



OFFICE OF
HOUSING COUNSELING
LET'S MAKE HOME HAPPEN

Office of Housing Counseling

Implementing HUD's Housing Counseling
Certification Rule

June 15, 2018

Speakers

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Why Are We Here?



- If you, or your sub-recipients, provide **housing counseling services** as part of a HUD-housing program, you may be covered under HUD's final rule on housing counselor certification.
- This presentation will help you understand if you are covered and the steps you can take to fulfil the requirements.

Agenda



- Housing Counseling Overview
- Housing Counselor Certification
- Housing Counseling – CPD Programs
- HUD Housing Counseling Agency Approval
- Resources

Housing Counseling Overview

Office of Housing Counseling

- Mission - To provide individuals and families with the knowledge they need to obtain, sustain, and improve their housing through a strong national network of HUD-approved housing counseling agencies and HUD certified counselors.
- Governance of HUD's Housing Counseling Program – Regulations found in 24 CFR Part 214:
 - Final Rule September 28, 2007
 - Housing Counseling Certification Requirements Final Rule December 14, 2016

Housing Counseling Program

- Celebrating 50 Years!! – Statute found in Section 106 of Housing and Urban Development Act of 1968
- Evolution of HUD’s Housing Counseling Program – Regulations found in 24 CFR Part 214:
 - Final Rule September 28, 2007
 - New Certification Requirements Final Rule December 14, 2016
 - Requires certified housing counselors who work for HUD-approved housing counseling agencies
 - Misc other requirements, including definition of housing counseling (24 CFR Part 5)
 - Affects a number of other HUD programs, including CPD (e.g., HOME, CDBG, CoC) and PIH (e.g., Section 8 to homeownership)

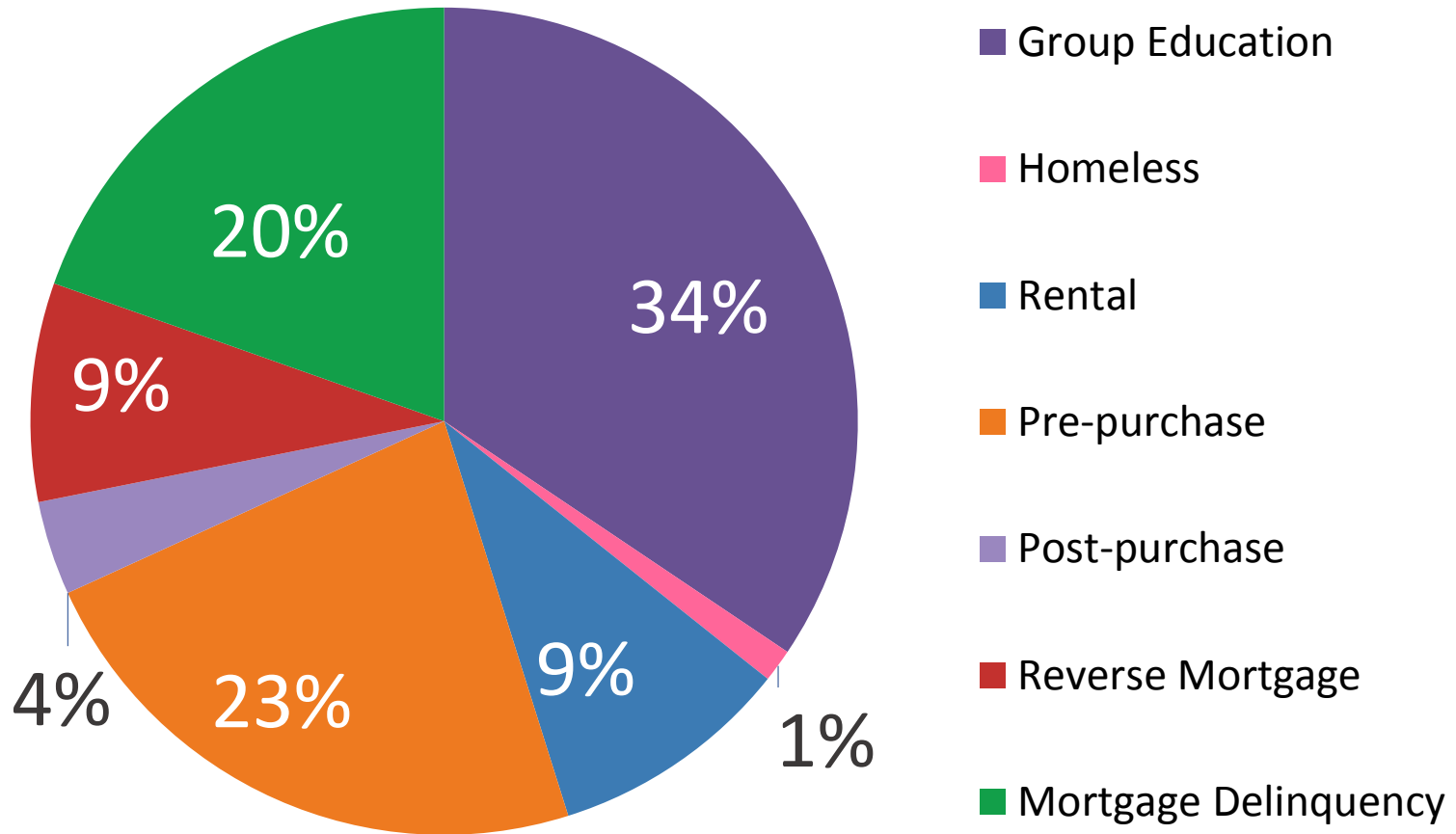
Housing Counseling Program (cont)

- Almost 1,800 agencies participate in HUD's program
 - Not all are funded by HUD's NOFA
- HUD-approved housing counseling agencies:
 - Intermediaries (regional and national organizations)
 - Multi-state organizations
 - Local housing counseling agencies
- Participating in housing counseling include state housing finance agencies

HUD Housing Counseling Agencies



National Housing Counseling Activity FY2017



Total Counseling Activity – 1,121,957 Clients

Housing Counseling Activity Benefits

- Improves family stability
- Enriches distressed neighborhoods
- Increases household wealth
- Contributes to economic growth
- Fosters stable housing
- Helps protect from discrimination and scams
- Reduces foreclosures, loan delinquencies, and defaults

Housing Counselor Certification

Housing Counseling Certification Rule

- Published 12/14/2016; effective 1/13/2017
- Publication also includes revisions to:
 - 24 CFR Part 5 (General HUD Program Requirements)
 - 24 CFR Part 92 (HOME Program)
 - 24 CFR Part 570 (CDBG Program), including disaster recovery
 - 24 CFR Part 574 (HOPWA Program)
 - 24 CFR Part 576 (ESG Program)
 - 24 CFR Part 578 (CoC Program)
- Other HUD programs affected, but not listed here
- More information on how each program is affected later in the presentation

Housing Counselor Certification



KEY PROVISIONS

- All housing counseling required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary.
- A HUD Certified Housing Counselor is a housing counselor who has **passed** the HUD certification examination **and works** for a HUD-approved housing counseling agency.
- Effective date: August 1, 2020

Housing Counseling Certification

1. Designed to improve and standardize professional standards for those who counsel consumers
2. Counselors must demonstrate competency in each of the following areas of housing counseling: (1) financial management; (2) property maintenance; (3) responsibilities of homeownership and tenancy; (4) fair housing laws and requirements; (5) housing affordability; and (6) avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default.
3. Housing counseling required by HUD or provided in connection with any HUD program will meet common standards
4. HUD certification will allow consumers to quickly find a trusted, impartial and knowledgeable advisor who is required to put the consumer's best interests first.

Housing Counseling Certification

Benefits to implementing the Final Rule and Certification requirement:

1. Greater visibility to the HUD Housing Counseling Program
2. Recognized value of housing counseling delivered by certified housing counselors
3. Increased assurance as a result of the certification requirements
4. More knowledgeable housing counselors providing more effective housing counseling services
5. More effective identification of issues, referrals and resolution of barriers

What is Housing Counseling?



- 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.
- **Must** include the elements on the next slide.

Housing Counseling Elements



- Intake
- Client Budget
- Financial and housing affordability analysis
- An client action plan
- Reasonable effort to follow-up with client

What Is Not Housing Counseling?



- Services that provide only housing information, or placement or referral services
- Routine administrative activities (e.g., program eligibility determinations, intake, case management)
- Case management that provides housing services as incidental to a larger case management (HOPWA, ESG, COC) and does not fund housing counseling
- Fair housing advice and advocacy (e.g. processing complaints and filing claims)
- Group education without individualized services

Options for Affected Agencies



- Apply to HUD for approval or join a HUD-approved intermediary or state housing finance agency
- Partner with an existing Housing Counseling Agency to deliver housing counseling
- Modify the program in order to become compliant
- Stop delivering housing counseling services before the Final Compliance Date of August 1, 2020

Grantees/Agency Managers



- Staff of entities whose roles are limited to funding, overseeing or administering a housing counseling program or other HUD program that requires housing counseling **and** who do not provide housing counseling services directly to clients are not required to become HUD-certified housing counselors

Housing Counselor Exam



- Only have to pass the certification examination one time, can take exam multiple times until counselor passes – must pay fee each time
- No training requirements or continuing education
- Counselors must register for and take the examination through www.hudhousingcounselors.com
- Can take examination on-line (\$60) or at a proctoring service (\$100)
 - Low registration fee for exam may expire September 30, 2018
- Available in English and Spanish
- More resources provided later in presentation

Housing Counseling – CPD Programs

Covered Programs



- Counseling in connection with CPD programs (primarily CDBG/CDBG-DR, HOME) may be affected.
- The final rule standardizes the definition of housing counseling.
 - Any housing counseling, as defined in 24 CFR 5.100 **required under or provided in connection with** any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling, consistent with 12 U.S.C 1701x.

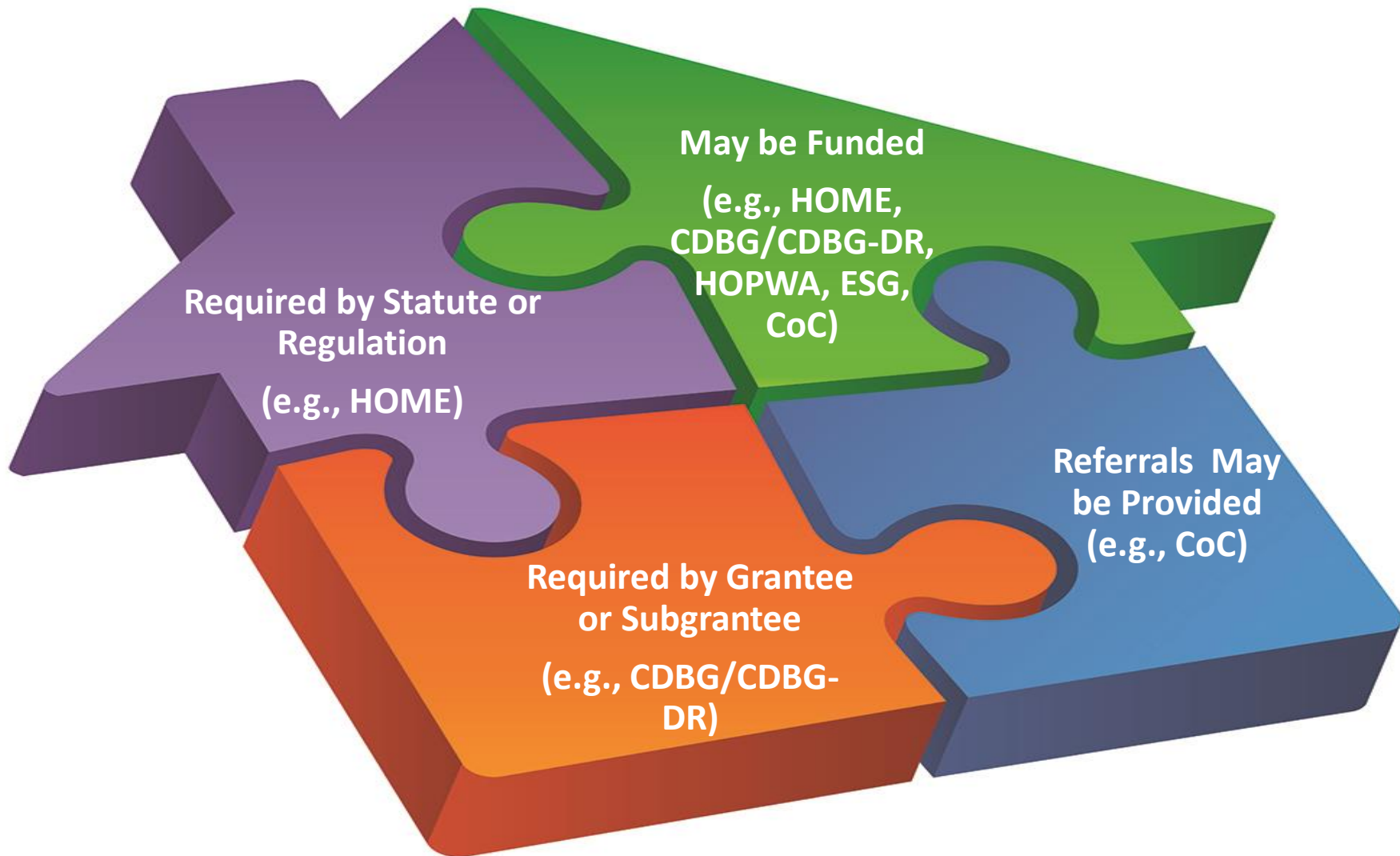
Covered Programs



Required under or provided in connection with any program administered by HUD means:

1. Housing Counseling required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD;
2. Housing Counseling that is funded under a HUD program;
3. Housing Counseling that is required by a grantee or sub-grantee of a HUD program as a condition of receiving assistance under the HUD program; *or*
4. Housing Counseling to which a family assisted under a HUD program is referred, by a grantee or sub-grantee of the HUD program.

Covered Programs



Covered Programs - CPD



(1) Housing Counseling, required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD:

- HOME Investment Partnerships—Homeownership only ([42 U.S.C. 12701](#) *et seq.*);

Covered Programs - CPD



(2) Housing Counseling that is funded under a HUD program.

- CPD programs include “housing counseling” as an eligible funding activity or project cost.
 - Community Development Block Grant Program - including Disaster Recovery
 - HOME Investment Partnerships Program
 - Housing Trust Fund
 - Housing Opportunities for Persons With AIDS
 - Emergency Solutions Grant
 - Continuum of Care program

Covered Programs – CPD



(3) Housing Counseling that is required by a grantee or sub-grantee of a HUD program as a condition of receiving assistance under the HUD program.

- Services that may require “Housing Counseling” as a condition of receiving assistance
- Homeownership Assistance
- Rental Counseling
- Housing Rehabilitation Services
- Foreclosure Prevention/Mitigation

Covered Programs – CPD



(4) Housing Counseling to which a family assisted under a HUD program is referred, by a grantee or sub-grantee of the HUD program.

- Any HUD program where a grantee or sub-grantee 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 24 CFR 5.111.

HUD Program Impacted - HOME Program



HOME as a HUD program where housing counseling is required by statute and regulation:

- Recipients of Homeownership or residential mortgage loans funded under the HOME program
- Homebuyers assisted with HOME such as:
 - Homebuyers receiving HOME-funded direct homebuyer assistance (i.e., downpayment assistance)
 - Homebuyers purchasing units developed with HOME funds
- Housing counseling must be provided by a HUD Certified housing counselor regardless of the funding source to pay for housing counseling services

HUD Program Impacted – HOME



HOME as a HUD Program where housing counseling is funded under the HUD program:

- Non-homebuyer housing counseling is not required by HOME regulation, but such counseling is an eligible HOME-funded cost
- If HOME-funded, either directly or through a Community Housing Development Organization (CHDO) or subrecipient, such housing counseling must be provided by a HUD Certified housing counselor
- If part of a HOME activity, housing counseling must be provided by a HUD Certified housing counselor regardless of the funding source to pay for housing counseling services

HUD Program Impacted – CDBG/CDBG-DR



CDBG as a HUD Program where housing counseling is funded under the HUD program:

- Housing counseling may be eligible as a public service (under 24 CFR 570.201(e));
- Housing counseling may be eligible as part of a homeownership assistance activity (24 CFR 570.201(n));
- Housing counseling may be eligible as a housing service in support of the HOME program (24 CFR 570.201(k)).
 - 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.

HUD Program Impacted – CDBG/CDBG-DR

Examples of Housing Counseling eligible activities under the CDBG program:

Homeownership Assistance

- Financial education
- Budget and credit counseling
- Pre-Purchase counseling
- Post Purchase counseling
- Default/Foreclosure prevention

Rental Counseling

- Delinquent renters
- Tenants facing eviction
- Availability of rental assistance
- Pre-Purchase Counseling
- Budget and credit counseling

HUD Program Impacted – CDBG/CDBG-DR

Examples of Housing Counseling eligible activities under the CDBG program:

Housing Rehabilitation Services

- Financial education
- Budget and credit counseling
- Default/Foreclosure prevention

Foreclosure Prevention/Mitigation

- Financial education
- Budget and credit counseling
- Default/Foreclosure prevention

HUD Programs Impacted – ESG/CoC/HOPWA



- Holistic case management for persons experiencing homelessness is not housing counseling
- If activity is part of holistic case management for persons experiencing homelessness, it is not housing counseling
- There may be instances where housing counseling, as defined in the Final Rule, is being provided
 - Ex: if program participant is receiving housing counseling as a separate specialized service

HUD Approval

Options for Participation



- Seek direct approval as a housing counseling agency from HUD
- Join a network of agencies overseen by an intermediary or state housing finance agency

Both options have same qualifying criteria

HUD Approval Process Overview

<https://www.hudexchange.info/resources/documents/HUD-Approval-Process-Overview.pdf>

Benefits of HUD Approval



- Credibility in the community with partners, lenders, and the families served.
- Access to scholarships for training from Office of Housing Counseling partners.
- Technical assistance, capacity building, and training from HUD.
- Wider visibility and access to clients through HUD website, mobile app, and toll-free referral number.
- Other funding sources such as state, local, foundation, and private grant funds often require HUD approval.

HUD Approval



Qualifying Criteria

- Private or public nonprofit organization 501(c), or state or local government
- One year experience providing housing counseling
- One year of operation in proposed geographic service area(s)
- Sufficient counseling resources

Housing Counseling Agency Eligibility Tool



- Anyone registered on HUD Exchange can use the tool
- Provides in-depth explanation of eligibility criteria
- Evaluates agency readiness to apply based on information provided to the tool
- Provides an agency with a user report to follow up on next steps
- **Does not replace a formal application review by HUD**
- <https://www.hudexchange.info/programs/housing-counseling/housing-counseling-agency-eligibility-tool/>

Application Preparation and Submission



Step 1: Use Housing Counseling Agency Eligibility Tool

Step 2: Review HUD Exchange website for required forms and guidance on completing your application

Step 3: Prepare required documentation, including form 9900

Step 4: Contact HUD to be connected with application advisor

Step 5: Submit application to HUD

Step 6: Work with HUD reviewer

Step 7: Approval!

Step 8: Work with assigned HUD Point of Contact

Resources

Information on Housing Counselor Certification

- PDF document that identifies other HUD Programs covered by Housing Counselor Certification Requirement and options to meet requirements:

<https://www.hudexchange.info/resources/documents/Other-HUD-Programs-Covered-Under-HUDs-Final-Rule-for-Housing-Counseling-Certification.pdf>

- Extensive FAQs including FAQs specific to each covered HUD program

<https://www.hudexchange.info/resource/5194/housing-counseling-new-certification-requirements-faqs/>

Other Resources

- OHC main HUD Exchange webpage

<https://www.hudexchange.info/programs/housing-counseling/>

- HUD Approval

<https://www.hudexchange.info/programs/housing-counseling/agency-application/>

- List of HUD-Approved Housing Counseling Agencies

<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

- Introduction to Housing Counseling

<https://www.hudexchange.info/trainings/courses/introduction-to-housing-counseling/>

Office of Housing Counseling



Find us at:

www.hudexchange.info/counseling

Counselor Training and Testing website:

www.hudhousingcounselors.com

Certification Rule:

<https://www.hudexchange.info/programs/housing-counseling/certification/>

Certification FAQs:

<https://www.hudexchange.info/resource/5194/housing-counseling-new-certification-requirements-faqs/>

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