

**HUD Office of Housing Counseling**  
**Opportunities with Intermediaries and State Housing Finance Agencies (SHFA)**

**Questions and Answers**

- 1. Recent HUD policy discussions seem to place a strong emphasis on Local Housing Counseling Agencies (LHCAs) partnering with larger housing counseling agencies such as Intermediaries and State Housing Financing Agencies (SHFAs). Is this perception accurate?**

Many housing counseling agencies, along with and the households they serve, benefit from association with larger networks of multiple counseling agencies, led by strong national, regional or state organizations. HUD is looking at ways to encourage and incentivize independent housing counseling agencies to join the networks of HUD-approved Intermediaries and SHFAs.

- 2. How do LHCAs benefit from association with Intermediaries and SHFAs?**

HUD acknowledges that LHCAs provide valuable services to their constituents. However, when LHCAs partner with Intermediaries and a SHFA these entities provide additional benefits that can enhance and strengthen the LHCAs counseling program. These benefits may include:

- A. Information Sharing.** LHCAs benefit from being a part of a strong information sharing network. For example, best practices, technical information, resources, can be learned through the Intermediary/SHFA, as well as, the associated members in the network;
- B. Training.** Affiliates of Intermediaries and SHFAs often have access to more affordable and accessible training opportunities than do independent agencies. Strong Intermediaries and SHFAs are often able to provide additional in-house training opportunities over and above that which is typically available nationally;
- C. Efficiency.** Association can save affiliates resources and time that can otherwise be devoted to helping counseling recipients. For example, affiliates/sub-grantees of an Intermediary or LHCA would see a reduced burden in paperwork during the funding application cycle and post award cycle. The initial HUD funding cycle would be done by the Intermediary or SHFA. This would also hold true for other potential funding sources. This allows an LHCA to focus on their clients and the internal management of its housing counseling program;
- D. Program Improvement.** Intermediaries and SHFA networks provide a vehicle to collect program issues and concerns that might be best addressed universally by a change in HUD guidelines or policies. Individual agencies may not realize that their program challenges have solutions that peer agencies have successfully utilized. When HUD makes program changes and improvements HUD can contact Intermediaries and SHFAs so that they may quickly disseminate any updates to guidelines or policies;
- E. Leveraging.** Affiliates or Sub-grantees of Intermediaries and SHFAs can benefit from access to additional sources of funding. Intermediaries and SHFAs are generally savvy at leveraging counseling funding. Some sources of counseling funding are only available to Intermediaries and

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SHFAs. For example, National Foreclosure Mitigation Counseling funds are typically only available through Intermediaries or SHFAs;

- F. Technical Assistance.** Intermediaries and SHFAs can provide direct and immediate access to counseling program technical assistance; for example, help with HUD system reporting and other client management systems;
- G. Access to HUD Funding.** HUD is contemplating changes to the HUD housing counseling grant funding methodology that provides additional funding to SHFAs and Intermediaries and their affiliates/sub-grantees to recognize the value they add to housing counseling programs;

**3. Will HUD require independent local counseling agencies to join a larger network, in other words partner with an Intermediary, MSO or SHFA?**

No. HUD recognizes that some agencies prefer to remain unaffiliated; therefore, the Department will continue to grant approvals and make awards to local housing counseling agencies.

**4. As a LHCA, we have developed a close working relationship with our HUD Point of Contact (POC), how will we receive guidance in the future if we partner with an Intermediary or SHFA?**

LHCAs that partner with an Intermediary or SHFA would receive direct technical assistance from that entity. Unaffiliated LHCAs would continue to receive guidance from the HUD assigned POC. An assigned HUD POC will also be available to support affiliates /sub-grantees of Intermediaries and SHFAs as well;

**5. How can an LHCA find a HUD-approved Intermediary or SHFA if they are interested in partnering with one of those organizations?**

Information may be found here: [HUD-approved Intermediaries and SHFAs](#)

**6. What if the SHFA in my state does not participate in HUD's Housing Counseling Program?**

All SHFAs are eligible to participate in HUD's Housing Counseling Program. Encourage your SHFA to contact HUD regarding participation in the program and eligibility for grant funding. They should contact:

**Kendel King, Senior Housing Specialist**  
**Phone: (678)-732-2685**  
**Email: [Kendel.King@hud.gov](mailto:Kendel.King@hud.gov)**

**HUD Office of Housing Counseling**  
**40 Marietta Street**  
**Atlanta, GA 30303-2806**

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- 7. In the past, Intermediaries have received significantly larger HUD grants than SHFAs. Why would a SHFA participate in the Program if grants funding appears to be smaller?**

Grant funding is a function of demand, need, and quality. HUD's housing counseling program will benefit from more participation by SHFAs and their affiliates. HUD expects to allocate grants to support SHFA participation in the counseling program so more local housing counseling agencies have access to funding and so that HUD can better integrate our program with state housing counseling initiatives.

- 8. What are the advantages to Intermediaries or SHFAs if they expand their network of counseling agencies?**

Intermediaries and SHFAs would be able to:

- A. Better coordinate the delivery of counseling services within their network;
  - B. Identify areas of overlap or redundant service and better focus the counseling services over their entire region;
  - C. Have a network where the particular expertise of one agency in an area of counseling can be used over the entire network;
  - D. Provide better coordination of training to network members and draw on expertise within the network;
  - E. Share available state and local resources such as mortgage assistance funds, eviction prevention funds and sharing of best practices.
- 9. What would be expected of Intermediaries and SHFAs who previously have never participated in HUD's Housing Counseling Program?**

HUD would expect all new entities to be able to provide the following services. These are the same requirements of current participants:

- A. Strong knowledge of the requirements and guidelines of HUD's housing counseling program;
- B. Direct technical support to your network on a myriad of counseling question and issues;
- C. Distribution of HUD counseling funds to network agencies;
- D. Investigating, securing and distributing of other funding sources in support of housing counseling activities;
- E. Establishing principals, protocols and requirements for the network sub-grantee or affiliates that are consistent with HUD requirements, in addition to individual organization's respective requirement, be they state or national;
- F. Oversight and monitoring of network sub-grantees/partners consistent with HUD requirements as well as in your organization requirements;
- G. Documentation of actual costs incurred under a grant. Organizations must maintain reports that identify the distribution of work activities for each employee (professionals and nonprofessionals) to whose compensation is charged, in whole or in part, directly to grant awards;
- H. Housing counseling agencies receiving HUD grant funding are required to follow the guidance in OMB Circular A-122 or OMB Circular A-87, as applicable, concerning reimbursement

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requirements for costs incurred under federal grant awards or contracts. Costs are considered as direct or indirect;

- I. Training to your respective network counselors on all facets of the HUD's housing counseling program and providing direct technical support to your network on a myriad of counseling question and issues.

HUD's [Housing Capacity Building Toolkit](#) provides a list of key documents that potential, as well as existing organization, should use in understanding HUD's expectation for all HUD approved housing counseling agencies.

**10. How does my organization become an HUD-approved housing counseling agency?**

Organizations who are interested in becoming HUD approved counseling agencies should contact the Office of Housing Counseling's, Office of Outreach and Capacity Building (OOCB) at the contact number provided in question #15 below. OOCB will put you in contact with a member of their staff who can help guide you through the application process. It is recommended that you have a discussion with OOCB prior to submitting the application. The links below will provide you with direct access to the HUDCLIPS page with Handbook 7610.1 REV 5, which has instruction on the application process. Organizations should apply for HUD approval well in advance of an announced funding cycle in order to be eligible to apply for HUD funding. Access the links below for more detailed information.

[How to Become a HUD Approved Housing Counseling Agency Handbook 7610.1 Housing Counseling Program](#)

**11. I'm a state SHFA; do I need to apply to be approved?**

SHFAs are not required to submit an application for approval to participate in HUD's housing counseling program as long as they have: statutory authority to provide housing counseling throughout their entire state; and adhere to all program requirements outlined in 24 CFR Part 214, HUD Handbook 7610.1 Rev-5, and other governing documents. However, to participate in HUD's Housing Counseling Program, SHFAs must either:

- A. Submit a successful grant application or otherwise be awarded a HUD housing counseling grant; or HUD Office of Housing Counseling
- B. Submit a request and provide HUD with a list of affiliates, if applicable, and assure that they meet all program requirements. SHFAs not planning to submit a housing counseling grant application or that failed to receive funding from HUD but are still interested in participating in HUD's Housing Counseling Program must submit the information required for SHFAs in form HUD-9900 Housing Counseling Program Application, to the HUD Homeownership Center that has jurisdiction over their state (see Appendix 1 of handbook 7610.1 Rev-5).

Direct access to [HUD's Housing Counseling Handbook, 7610.1 REV-5](#)

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**12. Will there be incentives for Intermediaries and SHFAs that expand their network of partner agencies?**

Future funding cycles will include incentives to encourage this type of collaboration between LHCAs and Intermediaries and SHFAs.

**13. If an Intermediary or SHFA adopts an organization that was previously unfunded would this strengthen or weaken any potential funding application?**

HUD will look at the ability of the Intermediary or SHFA to support, monitor, and train their respective sub-grantees and or affiliate organizations. HUD does expect that an Intermediary or SHFA has assessed the ability of LHCA to meet HUD's requirements. Many approved LHCAs have been providing quality housing counseling and were not grant recipients in their initial year. HUD does expect that the Intermediary or SHFA to support their network and provide the required technical assistance.

**14. How should an Intermediary or SHFAs handle inquires and expressions of interest from LHCAs about partnering with or becoming sub-grantee/affiliates?**

This would be based on the how each individual Intermediary or SHFA views their respective staffing capacities and expertise. It must be noted that HUD will entertain only one application per affiliate and there can be no trading or adjustments of funding after the funding deadline. Adjustment in funding may be made based on the final amount an Intermediary or SHFA is awarded. HUD strongly encourages conversations between all the parties at the earliest opportunity to do so. The final decision to partner with respective entities is solely a business decision for the respective partners. It should be based on common goals and the level of comfort each has in working together.

**15. What information is available to assist existing and new applicants interested in the HUD's housing counseling program?**

Below are lists of website links that can assist you in this process. In addition, you can contact Kendel King, Housing Program Specialist, in the Office of Housing Counseling's, Office of Outreach and Capacity Building at (678) 732-2685, or at her email address: [Kendel.King@hud.gov](mailto:Kendel.King@hud.gov).

For more information regarding **HUD's Housing Counseling Program** click on any of the links below:

- [HUD's Information for Counselors](#)
- [Housing Counseling Handbook at HUDCLIPS](#)
- [Housing Counseling Capacity Building Toolkit](#) (and also technical assistance documents)
- [OHC Training Opportunities](#)
- [Specific training available for portions of federal grants](#)
- [HUD Mortgage Letters \(Policy\)](#)

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- [Federal Registers](#)
- [FHA Resource Center](#)
- [HUD's Housing Counseling System \(HCS\)](#)
- [HCS Instructions](#)