a future time. Reverse mortgages allow homeowners to convert equity in their homes into income that can be used to pay for home improvements, medical costs, living expenses, or other expenses. The equity that the homeowner builds up over years of making mortgage payments can be paid to the homeowner.

There are three types of reverse mortgages:

- **Single purpose reverse mortgage** - Typically offered by state and local government agencies to be used in only one specific way, for example, home repairs.
- **Proprietary reverse mortgage** - A reverse mortgage that is privately insured and generally for higher valued properties.
- **Home Equity Conversion Mortgage (HECM)** - A reverse mortgage insured by the Federal Housing Administration (FHA) for loans within HUD's maximum loan limit. Special requirements apply, including the issuance of form [HUD-92902 Certificate of HECM Counseling](#). Homeowners must receive HECM counseling in order to obtain a HECM loan, as described below.

What is Reverse Mortgage Counseling?

Reverse mortgage counseling is defined as independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals. Homeowners may seek or be referred to housing counseling services from an HCA when they are considering obtaining a reverse mortgage or when they are delinquent or in danger of default on an existing reverse mortgage.

Reverse mortgage counseling offered by a HUD-approved HCA, regardless of the type or status of the client's reverse mortgage, must be performed by a HUD-certified housing counselor. HCAs may also provide general education on reverse mortgages in a group or workshop setting, but group education does not take the place of the one-on-one counseling session required for a borrower to obtain the HECM Certificate.

What is HECM Counseling?

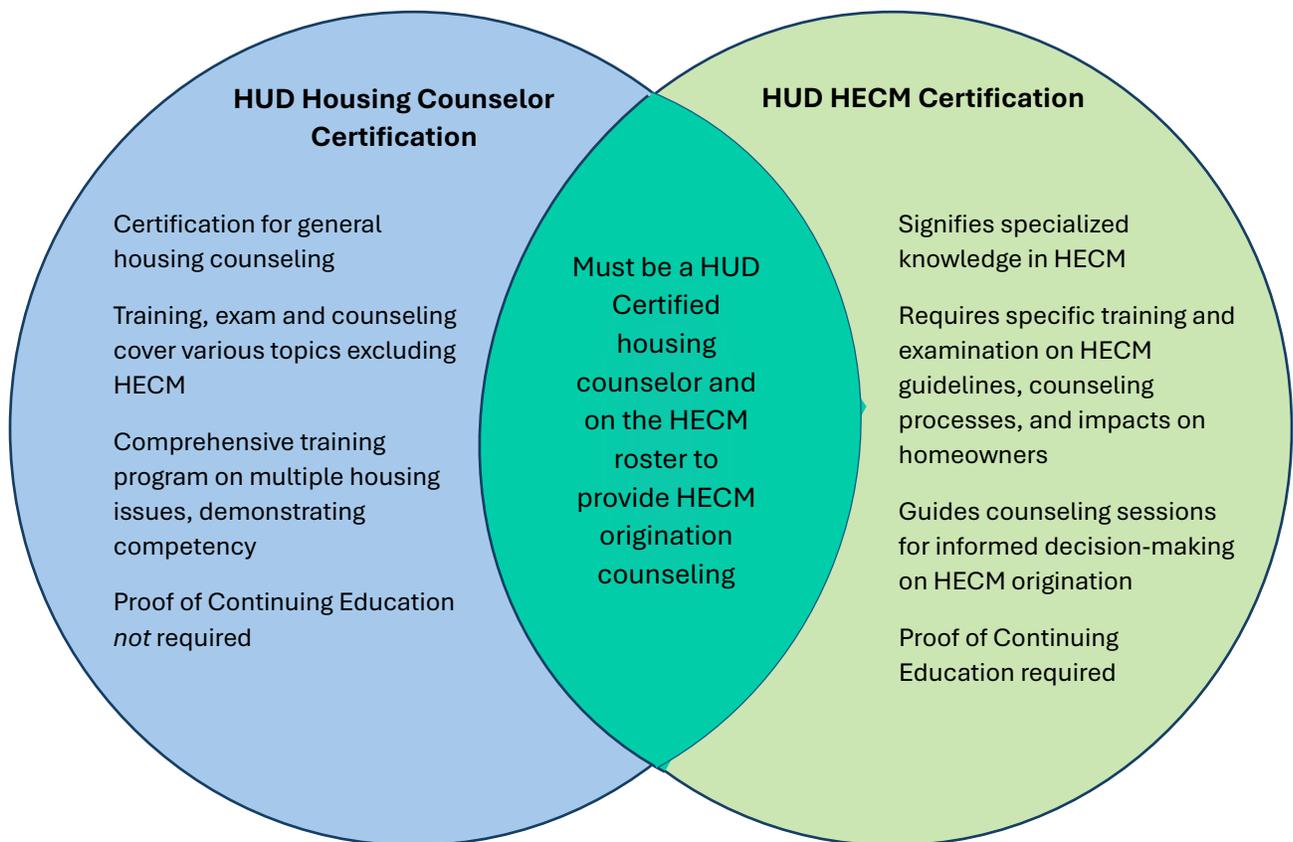
HECM counseling is a type of reverse mortgage counseling for borrowers of HECM loans. HECM counseling is provided to potential and current borrowers of HECM loans and must include certain



topics specific to the HECM loan product as described in the [FHA Single Family Housing Policy Handbook 4000.1](#), the [HUD Housing Counseling Program Handbook](#), and any housing notices issued regarding HECM counseling.

While HUD-certified counselors may provide counseling on reverse mortgage default and origination of other types of reverse mortgages, only counselors who are HUD certified **and on the HECM Roster** as defined below can provide counseling specifically on HECM origination for potential borrowers and issue the [HUD-92902 Certificate of HECM Counseling](#) following the completion of one-on-one counseling.

Differences between HUD Housing Counselor Certification and HECM Certification





WHAT IS A HECM ROSTER COUNSELOR?

A HECM roster counselor is a HUD-certified housing counselor who is also certified to provide counseling for HECMs, which are a type of reverse mortgage.

Key Roles & Responsibilities

Certification	HUD Roster	Counseling Sessions	Education and Guidance
<ul style="list-style-type: none">• HECM roster counselors must complete specific training and be certified to advise clients on reverse mortgages, ensuring they understand the nuances of HECM products and regulations	<ul style="list-style-type: none">• HECM roster counselors are listed on a roster maintained by HUD. Being on this roster signifies that they meet HUD's requirements and standards for providing HECM counseling	<ul style="list-style-type: none">• HECM roster counselors conduct one-on-one counseling sessions with homeowners considering a HECM, helping them understand the implications, costs, benefits, and alternatives to reverse mortgages	<ul style="list-style-type: none">• HECM roster counselors provide valuable education about the HECM process, including eligibility criteria, financial implications, and the potential effects on heirs and estate planning

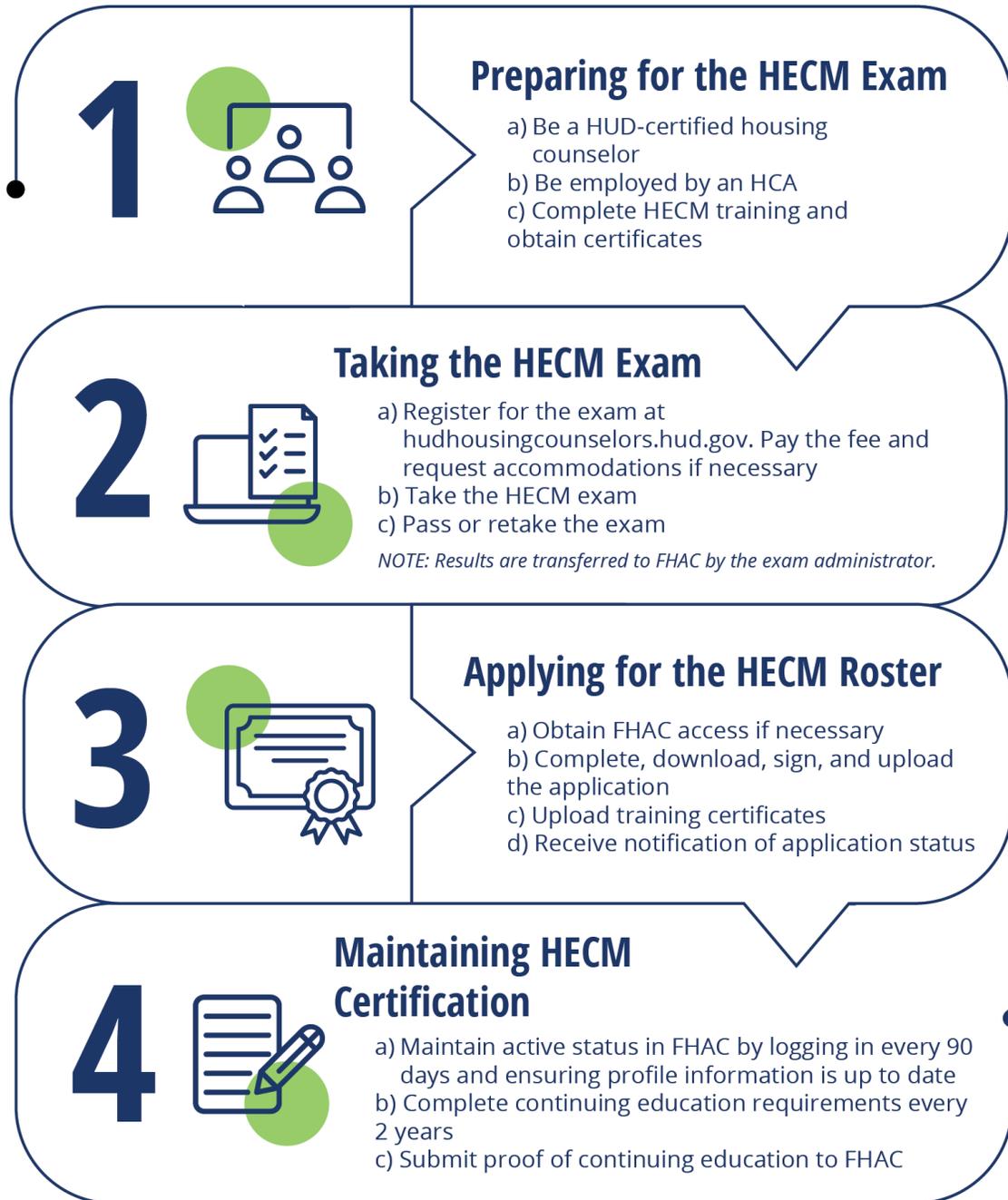
In addition to the responsibilities outlined above, HECM roster counselors must not offer or perform any services that conflict, or appear to conflict, with the best financial interests of the client. In turn, reverse mortgage lenders may not steer, direct, recommend or otherwise encourage a client to seek the services of any one particular counselor or counseling agency.

HECM roster counselors must educate all prospective reverse mortgage borrowers about how to avoid becoming victims of fraud. If the counselor suspects fraud, elder abuse, financial exploitation, or coercion is occurring, the counselor must contact the HUD Office of Housing Counseling or HUD's Office of Inspector General and other authorities as required by state or local law. The counselor should provide clients with the elder abuse hotline in that client's state.

Overall, HECM roster counselors play a vital role in the reverse mortgage process, ensuring that homeowners receive accurate and comprehensive information before proceeding with such financial products.



STEPS TO BECOME A HECM ROSTER COUNSELOR





As outlined above, there are several steps to complete the process to become a HECM roster counselor. The steps are outlined in more detail below.

1. Preparing for the HECM Examination

- a) Be a HUD-certified housing counselor. HUD certification is required of all housing counselors working for HUD-approved HCAs.
- b) Be employed by an HCA. Note the HCA must add HECM Counseling as a service type to the Agency's Work Plan and comply with the service requirements outlined in the HUD Handbook. For more information on the requirements for HCAs to offer HECM Counseling, see Reverse & Home Equity Conversion Mortgage (HECM) Counseling Job Aid: What **HUD-Approved Housing Counseling Agencies** Need to Know.
- c) Complete HECM training and obtain certificates. There are many options available through [HUD's training partners](#). Retain copies of training certificates to provide proof for roster certification in Step 3.

2. Taking the HECM Examination

- a) Register for the exam at [Exam Center | HUD Exam Hub](#). Pay the \$100 fee and [request accommodations if necessary](#) by completing the request form. Manage the exam date and delivery type (online or in person) via the website.
- b) Take the HECM exam. Follow the steps at <https://hudhousingcounselors.hud.gov/> to launch the exam online and view system requirements for online exams.
- c) Pass or retake the exam. Upon completion of the HECM exam, each candidate receives an immediate PASS or FAIL notification, as applicable. Candidates who pass receive an email outlining next steps. Those who do not pass will receive an email report with information as described in the practice exam feedback explanation. Note: The minimum passing score is 500.

NOTE: Results are transferred to FHAC by the exam administrator in 3-4 weeks. No action is needed by the person taking the exam to transfer results.

3. Applying for the HECM Roster in FHA Connection (FHAC)

- a) Obtain FHAC access if necessary. HCA staff (FHAC Application Coordinators) and HUD Certified Housing Counselors may already have a User ID to access FHAC. If so, log in under the existing User ID. For more information on how to access FHAC and request a User ID, visit [FHAC User ID for HECM Origination Counseling - HUD Exchange](#).
- b) Complete, download, sign, and upload the application. The application for the HECM Roster is found within FHAC and can be filled out on the website. After the application is complete, download the application to sign it, and upload a signed copy to the FHAC.
- c) Upload training certificates to FHAC as separate files.



- d) Receive notification of application status. For more detailed instructions on the application in FHAC, visit the [Roster Application and Overview Process for HECM Origination Counseling - HUD Exchange](#) page.

Congratulations! Once listed on the HECM Roster in FHAC, HECM-certified housing counselors may begin counseling clients that are interested in obtaining a HECM loan. For more information on HECM counseling session requirements, please visit the HUD Handbook Chapter 4 and the HECM Protocol.

4. Maintaining HECM certification

After obtaining HECM Certification, there are a few ongoing steps necessary to maintain status on the HECM Roster.

- a) Maintain active status in FHAC by logging in every 90 days and ensuring profile information is up to date per the instructions found on [Updating and Maintaining Counselor Information](#).
- b) Complete continuing education requirements every two years. Maintaining HECM certification requires continuing education. HUD regulations require counselors to successfully complete HECM-related continuing education units (CEUs) every two years and provide evidence of completion to HUD. Written evidence of course completion includes such information as the course name, training provider, dates, and attendee name matching the counselor's record with HUD.
- c) Submit proof of continuing education to FHAC by logging in under the established User ID and uploading applicable certificates.



FREQUENTLY ASKED QUESTIONS ON THE HECM EXAM

What is the format of the HECM exam?

The HUD Home Equity Conversion Mortgage (HECM) exam is administered primarily online and consists of multiple-choice questions. Candidates generally have 2.5 hours to complete the exam. The exam is designed to assess knowledge related to the HECM program. For the most accurate and current details, including any updates, refer directly to <https://hudhousingcounselors.hud.gov/>.

Before taking the exam, review https://https://hudhousingcounselors.hud.gov/exam-related-topics#learntheprocess_desktop carefully to maximize success.

What accessibility features are available for the HECM exam?

The HECM exam was designed with several accessibility features, including availability in multiple languages. Accommodations are also available to test takers with limited language proficiency or disabilities as covered by the Americans with Disabilities Act (ADA). Certain documentation is required to request accommodation. Candidates will need to submit their request to the support team at <https://hudhousingcounselors.hud.gov/> prior to each exam, providing the information described at https://https://hudhousingcounselors.hud.gov/exam-related-topics#limitedlanguage_desktop.

When are HECM exam scores loaded into FHA Connection?

Once the exam is taken, the Pass or Fail results are submitted in bulk to FHA Connection. There is no need for any transfer on the individual's part. It is necessary to ensure that an application to be on the HECM Roster in FHA Connection has been made, which can take 3-4 weeks to process. Once the scores are submitted, it typically takes 7-10 business days for the results to appear in FHA Connection. For more information on applying to be on the HECM roster in FHA Connection, please visit [HECM Origination Counseling - HUD Exchange](#).



How do candidates obtain a pass/fail certificate for the HECM exam?

Upon completion of the HECM certification exam, each candidate receives an immediate PASS or FAIL notification, as applicable. Candidates who pass receive an email outlining next steps. Those who do not pass will receive an email report with information as described in the practice exam feedback explanation. Passing scores are not provided to test takers, but those who do not pass can access their scaled score on the User Profile page of their <https://hudhousingcounselors.hud.gov/> account.



ADDITIONAL RESOURCES

- Reverse & Home Equity Conversion Mortgage (HECM) Counseling Job Aids
 - [What **HUD-Approved Housing Counseling Agencies** Need to Know](#)
 - [What **Housing Counselors** Need to Know](#)
- [HUD Handbook 7610.1 Rev. 6.1](#)
 - Chapter 4 – Reverse Mortgage Housing Counseling
 - Appendix 1 – HECM Protocol
- [SFH Handbook 4000.1 | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)
- [Home Equity Conversion Mortgage \(HECM\) - HUD Exchange](#)
- [Home | HUD Exam Hub](#)
- [National Center on Elder Abuse](#)