



Frequently Asked Questions (FAQs) on Housing Counseling: Certification Requirements

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Summary

What are some Key Provisions of the Final Rule?

Question: What are some Key Provisions of the Final Rule?

Answer:

Certification Requirement:

Housing counseling required under or provided in connection with any HUD programs must be provided only by certified housing counselors certified by HUD and who work for organizations approved to participate in HUD's Housing Counseling Program. In order to be certified, an individual must both pass a standardized written examination covering six major topic areas, and work for an agency approved to participate in HUD's Housing Counseling Program.

Requirement for Agencies that Provide Homeownership Counseling:

All agencies approved to participate in HUD's Housing Counseling Program that provide "Homeownership Counseling" shall address the entire process of homeownership as provided in the [Final Rule](#).

Requirement Related to Distribution of Home Inspection Materials:

As part of the Homeownership Counseling process, Participating Agencies shall provide clients with such materials as HUD may require regarding the availability and importance of obtaining an independent home inspection.

Agencies Found to Have Misused Housing Counseling Program Grant Funds:

This [Final Rule](#) requires a Participating Agency that has been found to have misused Housing Counseling Program grant funds in a way that constitutes a material violation to reimburse HUD for such misused amounts, return any unused or unobligated grant funds, and will be prohibited from receiving Housing Counseling Program grant funds in the future.

Prohibition Against Distribution of Funds to Organizations Convicted of Violating Election Laws:

The Final Rule prohibits the distribution of Comprehensive Housing Counseling or Housing Counseling Training grant funds to any organization that has been convicted of a violation under Federal law relating to an election for Federal office, or any organization that employs an individual who has been convicted for a violation under Federal law relating to an election of a Federal office.

When do the provisions of the rule go into effect?

Question: When do the provisions of the rule go into effect?

Answer:

Effective date of the rule: January 13, 2017

Date testing began (and that counselors can begin to become certified): August 1, 2017. HUD published a [Federal Register Notice](#) on May 31, 2017, announcing that the HUD Certified Housing Counselor Examination became available starting on August 1, 2017.

Final Compliance Date for Certification: August 1, 2021. Entities and individuals providing housing counseling required under or provided in connection with any HUD programs, including HUD's Housing



Counseling Program, have until August 1, 2021 (the Final Compliance Date) to become approved or certified by the Office of Housing Counseling or partner with a HUD- approved housing counseling agency that has certified counselors.

Question: Has the August 1, 2020, deadline for HUD housing counselor certification been extended due to the COVID-19 National Emergency?

Answer:

Yes. HUD published an [Interim Final Rule](#) on July 31, 2020 on its website followed by publication in the [Federal Register](#) on August 5, 2020, and a Final Rule in the Federal Register on December 4, 2020, extending the deadline by which housing counselors must be HUD certified to August 1, 2021.

Question: What is the new Final Compliance Date?

Answer:

HUD published an [Interim Final Rule](#) on its website on July 31, 2020 followed by publication in the [Federal Register](#) on August 5, 2020, extending the final compliance date to August 1, 2021, thereby giving an additional year for participating agencies and housing counselors to come into compliance with the certification requirement.

Did the [Interim Final Rule](#) change the effective date of other provisions of the [Final Rule](#) that became effective January 13, 2017?

Answer:

No. Neither the [Interim Final Rule](#) , published on the HUD website on July 31, 2020 and in the Federal Register on August 5, 2020, nor the [Final Rule](#) published in the Federal Register on December 4, 2020, changed the effective date of other provisions of the [Final Rule](#) published on December 14, 2016 (effective January 13, 2017), including homeownership counseling requirements, material violations, and election law violations.

Provisions that Became Effective on January 13, 2017, the Effective Date of the Rule

Requirements for Agencies that Provide Homeownership Counseling

Question: The Final Rule states that all agencies approved to participate in HUD’s Housing Counseling Program that provide “Homeownership Counseling” shall address the entire process of homeownership. When does



this requirement go into effect?

Answer:

The requirement that all agencies approved to participate in HUD's Housing Counseling Program that provide "Homeownership Counseling" shall address the entire process of homeownership went into effect **on January 13, 2017.**

Question: What is "Homeownership Counseling"? (The Final Rule states that all agencies participating in HUD's Housing Counseling Program that provide "Homeownership Counseling" shall address the entire process of homeownership.)

Answer:

The [Final Rule](#) defines Homeownership Counseling as Housing Counseling related to homeownership and residential mortgage loans when provided in connection with HUD's Housing Counseling Program, or required by or provided in connection with HUD Programs. Homeownership Counseling is housing counseling that covers:

- The decision to purchase a home,
- The selection and purchase of a home,
- Issues arising during or affecting the period of ownership of a home (including financing, refinancing, default, and foreclosure, and other financial decisions), *and*
- The sale or other disposition of a home.

In HUD's Housing Counseling Program, types of Homeownership Counseling are:

- Pre-purchase/home buying,
- Home maintenance and financial management for homeowners (non-delinquency post-purchase)
- Resolving or preventing mortgage delinquency or default, *and*
- Reverse mortgage counseling.

Question: What topics must be addressed by a Participating Agency providing "Homeownership Counseling"?

Answer:

The [Final Rule](#) states that all participating agencies that provide Homeownership Counseling shall address the entire process of homeownership, including, but not limited to:

- The decision to purchase a home,
- The selection and purchase of a home,
- Issues arising during or affecting the period of ownership of a home (including financing, refinancing, default, and foreclosure, and other financial decisions) and
- The sale or other disposition of a home.

Question: How does HUD expect the Participating Agency to address the entire process of homeownership?

Answer:

The agency must be prepared to address the components of the process of homeownership that are relevant to each client's individual needs and circumstances or if the client has requested information on those components. The agency's Housing Counseling Work Plan must specify how the agency addresses the requirement that the agency must cover the entire process of homeownership for clients that



receive Homeownership Counseling.

Question: If a Participating Agency provides one type of one-on-one Homeownership Counseling (e.g., default counseling) is the Participating Agency now required to provide one-on-one Housing Counseling to address all of the types of Homeownership Counseling?

Answer:

A Participating Agency is not required to provide one-on-one counseling to address all of the types of Homeownership Counseling. However, the Participating Agency still must be prepared to cover the components of Homeownership Counseling that are relevant to each client's individual needs and circumstances. The agency's Housing Counseling Work Plan must specify how the agency addresses the requirement that the agency must cover the entire process of homeownership for clients that receive Homeownership Counseling.

Question: How can an agency meet the requirement that they must cover the entire process of homeownership?

Answer:

The agency's [Housing Counseling Work Plan](#) must specify how the agency addresses the requirement that the agency must cover the entire process of homeownership for clients that receive Homeownership Counseling.

Some examples of how the agency may meet the requirement are:

- The agency may provide group education classes that cover those topics that the client could attend.
- The counselors may provide handouts, links to relevant online information, and other reference materials to the client that cover the other topics.

Question: For a client receiving pre-purchase counseling, must the agency address issues that arise in post-purchase including, but not limited to, financing, refinancing, default, foreclosure, and other financial concerns, and the sale or other disposition of the property?

Answer:

Yes. Pre-purchase counseling is a type of Homeownership Counseling and the agency must address all of the other homeownership topics.

For every client that is receiving pre-purchasing counseling, the agency must address issues arising during or affecting the period of ownership of a home (including financing, refinancing, default, and foreclosure, and other financial decisions) and the sale or other disposition of a home, are relevant to the potential needs of the client so that the client may be prepared and understand issues that might arise during their ownership period. It is also important that clients are aware of issues related to refinancing, default, and foreclosure so they understand their options should there be financial problems that arise during their period of homeownership.

Question: For a homeowner receiving either non-default post-purchase counseling, or mortgage delinquency counseling, must the agency address the decision to purchase a home and the selection and purchase of a home?



Answer:

The agency must be prepared to address any and all of the homeownership topics. However, the agency need not address topics that the housing counselor determines are not relevant to the client's individual needs and circumstances, unless the client has requested it.

For example, a counselor should determine if other options are relevant to a specific client, such as purchasing a more affordable home to reduce housing costs. If this option might address the client's housing need or problem, the agency must address the decision to purchase a home and the selection and purchase of a home. However, if purchasing another home does not address the client's housing need or problem, it may not be necessary to address the decision to purchase a home since purchasing a different home is not relevant for them.

Question: For a homeowner receiving HECM counseling, must the agency address the decision to purchase a home and the selection and purchase of a home, and the sale or other disposition of a home?

Answer:

The agency must be prepared to address the entire process of homeownership. However, the agency need not address components that the housing counselor determines are not relevant to the client's individual needs and circumstances, unless otherwise required under HECM program requirements, or if the client has requested it.

For all HECM clients, the purchase of a new home or selling of the home may be alternatives to obtaining a reverse mortgage on the client's current home and therefore must be addressed. If the purchase of a new home or sale or other disposition of a home addresses the client's housing need or problem, or if the client is interested in the HECM for purchase program, the agency must address the decision to purchase a home and the selection and purchase of a home and/or sale or other disposition of a home. However, if purchasing another home and/or sale or other disposition of a home does not address the client's housing need or problem, it may not be necessary to address the decision to purchase a home, and/or sale or other disposition of a home unless otherwise required under HECM program requirements, since purchasing another home and/or sale or other disposition of a home is not an option that the clients want to pursue.

Question: Can group education be used by an agency to cover the required topics of Homeownership Counseling that are not covered during the counseling session?

Answer:

Yes. Group education is one way that Participating Agencies can address the other homeownership topics.

Question: What are HUD Intermediary responsibilities regarding the requirement that all agencies that provide Homeownership Counseling, shall address the entire process of homeownership?

Answer:

HUD Intermediaries and State Housing Finance Agencies are responsible for ensuring that the work plans of Participating Agencies in their network that provide Homeownership Counseling address the requirement that they address all of the homeownership topics, and that the Participating Agencies are complying with this requirement. HUD recommends HUD Intermediaries/State Housing Finance Agencies include this as an element of their quality control plan.



Requirements Related to Distribution of Home Inspection Materials

Question: What is the requirement relating to Participating Agencies providing home inspection materials?

Answer:

As part of the Homeownership Counseling process, Participating Agencies shall provide clients with such materials as HUD may require regarding the availability and importance of obtaining an independent home inspection.

Question: Does the home inspection material requirement apply only to Participating Agencies that receive HUD Housing Counseling Program Grant funds?

Answer:

No. The requirement that an agency must provide home inspection materials to all clients that receive Homeownership Counseling applies to all Participating Agencies, whether or not the Participating Agency has received HUD Housing Counseling grant funding.

Question: When must home inspection materials be provided to clients?

Answer:

In any situation in which a client receives Homeownership Counseling and the purchase of a home is discussed, home inspection materials must be provided.

A client must be provided home inspection materials in the following situations:

- A client is receiving pre-purchase/home buying counseling,
- A client is attending a homebuyer education workshop, or
- A client is receiving any other type of Homeownership Counseling (e.g. non-delinquency post-purchase, resolving or preventing mortgage delinquency or default, or reverse mortgage counseling) and the purchase of a home is covered as an option to address the client's housing need or problem.

Question: How do agencies participating in HUD's Housing Counseling Program ensure compliance with the home inspection materials requirement?

Answer:

A Participating Agency's work plan must describe when in the Homeownership Counseling process the client will receive home inspection materials and how the agency will document compliance with this requirement.

Question: Can the client be provided home inspection materials during group education instead of during the one-on-one counseling session?

Answer:

Yes, as long as the Participating Agency's work plan specifies when these materials will be provided to Homeownership Counseling clients, and the housing counselor documents in the client's file that the materials were provided during the group education. The counselor must still discuss with the client the home inspection process as this is a required topic under Homeownership Counseling.



Question: If the home inspection materials and home inspection process are covered during education, does the counselor have to discuss the home inspection process again during the counseling session?

Answer:

Yes. Group education provides information that is not specific to each client's situation but cannot replace covering the topic during the individual Housing Counseling session. Housing Counseling addresses the unique circumstances of the client relating to these topics. For example, group education may discuss the difference between a home inspection and an appraisal. The housing counselor can further discuss with a client during the one-on-one session options for paying the cost of a home inspection, and what will be covered in the inspection based on the type of property the client is interested in purchasing. The counselor can also ask the client if s/he has any additional questions concerning the home inspection materials provided during the education class.

Question: How can Participating Agencies document that Homeownership Counseling clients were provided home inspection materials?

Answer:

A Participating Agency's work plan must describe when in the Homeownership Counseling process the client will receive home inspection materials and how the agency will document compliance with this requirement. Agencies are not required to include copies of home inspection documents in individual client files when home inspection materials are provided as part of one-on-one housing counseling.

Agencies found to have Misused Housing Counseling Program Grant funds

Question: What are the Final Rule requirements concerning misuse of funds and material violations?

Answer:

Upon the effective date of the [Final Rule](#), if any organization that receives HUD Housing Counseling Program grant funds is determined to have used those grant funds in a manner that constitutes a material violation of applicable statutes and regulations, HUD shall require that the Participating Agency shall reimburse HUD the misused funds as well as return any unused or unobligated amounts, and the Participating Agency shall be ineligible to apply for or receive additional HUD Housing Counseling Program grant funds; HUD may pursue other remedies that may be available.

Question: What constitutes a "material violation" of applicable statutes and regulations?

Answer:

Whether a misuse of Housing Counseling Program grant funds is considered by HUD to constitute a material violation will depend on the facts along with the applicable statutes, regulations, Notice of Funding Availability (NOFA), HUD handbooks and other policy guidance, and the HUD Housing Counseling Program grant agreement.

Question: What is an Intermediary or State Housing Financing Agency's responsibility for reporting a potential misuse of HUD Housing Counseling Program grant funding by a Subgrantee?

Answer:



Intermediaries and State Housing Financing Agencies are required to ensure that their Subgrantees comply with all HUD requirements including pertinent statutes, regulations, NOFA, and grant agreements. Once aware of a Subgrantee's misuse of funds, an Intermediary or State Housing Financing Agency must report a misuse of HUD Housing Counseling Program grant funds by a Subgrantee to HUD within 15 days of becoming aware of the misuse.

Prohibition against Distributing Funds to Organizations Convicted of Violating Election Laws

Question: What are the Final Rule requirements concerning election law violations?

Answer:

After the effective date of the [Final Rule](#), no housing counseling funds made available under the HUD Housing Counseling Program shall be distributed to any organization that has been convicted for a violation under Federal law relating to an election for Federal office, or that employs "applicable individuals" who have been convicted for a violation under Federal law relating to an election for Federal office.

Question: What is meant by "Applicable Individuals" who have been convicted for a violation under Federal law relating to an election for Federal office?

Answer:

Applicable Individuals means an individual who is employed by the organization in a permanent or temporary capacity; contracted or retained by the organization; or acting on behalf of, or with the express or apparent authority of, the organization; and has been convicted for a violation under Federal law relating to an election for Federal office.

Question: What is an Intermediary's or State Housing Financing Agency's responsibility for compliance with the Final Rule requirements concerning election law violations?

Answer:

Neither Intermediaries and State Housing Financing Agencies nor their Subgrantees and Affiliates shall have been convicted of a violation under Federal law relating to an election for Federal office. This requirement applies to Applicable Individuals associated with those entities. An Intermediary or State Housing Financing Agency must report a potential election law violation by the Participating Agency to HUD within 15 days of becoming aware of the violation.

Provisions that Must be Complied with as of AUGUST 1, 2021, the Final Compliance Date: Certification

Who needs to be certified?

Question: When did the HUD Certified Housing Counselor examination become available?

Answer:

The HUD Certified Housing Counselor examination became available on August 1, 2017.



Question: When is the Final Compliance Date?

Answer:

The Final Compliance Date is August 1, 2021.

Question: What is HUD's Housing Counseling Certification requirement?

Answer:

As of August 1, 2021, the Final Compliance Date, any Housing Counseling required under or provided in connection with any program administered by HUD shall be provided only by HUD certified housing counselors.

Question: Does the housing counselor certification requirement apply to other HUD programs in addition to HUD's Housing Counseling Program?

Answer:

As of August 1, 2021, the Final Compliance Date, all Housing Counseling provided under, or in connection with any HUD program, must be performed by a HUD certified counselor working for a HUD Housing Counseling Participating Agency.

Question: Is the testing and certification requirement only for counselors that provide housing counseling for Participating Agencies that receive a HUD Housing Counseling Grant?

Answer:

No, the requirement applies to all Participating Agencies and all counselors that provide housing counseling under or in connection with any HUD program.

Question: Who must be certified in an agency approved to participate in HUD's Housing Counseling Program?

Answer:

As of August 1, 2021, the Final Compliance Date, all individuals working for a Participating Agency who provide Housing Counseling services must be HUD certified. This includes Home Equity Conversion Mortgage (HECM) counselors. However, the HUD Housing Counselor Certification Examination is separate and apart from the National HECM Counseling Exam. Staff who do not directly provide Housing Counseling and whose roles are limited to other tasks such as management or administrative support of a housing counseling program are not required to become HUD certified housing counselors.

Question: What are the requirements to become a HUD certified housing counselor?

Answer:

In order to become a HUD certified housing counselor, an individual must have passed the HUD Housing Counselor Certification Examination and work for a HUD Housing Counseling Program Participating Agency.

Question: When can a Housing Counselor use the title "HUD Certified Housing Counselor"?



Answer:

Only housing counselors certified by HUD (i.e., counselors who have both passed the HUD certification examination and work for a HUD Housing Counseling Program Participating Agency) may utilize the title "HUD Certified Housing Counselor".

Question: Could you clarify the meaning of "works for" in the following statement "an individual who works for an agency approved to participate in HUD's Housing Counseling Program"?

Answer:

The term "works for" means both paid employees and volunteers of a Participating Agency, on a full- or part-time basis. If an agency validates the employment of an individual, the agency will be responsible for any housing counseling activity conducted by the housing counselor pursuant to that certification. The agency will also be responsible for ensuring that the counselor's activities comply with all regulations and requirements of HUD's Housing Counseling program, including requirements pertaining to conflicts of interest and subcontracting.

Question: Does the certification requirement apply to Housing Counseling that is not being provided under the HUD Housing Counseling Program or in connection with any other HUD program?

Answer:

If the Housing Counseling provided is not under or in connection with any HUD program the HUD certified housing counselor requirement is inapplicable.

Question: Can individuals who work for a HUD Housing Counseling Program Participating Agency, but who are not currently providing housing counseling services, become certified?

Answer:

Yes, agency staff that work for a Participating Agency, who do not provide housing counseling, but are currently performing other functions, may become certified provided they pass the certification examination, and their employment has been verified by the Participating Agency to comply with HUD requirements. HUD continues to require that at least half the Participating Agency's counselors must have at least 6 months of experience in the job they will perform in the Participating Agency's Housing Counseling Program.

Question: Does a guest speaker presenting at a group education session for a Participating Agency have to be certified?

Answer:

HUD recognizes that Participating Agencies often use other agency staff and industry professionals such as Realtors, Home Inspectors, and Loan Officers as presenters at home buyer education and other group workshops. This [Final Rule](#) does not require that all group education presenters be HUD certified.

Question: If an individual takes and passes the certification exam and is verified as a HUD Certified Counselor working for an agency, and then leaves that agency to work for another HUD approved agency, does the certification follow that individual?



Answer:

An individual's HUD housing counselor certification is connected to the HUD-participating agency that has verified the individual's employment. If the individual leaves that agency, the counselor's certification with that agency will end. When the counselor subsequently works for another HUD-participating agency, and that agency verifies that the counselor works for them, the counselor will then be certified with that HUD-participating agency.

Question: Can an individual be certified with more than one agency at the same time?

Answer:

Yes. The fact that an individual has been certified based on working for one HUD-participating entity does not preclude the individual from working for another HUD-participating entity and being certified with that entity at the same time.

Question: Must HUD-approved HECM counselors currently on the HECM Counselor Roster also become HUD certified counselors under the Final Rule?

Answer:

Yes, as of August 1, 2021, the Final Compliance Date for the rule, all HUD-approved Home Equity Conversion Mortgage (HECM) counselors must meet the counselor certification requirements in the [Final Rule](#). The HECM counselor must pass the certification examination and work for a Participating Agency. In addition, the HECM Roster requirements continue to apply to all HECM counselors. The HECM Roster requirements are pursuant to the statutory requirements of National Housing Act section 255 as implemented at 24 CFR part 206, subpart E.

Question: Does an employee of an organization that oversees a network of Affiliates, Branches and Subgrantees, such as for an Intermediary or a State Housing Finance Agency, need to meet the certification requirements?

Answer:

Only counselors that provide direct housing counseling must be HUD certified.

Question: What will happen to a HUD certified housing counselor's certification when they are no longer working for an agency participating in HUD's Housing Counseling Program?

Answer:

A counselor's HUD certification will be valid only while the counselor is working for a Participating Agency. If a counselor leaves the Participating Agency, the counselor will no longer be deemed "certified" until the counselor is once again working for an agency participating in HUD's Housing Counseling Program.

Question: What if a HUD certified housing counselor takes a different position within the agency and that position does not involve providing housing counseling services - will they still be HUD certified?

Answer:

An individual's HUD Housing Counselor certification will not be affected as long as the individual continues working for an agency participating in HUD's Housing Counseling Program, regardless of the



position held.

Question: Can a HUD certified housing counselor work for more than one agency participating in HUD's Housing Counseling Program?

Answer:

Yes, housing counselor certification will not preclude a counselor from working for more than one agency participating in HUD's Housing Counseling Program, provided that all other HUD Housing Counseling Program requirements are met, including that there must be no conflicts of interest.

Question: If an agency approved to participate in HUD's Housing Counseling Program has multiple Branches, does housing counseling occurring at each Branch have to be performed by a HUD certified counselor?

Answer:

As of August 1, 2021, the Final Compliance Date for the [Final Rule](#), the agency must ensure that any housing counseling performed at any of the Branches must be performed by a HUD certified counselor.

Question: When does the HUD certified housing counselor certification expire?

Answer:

There is no expiration date of the certification provided that the individual passed the examination and continues to work for a Participating Agency.

Question: What activities can a non-HUD certified housing counselor perform on or after August 1, 2021?

Answer:

On or after August 1, 2021, Housing Counseling that is required under, or provided in connection with, HUD programs must be performed by HUD certified housing counselors working for a Participating Agency. Housing Counseling, as defined in [24 CFR 5.100](#), is "independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals and must include the following processes: Intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible". A counselor who is not HUD certified cannot perform Housing Counseling on or after August 1, 2021.

Question: Can a non-HUD certified housing counselor working for a Participating Agency perform client intake on or after August 1, 2021?

Answer:

Yes. On or after August 1, 2021, a non-HUD certified housing counselor working for a Participating Agency can perform client intake to obtain basic information to determine if the agency can assist a potential client, schedule an appointment with a housing counselor, or refer the potential client to other resources. The foregoing activities are not Housing Counseling and should not be reported to HUD under housing counseling activities. On or after August 1, 2021, only a HUD certified housing counselor working for a Participating Agency may perform the analysis of the client's financial information and the actions needed to address their specific housing needs.



Question: Can a non-HUD certified housing counselor working for a Participating Agency perform follow-up activities with clients on or after August 1, 2021?

Answer:

No. On or after August 1, 2021, only a HUD certified housing counselor working for a HUD Participating Agency can perform client follow-up activities, such as sending a letter or email.

Question: Can a non-HUD certified housing counselor working for a HUD Participating Agency present at educational workshops?

Answer:

Yes. HUD recognizes that Participating Agencies often use other agency staff, as well as industry professionals such as realtors, home inspectors, and loan officers, as presenters at home buyer education and other group workshops.

Question: Can routine administrative activities (e.g., process credit reports, data entry, compile materials, assemble client documentation, provide eligibility determinations, or initial client intake) be performed by a non-HUD certified housing counselor working for a HUD Participating Agency on or after August 1, 2021?

Answer:

Yes. On or after August 1, 2021, Participating Agency staff whose roles are limited to tasks other than Housing Counseling, such as management or administrative support of a Housing Counseling Program, are not required to become HUD certified housing counselors.

Question: What work activities by housing counseling agency employees who are not housing counselors can be billed to the HUD Comprehensive Housing Counseling (CHC) Program grant?

Answer:

Generally, costs incurred by Participating Agency employees where there is a reasonable nexus to one of the eligible activities as specified in the applicable CHC NOFA and grant agreement may be billed to the HUD CHC grant. The agency must meet the requirements of the grant agreement, and the participating agency's status must be active. Please refer to the applicable grant agreement under Article IV.

Question: What happens when a HUD certified housing counselor leaves a Participating Agency?

Answer:

When a HUD certified housing counselor is no longer employed by a Participating Agency, the agency must notify their HUD Point of Contact within 15 days of the change in staffing. The agency must also validate the end of the HUD certified housing counselor's employment in [FHA Connection](#). To terminate employment, the agency's Application Coordinator must sign into [FHA Connection](#) and complete the steps in the [instructions on the HUD Exchange](#).

Question: How can a Participating Agency with a small housing counseling staff continue to meet the requirement that at least half the agency's counselors have at least 6 months of housing counseling experience when HUD certified counselors leave and new counselors need to be recruited?

Answer:



HUD continues to require that at least half the Participating Agency's counselors must have at least six months of experience in the job they will perform in the Participating Agency's Housing Counseling Program. Participating Agency staff not currently providing housing counseling services, but having previous housing counseling experience, may become HUD certified if they pass the Housing Counseling Certification Examination. If those individuals have previous housing counseling experience, that experience can satisfy the six-month agency experience requirement.

Grandfathering

Question: Will counselors be allowed to substitute prior education or certifications, or both, from other organizations instead of passing the HUD housing counselor certification examination?

Answer:

No, counselors will not be allowed to substitute prior education or certifications, or both, from other organizations to obtain HUD certified housing counselor certification.

Training for the Certification Exam

Question: Does HUD offer free training prior to testing?

Answer:

Training for the certification examination is available at [HUD's website for Housing Counselors Training and Testing for Certification](http://www.hudhousingcounselors.com) (www.hudhousingcounselors.com). The website offers free online 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 designed to help prepare housing counselors for the upcoming mandated HUD certified housing counselor examination for certification. The study guide meets the Rehabilitation Act Section 508 accessibility guidelines. The study guide is also available for download onto multiple types of electronic devices.

The training course has been designed to accommodate different learning styles. It is presented in an online, interactive format, and is also offered in a PDF format for those who prefer text-based instruction.

Question: Will HUD offer a practice examination prior to testing?

Answer:

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. The study guide is also available for download onto multiple types of electronic devices.

Question: Will the Office of Housing Counseling offer webinars or training to understand the Final Rule addressing counseling certification?

Answer:

HUD understands that education and outreach to housing counseling agencies is important. HUD will



provide webinars and other guidance for counselors and housing counseling agencies to help educate the public and housing counselors as to the housing counselor certification requirements. Visit the [Housing Counseling Training Digest](#) to see the latest training available

Question: Are Housing Counseling Certification Examination training costs reimbursable under the Fiscal Year 2019 and Fiscal Year 2020 HUD Comprehensive Housing Counseling (CHC) grants?

Answer:

Yes. HUD's Fiscal Year 2019 CHC Grant Program NOFA and Fiscal Year 2020 Supplemental CHC Grant Program NOFA allow for training expenses on housing counseling topics as eligible expenses. Please refer to the applicable grant agreement and NOFA for the process to request reimbursement.

Question: Are salary expenses incurred while a housing counselor is training for the Housing Counseling Certification Examination reimbursable under the Fiscal Year 2019 and Fiscal Year 2020 HUD Comprehensive Housing Counseling (CHC) grants?

Answer:

Yes. HUD's Fiscal Year 2019 CHC Grant Program NOFA and HUD's Fiscal Year 2020 Supplemental CHC Grant Program NOFA allow for reimbursement of salary expenses incurred while a counselor is training for the Housing Counseling Certification Examination or reexamination, or both. Such expenses must be properly documented. Please refer to the applicable grant agreement and NOFA for how to request reimbursement.

Question: Does HUD provide training materials in Spanish?

Answer:

Yes. HUD published [Spanish versions](#) of the HUD Housing Counselors Study Guide, the HUD Housing Counselors Knowledge Assessment, and the HUD Housing Counselors Practice Examination. When preparing to take the Housing Counseling Certification Examination in Spanish, it is important to review the phrasing, terms, and definitions used in the Study Guide, including the glossary. The questions posed in the Housing Counseling Certification Examination will come from information in the Spanish-language training materials.

Question: Can an intermediary or SHFA give unused HC3 money to agencies outside of their subgrantee network?

Answer:

No. An Intermediary or SHFA may only subgrant HC3 monies to housing counseling agencies in their network. Agencies outside of a parent's affiliate network cannot be subgrantees.

The Certification Exam

Question: How will the examination be scored?

Answer:

The examination will be scored using a scaled scoring process.



Question: Please explain the “scaled” scoring process. What is one correct answer worth?

Answer:

The examination score will be scaled based on a range from 200 to 800. This scaled scoring method is similar to the scoring process that is used on the Scholastic Aptitude Test (SAT). 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.

Question: Will housing counselors who only provide one type of housing counseling (for example, Home Equity Conversion Mortgage (HECM) counseling) be tested in all six areas of competency?

Answer:

Yes, all counselors are required to take the certification examination on the six competency areas (see [FAQ 3048 describing the six competency areas](#)). The test will not be customized based on the specialization of each individual counselor. The intent of this requirement is to increase the breadth of individual housing counselors' knowledge in an effort to better assist clients with varied needs. This broad knowledge will benefit housing counselors and clients and should not diminish the effectiveness of current specializations.

Question: What is the format of the examination?

Answer:

The Housing Counselor Certification Examination has approximately 90 multiple-choice questions. The test is designed to be completed in two hours, and accommodations will be made for those with disabilities. Guidance on requesting reasonable accommodations is provided by the certification examination contractor.

Question: How is the examination administered?

Answer:

The test is administered online by a proctor either by webcam or at a proctoring location, and 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 take the examination online must have equipment available. Additional information on test locations and online proctoring is available on HUD's Housing Counseling website on [HUD's website for Housing Counselors Training and Testing for Certification](#). [View more information about equipment requirements](#).

Question: What standards were used to develop the certification examination?

Answer:

The certification examination was developed according to professional standards recognized by the testing industry. The examination was designed to be free from bias and measure only approved examination content. Examination writers and reviewers, under the guidance of a psychometrician, were



made aware of potential bias, including cultural and linguistic bias, and ways to avoid it.

Question: Does the exam provide accommodations for those with disabilities?

Answer:

For those test takers that need a reasonable accommodation pursuant to the Americans with Disabilities Act and subsequent amendments to the act, HUD's contractor will arrange for accommodations.

Guidance on requesting reasonable accommodations is provided by the certification examination contractor. [HUD's website for Housing Counselors Training and Testing for Certification](#) also offers training in a format that is compliant with Section 508 of the Rehabilitation Act.

Question: Is the testing and certification requirement only for individuals that provide housing counseling for agencies approved directly by HUD?

Answer:

No. The certification requirement applies to all Participating Agencies in HUD's Housing Counseling Program whether grantees or non-grantees, and whether directly approved by HUD or participating through an Intermediary, Multistate Organization, or State Housing Finance Agency. It also applies to all counselors that provide Housing Counseling under or in connection with any HUD program.

Question: What are the consequences for individuals working for a Participating Agency if the individual fails to pass the Housing Counseling Certification Examination by August 1, 2021, the Final Compliance Date?

Answer:

As of August 1, 2021, an individual who has not passed the Housing Counseling Certification Examination may perform administrative tasks, but may not provide Housing Counseling, for a Participating Agency.

Question: If a counselor fails to pass the certification examination, how soon can he/she retake the exam?

Answer:

HUD has made provisions for prompt counselor re-examination in the event the counselor fails the examination. However, testing schedules will depend on the availability of proctors. No restrictions or limitations will be placed on the number of times the examination can be taken or on the frequency of re-examination. Each time an individual retakes the certification examination a new fee must be paid.

Question: If a counselor fails to pass the certification examination, can they retake only those questions pertaining to topic areas that their scores were deficient in?

Answer:

HUD has determined counselors will need to retake the entire examination because the examination is not separated into six areas. The examination cannot be divided into topic areas, nor taken by topic area. If an individual fails the examination, the individual will be notified of general subject deficiencies and topic areas to help focus their studies in preparation for retesting. Results of individual examination questions will not be provided.



Question: Where are the onsite locations for exams located?

Answer:

HUD and its certification contractor select the proctoring service(s) and locations where the certification examination is offered onsite. Additional information on proctoring options is available on [HUD's website for Housing Counselors Training and Testing for Certification](#).

Question: How is the counselor notified as to whether they have passed the exam?

Answer:

Test takers are notified by email whether they pass or fail the examination.

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

Answer:

There are no restrictions or limitations 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.

Question: How will counselors obtain a HUD Certified Housing Counselor certificate after they have passed the examination?

Answer:

Once an individual has passed the examination, and his/her employment with an agency approved to participate in HUD's Housing Counseling Program has been verified, the individual will be able to obtain a HUD Certified Housing Counselor certificate. HUD has provided further information on the [Certification web pages](#) on the steps a counselor must take in order to become certified and to obtain a HUD Certified Housing Counselor certificate.

Question: Will counselors have to take continuing education courses to maintain HUD certified housing counselor certification?

Answer:

Counselors will not have to complete continuing education courses to maintain HUD certified housing counselor certification. Under the [Final Rule](#), passing the certification examination is a one-time requirement.

Question: Does HUD offer the examination in both English and Spanish?

Answer:

Yes. The Spanish version of the examination became available on August 1, 2017.

Question: The training content on www.hudhousingcounselors.com is periodically updated. Is the examination updated to reflect the latest version of the training that is available?

Answer:

Yes. The certification examination is periodically updated to reflect changes in regulations and program policies. The certification examination is based on the most recent version of the training content posted



on www.hudhousingcounselors.com. The website posts changes to the online training and study guide on the Revision History document located on the training access webpage.

Question: What if an individual doesn't pass the exam – what type of notification will the individual receive? Will it provide information as to which questions were answered incorrectly?

Answer:

If a candidate does not pass the certification examination, the candidate will receive an email notification indicating that he/she has not passed the examination. The email will also provide the following information: The "Scaled Score" indicating how the total score compares to the score required to pass the test.

A recommendation as to what topics the candidate should focus on when studying to retake the examination. This recommendation will be based on the candidate's performance in each of the examination subject areas.

Question: Can a calculator be used during the certification examination?

Answer:

No. Access to an online calculator will be provided by the proctoring service provider.

Question: Can paper and pen be used during the certification examination?

Answer:

Effective August 28, 2018, the HUD Housing Counselor Certification Examination features access to a virtual pen and paper screen. This feature is available during both the proctored on-site and online examinations.

Question: Who will be proctoring the certification examination?

Answer:

Kryterion Global Testing Solutions will provide proctoring services for the HUD Certified Housing Counselor examination.

Question: Where can an individual who wants to take the certification examination find a list of available proctoring centers?

Answer:

Kryterion's proctoring center locations can be found on their [Locate a Kryterion Testing Center](#) webpage.

Question: Does HUD provide proctoring cameras for the online housing counselor certification exam?

Answer:

No. The user must provide camera equipment that meets testing requirements. Please go to Kryterion's [Online Proctoring Support](#) webpage for more information and testing of equipment prior to taking the online version of the HUD certification examination.



Question: Does HUD provide proctoring cameras for the HECM exam?

Answer:

Yes. HUD uses a different test contractor and proctoring service for the HECM exam than for the housing counselor certification exam, and the requirements are different.

Question: What are the equipment requirements for the online housing counselor certification exam?

Answer:

Please go to Kryterion's [Online Proctoring Support](#) webpage for more information and testing of equipment prior to taking the online version of the HUD certification examination.

Question: Can an individual skip a question during the examination and return to that question later in the testing session?

Answer:

Yes.

Question: Where can a counselor get help and technical assistance for issues regarding test registration, payment, proctoring, or the certification examination?

Answer:

Please submit feedback and questions on these topics at www.hudhousingcounselors.com. Select "Support" link from the main page. Bixal can also be contacted at (800) 448-7149, Monday-Friday, from 8:00 AM to 4:30 PM EST. Please note, Bixal cannot address questions relating to FHA Connection.

Question: Will the Housing Counseling Certification Examination continue to be available as a result of the [Interim Final Rule](#)?

Answer:

Yes. There will be no disruption in the availability of the Housing Counseling Certification Examination as a result of the [Interim Final Rule](#) published on HUD's website on July 31, 2020 and in the [Federal Register](#) on August 5, 2020, and the [Final Rule](#) published in the Federal Register on December 4, 2020.

HUD Certified Housing Counselor Application Process

Question: Where can a counselor get help and technical assistance regarding the HUD Certified Housing Counselor application process through HUD's FHA Connection (FHAC) system?

Answer:

A counselor should review the registration process on the [HUD Certified Housing Counselor Application Process page](#). If the individual still has questions or issues, the individual can send an email to housing.counseling@hud.gov with subject line *FHAC Application Assistance*.

Question: What is an FHAC Application Coordinator?



Answer:

An FHAC Application Coordinator is an individual that a HUD-participating agency designates to verify the employment status of individuals who work for their agency.

Question: Who can become an FHAC Application Coordinator?

Answer:

Any individual(s) designated by the HUD-participating agency to verify the employment status of individuals who work for their agency can become an FHAC Application Coordinator. However, an agency's FHAC Application Coordinator cannot be any individual who is currently registered in eLOCCs (e.g. the agency's eLOCCs coordinator or eLOCCs administrator).

Question: Can an FHAC Application Coordinator verify their own employment?

Answer:

No. If an FHAC Application Coordinator needs to have their own employment verified, another FHAC Application Coordinator must be designated by the agency to verify his/her employment.

Question: What tasks can an FHAC Application Coordinator perform?

Answer:

FHAC Application Coordinators perform the following authorization and maintenance tasks for their organization's Standard Users:

- Disclose the Standard User ID to the user when the ID set up is complete
- Maintain (update, terminate, reinstate) user authorizations to use specific FHA Connection functions and accesses
- Reset user passwords
- Update and change non-secure user data (e.g., name or telephone number)
- View/print HECM certificates and/or Certified Housing Counselor Certificates

Question: Is an FHAC Application Coordinator required for each branch office?

Answer:

No, but if the agency branch offices have separate HCS identification numbers, the FHAC Application Coordinator must also include those branch ID numbers in the application to ensure that all counselors within those branches can be verified.

Question: Does an Intermediary or State Housing Finance Agency that does not provide direct housing counseling services need to designate an FHAC Application Coordinator?

Answer:

No, an Intermediary or State Housing Finance Agency who do not have counseling staff, would not need a FHAC Application Coordinator. However, it may be beneficial for an intermediary or state housing finance agency that does not provide direct housing counseling services to designate an FHAC Application Coordinator to verify employment status of individuals who work for their affiliates and subgrantees, and to ensure that those entities have HUD certified housing counselors.



Question: How can an Intermediary or State Housing Finance Agency verify if subgrantees and affiliates have certified housing counselors?

Answer:

An Intermediary or State Housing Finance Agency could either designate an FHAC Application Coordinator to verify the employment status of individuals who work for their affiliates and subgrantees and ensure that those entities have HUD certified housing counselors, or request verification from subgrantee and affiliates as part of their network oversight.

Question: If a counselor is already registered through FHAC on the HECM Roster, does that counselor need to register for a new User ID in FHAC to apply for status as a HUD Certified Housing Counselor?

Answer:

No, they do not have to reapply for a new user ID.

Question: If an individual has passed the certification examination but FHA Connection is rejecting their request to register for an FHA Connection ID, or process their request for HUD Certified Housing Counselor status, what can that individual do?

Answer:

The most common cause for this issue is when the FHA Connection system cannot match the information that the individual entered through www.hudhousingcounselors.com with what they entered in FHA Connection (FHAC). The individual should verify that they are entering the same social security number used to register for the certification examination and counselor ID provided in the email from www.hudhousingcounselors.com. Please note that the counselor ID sent to the individual from www.hudhousingcounselors.com is entered in Counselor Exam ID field in FHAC. The individual can verify information submitted through their user profile at www.hudhousingcounselors.com.

[Read the instructions on obtaining and FHAC User ID on the HUD Exchange](#). For further assistance, please send an email to housing.counseling@hud.gov with subject line *FHAC Application Assistance*.

Question: How can a HUD certified counselor print his/her HUD certified housing counselor certificate?

Answer:

Please see the instructions on the [HUD Certified Housing Counselor Responsibilities](#) page.

Other Training Requirements for Agencies in HUD's Housing Counseling Program

Question: Does having a HUD certified Housing Counselor certification satisfy all of HUD's housing counselor training requirements?

Answer:

No. In addition to the basic knowledge related to the six counseling topics assured by certification, there is still an ongoing requirement that the agency must employ staff trained in housing counseling, and that evidence of staff training must be documented in agency's records. The agency's housing counseling staff must possess a working knowledge of HUD's housing and single family mortgage insurance programs such as the Federal Housing Administration's mortgage insurance programs, other state and



local housing programs available in the community, the consolidated plans, and the local housing market. The staff should also be familiar with housing programs offered by conventional mortgage lenders and other housing or related programs that may assist their clients.

Existing training opportunities may be used to meet HUD's ongoing knowledge requirements and may be helpful to gain mastery of specific housing counseling topics or to gain additional credentials. HUD intends to continue to provide, subject to available appropriations, funding for such activities and encourages housing counselors to attend formal training courses.

Cost of Certification

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

Answer:

HUD's Fiscal Years 2016-2019 Comprehensive Housing Counseling Grant Program NOFAs allow 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 costs associated with certification as an eligible Housing Counseling Comprehensive Grant program expense, subject to statutory authorization and funding appropriation.

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

Answer:

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.

Question: Will HUD refund the cost of taking the examination?

Answer:

While HUD recognizes that agencies have an interest in paying for their housing counselors' Housing Counseling Certification Examination fees, the individual counselors are responsible for paying their own Examination fees. Provided it is an eligible cost under the Comprehensive Housing Counseling (CHC) Grant Program NOFA, the agency may request reimbursement of the cost of the HUD Housing Counseling Certification Examination fees under the HUD CHC Program grant. The agency may also choose to pay the Housing Counseling Certification Examination costs for the individual with other agency funding sources.

Under the Fiscal Year 2020 CHC Program grant, reimbursement for Housing Counseling Certification Examination fees is limited to the counselor certification portion of the Fiscal Year 2020 award. Please refer to the applicable grant agreement and NOFA for more information.

Question: Are Housing Counselor Certification Examination training costs reimbursable under a NOFA Housing Counseling Awarded Grant?



Answer:

HUD's Fiscal Years 2016-2019 Comprehensive Housing Counseling Grant Program NOFAs allow for training expenses on housing counseling topics as eligible expenses. In future NOFAs, HUD would like to allow for training costs associated with certification to be considered an eligible Housing Counseling Comprehensive Grant program expense, subject to statutory authorization and appropriations.

Question: Are salary expenses incurred while a counselor is taking training for the exam reimbursable under a NOFA Housing Counseling Awarded Grant?

Answer:

Actual salary expenses incurred while a counselor is training for the examination or reexamination, or both, are eligible expenses under HUD's Fiscal Years 2016-2019 Comprehensive Housing Counseling Grant Program NOFAs. Such expenses must be properly documented.

Question: How much does it cost to take the Certification Exam and will there be any future changes in pricing?

Answer:

The fee charged each time an individual takes the certification examination is based on the cost of administering the examination. As per the [Federal Register Notice](#) dated May 31, 2017, the cost for online testing at the examinee's location is \$60 and at a proctoring site the cost is \$100. Information about the examination, including registration, costs, and examination locations is available at www.hudhousingcounselors.com.

The fee for taking the certification examination may change in the future. If there is a change in the fee for taking the certification examination, HUD will publish a separate federal register notice prior to the change in fees.

Question: How does a user get assistance to resolve examination registration and www.hudhousingcounselors.com issues?

Answer:

Please contact Bixal Solutions, contractor for www.hudhousingcounselors.com to address issues with accessing the online training, downloadable study guide, examination registration and fee payment. From the main page, select "Support" box. Bixal will provide technical support during its Hours of Operation: 8:00 AM–4:30 PM ET, Monday - Friday except Federal holidays.

Certification and Agency Approval

Question: If staff of an agency that is not approved to participate in HUD's Housing Counseling Program passed the HUD Housing Counselor examination, will those counselors be able to continue to provide housing counseling?

Answer:

As of August 1, 2021, the Final Compliance Date, if the housing counseling is provided under or in connection with any HUD program, it must be performed by a counselor who is HUD certified, which means that they passed HUD's housing counseling certification exam and that they must work for an



agency approved to participate in HUD's Housing Counseling Program. If your agency is not approved at that time, your counselors can not be certified, and therefore they will not be able to provide housing counseling under or in connection with any HUD program.

Question: What does HUD mean by the term “an agency approved to participate in HUD’s Housing Counseling Program”?

Answer:

An agency is considered to be “approved to participate in HUD’s Housing Counseling Program” if they have applied directly to HUD and received [HUD approval](#), or if they applied to a HUD-approved intermediary or state housing finance agency and received approval by those entities to be their affiliate.

Question: How does the new certification requirement affect an agency that is applying for approval to participate in the HUD’s housing counseling program using the HUD 9900 (Application for Approval as Housing Counseling Agency) application process?

Answer:

As of August 1, 2021, the Final Compliance Date, the individuals specified to provide housing counseling in the agency’s proposed housing counseling work plan must have passed the certification examination as a condition to HUD approving the agency. To participate in HUD’s Housing Counseling Program, an agency must meet HUD’s approval requirements at 24 CFR part 214, as amended by the [Final Rule](#). View [How to Become a HUD Approved Housing Counseling Agency](#) to learn more about applying for approval.

Question: Effective August 1, 2021, how does an agency applying for HUD approval satisfy the housing counseling certification requirement?

Answer:

Effective August 1, 2021, agencies applying for HUD approval must demonstrate they have a sufficient number of housing counselors who passed the HUD Housing Counseling Certification Examination to implement their proposed Housing Counseling Work Plan. If an agency is approved, it must complete the housing counseling certification process in [FHA Connection](#).



Question: How does the new certification requirement affect an agency that is applying to participate in HUD's Housing Counseling Program through an Intermediary or State Housing Finance Agency?

Answer:

As of August 1, 2021, the Final Compliance Date, when a HUD Intermediary or State Housing Finance Agency designates an agency to provide housing counseling services, it is the responsibility of the Intermediary or State Housing Finance Agency to ensure that the individuals providing housing counseling in the agency's proposed housing counseling work plan have passed the certification examination. To be approved to participate in HUD's Housing Counseling Program, an agency must meet HUD's approval requirements at 24 CFR part 214.

What happens if there is not a HUD Certified Counselor at an agency as of August 1, 2021, the Final Compliance Date?

Question: Can an agency approved to participate in HUD's Housing Counseling Program offer housing counseling if it no longer has a HUD certified counselor as of August 1, 2021, the Final Compliance Date?

Answer:

No. As of August 1, 2021, all Housing Counseling that is required under or provided in connection with any program administered by HUD must be performed by HUD certified housing counselors working for HUD Participating Agencies. Any agency that is not in compliance with this requirement will no longer be able to perform Housing Counseling on or after August 1, 2021.

Question: What will happen if an agency has no HUD certified housing counselors to implement the agency's approved Housing Counseling Work Plan as of August 1, 2021, the Final Compliance Date? Will the agency be automatically terminated from the HUD Housing Counseling Program?

Answer:

If an agency has no HUD certified housing counselors to implement the agency's approved Housing Counseling Work Plan as of August 1, 2021, HUD may allow the agency to be placed in inactive status, in lieu of termination, consistent with HUD regulations at [24 CFR § 214.200](#). If the agency has no HUD certified housing counselors to implement the agency's approved Housing Counseling Work Plan at the conclusion of the initial six-month inactive period, HUD may extend the inactive period, or the agency may be terminated or removed from the HUD Housing Counseling Program pursuant to [24 CFR Part 214](#).

Question: What will happen if an agency does not have a sufficient number of HUD certified housing counselors to implement its Housing Counseling Work Plan as of August 1, 2021, the Final Compliance Date? Will the agency be automatically terminated from HUD's Housing Counseling Program?

Answer:

If an agency does not have a sufficient number of HUD certified housing counselors to implement its Housing Counseling Work Plan as of August 1, 2021, the agency will not satisfy the staffing requirements necessary to participate in HUD's Housing Counseling Program.

HUD may change an agency's status to inactive, in lieu of termination, consistent with [24 CFR 214.200](#), to allow the agency time to have a sufficient number of HUD certified housing counselors to implement its Housing Counseling Work Plan. If the agency does not have a sufficient number of HUD certified housing



counselors to implement its Housing Counseling Work Plan at the conclusion of the initial six month inactive period, HUD may extend the inactive period, or the agency may be terminated from the HUD Housing Counseling Program pursuant to [24 CFR Part 214](#).

Question: As of August 1, 2021, the Final Compliance Date, what options are available to an agency if it has at least one HUD certified housing counselor but not a sufficient number of HUD certified housing counselors to implement the agency's approved Housing Counseling Work Plan?

Answer:

As of August 1, 2021, if an agency does not have a sufficient number of HUD certified housing counselors to implement the agency's approved Housing Counseling Work Plan, the agency must adjust its Housing Counseling Work Plan, with approval from HUD, to reflect its available resources or hire a sufficient number of HUD certified housing counselors to carry out the agency's Housing Counseling Work Plan.

Question: If an agency has no HUD certified housing counselors to implement the agency's approved Housing Counseling Work Plan as of August 1, 2021, the Final Compliance Date, what do they do with their clients who need ongoing attention?

Answer:

An agency that has no HUD certified housing counselors as of August 1, 2021, should refer any clients who need ongoing attention to an agency on the list of Participating Agencies. If the agency has a continuation of operations plan, they should activate it when they are in inactive status.

Question: When can a new counselor begin providing housing counseling for an agency approved to participate in HUD's Housing Counseling Program?

Answer:

As of August 1, 2021, the Final Compliance Date, a housing counselor must be HUD certified before providing Housing Counseling for a Participating Agency. A new counselor or other agency staff person who has not passed the Housing Counseling Certification Examination may work for a Participating Agency and perform administrative tasks but may not provide Housing Counseling.

Question: What happens to a housing counselor's status with an agency participating in HUD's Housing Counseling Program if he or she has failed to pass the Housing Counselor Certification Examination after August 1, 2021, the Final Compliance Date?

Answer:

As of August 1, 2021, an individual who has not passed the certification examination may work for an agency participating in HUD's Housing Counseling Program, and assist certified counselors, but may not provide housing counseling under HUD's Housing Counseling Program.

Question: Can a HUD Participating Agency that does not have a sufficient number of HUD certified housing counselors to implement its Housing Counseling Work Plan, as of August 1, 2021, contract with another Participating Agency to use their certified housing counselors to satisfy the staffing requirements necessary to participate in HUD's Housing Counseling Program?

Answer:



No. A Participating Agency and its branches, sub-grantees or affiliates must deliver all the housing counseling activities set forth in their Housing Counseling Work Plan. Each Participating Agency must have a sufficient number of their own HUD certified housing counselors to carry out their Housing Counseling Work Plan and cannot rely on an agreement with another agency to use that agency's housing counselors to satisfy the staffing requirements necessary to participate in HUD's Housing Counseling Program.

Requirements of an Agency to Notify HUD regarding Counselor Certification

Question: When a Participating Agency hires a new counselor or loses a counselor, what are the agency's responsibilities for notifying HUD?

Answer:

Agencies approved to participate in HUD's housing counseling program will be responsible for reporting to HUD in FHA Connection whenever a housing counselor who has passed the HUD Housing Counselor certification examination is hired, or a HUD certified housing counselor has left their employment. Instructions for reporting the status of HUD certified counselors are located on the [FHAC Application Coordinator Instructions page](#). In addition, under the regulations existing prior to the publication of the [Final Rule](#), agencies participating in HUD's Housing Counseling Program are required to notify HUD within 15 days when there are any changes in staff personnel responsible for the housing counseling program, such as the housing counselors. The notification should be made to the Participating Agency's HUD point of contact and the Participating Agency's Intermediary or State Housing Finance Agency point of contact.

Certification and HUD Form 9902 Reporting

Question: How does the requirement that all housing counseling provided under HUD's Housing Counseling Program must be performed by a HUD certified counselor affect reporting on HUD Form 9902?

Answer:

All housing counseling that occurs as of August 1, 2021, the Final Compliance Date, reported by agencies participating in HUD's Housing Counseling Program on Form 9902 must be performed by HUD certified housing counselors.

Monitoring

Question: How will HUD monitor the requirement in the Final Rule that all individual housing counseling under the HUD Housing Counseling Program must be performed by HUD certified housing counselors, and ensure that all individual housing counseling reported by Participating Agencies to HUD's Office of Housing Counseling on Form 9902 must be performed by HUD certified housing counselors?

Answer:

Performance reviews and other monitoring gives HUD the opportunity to check to ensure that as of August 1, 2021, the Final Compliance Date, all housing counseling being performed under HUD programs is being provided by certified counselors. In addition, Intermediaries and State Housing Finance Agencies are responsible for ensuring that their Subgrantees and affiliates follow all HUD requirements, including the requirement that all housing counseling be conducted by HUD certified counselors. HUD may utilize



the existing mechanisms available in regulations for serious noncompliance with program requirements, in addition to any applicable requirements in the Housing Counseling Program Grant Agreement.

Other Training Requirements for Agencies in HUD's Housing Counseling Program

Question: Does having a HUD certified housing counselor certification satisfy all of HUD's housing counselor training requirements?

Answer:

No. In addition to the basic knowledge related to the six counseling topics assured by certification, there is still an ongoing requirement that the agency must employ staff trained in housing counseling, and that evidence of staff training must be documented in agency's records. The agency's housing counseling staff must possess a working knowledge of HUD's housing and single family mortgage insurance programs such as FHA, other state and local housing programs available in the community, the consolidated plans, and the local housing market. The staff should also be familiar with housing programs offered by conventional mortgage lenders and other housing or related programs that may assist their clients.

Existing training opportunities may be used to meet HUD's ongoing knowledge requirements and may be helpful to gain mastery of specific housing counseling topics or to gain additional credentials. HUD intends to continue to provide, subject to available appropriations, funding for such activities and encourages housing counselors to attend formal training courses. The [Final Rule](#) also does not change the current continuing education requirements for Home Equity Conversion Mortgage (HECM) roster counselors.

Question: If an agency's counselors have passed the certification exam, does that mean that the agency can offer all of the types of housing counseling (e.g. pre-purchase/home buying, home maintenance and financial management for homeowners (non- delinquency post- purchase), resolving or preventing mortgage delinquency or default or reverse mortgage counseling)?

Answer:

In addition to meeting the requirement that after the Final Compliance Date all housing counseling must be performed by a HUD certified counselor, a Participating Agency must still ensure that the counselors providing specific types of counseling are trained in the type of counseling that they are performing, consistent with their housing counseling workplan.

Question: Does an agency participating in HUD's Housing Counseling Program have to start offering counseling services in all six of the competency areas covered by the housing counselor standardized examination, i.e. financial management; property maintenance; responsibilities of homeownership and tenancy; fair housing laws and requirements; housing affordability; and, avoidance of, and response to, rental or mortgage delinquency and avoidance of eviction or mortgage default?

Answer:

While the [Final Rule](#) requires that counselors must demonstrate competency in all six areas, agencies are not required to provide housing counseling in all areas or to require counselors to change their specializations. Agencies can continue to determine the areas of specialization for each counselor, and for the agency itself, based on the workload of the agency and the needs of its client base. The new certification assures a baseline of housing knowledge by counselors through a single, government -



issued, national credential. This will further ensure that counselors that specialize in specific types of counseling will have the knowledge to make appropriate referrals for clients who have housing issues beyond the scope of the services that a counselor is providing.

However, all participating agencies that provide Homeownership Counseling have the additional requirement as outlined in the FAQs that the agencies shall address the entire process of homeownership.

Question: Is the HUD Certified Housing Counselor certification meant as a replacement for other certifications that may be given by organizations that train housing counselors?

Answer:

The HUD Certified Housing Counselor certification demonstrates that an individual has passed the Certification examination that tests a basic competency in six areas tested, and that the individual works for an agency participating in HUD's housing counseling program. It is not meant to replace other certifications or other training.

Question: Does having a HUD Certified Housing Counselor certification satisfy HUD's HECM counselor continuing education requirements?

Answer:

No. The [Final Rule](#) does not change the current continuing education requirements for HUD-approved HECM counselors on the HECM Counselor Roster.

HUD Intermediary/State Housing Finance Agency/Multi State Organization Oversight Responsibilities

Question: Does an employee of an organization that oversees a network of Affiliates, Branches, and Subgrantees, such as for an Intermediary or a State Housing Finance Agency, need to meet the certification requirements?

Answer:

Only individuals that provide direct housing counseling must be certified.

Question: What is a HUD Intermediary's or State Housing Financing Agency's responsibility for monitoring Subgrantee or Affiliate compliance with housing counselor certification?

Answer:

It has always been a HUD Intermediary's or State Housing Financing Agency's responsibility to monitor Subgrantee or Affiliate compliance with HUD's regulations. As of August 1, 2021, the Final Compliance Date, it is the responsibility of Intermediaries and State Housing Finance Agencies to ensure that only HUD certified counselors provide Housing Counseling for its Subgrantees and Affiliates.

Question: What is a HUD Intermediary's or Multistate Organization's responsibility for monitoring its Branches for compliance with housing counselor certification?



Answer:

As of August 1, 2021, the final compliance date, it is the HUD Intermediary's or Multistate Organization's responsibility to ensure that only HUD certified counselors provide housing counseling for its Branches.

Question: What is an Intermediary's or State Housing Financing Agency's (SHFA) responsibility for compliance with housing counselor certification when an agency applies to them to participate in HUD's Housing Counseling Program as their Affiliate or Subgrantee?

Answer:

As of August 1, 2021, the Final Compliance Date, when a HUD Intermediary or SHFA designates an agency to provide housing counseling services, it is the responsibility of the Intermediary or SHFA to ensure that the individuals providing housing counseling in the agency's proposed housing counseling work plan have passed the HUD Housing Counselor Certification Examination. To be approved to participate in HUD's Housing Counseling Program, an agency must meet all of HUD requirements including but not limited to the requirements of 24 CFR Part 214.

QUESTIONS PERTAINING TO OTHER HUD PROGRAMS

Overview for All Program Areas

Question: Do the housing counseling certification requirements apply to other HUD programs in addition to HUD's Housing Counseling Program?

Answer:

Yes. The [Final Rule](#) implements the requirement that after August 1, 2021, the final compliance date, all housing counseling required under or provided in connection with HUD programs, as defined in CFR § 5.111 (b), must be provided by HUD certified housing counselors that must work for agencies approved to participate in HUD's Housing Counseling Program.

Question: How does an agency in another HUD program become approved to participate in HUD's Housing Counseling Program?

Answer:

An agency in another HUD program can get approved to participate in HUD's Housing Counseling program by either:

1. Applying directly to HUD to receive approval from HUD to participate in HUD's Housing Counseling Program, or
2. Applying to an Intermediary or a State Housing Finance Agency to participate in the HUD Housing Counseling Program as their Affiliate.

Information and application instructions are available at HUD's Office of Housing Counseling website: [How to Become a HUD Approved Housing Counseling Agency](#).

Question: What are the key qualifying criteria for an agency to be approved to participate in HUD's Housing Counseling Program?



Answer:

A few of the key criteria for achieving [HUD approval](#) to participate in HUD's Housing Counseling Program include:

1. **Nonprofit Status:** A housing counseling agency must function as a private or public nonprofit organization, or be a unit of local, county, or state government. The agency must submit evidence of nonprofit status and tax-exempt status under section 501(a), pursuant to section 501(c) of the Internal Revenue Code of 1996 (26 U.S.C. 501(a) and (c)). Units of local, county, or state government must submit proof of their authorization to provide housing counseling services.
2. **Experience.** The applicant must have successfully administered a housing counseling program for at least one year.
3. **Community Base.** The applicant must have functioned for at least one year in the geographical area that the applicant proposes to serve.
4. **Counseling Resources.** The applicant must have sufficient resources to implement its proposed counseling plan no later than the date of HUD approval.

Detailed information and additional requirements of the housing counseling program are provided in 12 USC 1701x and [24 CFR Part 214](#) the [Housing Counseling Program Handbook 7610.1 REV-5](#).

Question: When do the certification requirements go into effect?

Answer:

HUD issued a separate [Federal Register Notice](#) on May 31, 2017, to announce that the start of the testing and certification process would be on August 1, 2017. Entities and individuals providing housing counseling will have to be approved or certified by the Office of Housing Counseling by August 1, 2021, referred to as the "Final Compliance Date."

Effective date of the rule: 30 days after the Date of Publication.

Date Testing begins (and that counselors can begin to become certified): HUD issued a separate Federal Register Notice on May 31, 2017 and announced the HUD Certified Housing Counselor Examination became available August 1, 2017.

Final Compliance Date for Certification: August 1, 2021. Entities and individuals providing housing counseling required under or provided in connection with any HUD program, including HUD's housing counseling program, will have from August 1, 2017, the date that testing began, to August 1, 2021, the Final Compliance Date, to become approved or certified by the Office of Housing Counseling.

Question: What options are available for agencies to become compliant with the certification requirements in the Final Rule?

Answer:

As of August 1, 2021, the Final Compliance Date, entities that offer housing counseling covered by this rule will have to:

1. Become approved to participate in HUD's Housing Counseling program and employ HUD certified housing counselors; or
2. Create partnerships with agencies approved to participate in HUD's Housing Counseling program using HUD certified housing counselors to deliver housing counseling services on



- their behalf; or
- 3. Stop providing housing counseling services, or
- 4. Otherwise modify their program to comply with this rule.

Question: What types of other HUD programs are affected by the Final Rule?

Answer:

Identified below are types of HUD programs affected by the [Final Rule](#), as defined in 24 CFR §5.111 (b). As of August 1, 2021, the Final Compliance Date, housing counseling provided in connection with any type of program identified below must be provided by HUD certified housing counselors that work for an agency approved to participate in HUD's Housing Counseling program.

1. HUD Programs where Housing Counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD;
2. HUD Programs where Housing Counseling is funded under the HUD program;
3. HUD Programs where Housing Counseling is required by a grantee or subgrantee of a HUD program as a condition of receiving assistance under the HUD program; or
4. HUD programs where a family assisted under a HUD program is referred to Housing Counseling, by a grantee or subgrantee of the HUD program.

Question: Is there a list of specific HUD programs affected by the Final Rule?

Answer:

[Other HUD Programs Covered Under HUD's Final Rule for Housing Counseling Certification](#) is available on HUD's Housing Counseling website and are also listed below. In the future, the list will be updated as appropriate to add or remove HUD programs.

Question: What are the HUD programs on the list where housing counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD?

Answer:

The following HUD programs are those where housing counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD:

1. Housing Counseling Program (12 U.S.C. 1701x);
2. Housing Choice Voucher Homeownership Option (42 U.S.C. 1437f(y));
3. HOME Investment Partnership – Homeownership only (42 U.S.C. 12701 et seq.);
4. Housing Trust Fund – Homeownership only (12 U.S.C. 4568(c));
5. FHA Single Family Mortgage Insurance Program (12 U.S.C. 1707 et seq.). [See the [FAQ regarding the inclusion of the FHA Single Family Mortgage Insurance Program](#) on the list only for situations where housing counseling is required in connection with a specific FHA product, such as the Back to Work Extenuating Circumstances Initiative];
6. Home Equity Conversion Mortgage Program (12 U.S.C. 1715z-20).

Question: What are the HUD programs on the list where housing counseling is funded under the HUD program?

Answer:



The following HUD programs are those that include “housing counseling” as an eligible funding activity or project cost. Where “housing counseling,” as defined by this rule, is funded by the programs listed below, the housing counseling must be provided through an agency approved to participate in HUD’s Housing Counseling program and a HUD certified housing counselor.

1. The Community Development Block Grant Program (42 U.S.C. 5301, et seq.), including Disaster Recovery;
2. Displacement Due to Demolition and Disposition of Public Housing (42 U.S.C. 1437p(a)(4)(D));
3. Conversion of Distressed Public Housing to Tenant-Based Assistance (42 U.S.C. 1437z-5(d)(2)(B));
4. HOME Investment Partnership Program (42 U.S.C. 12701 et seq.);
5. Housing Trust Fund (12 U.S.C. 4568(c));
6. Housing Opportunities for Persons With AIDS (42 U.S.C. 12906);
7. Emergency Solutions Grant (42 U.S.C. 11371, et seq.);
8. The Continuum of Care program (42 U.S.C. 11381, et seq.);
9. Indian Housing Block Grants* and Native Hawaiian Housing Block Grants (25 U.S.C. 4132(3), 25 U.S.C. 4229(b)(2)(A));
10. Indian Community Development Block Grant Program* (42 U.S.C. 5301, et seq.);
11. Rural Housing Stability Assistance Program (P.L. 111-22);
12. Housing Choice Voucher program (42 U.S.C. 1437f(o));
13. Public Housing Operating Fund (42 U.S.C. 1437g(e); and
14. Family Self-Sufficiency Program (FSS)

*Please note that application of the Housing Counseling Certification Rule requirements to the Native American housing programs will undergo tribal consultation before applying.

Question: What are some examples of HUD programs where housing counseling is required by a grantee or subgrantee of a HUD program as a condition of receiving assistance under the HUD program?

Answer:

An example of such a program would be the Public Housing Resident Homeownership Program (42 U.S.C. 1437z-4), where Public Housing Agencies may elect to require participants in the program to participate in housing counseling as a condition of participating in the Public Housing Resident Homeownership Program. Such housing counseling would be considered “required under or provided in connection with a HUD program” and the “housing counseling” must be provided by certified individual housing counselors working for agencies approved to participate in HUD’s Housing Counseling program, as of the Final Compliance Date of the [Final Rule](#).

Another example of such a program would be a State Housing Finance Agency that has elected to require consumers to obtain “housing counseling” as a condition of eligibility for its downpayment program funded by CDBG. Because the downpayment program is funded by CDBG funds, the “housing counseling” must be provided by certified individual housing counselors working for agencies approved to participate in HUD’s Housing Counseling program, as of the Final Compliance Date of the Final Rule.

Question: What are the HUD programs on the list where a family assisted under a HUD program is referred to Housing Counseling, by a grantee or subgrantee of the HUD program?

Answer:



Any HUD program where a grantee or subgrantee makes a housing counseling referral to a family assisted under the HUD program must make the referral to an agency approved to participate in HUD's Housing Counseling program consistent with § 5.111. Examples include the Family Self-Sufficiency Program (FSS); Resident Opportunity and Self-Sufficiency Program (ROSS), and Multifamily Housing Service Coordinators program. If an FSS coordinator, ROSS service coordinator, or Multifamily Housing Service Coordinator refers a participant to housing counseling (e.g., rental housing counseling to help participants move to market-rate rental housing, or homeownership counseling for a participant whose goal is to become a homeowner), the coordinator must refer the participant to agencies approved to participate in HUD's Housing Counseling program.

Question: How does HUD define "Housing Counseling"?

Answer:

Housing counseling is defined in HUD's general regulations at 24 CFR 5.100, as follows: "Housing Counseling is independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals and must include the following processes: intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in 24 CFR part 214. Homeownership counseling and rental counseling are types of Housing Counseling."

Question: Are there any examples of services that are counseling but may not necessarily be "housing counseling" that triggers the certification requirements of the Final Rule?

Answer:

There are several exceptions to what is considered housing counseling. Entities that provide the services listed below, in the absence of housing counseling as defined in § 5.100, do not have to become agencies approved to participate in HUD's Housing Counseling program, and do not have to use HUD certified housing counselors in order to be compliant with this [Final Rule](#). The following are examples of counseling that do not constitute housing counseling:

1. Services that provide housing information, or placement or referral services, (e.g., mobility-related services for the Housing Choice Voucher (HCV) program), do not constitute housing counseling and would not necessitate an individual providing these services to become a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling program under the Final Rule.
2. Routine administrative activities (e.g., program eligibility determinations, intake, case management, property management, and the collection of rent or loans) are not housing counseling.
3. Holistic case management for persons with special needs, for persons undergoing relocation in the course of a HUD program (including relocation and other advisory services provided pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and other Federal laws), or for social services programs that also provide housing services as incidental to a larger case management program are not housing counseling. The Housing Opportunities for Persons With HIV/AIDS (HOPWA) program, Emergency Solutions Grants (ESG) program, and Continuum of Care (CoC) program permit various housing and supportive services as eligible use of funds. If these housing services are part of a larger set of case management services, they do not trigger the certification requirements of this rule. However, in these programs, there may be instances where housing counseling, as defined in this rule, is being



provided. For example, if a participant in these programs is receiving housing counseling, as defined in § 5.100, as a separate specialized service, the housing counseling has to be provided by a certified housing counselor working for an agency approved to participate in HUD's Housing Counseling program.

4. Fair housing advice and advocacy offered in isolation from housing counseling as defined in § 5.100, i.e. without providing for an intake; financial and housing affordability analysis; an action plan to address other housing needs or goals; and follow up.

Question: If an agency is directly providing housing counseling as a requirement of a HUD program, does the housing counseling have to include all of the components that are in the definition of housing counseling at 24 CFR 5.100?

Answer:

Yes, as of August 1, 2021, the Final Compliance Date, if an agency continues to directly provide housing counseling as a requirement of a HUD program, it must provide all of the components under the definition of housing counseling. The agency will be required to provide all of the services as described in the regulations at 24 CFR Part 5.100, including an intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. Moreover, in order to provide housing counseling required under the HUD program, the agency will be required to be approved to participate in HUD's housing counseling program and the housing counseling must be provided by HUD certified counselors.

Question: What are the requirements for an agency participating in HUD's housing counseling program?

Answer:

Once an agency is approved to participate in HUD's housing counseling program, they will be required to comply with all applicable Housing Counseling Program requirements, including but not limited to requirements found in 24 CFR Part 5, 24 CFR Part 214, and HUD Handbook 7610.1 REV-5 (Housing Counseling Program Handbook). Visit the HUD Exchange Housing Counseling Website to access these resources.

Question: If an agency does not provide housing counseling as covered by the rule, but does provide group homebuyer education, is this education required to be overseen by a HUD certified housing counselor?

Answer:

No. As long as an agency is not providing housing counseling required under or provided in connection with HUD programs, your agency would not need to be approved to participate in HUD's Housing Counseling program, and your agency's homebuyer group education would not be required to be overseen by a HUD certified housing counselor.

Question: If an agency does provide housing counseling as covered by the rule, and also provides homebuyer education classes, do guest speakers (real estate agents, lenders, inspectors, etc.) for the classes have to be HUD certified housing counselors?

Answer:

No. HUD recognizes that agencies often use other agency staff and industry professionals such as Realtors, Home Inspectors and Loan Officers as presenters at home buyer education and other group workshops. This Final Rule does not require that all group education presenters obtain HUD certification.



Question: Does everyone in an agency covered by the rule have to become a HUD certified housing counselor?

Answer:

No. Only those staff that provide housing counseling services to clients must be certified. As of August 1, 2021, the Final Compliance Date, all individuals that provide housing counseling services to consumers required under or provided in connection with a HUD program must be certified.

Staff whose roles in administering the agency's HUD Housing Counseling Program are limited to funding, overseeing or administering a housing counseling program, and who do not provide housing counseling services directly to clients, are not required to become HUD certified housing counselors.

QUESTIONS BY PROGRAM

Housing Choice Voucher Program

Question: The Housing Choice Voucher (HCV) Program is listed in the certification rule as a "HUD Program where housing counseling is funded under the HUD program." Does that mean that *all* public housing agencies (PHAs) implementing the HCV Program have to become approved to participate in HUD's Housing Counseling Program, and PHA staff working on the HCV program have to become HUD certified housing counselors?

Answer:

No, although there are certain circumstances in which certification is a requirement.

PHAs are allowed to use their HCV administrative fee reserve (otherwise known as "unrestricted net assets" or "unrestricted net position") to provide housing counseling to HCV participants, but PHAs are not required to provide housing counseling to HCV participants. If a PHA does not directly provide housing counseling, as defined at 24 CFR Part 5.100, then the PHA staff do not have to become HUD certified housing counselors, and the PHA does not have to become approved to participate in HUD's Housing Counseling Program.

However, if the PHA is providing independent, expert advice customized to the need of the consumer to address the consumers' housing barriers and achieve their housing goals (that includes an intake, financial and housing affordability analysis, an action plan, and a reasonable effort to have follow-up communication with the client when possible), then this is housing counseling as defined at 24 CFR Part 5.100, and the housing counseling must be provided by a HUD certified housing counselor and the PHA must become approved to participate in HUD's Housing Counseling Program. Please note that routine administrative activities of the HCV Program (e.g., program eligibility determinations, intake, case management), or mobility- related services, are not housing counseling for the purposes of the certification rule.

Question: Are mobility-related services in the HCV Program considered "housing counseling" for the purposes of the certification rule?

Answer:

No. Services that provide housing information, or placement or referral services, (for example, mobility-



related services for the Housing Choice Voucher (HCV) program), do not constitute housing counseling and would not necessitate an individual providing these services to become a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program.

However, agencies approved to participate in HUD's Housing Counseling Program may choose to provide mobility-related services as part of their rental or homeownership housing counseling. As of August 1, 2021, the Final Compliance Date, such rental or homeownership housing counseling would have to be performed by a HUD certified housing counselor.

Question: If an agency that is approved to participate in HUD's Housing Counseling program provides mobility-related services as part of rental or homeownership housing counseling, could that rental or homeownership housing counseling be eligible for funding under HUD's housing counseling NOFA?

Answer:

The question of which activities are eligible for funding is dependent on the specific language of future NOFAs. However, in past HUD Housing Counseling Program NOFAs, rental counseling and homeownership counseling that met HUD's Housing Counseling Program requirements, performed by counselors working for agencies approved to participate in HUD's Housing Counseling Program, were activities eligible for reimbursement. If mobility-related services were part of rental or homeownership housing counseling that met HUD's Housing Counseling Program requirements, they would have been activities eligible for funding. As of August 1, 2021, the Final Compliance Date, that rental or homeownership housing counseling would have to be provided by a HUD certified housing counselor.

As a reminder, agencies cannot charge multiple funding sources for the same service provided to the same client.

Housing Choice Voucher (HCV) Program Homeownership Option

Question: The Housing Choice Voucher (HCV) Program Homeownership Option is listed in the certification rule as a "HUD Program where housing counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD." The current HCV regulation at 24 CFR Part 982.630(e) allows a public housing agency (PHA) to *not* use a HUD-approved housing counseling agency to provide the counseling for families participating in the homeownership option, as long as the PHA ensures that its counseling program is consistent with the homeownership counseling provided under HUD's Housing Counseling Program. Does the certification rule remove this option to *not* use a HUD- approved housing counseling agency?

Answer:

By the final compliance date, the housing counseling provided to families participating in the HCV Program Homeownership Option must be conducted by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program. PHAs are not required to become approved to participate in HUD's Housing Counseling program (nor is the PHA's staff required to become HUD certified counselors) unless the homeownership counseling is being provided directly by the PHA.



Family Self-Sufficiency (FSS) Program

Question: In the list of HUD programs affected by the Final Rule on housing counselor certification, the Family Self-Sufficiency (FSS) Program is listed as a “HUD Program where housing counseling is funded under the HUD program,” and it is also listed as a “HUD program where housing counseling referrals are made by a grantee or subgrantee of the program for use by a family assisted under the program.” How is the FSS Program affected by the Final Rule on housing counselor certification?

Answer:

1. FSS as a HUD Program where housing counseling is funded under the HUD Program:

The FSS NOFA allows FSS Coordinators to provide homeownership counseling to FSS participants. If an FSS Coordinator provides homeownership counseling with FSS funds, the FSS Coordinator must be a HUD certified housing counselor working for an agency approved to participate in HUD’s Housing Counseling Program, as of August 1, 2021, the Final Compliance Date.

2. FSS as a HUD Program where housing counseling referrals are made by a grantee or subgrantee of the program for use by a family assisted under the program:

When an FSS coordinator refers a participant to housing counseling (e.g., rental housing counseling to help participants move to market-rate rental housing, or homeownership counseling for a participant whose goal is to become a homeowner), the coordinator must refer the participant to the [List of HUD Approved Housing Counseling Agencies](#).

Resident Opportunity and Self-Sufficiency Program (ROSS)

Question: The Resident Opportunity and Self-Sufficiency Program (ROSS) is listed in the certification rule as a “HUD program where housing counseling referrals are made by a grantee or subgrantee of the program for use by a family assisted under the program.” Does this mean that ROSS service coordinators must become HUD certified housing counselors?

Answer:

No. The ROSS NOFA provides for the salaries and benefits of ROSS service coordinators, and in general does not provide funding for services. This means that ROSS service coordinators may not use ROSS funding to directly provide housing counseling. However, when a ROSS service coordinator refers a participant to housing counseling (e.g., rental housing counseling to help participants move to market-rate rental housing, or homeownership counseling for a participant whose goal is to become a homeowner), the service coordinator must refer the participant to the [List of HUD Approved Housing Counseling Agencies](#).

Public Housing Operating Fund

Question: The Public Housing Operating Fund is listed in the certification rule as a “HUD Program where Housing Counseling is funded under the HUD program.” Does that mean that *all* public housing agencies (PHAs) implementing the Public Housing Program have to become approved to participate in HUD’s Housing



Counseling Program, and PHA staff working on the Public Housing Program have to become HUD certified housing counselors?

Answer:

No, although there are certain circumstances in which certification is a requirement.

PHAs are allowed to use their Public Housing Operating Funds to provide housing counseling to Public Housing residents, but PHAs are not required to provide housing counseling to Public Housing residents. If a PHA does not directly provide housing counseling, as defined at 24 CFR Part 5.100, then the PHA staff do not have to become HUD certified housing counselors, and the PHA does not have to become approved to participate in HUD's Housing Counseling Program. Please note that routine administrative activities of the Public Housing Program (e.g., program eligibility determinations, intake, case management, property management, collection of rent) are not housing counseling.

However, if the PHA is providing independent, expert advice customized to the need of the consumer to address the consumers' housing barriers and achieve their housing goals (that includes an intake, financial and housing affordability analysis, an action plan, and a reasonable effort to have follow-up communication with the client when possible), then this is housing counseling as defined at 24 CFR Part 5.100, and the housing counseling must be provided by a HUD certified housing counselor and the PHA must become approved to participate in HUD's Housing Counseling Program.

Public Housing Homeownership

Question: The Public Housing Resident Homeownership Program is listed in the certification rule as a "HUD Program where Housing Counseling is required by a grantee or subgrantee of a HUD program as a condition of receiving assistance under the HUD program." Does that mean that *all* public housing agencies (PHAs) implementing the Public Housing Resident Homeownership Program have to become approved to participate in HUD's Housing Counseling Program, and PHA staff working on the Public Housing Resident Homeownership Program have to become HUD certified housing counselors?

Answer:

No, although there are certain circumstances in which certification is a requirement. The Public Housing Resident Homeownership Program regulations (24 CFR 906.15(d)) allow a PHA to require a family to participate in homeownership counseling in order to participate in the Public Housing Resident Homeownership Program. If a PHA elects to require homeownership counseling for families participating in the Public Housing Resident Homeownership Program, then such homeownership counseling must be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program.

Only if the homeownership counseling is being provided directly by the PHA must the PHA become approved to participate in HUD's Housing Counseling Program, and the PHA staff providing the counseling become HUD certified housing counselors.

Displacement Due to Demolition and Disposition of Public Housing

Question: "Displacement Due to Demolition and Disposition of Public Housing" (pursuant to 24 CFR Part 970) is listed in the certification rule as a "HUD Program where Housing Counseling is funded under the HUD program." Does that mean that *all* public housing agencies (PHAs) undergoing Displacement Due to



Demolition and Disposition of Public Housing have to become approved to participate in HUD's Housing Counseling Program, and PHA staff providing services to displaced residents have to become HUD certified housing counselors?

Answer:

No, although there are certain circumstances in which certification is a requirement. The certification rule states that:

"Holistic case management for persons with special needs, for persons undergoing relocation in the course of a HUD program (including relocation and other advisory services provided pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and other Federal laws), or for social services programs that also provide housing services as incidental to a larger case management program are not housing counseling."

Therefore, services provided to residents undergoing relocation as part of the Displacement Due to Demolition and Disposition of Public Housing Program are generally not considered housing counseling, thus, HUD certification is not required. However, there may be instances where Housing Counseling, as defined in the [Final Rule](#), is being provided under the Displacement Due to Demolition and Disposition of Public Housing program. For example, if a resident is receiving Housing Counseling, as defined in the [Final Rule](#), as a separate specialized service, then the housing counseling has to be provided by a HUD certified housing counselor working for an agency participating in HUD's Housing Counseling Program as of August 1, 2021, the Final Compliance Date. The Final Rule defines housing counseling at 24 CFR 5.100 as:

"Independent, expert advice customized to the need of the consumer to address the consumers' housing barriers and achieve their housing goals and must include the following process: intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in the regulations that govern HUD's Housing Counseling Program at 24 CFR part 214. Homeownership counseling and rental counseling are types of Housing Counseling."

Please note that routine administrative activities of the Public Housing Program (e.g., program eligibility determinations, intake, case management), or mobility-related services, are not housing counseling for the purposes of the certification rule.

Question: Are mobility-related services provided in the Displacement Due to Demolition and Disposition of Public Housing program considered "housing counseling" for the purposes of the certification rule?

Answer:

No. Services that provide housing information, or placement or referral services, (for example, mobility-related services), do not constitute housing counseling and would not necessitate an individual providing these services to become a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program.

However, agencies approved to participate in HUD's Housing Counseling Program may choose to provide mobility-related services as part of their rental or homeownership housing counseling. As of August 1, 2021, the Final Compliance Date, such rental or homeownership housing counseling would have to be performed by a HUD certified housing counselor.



Question: If an agency that is approved to participate in HUD’s Housing Counseling Program provides mobility-related services as part of rental or homeownership housing counseling, could that rental or homeownership housing counseling be eligible for funding under HUD’s housing counseling NOFA?

Answer:

The question of which activities are eligible for funding is dependent on the specific language of future NOFAs. However, in past HUD housing counseling NOFAs, rental counseling and homeownership counseling that met HUD’s Housing Counseling Program requirements, performed by counselors working for agencies approved to participate in HUD’s Housing Counseling Program, were activities eligible for reimbursement. If mobility-related services were part of rental or homeownership housing counseling that met HUD’s housing counseling program requirements, they would have been activities eligible for funding. As of August 1, 2021, the final compliance date, that rental or homeownership housing counseling would have to be provided by a HUD certified housing counselor.

As a reminder, agencies cannot charge multiple funding sources for the same service provided to the same client.

Conversion of Distressed Public Housing to Tenant-Based Assistance (Voluntary Conversion pursuant to Section 22 of the US Housing Act of 1937 or Required Conversion pursuant to Section 33 of the US Housing Act of 1937)

Question: “Conversion of Distressed Public Housing to Tenant-Based Assistance” is listed in the certification rule as a “HUD Program where Housing Counseling is funded under the HUD program.” Does that mean that *all* public housing agencies (PHAs) undergoing Conversion of Distressed Public Housing to Tenant-Based Assistance have to become approved to participate in HUD’s Housing Counseling Program, and PHA staff providing services to displaced residents have to become HUD certified housing counselors?

Answer:

No, although there are certain circumstances in which certification is a requirement. The certification rule states that:

“Holistic case management for persons with special needs, **for persons undergoing relocation in the course of a HUD program** (including relocation and other advisory services provided pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and other Federal laws), or for social services programs that also provide housing services as incidental to a larger case management program are not housing counseling.”

Therefore, services provided to residents undergoing relocation as part of the Conversion of Distressed Public Housing to Tenant-Based Assistance Program are generally not considered housing counseling, thus, HUD certification is not required. However, there may be instances where Housing Counseling, as defined in the [Final Rule](#), is being provided under the Conversion of Distressed Public Housing to Tenant-Based Assistance Program. For example, if a resident is receiving Housing Counseling, as defined in the Final Rule, as a separate specialized service, then the housing counseling has to be provided by a HUD certified housing counselor working for agency participating in HUD’s Housing Counseling Program by the Final Compliance Date. The Final Rule defines housing counseling at 24 CFR 5.100 as:

“Independent, expert advice customized to the need of the consumer to address the consumers’ housing



barriers and achieve their housing goals and must include the following process: intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in the regulations that govern HUD's Housing Counseling Program at 24 CFR part 214. Homeownership counseling and rental counseling are types of Housing Counseling."

Please note that routine administrative activities of the Public Housing Program (e.g., program eligibility determinations, intake, case management), or mobility-related services, are not housing counseling for the purposes of the certification rule.

Question: Are mobility-related services provided in the *Conversion of Distressed Public Housing to Tenant-Based Assistance* program considered "housing counseling" for the purposes of the certification rule?

Answer:

No. Services that provide housing information, or placement or referral services, (for example, mobility-related services), do not constitute housing counseling and would not necessitate an individual providing these services to become a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program.

However, agencies approved to participate in HUD's Housing Counseling Program may choose to provide mobility-related services as part of their rental or homeownership housing counseling. After the Final Compliance Date, such rental or homeownership housing counseling would have to be performed by a HUD certified housing counselor.

Question: If an agency that is approved to participate in HUD's Housing Counseling Program provides mobility-related services as part of rental or homeownership housing counseling, could that rental or homeownership housing counseling be eligible for funding under HUD's housing counseling NOFA?

Answer:

The question of which activities are eligible for funding is dependent on the specific language of future NOFAs. However, in past HUD housing counseling NOFAs, rental counseling and homeownership counseling that met HUD's Housing Counseling Program requirements, performed by counselors working for agencies approved to participate in HUD's Housing Counseling Program, were activities eligible for reimbursement. If mobility-related services were part of rental or homeownership housing counseling that met HUD's Housing Counseling Program requirements, they would have been activities eligible for funding. As of August 1, 2021, the final compliance date, that rental or homeownership housing counseling would have to be provided by a HUD certified housing counselor.

As a reminder, agencies cannot charge multiple funding sources for the same service provided to the same client.

Native Hawaiian Housing Block Grant

Question: The Native Hawaiian Housing Block Grant Program is listed in the certification rule as a "HUD Program where housing counseling is funded under the HUD program." How is the Native Hawaiian Housing Block Grant program affected by the Final Rule on housing counselor certification?



Answer:

Housing counseling is an eligible activity under the Native Hawaiian Housing Block Grant program. If the grantee chooses to fund housing counseling under its program, the housing counseling must be provided by HUD certified housing counselors working for an agency approved to participate in HUD's Housing Counseling Program, as of August 1, 2021, the Final Compliance Date.

Indian Housing Block Grant

Question: The Indian Housing Block Grant program is listed in the certification rule as a "HUD program where Housing Counseling is funded under the HUD program." Does that mean that housing counseling provided through this program must be done by a HUD certified housing counselor once the rule has been published?

Answer:

Not at the time of publication of the rule. The certification requirement will undergo tribal consultation before applying to this program.

Indian Community Development Block Grant Program

Question: The Indian Community Development Block Grant Program is listed in the certification rule as a "HUD program where Housing Counseling is funded under the HUD program." Does that mean that housing counseling provided through this program must be done by a HUD certified housing counselor once the rule has been published?

Answer:

Not at the time of publication of the rule. The certification requirement will undergo tribal consultation before applying to this program.

Continuum of Care (CoC) Program

Question: The Continuum of Care (CoC) program is listed in the certification rule as a "HUD Program where housing counseling is funded under the HUD program." How is the CoC program affected by the Final Rule on housing counselor certification?

Answer:

Housing counseling is an eligible supportive service under the CoC program. If a recipient or subrecipient chooses to fund housing counseling activities under their program, the housing counseling must be provided by HUD certified housing counselors working for an agency approved to participate in HUD's Housing Counseling Program, by August 1, 2021, the Final Compliance Date.

Question: Is "case management" that is commonly conducted to help households find and maintain stable housing under the Continuum of Care (CoC) program, considered "housing counseling" for purposes of this rule?

Answer:

Holistic case management for persons experiencing homelessness is not housing counseling as defined in the [Final Rule](#). Therefore, if an activity provided under the CoC program is part of holistic case management for persons experiencing homelessness, it is not housing counseling and certification is not



required. However, there may be instances where housing counseling, as defined in the Final Rule, is being provided under the CoC program. For example, if a program participant is receiving housing counseling, as defined in the Final Rule, as a separate specialized service, then the housing counseling has to be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program, as of August 1, 2021, the Final Compliance Date. The Final Rule defines housing counseling as:

"Independent, expert advice customized to the need of the consumer to address the consumers' housing barriers and achieve their housing goals and must include the following process: intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in the regulations and policies that govern HUD's Housing Counseling Program including but not limited to 24 CFR Part 5, 24 CFR part 214, and HUD Handbook 7610.1REV-5. Homeownership counseling and rental counseling are types of Housing Counseling."

Emergency Solutions Grant (ESG) Program

Question: Does housing counseling provided under the ESG program have to be provided by a HUD certified housing counselor?

Answer:

Housing counseling is an eligible activity under the ESG program. If a recipient or subrecipient chooses to fund housing counseling, as defined in the [Housing Counseling: New Certification Requirements Final Rule](#), under their program, the housing counseling must be provided by HUD certified housing counselors working for an agency approved to participate in HUD's Housing Counseling Program, by the Final Compliance Date.

Question: Is "case management" that is commonly conducted to help households find stable housing under ESG, considered "housing counseling" for purposes of this rule?

Answer:

Holistic case management for persons experiencing homelessness or at risk of homelessness is not housing counseling as defined in the [Housing Counseling: New Certification Requirements Final Rule](#) ("Final Rule"). Therefore, if an activity provided under the ESG program is part of holistic case management for persons experiencing homelessness or at risk of homelessness, it is not housing counseling and certification is not required. However, there may be instances where housing counseling, as defined in the Final Rule, is being provided under the ESG program. For example, if a program participant is receiving housing counseling, as defined in the Final Rule, as a separate specialized service, then the housing counseling has to be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program, as of August 1, 2021, the Final Compliance Date. The Final Rule defines housing counseling as:

"Independent, expert advice customized to the need of the consumer to address the consumers' housing barriers and achieve their housing goals and must include the following process: intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in the regulations that govern HUD's Housing



Counseling Program including but not limited to 24 CFR Part 5, 24 CFR Part 214, and HUD Handbook 7610.1REV 5. Homeownership counseling and rental counseling are types of Housing Counseling.”

Housing Opportunities for Persons with AIDS (HOPWA)

Question: HOPWA is listed in the certification rule as a “HUD Program where housing counseling is funded under the HUD program.” How is HOPWA affected by the Final Rule on housing counselor certification?

Answer:

Housing counseling is an eligible activity under HOPWANSWER: If a grantee chooses to fund housing counseling activities under their program, the housing counseling must be provided by a HUD certified housing counselor working for an agency approved to participate in HUD’s Housing Counseling program, by the Final Compliance Date. Please see [FAQ 3147 regarding case management](#).

Question: Is “case management” that is commonly conducted to help households find stable housing under HOPWA, considered “housing counseling” for purposes of this rule?

Answer:

When grantees provide housing services to eligible persons (including persons undergoing relocation) that are incidental to a larger set of holistic case management services, these services do not meet the definition of housing counseling, as defined in 24 CFR § 5.100, and therefore are not required to be carried out in accordance with the certification requirements of § 5.111. However, there may be instances where housing counseling, as defined in the [Final Rule](#), is being provided under HOPWANSWER: For example, if a program participant is receiving housing counseling, as defined in the Final Rule, as a separate specialized service, then the housing counseling has to be provided by a HUD certified housing counselor working for an agency approved to participate in HUD’s Housing Counseling program, as of August 1, 2021, the Final Compliance Date. The Final Rule defines housing counseling as:

“Independent, expert advice customized to the need of the consumer to address the consumers’ housing barriers and achieve their housing goals and must include the following process: intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in the regulations that govern HUD’s Housing Counseling Program including but not limited to 24 CFR Part 5, 24 CFR Part 214, and HUD Handbook 7610.1 REV-5. Homeownership counseling and rental counseling are types of Housing Counseling.”

Community Development Block Grant (CDBG)

Question: The Community Development Block Grant (CDBG) and Community Development Block Grant – Disaster Recovery (CDBG-DR) are listed in the certification rule as “HUD Programs where housing counseling is funded under the HUD program.” How are the CDBG and CDBG-DR programs affected by the Final Rule on housing counselor certification?

Answer:

Housing counseling is an eligible activity under several different categories of activities in the CDBG and



CDBG-DR programs. Depending on the program design and the intended beneficiaries, housing counseling may be eligible as a public service (under 24 CFR 570.201(e)), as part of a homeownership assistance activity (24 CFR 570.201(n)), or as a housing service in support of the HOME program (24 CFR 570.201(k)). If a recipient uses CDBG or CDBG-DR to fund a housing counseling program that meets the definition at 24 CFR 5.100, either directly or through a subrecipient, the housing counseling must be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling program, by the Final Compliance Date.

If a recipient (grantee or subrecipient) uses CDBG or CDBG-DR funds to carry out an activity that does not meet the definition at 24 CFR 5.100, then the agency providing the services does not have to become approved to participate in HUD's Housing Counseling program, and its staff do not have to become HUD certified housing counselors.

Question: How do I determine if what my agency does under Community Development Block Grant (CDBG) or Community Development Block Grant – Disaster Recovery (CDBG-DR) is housing counseling as defined at 24 CFR 5.100?

Answer:

If the agency is providing independent, expert advice customized to the need of the consumer to address the consumers' housing barriers and achieve their housing goals (that includes an intake, financial and housing affordability analysis, an action plan, and a reasonable effort to have follow-up communication with the client when possible), then this is housing counseling as defined at 24 CFR 5.100, and the housing counseling must be provided by a HUD certified housing counselor and the agency must become approved to participate in HUD's Housing Counseling program.

Question: My agency administers a Community Development Block Grant (CDBG)-funded activity that we have called housing counseling, but it is not as comprehensive/individualized as is defined in 24 CFR 5.100. Must we change our program to comply with the new housing counseling certification rule, as of August 1, 2021, the final compliance date for certification? Must we discontinue our program if it doesn't comply? Or can we continue the program as currently designed?

Answer:

A CDBG or CDBG Disaster Recovery (CDBG-DR) grantee still has the flexibility to design activities to meet its locally identified needs. The [Final Rule](#) does not mandate that anything previously characterized as "housing counseling" must now either meet the new requirements or stop receiving CDBG funds. (However, there is one exception: if a recipient is funding housing counseling under 24 CFR 570.201(k), Housing Services, in support of a HOME- funded homeownership program to which the Final Rule applies, then the CDBG- or CDBG-DR- funded activity will also be subject to the new Part 5 requirements.)

Apart from this exception for a recipient funding housing counseling under 24 CFR 570.201(k), Housing Services, in support of a HOME-funded homeownership program, a grantee may decide that it wishes to continue funding its activity as currently designed. Henceforth, however, an activity that does not meet the definition of 24 CFR 5.100 should not be called "housing counseling." Grantees will need to come up with another term to characterize this type of activity, such as "housing information and referral services" or "homeownership education program" or "general budget/financial counseling".

HUD plans to make changes to the Integrated Disbursement and Information System (IDIS) system (used by grantees to report on formula CDBG funding) and the DRGR system (used by grantees to report on



CDBG -DR funding) to reflect the changes triggered by the final housing counseling certification rule. These system changes will allow grantees (and HUD) to distinguish between those housing counseling activities that are subject to the Part 5 requirements and other types of housing information and education services that do not meet the 24 CFR 5.100 definition of housing counseling.

Question: If a housing counseling activity is administered in compliance with the requirements of this housing counseling certification rule, does that mean the activity will no longer be subject to the Community Development Block Grant (CDBG) program's 15% cap on public services activities?

Answer:

No. The [Final Rule](#) will not affect what activities are eligible as a public service and thus subject to the public services cap. The same housing counseling activities currently included under the public services cap will continue to be included under the cap when the housing counseling certification rule is implemented. The only difference will be that housing counseling (as defined at 24 CFR 5.100) will need to be conducted by HUD certified housing counselors, working for an agency approved to participate in HUD's Housing Counseling program, as of August 1, 2021, the final compliance date for certification.

Stand-alone housing counseling activities, and other types of housing information and education services (some of which heretofore may have been called "housing counseling" by grantees) have always come under the public services cap and will continue to come under the cap. Similarly, housing counseling (or other types of housing information and education services) which are provided as part of the activity delivery for Homeownership Assistance (not direct), are eligible as a public service activity and so are subject to the 15% cap. In contrast, housing counseling, or other types of housing information and education services, may be provided as part of the activity delivery costs for specific types activities that do not come under the public services cap. For example, housing counseling for potential homebuyers may be included as part of the activity delivery costs for Direct Homeownership Assistance activities or for Housing Services activities in support of the HOME program; grantees might provide basic home maintenance information or financial literacy training as part of a housing rehabilitation program. Housing counseling or other housing information and education services undertaken as part of one of those activities does not come under the public services cap.

HOME Investment Partnerships Program

Question: The HOME Investment Partnerships Program (HOME) is listed in the certification rule as a "HUD Program where Housing Counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD" and it is also listed in the certification rule as a "HUD Program where housing counseling is funded under the HUD program." How is the HOME program affected by the Final Rule on housing counselor certification?

Answer:

1. **HOME as a HUD program where housing counseling is required by regulation:** The HOME program regulations require that all homebuyers assisted with HOME funds must receive housing counseling. The housing counseling requirement applies to all HOME- assisted homebuyers, including homebuyers receiving HOME-funded direct homebuyer assistance (i.e., downpayment assistance) and homebuyers purchasing units developed with HOME funds. In all instances, regardless of whether the housing counseling is funded with HOME or another source, this required housing counseling must be provided by HUD certified housing counselors working for an agency approved to participate in HUD's Housing Counseling program, by the Final Compliance Date.



2. **HOME as a HUD Program where housing counseling is funded under the HUD program:** While housing counseling is required for all HOME-assisted homebuyers, other types of housing counseling that are not required by HOME regulation, such as counseling to potential tenants, are eligible HOME- funded costs. Regardless of whether the housing counseling is required by regulation or optional, if the Participating Jurisdiction funds housing counseling with HOME funds, either directly or through a Community Housing Development Organization (CHDO) or subrecipient, such housing counseling must be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling program, as of August 1, 2021, the Final Compliance Date.

Housing Trust Fund (HTF)

Question: The Housing Trust Fund (HTF) is listed in the certification rule as a "HUD Program where Housing Counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD" and it is also listed in the certification rule as a "HUD Program where housing counseling is funded under the HUD program." How is the HTF program affected by the Final Rule on housing counselor certification?

Answer:

1. **HTF as a HUD program where housing counseling is required by statute and regulation:** The Housing Trust Fund (HTF) statute and program regulations require that, before purchasing HTF- funded homeownership housing, all homebuyers must receive homeownership counseling. In all instances, regardless of whether the housing counseling is funded with HTF funds as an administrative cost or funded by another source, this required housing counseling must be provided by HUD certified housing counselors working for an agency approved to participate in HUD's Housing Counseling program, by the Final Compliance Date.
2. **HTF as a HUD Program where housing counseling is funded under the HUD program:** While HTF funds cannot be used to fund stand-alone housing counseling programs, housing counseling is an eligible administrative cost as part of services to potential HTF- assisted owners, homeowners and tenants. While housing counseling is required for all HTF-assisted homebuyers, other types of housing counseling that are not required by HTF statute and regulation, such as counseling to potential tenants, are eligible HTF- funded administrative costs. Regardless of whether the housing counseling is required by statute and regulation or optional, if the HTF grantee funds housing counseling with HTF administrative funds, such housing counseling must be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling program, as of August 1, 2021, the Final Compliance Date.

Federal Housing Administration Home Equity Conversion Mortgage (HECM)

Question: The Home Equity Conversion Mortgage (HECM) program is listed in the certification rule as a "HUD Program where Housing Counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD." How is the HECM program affected by the Final Rule on housing counselor certification?

Answer:

In addition to the already existing requirement that all HECM counseling must be performed by a counselor on the HECM roster, by the Final Compliance Date HECM counseling must be provided by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling program.



Question: Must Home Equity Conversion Mortgage (HECM) Roster counselors also become HUD certified under this certification rule?

Answer:

Yes, as of August 1, 2021, the Final Compliance Date, all HECM counselors must meet the housing counselor certification requirements of the [Final Rule](#) and must have passed the HUD certified housing counselor exam and must work for an agency approved to participate in HUD's housing counseling program. In addition, the HECM Counselor Roster requirements continue to apply to all HECM counselors, pursuant to NHA section 255 as implemented at 24 CFR part 206, subpart E.

Question: Is there an exemption to the HUD certification requirements of the Final Rule for agencies or housing counselors that only provide a single type of counseling such as reverse mortgage counseling?

Answer:

No, there is no exemption. All Home Equity Conversion Mortgage (HECM) counselors must meet the certification requirements of the [Final Rule](#) regardless of the type or types of housing counseling provided by a Participating Agency or individual housing counselor.

Question: Will housing counselors who only provide one type of housing counseling such as Home Equity Conversion Mortgage (HECM) counseling be tested in all six areas of competency set forth in section 106 of the HUD Act?

Answer:

Yes, all counselors are required to take the certification examination on the six competency areas (see [FAQ 3048 describing the six competency areas](#)). The test will not be customized based on the specialization of each individual counselor. The intended goal of this requirement is to increase the breadth of individual housing counselors' knowledge in an effort to better assist clients with varied needs. This broad knowledge will benefit housing counselors and clients, and should not diminish the effectiveness of current specializations.

Question: Will a Home Equity Conversion Mortgage (HECM) counselor be permitted to provide reverse mortgage counseling as of August 1, 2021, the Final Compliance Date if the counselor failed to pass the HUD certified housing counselor examination but remains in good standing on the HECM Counselor Roster?

Answer:

No. A counselor will not be permitted to provide any type of housing counseling, including HECM counseling, for the agency participating in HUD's Housing Counseling program if the individual has failed to pass the examination by the Final Compliance Date. An individual who has not passed the certification examination may continue to work for an agency approved to participate in HUD's Housing Counseling program in another capacity and assist HUD certified housing counselors. These individuals cannot provide housing counseling.

Question: Once a Housing Counselor meets the requirements for HUD Housing Counselor certification are there requirements, similar to the Home Equity Conversion Mortgage (HECM) Roster requirements, for continuing education and re-testing in order to maintain HUD certified housing counselor status?



Answer:

No. Continuing education or re-testing is not currently a requirement for a HUD certified housing counselor to maintain HUD certified housing counselor certification. However, HECM Roster Counselors must still comply with outstanding continuing education and re- testing requirements specific to maintaining status on the HECM Counselor Roster.

Question: For a homeowner receiving Home Equity Conversion Mortgage (HECM) counseling, must the agency address the decision to purchase a home and the selection and purchase of a home, and the sale or other disposition of a home?

Answer:

The agency must be prepared to address the entire process of homeownership (please see the FAQs for the definition of homeownership counseling). However, the agency need not address components that the housing counselor determines are not relevant to the client's individual needs and circumstances, unless otherwise required under HECM program requirements, or if the client has requested it.

For all HECM clients, the purchase of a new home or selling of the home may be alternatives to obtaining a reverse mortgage on the client's current home and therefore must be addressed. If the purchase of a new home or sale or other disposition of a home addresses the client's housing need or problem, or if the client is interested in the HECM for purchase program, the agency must address the decision to purchase a home and the selection and purchase of a home and/or sale or other disposition of a home. However, if purchasing another home and/or sale or other disposition of a home does not address the client's housing need or problem, it may not be necessary to address the decision to purchase a home, and/or sale or other disposition of a home unless otherwise required under HECM program requirements, since purchasing another home and/or sale or other disposition of a home is not an option that the clients want to pursue.

Please see the FAQs for information on how an agency may meet the requirement that they must address other components of the process of homeownership.

Federal Housing Administration (FHA) Back to Work

Question: The FHA Single Family Mortgage Insurance Program is listed in the certification rule as a "HUD Program where Housing Counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD." Must all housing counseling provided in connection with an FHA-insured loan be provided by a HUD certified housing counselor?

Answer:

No. The inclusion of the FHA Single Family Mortgage Insurance Program on the list is intended to apply to situations where housing counseling is required in connection with a specific FHA product, such as the Back to Work Extenuating Circumstances Initiative or HECM (Note: The Back to Work Extenuating Circumstances Initiative expired on September 30, 2016). In the future there may be other FHA products that require housing counseling, and if so, they would be included on HUD's resource. [Other HUD Programs Covered Under HUD's Final Rule for Housing Counseling Certification.](#)

Other FHA questions



Question: If an entity requires housing counseling as a condition of receiving downpayment assistance, and the client uses FHA financing, must the housing counseling be performed by a HUD certified housing counselor?

Answer:

No. The [Final Rule](#) requires certification for HUD programs where housing counseling is required by a grantee or subgrantee of a HUD program as a condition of receiving “assistance under the HUD program,” but an FHA mortgage insurance guaranty is not considered “assistance under the HUD program.” Therefore, housing counseling provided in this situation does not have to be provided by a HUD certified housing counselor (unless specifically required by the FHA program, such as HECM or the Back to Work – Extenuating Circumstances Initiative, or unless the downpayment assistance is funded through a covered HUD program).

Question: As of August 1, 2021, the Final Compliance Date, must all counseling provided in connection with an FHA Insured loan be provided by a HUD certified housing counselor working for an agency approved to participate in HUD’s Housing Counseling program?

Answer:

Housing counseling provided in connection with an FHA-insured loan does not have to be provided by a HUD certified housing counselor working for an agency approved to participate in HUD’s Housing Counseling Program, unless:

- HUD specifically requires housing counseling in connection with an FHA product like HECM or Back to Work (Note: The Back to Work Extenuating Circumstances Initiative expired on September 30, 2016), or
- An FHA borrower is obtaining housing counseling under another covered HUD program that is being used in conjunction with the FHA product, such as the Housing Choice Voucher Program Homeownership Option.

FHA Lender questions

Question: How will FHA lenders know which FHA programs require housing counseling by a HUD certified housing counselor?

Answer:

As of the publication date of the [Final Rule](#) the specific FHA programs requiring housing counseling are the Home Equity Conversion Mortgage Program and the Back to Work - Extenuating Circumstances Initiative (Note: The Back to Work – Extenuating Circumstances Initiative expired on September 30, 2016). As of August 1, 2021, the Final Compliance Date, all housing counseling performed in connection with the HECM Program and Back to Work Initiative must be performed by HUD certified housing counselors. HUD will notify lenders when there are any changes to the list of FHA programs requiring housing counseling, and HUD will also update their resource, [Other HUD Programs Covered Under HUD's Final Rule for Housing Counseling Certification](#).

Question: As of August 1, 2021, the final compliance date, how will lenders verify that a housing counselor is a HUD certified housing counselor?

Answer:

Lenders will be able to verify a housing counselor’s status as a HUD certified housing counselor through



FHA Connection and by checking a website. HUD will provide further information when the website becomes available.

Question: Is there an additional step lenders need to take before accepting a HECM certificate, to verify that a HECM roster counselor is also a HUD certified housing counselor?

Answer:

No additional step is needed. Prior to August 1, 2021, the Final Compliance Date, HUD certification is not required. As of August 1, 2021, only HECM counselors currently on the HECM Counselor Roster and who are also HUD certified housing counselors will be able to issue a HECM certificate through FHA Connection.

Question: Representatives of FHA lending institutions and other types of lending institutions sometimes participate as presenters at homebuyer education workshops conducted by agencies approved to participate in HUD's Housing Counseling program. Do all presenters at homebuyer education workshops, including lender presenters, have to be HUD certified housing counselors?

Answer:

Individual presenters will not have to be HUD certified housing counselors. However, as of August 1, 2021, the Final Compliance Date, all homebuyer education and other types of workshops conducted by agencies participating in HUD's Housing Counseling program, must be *overseen* by a HUD certified housing counselor.

Question: If an underwriter requires housing counseling as a condition of FHA loan approval must the housing counseling be performed by a HUD certified housing counselor?

Answer:

No, unless the housing counseling is being required in connection with an FHA Program that specifically requires housing counseling such as the HECM Program or Back to Work - Extenuating Circumstances Initiative. However, if an underwriter requires housing counseling as a condition of FHA loan approval, HUD encourages the underwriter to refer the borrower to an agency approved to participate in HUD's Housing Counseling program.

Question: The FHA Loss Mitigation program already requires that lenders provide information on agencies approved to participate in HUD's Housing Counseling program, to borrowers with delinquent mortgages. Does the certification rule add any additional requirements for the FHA Loss Mitigation program?

Answer:

No. FHA lenders must continue to follow the existing requirement to provide notification of the availability of housing counseling offered by agencies approved to participate in HUD's Housing Counseling program, to borrowers with delinquent mortgages.

Multifamily Housing Service Coordinators

Question: The Multifamily Housing Service Coordinators program assists elderly individuals and persons with disabilities, living in federally-assisted multifamily housing, to obtain needed supportive services from community agencies. Is this considered housing counseling that is required to be delivered by a HUD certified



housing counselor?

Answer:

No. However, if a Service Coordinator refers a participant to housing counseling (e.g., rental housing counseling to help participants move to market -rate rental housing, or homeownership counseling for a participant who wants to become a homeowner), the coordinator must refer the participant to agencies approved to participate in HUD's Housing Counseling Program.

Fair Housing Initiatives Program (FHIP)

Question: The FHIP includes "fair housing guidance" as an eligible activity. Is this considered housing counseling that is required to be delivered by a HUD certified housing counselor?

Answer:

"Fair housing guidance" is defined in the FY 2016 Fair Housing Initiatives Program - Fair Housing Organizations Initiative NOFA as "the process used by fair housing organizations to advise persons about their rights and responsibilities, available options for exercising their rights, and remedies provided under fair housing laws." If fair housing guidance or advocacy is offered in isolation from housing counseling (i.e., without providing for an intake, financial and housing affordability analysis, an action plan to address other housing needs or goals, and follow up), then it is not considered housing counseling, and is not required to be delivered by a HUD certified housing counselor.

Please note that agencies approved to participate in HUD's Housing Counseling Program and HUD certified housing counselors may elect to provide fair housing workshops as part of their housing counseling program. In these cases, the fair housing educational workshops must be overseen by a HUD certified housing counselor. However, as noted above, entities that provide fair housing guidance or advocacy to individuals or in a group setting without providing housing counseling, do not have to become approved to participate in HUD's Housing Counseling Program and do not have to use HUD certified housing counselors.