

THE BRIDGE

THE OFFICE OF HOUSING COUNSELING NEWSLETTER



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It's A Brand New Year!



Agency Reflections and Goals for a New Year

Louisville, KY - While the end of the year is a time of reflection and renewal for many people, for housing counseling agencies, it's a time to challenge their staffs and clients to commit to making the new year even better.

The [Louisville Urban League](#), is a nonprofit, nonpartisan, community service organization, affiliated with the National Urban League. It's a Metro United Way partner and beneficiary, dedicated to empowering people and changing lives. The organization works to eliminate racism and its adverse effects on the communities it serves. Its mission is to help African Americans and disadvantaged persons achieve social and economic equality while focusing on jobs, justice, education, health and housing.

Reflecting on some of its 2016 accomplishments, the Louisville Urban League:

- Invested in second chance citizens or those clients who have criminal records and are trying hard to reintegrate back into society. The Louisville Urban League walks them through the expungement process so that they can start off their new year with new opportunities.

- Help clients build or rebuild credit and/or develop family budgets so that they are in position to be homeowners in the coming year.
- Started an urban skilled trades' pipeline to ensure that the community workforce is ready to fill the jobs that are available. The non-profit helped its clients fill more than 200 positions in 2016.
- Ensured that foreclosure prevention clients kept their houses. In the past year, the Urban League's foreclosure prevention work saved more than \$24 million in homes in its community.
- Launched the "[It Starts with Me!](#)" health initiative, reminding participants to take their medication, dress their wounds, both physical and mental, and remind the heads of household to put their oxygen mask on first.

In preparation for 2017, the Louisville Urban League asked itself how it might better move the needle on helping families in the coming year. "We will be ready to serve and to make and answer the call to action. Whether it is policy, programming or perspective, if it impacts the community it impacts the agency," said Sadiqa N. Reynolds, Esq. President & CEO, Louisville Urban League.

FROM THE DEPUTY ASSISTANT SECRETARY



Sarah Gerecke
*Deputy Assistant
Secretary, Office of
Housing Counseling*

Happy New Year!

Before the end of 2016, HUD published the [Final Rule for Housing Counseling Certification](#) in the Federal Register. The Final Rule announced the requirement that housing counselors participating in HUD programs must be certified to offer counseling services to consumers. This action was a huge accomplishment for the Office of Housing Counseling and will benefit the housing counseling industry greatly.

As our nation transitions to new leadership, the Office of Housing Counseling in partnership with our stakeholders will continue its contribution to HUD's mission:

*To create strong, sustainable, inclusive communities
and quality affordable homes for all.*

In this edition of *The Bridge*, we learn about the expanding role of housing counseling agencies as they adapt their services to meet the needs of their clients. For example, some agencies are now providing counseling services associated with tax benefits and foreclosure prevention due to property tax delinquencies. As we prepare for the upcoming tax season, we learn the types of training required and how clients are benefitting from these add-on services.

In 2017, the Office of Housing Counseling will continue to support our agencies in providing valuable housing and financial information, education, resources, and tools that benefit individuals and families across the country.

As we celebrate the New Year, I look forward to celebrating the many successes achieved by housing counselors for their clients. I can't resist sharing with you a case note I found in a file I recently reviewed: "Client said the training was an eye opener for him as he learned a lot of detailed things not mentioned by his Agent or lender. Reminded client to file homestead exemption when he receives his recorded mortgage. Advised client to call Agency if he experiences any problems or issues relating to housing."

Thanks to the good work of housing counselors, 2017 will be a sweet year indeed for millions of Americans. And HUD will continue to meet its mission.

Sarah

HOUSING COUNSELORS EXPAND INTO TAX PREPARATION

Washington, DC – The job of housing counselors continues to evolve. From helping people prepare to buy their first homes to fulfill their 'American Dream' to helping them remain in their homes during the worst housing crisis in generations, housing counselors are adaptable. Today, markets in some parts of the country are seeing greater interest in home purchase and reduced demand for foreclosure prevention services. In response, housing counselors are adapting once again, using the lessons and skills honed in the foreclosure crisis to help consumers maximize their budgets and expenses.

One of the latest changes for housing counselors involves more concerted efforts to help consumers access all of the financial benefits for which they qualify, including tax benefits.

Tax refunds can be crucial for low- and moderate-income families and housing counselors are in a great position to help. Low- and moderate-income households consistently report using tax refunds to cover housing, utility and expenses for basic needs. Unfortunately, many families face obstacles with receiving their refunds.

First, some tax preparers are often uncredentialed, costly and prone to filing errors. Their fees and loan products can consume hundreds of dollars from a tax refund.

Second, many families are unaware of how to file their taxes or use their refunds wisely. Additionally, roughly one in 10 families does not have a transactional bank account to deposit refunds, leading to long waits and fees associated with receiving and cashing a paper check.

Housing counselors can help consumers start the year off by connecting clients with the right kind of tax preparation providers and helping them establish a budget. This work is in direct alignment with the mission of housing counselors: to provide programs and services to help families and individuals achieve, preserve and sustain homeownership. According to the Federal Reserve Board [Report on the Economic Well-Being of U.S. Households in 2015](#), 46 percent of adults couldn't cover an unexpected emergency of \$400. Thus, preparing a tax return is an excellent opportunity to start the budgeting conversation.



For example, the largest poverty relief program, [the Earned Income Tax Credit \(EITC\)](#), is delivered through the tax code and provides qualified low-income households with real dollars to meet their basic needs and an opportunity to save for the future. In fact, combined with additional tax credits and deductions, a tax refund is often the largest paycheck for a working poor family all year.

Housing counseling organizations can register for training with the [Internal Revenue Service's Volunteer Income Tax Assistance \(VITA\)](#) program. Delivering tax filing assistance services requires substantial collaboration from community partners, alliances that many housing counseling organizations already have or are adept at developing.

Housing counseling organizations that offer tax preparation services can leverage these customer encounters to enroll clients in homebuyer and other financial education courses. Everyone has to file taxes, but everyone doesn't think they can achieve homeownership. By bringing this group of uncertain potential homebuyers into a housing counseling organization via tax preparation services, the long-term benefits for the family and the community in terms of homeownership, housing stability and overall financial well-being can be increased.

Tax time is right around the corner. It is often the most important financial moment of the year for low- and moderate-income families. Housing counseling agencies that expand their services in this way could help the communities they serve achieve even greater financial stability.

COMMITMENT TO THE HUD HOUSING COUNSELING NETWORK— PAST, PRESENT AND FUTURE

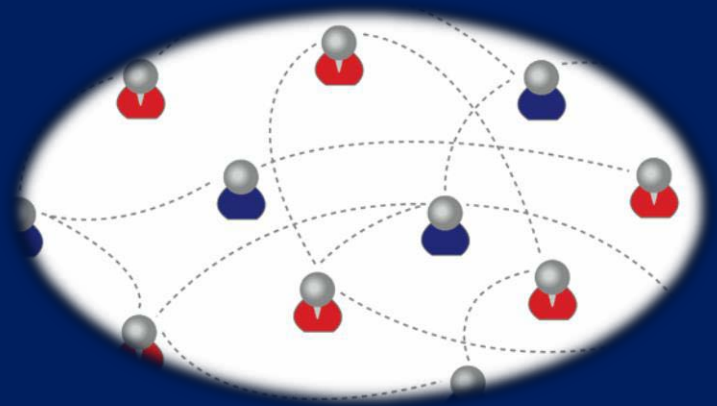
PAST

Richmond, VA - Since 1996, when the Virginia Housing Development Authority (VHDA) sponsored a national conference on counseling and loss mitigation for single-family loans, the agency recognized the important role housing counseling would play in affordable housing.

PRESENT

Today, 20 years later, its commitment to counseling continues through a variety of initiatives, including the HUD Housing Counseling program and eight Virginia Housing Development Authority funded grant programs. A five-member team handles VHDA's grant programs, which includes the HUD grant. Each team member is assigned a portfolio of specific nonprofit organizations and local government partners to provide individual assistance, while often meeting one-on-one with organizations and partners to address concerns, troubleshoot and discuss improvements to their services.

The Virginia Housing Development Authority also hired a compliance officer to develop and maintain policy and procedures for all grant programs and ensure VHDA meets all HUD and the Office of Management and Budget requirements. This has resulted in improved service delivery, streamlined processes, and the assurance that VHDA and its counseling network are following the necessary HUD policies.



Recently, VHDA implemented a new grant management system to simplify its housing counseling grant process from application to closeout.

In addition, VHDA contracts with NeighborWorks® America to provide local training and certifications for its housing partners. This place-based training ensures that VHDA's network receives guidance that meets the National Standards for Homeownership Counseling and Education.

FUTURE

Since HUD's Final Rule was released in December 2016, VHDA plans to provide its counseling network with access to the tools, resources and training needed to comply with the certification requirements and continue its commitment to HUD's housing counseling network.

HOUSING COUNSELING SOLUTIONS TO THE CHALLENGE OF PROPERTY TAXES

Detroit, MI - Wayne County is the most populous county in the State of Michigan. According to the 2014 census update, the county's population was 1,764,804, making it the 19th most populated county in the United States.

The largest city located within the county is Detroit, which currently experiences high unemployment rates, declining home values, and foreclosure rates higher than the national average. A closer look reveals that many Detroit homeowners actually own their homes outright, but are challenged to make their annual property tax payments.

Estimates indicate that there are over 76,000 Wayne County homes facing foreclosure, with 62,000 in Detroit alone. The good news is that the [Wayne County Treasurer's Office](#), led by Eric Sabree, is proactively helping homeowners avoid foreclosure by offering valuable tools and resources not typically seen with property tax delinquencies. A recent example is the installation of new payment kiosks located at various sites in the community, including Rite-Aid drugstores.

The Treasurer's Office is also bringing assistance directly to homeowners with a new financial and housing counseling program facilitated by [GreenPath Financial Wellness](#). GreenPath, Inc., was established in 1961, as a Michigan Credit Union League budgeting and financial education service. In 1967, business leaders raised funds through a joint capitalization effort to create Credit Counseling Centers, Inc., a 501(c)3 non-profit corporation, and one of the first few agencies approved by HUD to conduct housing counseling services.

The goal of the Treasurer's Office counseling program is simple – to complement the work of its staff in collecting past-due taxes and setting-up payment plans by providing homeowners with valuable one-on-one holistic counseling focused on their monthly budget.

At no charge, homeowners are able to meet privately with a housing counselor on-site at the Treasurer's Office, or anytime throughout the week via a dedicated toll-free phone number.



According to GreenPath program manager Mark Munzenberger, many of the individuals seeking counseling have the financial means to avoid foreclosure, but need help managing their money and establishing priorities. "We help people create a realistic, workable, monthly budget that accounts for their ongoing obligation to pay their property taxes. Often, there are ways to increase income and/or decrease some existing expenses that make a significant difference in cash flow. Debts such as medical bills and credit cards are reviewed, and we also assist clients with accessing other local and state resources that they may not have been aware of."

City, county and state officials have worked collaboratively over the past few years to reverse the trend of rising property tax foreclosures. In 2014, the Michigan legislature passed a new bill allowing county governments to negotiate repayment plans with homeowners who have delinquent property taxes. Detroit Mayor Mike Duggan announced the reduction of tax assessments in most neighborhoods by as much as 20 percent to bring taxable values in line with actual market values.

"I'm thrilled that we've had the opportunity to keep people in their homes," Treasurer Sabree said. "I do not want these properties, but I'm governed by state law. Options are available. Really this is about prevention, and we as government leaders are doing everything we possibly can to make sure that not one single resident loses their home to property tax foreclosure. This is something that could set us back, and we're looking to move forward."

INQUIRING MINDS WANT TO KNOW



On December 14, 2016 HUD published [the final rule for Housing Counseling Certification](#). Since publication, the Office of Housing Counseling has received questions concerning the final rule and housing counselor certification. We have posted [Frequently Asked Questions \(FAQs\)](#) on the HUD Exchange as well as helpful toolkits at the [HUD Exchange Resource Library](#).

Q: When will the certification examination start?

A: HUD will issue a separate Federal Register notice to announce the start of the testing and certification process.

Q: Will HUD offer free training prior to testing?

A: Yes. Training for the certification examination is available at [HUDHousingCounselors.com](#). The website offers free on-line training and a downloadable study guide covering a broad range of topics including responsibilities of homeownership and tenancy, avoiding foreclosure and eviction, financial management, and fair housing.

The training is intended to help prepare housing counselors for the upcoming mandated HUD certified housing counselor examination. The study guide meets the Rehabilitation Act Section 508 accessibility guidelines and is also available for download onto multiple types of electronic devices.

The course is designed to accommodate different learning styles and is presented in various formats including an online, interactive version and a PDF format for those who prefer text-based instruction.

Q: Will HUD offer a practice examination, prior to testing?

A: Yes, a practice test, to help housing counselors prepare for and pass the examination, will be made available prior to the availability of the certification examination. The materials will meet the Rehabilitation Act Section 508 accessibility guidelines with the study guide available for download onto multiple types of electronic devices.

Q: How will the examination be scored?

A: The examination will be scored using a scaled scoring process based on a range from 200 to 800. The test will not have individual sections. The examination cannot be divided into topic areas, nor taken by topic area. Many examination questions relate to multiple topics, which precludes dividing up the examination "by topic." Further, each examination goes through an industry standard certification review process and is considered as a whole, and scored as a whole.

To pass the examination, the individual must achieve a scaled score of 500 or more. The scaled score does not represent the percentage of items correct, but is a numeric score for the overall examination.

Q: What will be the format of the examination?

A: The Housing Counselor Certification Examination has approximately 90 multiple-choice questions. The test is calculated to be completed in two hours, and accommodations will be made for those with disabilities.

INQUIRING MINDS WANT TO KNOW

(continued from pg. 6)

Guidance on requesting accommodations will be provided by the certification examination contractor.

Q: How will the examination be administered?

A: The test is administered online by a proctor either by web-cam or at a proctoring location, where the proctoring service verifies the identity of individuals taking the examination.

The administration of the examination will be made available through video conferencing at an examinee's location or at a commercial proctoring site identified by HUD's contractor. Those choosing to use video conferencing must have equipment available. Additional information on test locations and on-line proctoring will be available on [HUD's Housing Counseling website](#) and at the [HUD Exchange](#).

Q: How will the counselor be notified as to whether he/she has passed the exam?

A: Test takers will be notified by email whether they pass or fail the examination.

Q: What kind of feedback will a counselor receive if he/she doesn't pass the exam?

A: If a test taker does not pass the examination, the email notification will include feedback on the learning objectives that the test taker should review before retaking the examination.

Q: Is there a limit on the number of times an individual can take the examination in order to pass?

A: No, there are no limits or restrictions on the number of times the examination can be taken in order to pass, but a new examination fee must be paid each time the examination is taken.



Q: How much does it cost to take the Certification Exam?

A: The fee charged each time an individual takes the certification examination is based on the cost of administering the examination. At the time of publication of the final rule, the cost was \$100 for testing online at the examinee's location and \$140 at a proctoring site. Any changes to the cost of the certification examination will be published in the Federal Register.

Q: Who pays the cost of individuals taking the HUD Housing Counselor Certification Examination?

A: Individuals are responsible for paying for the examination when payment is required. The housing counseling agency has the option of paying for the exam or reimbursing its counselors for certification costs.

Q: Are Housing Counselor Certification costs reimbursable under the HUD Housing Counseling Comprehensive NOFA?

A: Yes, [HUD's Fiscal Years 2016-2017 Comprehensive Housing Counseling Grant Program NOFA](#) allowed for training, testing and certification on housing counseling topics, including, but not limited to, preparation of counselors to satisfy HUD housing counseling training, testing and certification requirements as eligible expenses. In future NOFAs, HUD intends to treat these costs as eligible Housing Counseling Comprehensive Grant program expenses, subject to statutory authorization and funding appropriation.

TOOLS & RESOURCES



HUDHousingCounselors.com

HUD Housing Counselors Training is offered to assist housing counselors in preparing for the Certification Exam, but it is not required for certification.



[National Standards for Homeownership Counseling and Education](#)

A set of guidelines for quality homeownership and counseling services.



[Earned Income Tax Credit \(EITC\)](#)

A benefit for working people with low to moderate income. EITC reduces the amount of taxes owed and may give taxpayers a refund.



[Internal Revenue Service's Volunteer Income Tax Assistance \(VITA\)](#)

Free tax help to people who generally make \$54,000 or less, persons with disabilities and limited English speaking taxpayers who need assistance in preparing their own tax returns.



[HUD Exchange Resource Library](#)

Explore featured publications and browse regulations, policy guidance, toolkits, FAQs, and other resources.



[Final Rule for Housing Counseling Certification](#)

To strengthen and improve the effectiveness of housing counseling that is required under or provided in connection with HUD programs.



[Federal Reserve Board Report on the Economic Well-Being of U.S. Households in 2015](#)

Provides insights into the well-being of households and consumers, and provides important information about how individuals and their families are faring in the economy.



[HUD Housing Counseling Program News & Announcements](#)

View the latest news on HUD policy guidance, training opportunities, resources, critical deadlines, program support, and more.

ON THE HORIZON



January 30 - February 3	NCRC Training: Foreclosure Intervention Provides practical organizational tools to aid you in case management.
January 30-31	NCRC Training: Affirmatively Furthering Fair Housing Learn new opportunities the Affirmatively Furthering Fair Housing rule offers.
January 30-31	NCRC Training: Emergency Preparedness and Recovery Counseling Federal Emergency Management Agency, U.S. Small Business Administration, and other disaster resources and tools.
February 1-3	NCRC Training: Providing Housing Counseling to Homeowners Transitioning Into Rental Housing Components of effective rental counseling.
February 1-3	NCRC Training: Fair Lending and Mortgage Counseling Fair housing and fair lending. Learn how to spot and avoid mortgage fraud.
February 7-9	RCAC Training: Core Competencies for HUD Certification Workshop Prepare you for the exam by covering all six core topics.
February 20-24	Seattle NeighborWorks Training Institute Topic- and skill-focused intensive classes with 10-30 fellow learners.
February 21	RCAC Webinar: HUD Requirements for Housing Counselors Overview of HUD requirements best practices.

Visit the [Office of Housing Counseling Training webpage](#) to keep up-to-date on the latest training, events, and webinars. If you missed a webinar, visit the [Webinar Archives webpage](#) to access previously recorded sessions.

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