



Client Disclosure Toolkit

OFFICE OF
HOUSING COUNSELING

Client Disclosure Requirements

Background

The U.S. Department of Housing and Urban Development (HUD) requires that agencies participating in HUD's Housing Counseling Program provide a disclosure to clients in writing for face-to-face counseling and group education and verbally for telephone counseling (Handbook 7610.1 Rev 5, Chapters 5 and 6). The agency's disclosure to its clients must include the following:

- (1) A statement explicitly describing the various types of services provided by the agency.
- (2) A description of financial, exclusive, or other relationships between this agency and any other industry partners that are relevant to the services being provided.
- (3) A clear statement that the client is not obligated to receive, purchase, or use any other services offered by the organization or its exclusive partners in order to receive housing counseling services.
- (4) Information on alternative services, programs, and products.

This form may be used in conjunction, but not in lieu of, other types of disclosures an agency may be required to use to meet state or local law requirements, fees for services, Home Equity Conversion Mortgage (HECM) requirements, etc.

Housing counseling agencies can use this toolkit to create their own client disclosure form. HUD intermediaries (including national and regional intermediaries, state housing finance agencies, and multi-state organizations (MSO) may also want to provide guidance such as this toolkit and/or a sample disclosure to their network agencies. It is also recommended that, if a specific client disclosure form is required by a HUD intermediary, it should be included as part of their grant agreement with their sub-grantees.

The client disclosure form should be provided to clients before the counseling session. Proof of distribution and receipt must be in the counseling file—a document signed by the client for face-to-face counseling and group education or a note to file by the counselor that the disclosure was provided verbally for telephone counseling. We recommend that program participants work with their own legal counsel in developing changes to and implementing use of the form within their respective programs.

Client Disclosure Sample Form

Disclosure to Client for HUD Housing Counseling Services

[Insert Housing Agency Name and Letterhead]

Services Offered:

Our agency provides the following HUD one-on-one housing counseling services:

[Include only those relevant] homeless assistance; rental topics; pre-purchase/homebuying; non-delinquency post-purchase; home maintenance and financial management for homeowners; reverse mortgage; and resolving or preventing mortgage delinquency or default counseling.

Our agency also provides the following services and group education workshops:

[Include only those relevant] financial literacy; predatory lending, loan scam, or other fraud prevention; fair housing; homelessness prevention; rental; pre-purchase/homebuyer education; non-delinquency post-purchase; resolving or preventing delinquency; and *[other]*.

Relationships with Industry Partners:

Our agency has financial or exclusive relationships, or both, with specific industry partners, including *[e.g., insert relevant partners such as lenders, realty companies, builders, state housing finance agency, and intermediaries and their affiliates or branches, if needed]*. Also include other program federal entities that the agency may have a relationship (other than a partnership) such as HUD, Federal Home Loan Bank, or U.S. Department of Agriculture Rural Housing Service. *[Insert partner relationship (by name, where contract, memorandum of understanding, or agreement may exist) here]*

No Client Obligation:

There is no obligation to receive, purchase, or use any product or service offered by this agency or any services of its industry partners or other party in exchange for your receiving HUD housing counseling services.

Alternatives:

As a condition of our services, and in alignment with meeting our counseling goals, and in compliance with HUD's Housing Counseling Program requirements, we may provide information on alternative services, programs, and products available to you, if applicable and known by our staff.

I have read and received a copy of this disclosure. *[Insert client signature lines]*

This disclosure was conveyed verbally via a virtual/telephonic session. *[Insert agency representative signature line and date]*

Disclosure Form Example

Disclosure to Client for HUD Housing Counseling Services ABC Community Services

ABC Community Services offers pre-purchase and non-delinquency post-purchase counseling. The agency also offers Pre-Purchase Homebuyer Education workshops.

[Provide a brief description of services provided to clients]

Sample language

Pre-purchase Counseling: Clients receive comprehensive one-on-one counseling, which covers the entire homebuying process from beginning to end. Counselors assist their clients with creating a sustainable budget/spending plan for their current household situation, and a clear action plan is developed to achieve the overall goal of homeownership. Clients also receive important material on home inspection, pre-foreclosure, and any other homeownership topic relevant to successfully maintaining a home.

Non-delinquency Post-purchase Counseling: Clients receive important material on how to properly maintain a home, refinance a home, and select a realtor. Clients are assessed for individual needs and are assisted with the tools and services to successfully maintain a home.

Pre-purchase Homebuyer Education Workshops: Attendees will receive information on topics that will prepare the prospective homebuyer to make informed home purchase decisions. Topics include homebuyer readiness, money management, understanding credit, getting a mortgage loan, shopping for a home, keeping your home/managing finances, and maintaining a home.

[Briefly describe additional activities, or direct clients to agency disclosure that explains your program. If clients are directed to additional information, it should be an addendum to the disclosure and presented with the disclosure.]


Sample Language

The organization also develops and manages rental properties.

ABC Community Services has developed a multifamily residential community for low- to moderate-income families in Pleasantville, Texas. This rental development consists of 100 units. ABC Community Services serves as the managing agent for all its properties.

ABC Community Services has an exclusive relationship with First in Finance Bank, which handles our rental property escrows. The agency also regularly receives funding from First in Finance Bank and Smith & Jones Realty Services.

Participation in our HUD housing counseling services does not obligate you to receive, purchase, or use any other services offered by this agency or by parties mentioned above or any other party.



As a condition of our services, in alignment with your goals, and in compliance with HUD's Housing Counseling Program requirements, we must provide information on alternative services, programs, and products, if applicable and known.

I have read and have received a copy of this disclosure. *[Insert client signature lines]*

This disclosure was conveyed verbally via a virtual/telephonic session. *[Insert agency representative signature line and date]*

** All language contained within is hypothetical and for sample purposes only.*