



Office of Housing Counseling

Succession Planning: Instructional Guide and Template



Table of Contents

Instructions	3
Who should use this guide?	3
What is a Succession Plan?	4
How is a Succession Plan different from a Continuity of Operations Plan?	4
Benefits of a Succession Plan	5
Steps to Creating a Succession Plan	5-7
Resources	8
Samples and Templates	9-14
The Succession Planning Process	9
Risk Assessment Analysis Checklist.....	10
Succession Planning Template – Large Agency.....	11-12
Succession Planning Template – Small Agency.....	13-14



INSTRUCTIONS

A succession plan can be a critical tool in supporting the long-term sustainability of agencies in the event of a leadership transition or another staffing change. These types of changes can often impact an agency's ability to operate effectively and efficiently. Succession planning should take place before such changes occur, so the agency is prepared and protected in the event of a planned or unexpected occurrence.

This guidance is designed to help inform the development of a succession plan within a HUD-approved housing counseling agency (HCA). As a result, there is greater emphasis within this tool on the long-term sustainability of the services provided at those HCAs. Every agency is different. While this information is intended to support the creation of a succession plan, agencies should closely examine their specific leadership and staffing needs and incorporate any specific requirements into their plans.

This guide includes [Resources](#) that provide additional information and [Samples and Templates](#) for smaller and larger organizations to use as a starting point to identify succession planning needs.

Who should use this guide?

Local housing counseling agencies (LHCAs), Intermediaries, State Housing Finance Agencies, and Multi-State Organizations need to prevent business disruptions in the event key positions within their agencies become vacant. Regardless of an agency's size, vacancies often occur unexpectedly and without notice and can potentially impact the agency's ability to provide services.

Agencies with fewer than 10 staff: smaller agencies are particularly vulnerable when staffing vacancies occur. While such agencies may not include every staff position indicated by the Succession Plan Template, the positions that do exist within the agency can often be even more critical to continued operations than in larger organizations.

Larger agencies (10 or more staff): may also need to substitute roles and responsibilities within the template to more accurately reflect the agency's structure.

Regardless of size, when creating a Succession Plan, organizations should focus on the **essential functions** that are required of all HUD-approved HCAs. [HUD Form 9910](#) and the [HUD Agency Handbook](#) are two resources that will be helpful in identifying these functions. Examples of essential functions include:

- Delivering housing counseling services (one-on-one counseling and group education)
- Maintaining compliance with HUD reporting and grant management requirements
- Preserving HUD approval (satisfactory performance reviews, adherence to regulations and 7610.1 Handbook)
- Retaining qualified staff including certified counselors
- Sustaining funding to support housing counseling work plans

What is a Succession Plan?

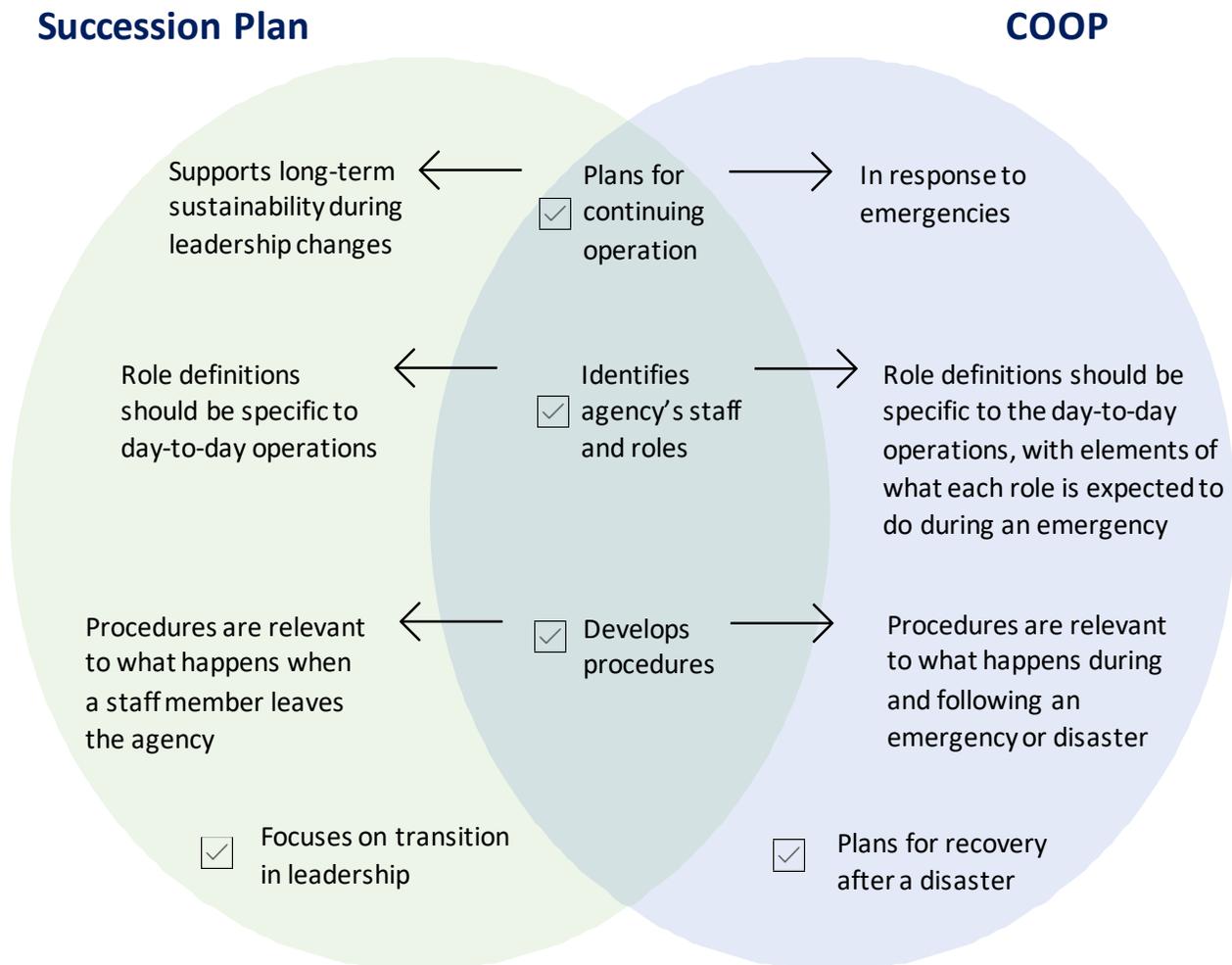
Succession planning is a process for identifying and developing new leadership who can replace management or other vacant positions resulting from individuals leaving the agency. There is an intersection between the Succession Plan and [Continuity of Operations Plan](#) (COOP); however, there are also important differences.

A succession plan outlines a strategy that identifies roles and people with the right skills and expertise to assume positions considered key to the agency’s ongoing operations. Typically, these positions need to be filled quickly upon vacancy.

Succession plans act as a guide for navigating leadership changes; reducing chaos and concerns from staff, partners, clients, and funders when leadership positions become vacant; and creating a catalyst for staff development opportunities.

How is a Succession Plan different from a Continuity of Operations Plan (COOP)?

A succession plan holistically views the current and future needs and goals of an agency and the staffing required to be sustainable. The succession plan development process helps ensure the right people with the right skills are in the right positions, not only today but also in the future.



On the other hand, a COOP prepares an agency to maintain its essential functions. Often this is after a disastrous event, however, the COOP can be implemented and utilized during everyday operation. It ensures continuous operations; protects facilities, equipment, and records; and facilitates an orderly recovery, so normal service to clients can resume as quickly as possible. For further information, please consult the [COOP template for housing counseling agencies](#).



Benefits of Succession Planning

Organizational	Leadership
<ul style="list-style-type: none"> ❖ Identifies positions and roles critical to operations ❖ Clarifies competencies and skills required for business continuity ❖ Ensures there will be no gaps in services provided ❖ Supports the development of staff in meeting the future business needs of the agency ❖ Contributes to the long-term stability of the agency 	<ul style="list-style-type: none"> ❖ Identifies roles that are critical in maintaining reporting and compliance with ALL organizational requirements <p>HUD-Approved Agencies:</p> <ul style="list-style-type: none"> ❖ Identifies roles that are critical in understanding and maintaining HUD’s requirements for agency approval status ❖ Ensures compliance with HUD programmatic requirements

Five Steps to Creating a Succession Plan

Important resources to support the planning process :

- [HUD Form 9910](#)
- [Housing Counseling Handbook](#)

Here are the most common steps in creating a succession plan:

1. Choose the Succession Planning Team

An important first step is to engage with employees across the agency. All programs and key functions within an agency should be represented by those selected to participate in the team. The plan should not be the product of one individual’s design, but rather a collection of diverse voices and perspectives.

Collaboration and diverse input: A cross agency collaborative team brings the benefit of a variety of perspectives and provides needed insight into important operational functions. Choosing team members with a variety of life and work experiences could be beneficial, including those who have been with the agency with varying tenures. A diverse team can also provide input into which candidates have the greatest potential for success to be promoted or elevated within the agency.

Even smaller agencies can benefit from the collective input of individuals on leadership and staffing changes.

Questions to Ask Yourself

- ❖ Are staff from all levels of the agency providing input on this plan to ensure it is not missing key perspectives?
- ❖ Will the implementation of this plan be clear and feasible for all members of the agency?



2. Identify key factors that will influence the plan

The second step is to review documents, policies, and procedures that will influence the plan.

The following areas of the agency's leadership and current staffing may be helpful to review, along with agency hiring documents:

- ❖ Identify agency's essential functions to remain active in HUD's Housing Counseling program.
- ❖ Review management level positions (mid-level and senior) and determine which positions would jeopardize the agency's ability to operate normally if left vacant. Include positions that require unique skill sets or are difficult to recruit for.
- ❖ Identify the decision-making authority of each position.
- ❖ Define responsibilities performed within each position. Categorize responsibilities into tasks done daily, weekly, monthly, quarterly, and annually.
- ❖ Review Diversity, Equity, and Inclusion (DEI) processes for hiring, onboarding, etc.

Questions to Ask Yourself

Which Positions Require Unique Skills?

- ❖ [HUD Certified housing counselors](#)
- ❖ [Home Equity Conversion Mortgage \(HECM\) counselors](#)
- ❖ Financial and other required reporting (e.g., SF425, eLOCCS, etc.)
- ❖ Designated Staff and/or counselors with working knowledge of key systems, such as:
 - [Client management systems \(CMS\)](#)
 - [FHA Connection \(FHAC\)](#)
 - [Housing Counseling System \(HCS\)](#)
 - [eLOCCS](#) (if HCA is a grantee)

3. Link the succession plan to the agency's overall strategic plan or future planning

The third step is for every agency to review the yearly or multi-year strategic plan. It creates a road map of the goals and objectives the agency will be working to achieve. The strategic plan is a great place to begin identifying current and future staffing needs.

In the absence of a strategic plan, an analysis of the agency's capacity can likely provide enough information to start the succession planning process.

Questions to Ask Yourself

- ❖ Can the agency leverage a recent SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) as relevant to your plan?
- ❖ This plan may have been done as a part of the agency's strategic plan. Review and incorporate relevant leadership and staffing from the SWOT analysis into your succession plan ([SWOT Analysis Example](#)).

4. Identify sources for successor candidates

The fourth step is to look internally first for possible candidates who can be promoted to leadership within the agency.

A major benefit in developing a succession plan is to develop and retain talented staff members. Staff with demonstrated potential will appreciate having a career path and will be motivated by the opportunity to advance within the agency.

Questions to Ask Yourself

- ❖ Is there a good rule of thumb to consider when identifying and locating candidates?
- ❖ Identifying, developing, and training employees to fill leadership roles as they become available should be part of the agency's long-term strategy.
- ❖ Considering what the short-term and long-term staffing plans will be, particularly for positions and job functions that must be filled quickly.
- ❖ Making referrals to partner agencies that provide other services clients may need is critical. Succession planning should include identifying alternative referral options should existing relationships terminate.

5. Create an implementation plan

The final step is to design a strategy that immediately implements the succession plan when there is a vacancy in a staff position or other function identified by the plan.

An implementation strategy will typically begin to activate needed resources, define short- and long-term goals, outline actions that need to occur, delegate tasks, and generate a budget. Implementation should include a timeline that details when actions outlined in the succession plan need to occur.

Questions to Ask Yourself

- ❖ What are the short-term goals of the agency?
- ❖ What are the long-term goals of the agency?
- ❖ When does the succession plan need to be implemented?
- ❖ What action plans are outlined in the succession plan?



RESOURCES

As an agency develops a succession plan, they may consult information provided in the resources provided below:

Resource	Information Provided
Grant Agreement	If HCA has been awarded funding for the Comprehensive Housing Counseling Grant Award, responsibilities are provided in the grant agreement. Information such as allowable grant expenses, reporting responsibilities, final close out reports, etc. are found in this document. It should always be shared with an HCA's accounting dept. (Refer to your agency's grant agreement). Grantees should consult their Grant Agreement, which may require a succession plan be provided upon request
Frequently Asked Questions (FAQs)	Commonly asked questions pertaining to HUD's housing counseling program. Examples include grants, HECM, how to become a HUD participating agency, counselor certification, and more.
FHA Connection Instructions	Instructions for accessing FHA Connection ("FHAC"). HCAs must have an FHA Connection Coordinator in order to verify employment for certified counselors and HECM Roster counselors. HECM Roster Counselors submit proof of completion of HUD approved HECM courses in order to maintain their HECM Roster status.
HUD Housing Counseling Handbook 7610.1	HUD-approved HCAs can find guidance on HUD housing counseling requirements and responsibilities in this handbook. Chapters cover definitions, roles, types of counseling, performance reviews, reporting requirements, and more.
Form HUD 9910	This checklist is used during a performance review and is a helpful reference to ensure an HCA is in compliance with HUD requirements.
HUD Intermediary Quality Control Toolkit	Reference document that provides quality control guidance for HUD participating Intermediaries.
HCS Instructions	Instructions for accessing the Housing Counseling System (HCS) (HUD's Client Data reporting system).
HUD-9902 Quarterly Client Data Guidance	Provides HUD's reporting guidance on each section of the HUD-9902 Client Data Report.
National Industry Standards	Program standards for Housing Counseling Agencies.
Disaster Recovery Toolkit/COOP	Resources for disaster assistance planning and recovery. Information on how agencies can create their own plan for their agency and how they may assist their community regardless of size of a disaster.
eLOCCS instructions	Instructions for accessing eLoccs system.
Six Steps for Supporting Non-Certified Counselors Training Plan	Resource for counselors who are employed with a HUD participating HCA and are not yet HUD certified.



THE SUCCESSION PLANNING PROCESS

Your succession plan does not need to list every staff member at your agency; however, it should identify staff from every level needed to perform necessary day-to-day functions. Additionally, criteria can be added – for example, some agencies may require 4-year degrees for certain positions. This sample highlights specific requirements an agency’s staff.

Role and Name(s) of Staff Member	Responsibilities	Core Competencies	Specialized Knowledge or Skills	Education or Certification Required	Position Status (Filled/ Vacant)	Impact on HUD Agency Essential Functions (refer to 9910 and HUD Handbook)
Leadership	<ul style="list-style-type: none"> Provides guiding principles and policies for program oversight Develops procedures for monitoring and compliance Oversees monitoring activities 	<ul style="list-style-type: none"> Strong knowledge of housing counseling and the market area Business acumen 	<ul style="list-style-type: none"> HCS FHA Connection 	<ul style="list-style-type: none"> Bachelor’s or Master’s degree Related certifications 	Filled	Grant management, approval criteria, outside funding and client fees, facilities, and accessibility
Program Manager	<ul style="list-style-type: none"> Operates overall operation of HC program Agency HUD contact 	<ul style="list-style-type: none"> Strong knowledge of housing counseling and the market area Command of HUD program requirements 	<ul style="list-style-type: none"> HCS FHA Connection coordinator functions 	<ul style="list-style-type: none"> Bachelor’s or 3 years related experience HUD Certified Housing Counselor 	Vacant	Performance criteria, supervisory oversight, record keeping system (CMS)
Finance/ Accounting	<ul style="list-style-type: none"> Manages overall spending of grant funds 	<ul style="list-style-type: none"> 2 CFR Part 200 	<ul style="list-style-type: none"> eLOCCS access 	<ul style="list-style-type: none"> Bachelor’s or 3 years related experience 	Filled	HUD Reporting financial audits
Certified Housing Counselor	<ul style="list-style-type: none"> Provides counseling services to clients 	<ul style="list-style-type: none"> Strong knowledge of homebuying process Facilitation skills Presentation skills Cultural competence Talk experience being tied to the agency’s work plan and listed service types 	<ul style="list-style-type: none"> FHA Connection CMS 	<ul style="list-style-type: none"> HUD certification HECM certification if applicable 	Filled	Delivery of services and client files, reverse mortgage counseling
Administrative	<ul style="list-style-type: none"> Completes client intake activities Assigns clients to counselors 	<ul style="list-style-type: none"> Customer service Cultural competence 	<ul style="list-style-type: none"> CMS 	<ul style="list-style-type: none"> 6-month experience Fair Housing training 	Filled	Delivery of services



RISK ASSESSMENT ANALYSIS CHECKLIST

Change and transition within an agency is inevitable. Every agency has its own unique needs. This checklist enables agencies to be proactive in assessing the risk of roles within the agency is essential to the agency's success and its ability to identify critical positions.

	Leadership	Program Manager	Finance/ Accounting	Certified Housing Counselor (CHC)	Admin	Other
Key Position	Yes <i>Example: Executive Director</i>	Yes	Yes	Yes	Yes	No <i>Position: Intake Coordinator</i>
*Vacancy Risk	Low <i>Current ED onboarded 3 years ago</i>	Medium <i>Current PM has been with agency for 2.5 yrs. This position historically sees turnover in year 3</i>	Medium <i>Staff cross trained for a position in a different department</i>	High <i>Staff historically in position for 3 years or less</i>	High <i>Staff historically in position for 2 years or less</i>	High <i>Staff historically in position for 2 years or less</i>
Successor Identified	Yes <i>Program Manager</i>	Yes <i>Lead CHC</i>	No <i>Possibly temp agency</i>	No <i>Possibly intake coordinator</i>	No <i>Possibly intern or volunteer</i>	No <i>Possibly temp agency</i>
Succession Strategy	<i>Internal recruitment/cross training</i>	<i>Internal recruitment/cross training</i>	<i>External recruitment</i>	<i>External/internal recruitment, cross training</i>	<i>External/internal recruitment, cross training</i>	<i>External recruitment</i>

**The vacancy risk analysis identifies positions that have the potential of being vacant and may not be filled satisfactorily within an acceptable timeframe. The three categories include:*

- High:** High risk indicates a position which is expected to be vacant in less than 90 days. Examples could include staff who are retiring soon, a position that historically has a short tenure, or those which are hard to fill.
- Medium:** Medium risk indicates a position which is expected to be vacant in 90 to 180 days. An example would be staff who are being cross trained for other internal positions.
- Low:** Low risk indicates a position which has no immediate expectation of vacancy or one where vacancy is not expected in 180+ days.



SUCCESSION PLANNING - TEMPLATE

The templates serve as examples and are not an exhaustive list. Agencies should identify dual roles within the department and linkages within the agency (e.g., staff who provide counseling, but also work in the real estate department).

Sample for **Larger** Agencies – (greater than 10 staff members)

ABC Housing Counseling Services						
Introduction						
<p>[ABC Housing Counseling Services] developed this Succession Plan to support the long-term sustainability of the agency. This plan was originally developed on [October 1, 2020] and is updated:</p> <p style="text-align: center;">() Quarterly () Bi-Annually () Annually This plan was last</p> <p>updated on [April 1, 2021].</p>						
Services Offered						
<p>The services offered by the agency are those that are outlined in the agency’s approved work plan and defined in the HUD Housing Counseling handbook.</p> <p>Check all the housing counseling services the agency provides.</p>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pre-purchase	Post Purchase	Mortgage Delinquency	Rental	Homeless	Reverse Mortgage	
Succession Planning Preparation						
Role	Name of Staff Member	Responsibilities	Core Competencies	Specialized Knowledge or Skills	Position Status	Impact on HUD Agency Essential Functions (refer to form 9910 and HUD Handbook)
CEO		Oversee agency’s operations. Works with CFO to create the annual budget for programs.	Financial management, communication, board relations, administration	Non-profit management		
COO		Oversees agency’s administrative functions.	Administration, financial, management, planning	Business acumen		
CFO		Works with CEO to create annual budget. Conduct financial analysis.	Grants management, risk management	eLOCCS		
Program Director		Oversees the administration of programs.	Leadership, delegation	eLOCCS HCS CMS		



Succession Planning Preparation						
Role	Name of Staff Member	Responsibilities	Core Competencies	Specialized Knowledge or Skills	Position Status	Impact on HUD Agency Essential Functions (refer to form 9910 and HUD Handbook)
Finance Coordinator		Prepares billing statements for grants.	Mathematical proficiency, attention to detail	Bachelor's degree in financial analysis or similar		
Lead Housing Counselor		Completes 9902. Implement professional development plan for housing counselors.	Leadership, interpersonal, diversity, time management	HUD Housing Counseling Certification FHA Connection CMS HCS		
Housing Counselor		Provide reverse mortgage counseling and housing counseling on homeownership topics.	Strong knowledge in reverse mortgage homeownership, foreclosure prevention, mortgage default, eviction process, rental assistance	HUD Housing Counseling Certification Reverse Mortgage Certification CMS		
Human Resource Manager		Hire, orient, and retain high-performing team members. Create respectable work environment.	Relationship building, critical thinking, conflict resolution	SHRM-CP		
Intake Specialist		Assess client needs and collect basic client data. Schedule counseling sessions.	Written and verbal communication, prioritizing	Fair Housing training		
Receptionist		Answer calls and triage incoming request for services.	Great customer service, multitasking	Fair Housing training		



SUCCESSION PLANNING - TEMPLATE

Sample for **Smaller** Agencies – (less than 10 staff members)

XYZ Housing Counseling Services						
Introduction						
<p>[XYZ Housing Counseling Services] developed this Succession Plan to support the long-term sustainability of the agency. This plan was originally developed on [September 1, 2019] and is updated:</p> <p style="text-align: center;">() Quarterly () Bi-Annually () Annually</p> <p>This plan was last updated on [September 1, 2020].</p>						
Services Offered						
<p>The services offered by the agency are those that are outlined in the agency’s approved work plan and defined in the HUD Housing Counseling handbook.</p> <p>Check all the housing counseling services the agency provides.</p>						
Pre-purchase <input type="checkbox"/>	Post Purchase <input type="checkbox"/>	Mortgage Delinquency <input type="checkbox"/>	Rental <input type="checkbox"/>	Homeless <input type="checkbox"/>	Reverse Mortgage <input type="checkbox"/>	
Succession Planning Preparation						
Role	Name of Staff Member	Responsibilities	Core Competencies	Specialized Knowledge or Skills	Position Status	Impact on HUD Agency Essential Functions (refer to form 9910 and HUD Handbook)
Executive Director		Oversee agency’s operations.	Financial management, grants management, communication, board relations, administration	eLOCCS		
Program Manager/Housing Counselor		Oversees the administration of programs, Completes 9902. Implement professional development plan for housing counselors.	Leadership, delegation, time management, diversity	eLOCCS HCS CMS		
Finance Specialist		Prepares billing statements for grants. Handles accounts receivable/payable.	Mathematical proficiency, attention to detail	Bachelor's degree in financial analysis or similar		



Succession Planning Preparation						
Role	Name of Staff Member	Responsibilities	Core Competencies	Specialized Knowledge or Skills	Position Status	Impact on HUD Agency Essential Functions (refer to form 9910 and HUD Handbook)
Housing Counselor		Assess client needs and collect basic client data. Provide housing counseling on rental and homeownership topics.	Strong knowledge of homeownership, foreclosure prevention, mortgage default, eviction process, rental assistance	HUD Housing Counseling Certification FHA Connection CMS		
Housing Counselor		Assess client needs and collect basic client data. Provide housing counseling on rental and homeownership topics.	Strong knowledge in homeownership, foreclosure prevention, mortgage default, eviction process, rental assistance	HUD Housing Counseling Certification FHA Connection CMS		
Lead Housing Counselor		Completes 9902. Implement professional development plan for housing counselors.	Leadership, interpersonal, diversity, time management	HUD Housing Counseling Certification FHA Connection CMS HCS		
Receptionist		Answer calls and triage incoming request for services.	Great customer service, multitasking			