HUD – US DEPT OF HOUSING & URBAN DEVELOPMENT: The Final Rule Stakeholders Conference Call

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SPEAKERS

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Sarah Gerecke
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Bill McKee
Anita Olson

PRESENTATION

Moderator

Ladies and gentlemen, thank you for standing by. Welcome to the Final Rule Stakeholders Conference Call. At this time, all participants are in a listen-only mode. Later, we’ll conduct a question and answer session. [Operator instructions]. As a reminder, this conference is being recorded.

I would now like to turn the conference over to our host, Miss Virginia Holman. Please go ahead.
Good afternoon, everybody, and welcome to this very important conference call on the Final Rule on the Housing Counseling Certification. Before I turn it over to our speakers, however, I’d like to go through a few logistics for the presentation. As the operator said, the call is being recorded. We will be providing the playback number, a PowerPoint, of which there are only a couple of slides, and a transcript more importantly. These will be available on HUD Exchange within seven to ten days.

We’ll be having questions periodically, and the operator will then give you instructions. You will also see on the panel on your right-hand side of your screen, there’s a question box. If you would prefer, you can write your question in there. We will make every effort to answer them, but we will have a record of what your questions are. You can also send your questions to housing.counseling@hud.gov with the Final Rule Conference Call in the subject line.

So, again welcome from the Office of Housing Counseling to this important stakeholders call on the Final Rule on Housing Counseling Certification. Today’s presenters are Ed Golding, Principal Deputy Assistant Secretary for Housing; Sarah Gerecke, the Deputy Assistant
Secretary the Office of Housing Counseling; Lorraine Griscavage-Frisbee, the Deputy Director of the Office of Outreach and Capacity Building; and Bill McKee, the Deputy Director of the Office of Policy and Grant Administration.

At this point, I would like to turn it over to Mr. Golding.

Ed

Thank you very much, and good afternoon, everyone. Thank you for joining this call today on our final housing counseling certification rule.

Before I get started, I want to be sure to thank our Office of Housing Counseling team, Sarah Gerecke, Bill McKee, Lorraine Frisbee, are all on the call with us today. I really want to thank everyone in OHC who were committed to getting this rule done and finished.

This is a huge effort, and we couldn’t have done it without all of them. Just as much, I want to thank all of you, our housing counseling agencies. Your commitment to serving families and helping them overcome barriers is creating opportunity in communities all across the country every day.

In the first three quarters, you collectively served almost one million consumers. You’ve also provided critical feedback throughout the
rulemaking process helping us to craft requirements that are thorough and effective while providing the right educational tools to help you prepare. As you know, or otherwise you wouldn’t be here today, we just published our Final Rule on Housing Counseling Certification.

This has been a long time coming, and we’ve worked to make sure that all our housing counseling partners are ready for the upcoming changes. By and large, the industry is prepared for this new rule. Today’s call will break down those changes and get into some of the details including responsibilities and consumer protections.

As we’ve explained, counselors employed by HUD-approved housing counseling agencies must pass a proficiency test that covers six subject areas. Certification tests only have to be passed once, and the exam will be available in the next few months. The rule outlines that housing counseling required or provided under any HUD program must be done by HUD-certified housing counselors.

The Office of Housing Counseling also has the authority to set standards for any of HUD’s programs that offer counseling as a component. This will create consistency and insure that the people we serve are getting
information they need to make the most informed decisions about their housing needs.

Finally, the rule adds some definition and outlines the consequences if housing counseling agencies violate election laws or misspend HUD counseling grants. At HUD, we’ve always known the value of good housing counseling, and since the financial crisis, we have done our best to lift up housing counseling as a critical resource. As we continue to professionalize the field, we’re ensuring the counselors get the training they need, and as importantly, the respect they deserve. Making sure that everyone has a common base of knowledge to draw from will only improve outcomes and consistency.

As for our partners in this effort, housing counseling agencies benefit as well. Access to grants to support program activities, participation in training and technical assistance from HUD and its training partners, and sharing information among the agencies at a national level on best practices by participating in webinars and events with other HUD-approved counseling agencies. Best of all, we continue to demonstrate that quality housing counseling is a valuable part of the housing industry and protects everyone: consumers, taxpayers, and communities.
Again, thank you for doing everything you do, and now I’d like to turn it over for more details to my good friend, Sarah Gerecke.

Sarah

Thank you, Ed, and thanks particularly for your leadership in making sure that the Final Rule was comprehensive. We hopefully got it right and got the support out along with it. I also want to echo Ed’s appreciation for all of you, the housing counseling agencies, your efforts to improve consumers’ housing situations and help them achieve their housing goals.

On today’s call, I want to highlight key changes in the Final Rule from the proposed rule published in 2013 and explain how those changes impact our housing counseling program as well as other HUD programs. Before you start taking copious notes, I wanted to let you know that we have provided several resources to help you understand the Final Rule, including a link to the published Final Rule and a large set of frequently asked questions. I’d urge you to take the time to read the Federal Register notice and review the frequently asked questions.

I know it’s not a vacation read, but I think you’ll find it actually very interesting and explains a lot. Both of these documents are available at
our housing counseling certification page on the HUD Exchange website. I’ll provide the link at the end of this call.

We will also be providing in-depth training starting in January. If time permits, we’ll take questions at the end of this call and answer the questions you might have written in on your screen. You’ll also have plenty of opportunities for questions when we provide in-depth training on the Final Rule and counselor certification in January. You can always send an email to housing.counseling@hud.gov, and we will respond.

I’d like to expand on Ed’s discussion of why this Final Rule is important to all of our housing counseling stakeholders. As Ed pointed out, consumers will ultimately benefit from receiving counseling from a HUD certified housing counselor. Housing counseling certification will increase the credibility of housing counselors.

There will be a standard baseline of knowledge for all housing counselors, and all housing counseling required by or provided in connection with any HUD program will have to meet standards set by the Office of Housing Counseling. The statute requires that HUD promote the value and credibility of housing counseling performed by the HUD certified housing
counselors. We are planning an awareness and visibility campaign to do just that.

The requirement that housing counseling must be given by HUD-certified housing counselors may reduce the fraud often seen in the foreclosure prevention in real estate market. This is where people calling themselves housing counselors offer to find an apartment or fix a mortgage and happen to charge thousands of dollars for services they don’t deliver. We hope the visibility around housing counselor certification will help consumers have a lower chance of being duped. Both clients and funders will be able to verify that a housing counselor is HUD-certified on our website.

We believe housing counselors themselves will benefit in their careers by obtaining the designation of a HUD-certified housing counselor. Congress intended for housing counseling to be elevated as a profession and viewed certification as an essential element of that process. The Final Rule will ensure that clients receiving any type of homeownership counseling, in particular, will learn about the entire process of homeownership from purchase of a home through its disposition.
HUD-approved housing counselors will now provide all pre-purchase clients with materials regarding the availability and importance of obtaining an independent home inspection. There are lots of other advantages, and I’m sure you’ll share your experience with us as you go through certification.

One word about the impact of the Final Rule on housing counseling programs that are not currently part of the Office of Housing Counseling’s program, in other words, housing counseling that’s done by agencies that may not be HUD-approved. I’ve mentioned that the certification requirement extends to all housing counseling programs that are required under or provided in connection with any program of HUD. You’re probably wondering what exactly this means.

You may be familiar with agencies in your community that provide housing counseling services that are not part of HUD’s program. They may be offering counseling under other HUD programs that provide grant funding for housing counseling services or require housing counseling. The Final Rule implements the statutory requirement that all housing counseling required under or provided in connection with any HUD program must be provided by a HUD-certified housing counselor who
must in turn work for agencies participating in HUD’s housing counseling program.

We received comments on this provision in the Final Rule, and we’ve provided extensive clarification in the rule’s preamble. In short, housing counseling programs, especially programs that call themselves housing counseling programs, if they’re funded by a HUD program or provided in connection with a HUD program, such as CDBG funded housing counseling programs or housing counseling delivered in connection with, for example, a family self-sufficiency program, will have to use certified housing counseling employed by HUD-approved housing counseling agencies once the certification requirement takes full effect.

When does it take full effect? The certification requirement takes full effect three years from the date the exam is available. The Final Rule provides very specific and narrow definitions of housing counseling programs that will be subject to certification requirements. Only the direct provision of housing counseling services will trigger the requirements for the counselor to be certified by passing an exam and working for a HUD-approved counseling agency. Grant and program administrators will not have to become HUD-certified counselors.
Eligibility for housing programs, assistance with apartment finding and holistic case management are not housing counseling activities for purpose of the Final Rule. There are many HUD programs that could potentially trigger the certification requirement. The complete list of affected programs, along with FAQs, are available on the HUD Exchange website.

We’re working closely with the other HUD program offices to help notify those entities that are covered under this Final Rule and aren’t already in the HUD housing counseling program. Affected agencies involved with other HUD programs will have the opportunity either to join our program directly or through an intermediary, or a housing finance agency, or they may consider other alternatives such as partnering with agencies already participating in our program.

Agencies that choose to become HUD-approved housing counseling agencies will find a streamlined application tool and extensive information on our website. As a HUD-approved housing counseling agency, those housing counselors will be eligible to apply for grant funding, their agencies will, and have access to training scholarships and technical assistance.
Now, at this point, I’m going to ask Lorraine Griscavage-Frisbee, our Deputy Director with the Outreach and Capacity Building Office, to discuss certification in more detail. Lorraine.

Lorraine: Yes, thank you very much, Sarah. Hello there, everybody. I’m going to talk a little bit about the actual certification process. Now, after we published the proposed rule, we received 215 comments, and we made some important changes to the Final Rule in response to all of these comments.

First of all, there were many comments about the 12-month compliance date for the housing counselor certification. As Sarah mentioned, we are very pleased to announce that we were able to change that final compliance date to 36 months after the certification examination becomes available. This one is worth repeating. The requirement that all counseling be performed by a HUD-certified housing counselor for all covered HUD programs does not go into effect until 36 months after the certification examination becomes available.
Now, I know what your next question is. When will the exam start? The examination is not available yet. We are still working to complete systems upgrades so that after you pass the certification examination, you can quickly apply for the HUD-certified housing counselor status.

Now, what will happen is we are going to issue a separate Federal Register notice that will let everyone know when the examination is going to start. As Mr. Golding mentioned earlier, we anticipate that this will be in the spring of 2017.

Now, once the examination is available, we encourage you to take it as soon as registration opens. You only have to pass the exam once, and after you’ve passed the exam, you don’t have to retake it in the future. We have provided free training since June 2015 to help you prepare for the testing. The practice exam will also be available once testing is announced.

So, take the opportunity now to visit our training website and get ready. Our website is www.hudhousingcounselors.com, and Sarah will also provide the information to the HUD Exchange certification webpage at the end of the call, and there’s a link to this website there as well.
Now, in addition to our training that we have available online, our training partners has also been offering exam preparation classes for housing counselors. So, you have many opportunities to train now before the exam becomes available.

Now, another topic that we received quite a bit of feedback on was the cost of the certification examination which we had published in the proposed rule to be $500.00. I’m pleased to say we now expect the examination fees to be $100.00 for those that will be testing online using your own equipment and $140.00 for those of you that want to travel to a proctoring center instead to take the examination.

Now, when we publish the Federal Register for the examination, we’ll have the final cost of the exam in that Federal Register Notice. Also, I want to let everyone know that the examination will be available in both English and Spanish.

Now, passing the test is actually the first step for certification. Counselors must also work for a HUD-approved agency in order to become certified. So, your agency will have to verify through FHA Connection in the
manner that is modeled after the HECM roster, they’ll have to verify that you are employed as an employee of the agency. We are upgrading FHA Connection to accommodate housing counselor certification and we do expect a seamless process once all systems are up and running.

Now, we expect that you have many questions about the certification examination and how to become a HUD certified housing counselor. As Sarah mentioned before, we have extensive frequently asked questions that are available, and we encourage you to review these FAQs. We address many questions concerning the certification examination and training.

Once we get closer and we will be launching the certification process, we will have additional training to help you through the process. We’ll also publish a desk guide for you so you’ll have a very easy-to-follow step-by-step process to become certified.

Now, one last comment I have, though, regarding our HUD-certified housing counselor designation, that designation is not designed to replace other types of certifications available for housing counselors, for example, our training partners and industry partners such as the National Industry
Standards, NeighborWorks America, National Council of La Raza, National Community Reinvestment Coalition, and Rural Community Assistance Corporations all offer types of certification programs. We are strongly encouraging counselors to continue to seek these certifications.

A second comment, our training website, hudhousingcounselors.com is also not intended to replace other training opportunities available for housing counselors. Again, please continue to seek training and certification opportunities from these entities and other training partner providers. However, I do want to make an important distinction. It is important to note that having these other certifications does not replace the requirement to become a HUD-certified housing counselor by passing the HUD certification exam and working for a HUD-approved housing counseling agency or affiliate.

All right, thank you very much for your time, and I’m going to turn the call over now to William McKee, who is the Deputy Director of the Office of Policy and Grant Administration.

Bill Thanks, Lorraine, and thanks for all of you for joining today. Well, Lorraine spoke a lot about the housing counseling certification. Housing
counseling certification was the topic we received the most questions about during our outreach over the last few years, but it was not the only topic covered in the Final Rule. There are other important changes for HUD’s housing counseling program and other HUD programs in the Final Rule. I’d like to highlight four of these changes now.

There are new definitions for housing counseling, homeownership counseling, and rental counseling. There’s a new requirement that agencies which provide homeownership counseling shall address the entire process of homeownership. Home inspection materials must now be provided to all homeownership counseling clients. The Final Rule also prohibits the distribution of housing counseling grant funds to agencies convicted of election law violations and to agencies that have misused housing counseling grant funds.

The Final Rule revised definitions for housing counseling, homeownership counseling, and rental counseling in not only HUD’s housing counseling program but for all HUD programs. This is important because it standardizes the use of the term housing counseling and also assures that the Office of Housing Counseling will be responsible for administering all housing counseling covered by the new regulations.
The rule also implements statutory mandates about the awareness of the benefits of a home inspection. In the past, distribution of home inspection materials to clients was limited to those clients billed to the HUD housing counseling program grants. Now, this requirement will extend to all homeownership clients that express an interest in purchasing a home including those clients not billed to a HUD counseling program grant.

Many of you already routinely provide this information to your homebuyer education and pre-purchase clients. While these provisions become effective on January 13, 2017, we realize that you will need further technical assistance on how to meet these requirements. We will be providing extensive training on homeownership counseling and home inspection materials requirements in January, including how to meet these requirements by updating your housing counseling work plan.

As I indicated before, there are also new provisions regarding housing counseling grant funding. In the event an agency is found to have misused grant funds in such a manner as to constitute a material violation, that agency may be barred from receiving future housing counseling program grants. We have always had procedures in place to address housing
counseling grant funds that are used in a way that does not meet our current program and grant agreement requirements. The new regulation regarding material violations is just one more remedy that could be used depending on the circumstances.

We will continue to offer training on grant management and provide technical assistance. As I indicated, the rule also prohibits providing housing counseling program grant funding to agencies and their employees convicted of a violation under federal law relating to an election for federal office. We’ve already implemented this provision to our housing counseling program NOFA, and it’s also in our grant agreements.

Now, I’ll turn it back over to Sarah.

Sarah

Thank you, Bill and Lorraine. Thanks for your leadership of this project. We’re going to have time for some questions in just a few minutes. I’ll turn it to the operator to give instructions in a minute. I just have a couple of quick closing remarks that we wanted to make sure you were aware of.
We expect there are going to be a lot of questions and we wanted to let you know that we are available to meet with stakeholders over the next few months and help you and others understand the requirements of the Final Rule. We want to help you understand what it means for you, what it may mean for partners or your staff, or others. Please let us know how we can help get the word out and make people understand what the impacts of the rule will be on their program.

We did cover a lot of topics on this call already, and I wanted to help you understand the timing of when all these changes go into effect. There are actually two effective dates. Some provisions of the final rule go into effect 30 days after publication which would be January 13, 2017.

Those that are effective 30 days after publication of the rule are first, the new definition, second, material violations and election law violation that Bill just spoke about, third, requirements for homeownership counseling and the work plan and requirements around home inspection materials. As Bill said, we will be providing more guidance, so don’t panic about those.

All provisions relating to certification requirements are effective 36 months, three years, after the certification examination is available. We
expect the exam to be available in the next few months. We call this the final compliance date in the Final Rule. By the final compliance date, it requires that all housing counseling must be performed by a HUD-certified housing counselor who’s passed the examination and is also employed by a HUD-approved housing counseling agency. In addition, by the final compliance date, all housing counseling required by or provided in connection with any program of HUD must be delivered by HUD-certified housing counselors.

We have many tools available to help everyone transition to the new regulation. This said, we’re planning several training sessions in January. The first one will discuss the Final Rule in depth. We’re also planning webinars on how to change counseling work plans to meet the new homeownership counseling and home inspection materials requirement. We will provide detailed information on how to register for the examination, access training, and become a HUD-certified housing counselor.

To help those participants that may be new to HUD’s housing counseling program, we’ve developed an online tool that outlines in detail HUD housing counseling program eligibility requirements. This tool will help
agencies determine if they’re ready to apply for our program.

Intermediaries and state housing finance agencies may also find this tool useful for potential applicants to affiliate with their respective networks.

Before I turn it over to questions, I wanted to let you know where you can learn more. As I said earlier, we strongly recommend you read the Final Rule and the FAQs. They can both be found on our housing counselor certification webpage at HUD Exchange which is https://www.hudexchange.info/programs/housingcounseling/certification.

You don’t need to remember all that. If you go to hudexchange.info, you’ll find you’ll be able to navigate to the page pretty easily. On our new certification page, you’ll find the Final Rule, frequently asked questions, and other resources.

I know some of you have nightmares about exams, perhaps dating from grade school. I have to tell you I am personally sorry if the publication of this Final Rule triggers any new exam nightmares. It shouldn’t. HUD is committed to work with you for a smooth implementation of this important requirement, and I am confident that if you use the materials available, and hopefully if you see the value, the certification will be an added benefit to your toolbox of great tools to work with your clients.
We’re very excited about all the opportunities forthcoming as a result of this Final Rule, and we are looking forward to the release of the examination early in 2017.

At this point, I’d like to ask if any questions came in in the question box that we should answer. Then, we will go to the phone lines.

Anita

Hi, Sarah, yes, they have been thinking through this whole presentation. It’s great. What’s interesting is the questions are going to be answered in a lot of the FAQs for them.

Lorraine, the first question came in regarding certification per agency or per person. Because, what happens if the agency receiving HUD funding and the one and only certified counselor leaves the agency? How much time is allowed for the new counselor to become certified?

Lorraine

That’s a very interesting and excellent question. This can be answered in context after the 36 months. That’s important to remember when the certification requirement kicks in and becomes effective. If the agency
does not have any certified counselors after that 36 months, they cannot
provide housing counseling services.

So, they would more than likely be in an inactive status until the point that
they did hire another certified housing counselor on their staff. I also want
to point out, and this is important to remember, the requirement at least
half of the staff have at least six months’ experience is still in effect. You
could have a counselor that has passed the exam and is working for the
agency, but they also need to have that six months’ experience if they’re
the only counselor on staff.

Anita Excellent. Thank you very much for that response. Let’s see here. The
questions keep jumping. We’re getting all kinds of questions in. “Can
you be certified and work for a different HUD-approved agency
simultaneously?”

Lorraine Yes, yes you can. You will get a separate certification for each agency
that you work for. I also thought, and I’m going to skip ahead a little bit
to a related question, “What happens to your certification if you are no
longer employed by an agency?” Then, you’re not going to be considered
a HUD-certified housing counselor for that agency because remember
there’s two parts to the certification. One, you pass the exam, and two, you’re working for a HUD-approved agency. The good news is you only have to pass that exam once. So, when you’re hired by a new agency, you can then become certified under that agency.

Anita Great, thank you. Bill, this is probably for you. “Did I hear correctly that the housing counseling work plans must be updated by January 13, 2017 to reflect the new rule? Will the agency audit process change in any other way as a result of the ruling?”

Bill Well, that’s a good question. As we indicated earlier, we are going to be providing extensive training on how to implement certain requirements, especially the requirement that all agencies that provide homeownership counseling must address the entire process of homeownership. So, the effective date, technically speaking, is January 13th, but we’re going to be providing training all through January on that, so we’re not expecting that the agencies have to have their work plan updated before January 13th. We’re going to provide plenty of training and information in terms of how to implement it.
Anita: Then, also, you did state that the inspection material, there’ll be more training for them on that as well because they’re looking—

Bill: Absolutely.

Anita: Wonderful. This next question is very interesting in that, “Does a housing counseling agency that is certified through a parent but is not a HUD-certified housing counseling,” oh the question just jumped on me. I’m sorry, “is not a HUD-certified housing counseling agency able to certify counselors or must they apply directly to HUD to become certified HUD housing counseling agencies in order to certify staff?”

Lorraine: That’s an excellent question, and it addresses what is the responsibility of intermediaries and state housing finance agencies, for example, that manage a network. The actual certification process will be done by HUD, so regardless if you are a locally approved agency or you’re part of a network, each individual counselor will go in and register to become certified with their agency, not their parent.

So, if you have ABC housing counseling, for example, who’s an affiliate of NeighborWorks, their counselor will go under ABC Network and be
able to apply for HUD-certified housing counselor, but the intermediary
and the state housing finance agencies will be responsible for verifying
that all the agencies in their network have HUD certified housing
counselors that are delivering housing counseling services.

Anita Excellent, so do HECM counselors also have to take this test?

Lorraine Yes, when the 36 months become effective, HECM counselors will have
to both pass the certified housing counselor examination and the HECM
examination.

Anita Does the certification follow the counselor if the counselor leaves the
agency?

Lorraine That’s a very good question, and as I mentioned before, because this is
two parts, first you have to pass the test, but you also have to be employed
by a HUD-approved agency. When you leave that agency, you’re no
longer certified, but as soon as you get hired by a new agency, you can
become certified again under that agency.
Anita: Excellent, from now until three-year deadline for certification, can we continue as HUD housing counseling agency?

Lorraine: Yes.

Anita: Excellent. Do we want to keep going? There’s a bunch of questions here. Do we want to take some live ones?

Sarah: I think it’s a good idea to take some questions off the phone.

Anita: Okay.

Sarah: We’ll come back, Anita, but let’s go to the operator now. Operator, can you give instructions for how to ask questions, please?

Moderator: Absolutely. [Operator instructions]. It’ll be just a couple moments here. If you want to maybe take one more over the web because you are going to have quite a few queuing up here on the phones.

Anita: Okay, so here’s a good one, “How many attempts do you have before you have to pass the certification exam?”
Lorraine: That’s another really good question. As much as your budget permits.

Basically, there’s no limit to the number of times that you need to take the examination in order to pass; however, you’re going to have to pay the examination fee with each attempt.

Anita: One of the questions was, “Could you repeat those costs for the examination?”

Lorraine: It’s $100.00 if you take it online, and you have to provide your own equipment for the online proctoring or $140.00 if you choose to go to a proctoring center.

Anita: “How many questions are on the test?”

Lorraine: I don’t know if we can answer that question right now.

Anita: Okay. Are we ready to queue up?

Moderator: We are. Our first question comes from the line of Katrina Maddox. Your line is open.
Katrina: Hi, I’m just wanting to know are CEUs required after certification since we no longer have to take the test again once you’re certified.

Lorraine: No, we don’t have any continuing education requirements for the certification itself, but as a housing counselor, we strongly encourage you, as I had mentioned, to continue with other education opportunities and other certifications that are offered.

Katrina: Okay, thank you.

Moderator: Your next question comes from the line of Melissa Berrien. Your line is open.

Melissa: Hi, I was just wondering, are there any requirements for housing authorities to participate in this certification?

Lorraine: I think I’m going to let Bill answer that one.

Bill: Well, it’s the same rule with respect to any entity. The bottom line is that 36 months after the exam becomes available, then any housing counseling
being performed under or in connection with a HUD program must be performed by a certified counselor. So, in order to be a certified counselor, you have to take the examination, and pass the test, and also work for a HUD participating agency. If there were an individual that was not working for an agency participating in a HUD housing counseling program, they could not be doing housing counseling for one of the HUD programs.

An agency, be it any type of agency, that wanted to keep performing housing counseling would have to make some decisions along the way because by the end of the 36 month period, if they had individuals that wanted to continue to perform housing counseling, then the agency would have to come into our program. They would have to decide whether they want to join our program, go in for approval, or whether they would want to perhaps partner with other agencies that are already participating in HUD’s housing counseling program and send those clients to those other participating agencies, or whether they would want to no longer perform that function, that particular housing counseling under that program.

These are decisions that are going to have to be made along the way for any organization that has individuals that are performing housing
counseling under or in connection with another HUD program. Does that answer your question?

Melissa: Well, just a follow up, if you can hear me, I’m not sure.

Bill: Yes, yes, no, I hear you fine.

Melissa: When you say to do this service, we don’t do this service. I mean we already get HUD funding because we’re a housing authority, but we’re not going to lose our funding if we don’t—do you understand what I’m saying? We do housing counseling because we have people who do for rental and for homeownership, our homeownership program.

Bill: Yes, well, as far as the funding is concerned, the type of funding you’re getting from another HUD program is something that we’re not saying you can’t continue to get funding from another HUD program, but the bottom line is that if it’s housing counseling that’s being done, and it’s after the final compliance date, then if it’s covered by the rule, then that housing counseling cannot be performed by an individual unless that individual is certified. So, if you were getting funding from another HUD program, and it was for what we consider to be housing counseling, under
our rule, then you wouldn’t be able to continue doing housing counseling, or I should say use that program’s funding that’s specific for housing counseling under that program.

We have specific FAQs that are designed for each particular program that’s out there that helps clarify how under each program is affected, and I highly recommend that you take a look at that because we talked with each individual HUD program, and we discussed how it affects their particular program. So, the first question is, is this “housing counseling” under or in connection with another HUD program? It comes down to what the definition of housing counseling is, whether it’s under or in connection with another HUD program. There are a lot of factors involved there. We’ve tried to analyze that in depth, and we get into that in the FAQs.

Melissa Where are the FAQs?

Bill We have several links to them. Sarah had given you the link before, but they’re right off of our HUD Exchange. Even if you Google it, you’ll probably be able to find the link.
Melissa  Okay.

Bill  One of my colleagues, just give out that website?

Lorraine  Yes, I can provide it now if you’d like, Bill.

Bill  Yes.

Lorraine  It is www.hudexchange.info\programs\housing-counseling\certification.
I’d also like to mention in addition to the frequently asked questions on this website, you’ll also find the list of programs that are covered by the Final Rule.

Melissa  Okay, thank you so much.

Moderator  [Operator instructions]. Our next question comes from the line of Joyce Lanton. Please go ahead.

Joyce  Yes, I want to know if the executive director and president of a HUD-approved counseling agency providing counseling services to clients has to take the certification examination.
Lorraine: That’s a very good question. I think the key is what you said, if that person is providing housing counseling services. Anyone that is interacting with the clients one-on-one and providing housing counseling will have to become certified. Now, if you are an executive director and you do not provide direct counseling, then no, you do not have to become certified.

Joyce: All right, thank you.

Moderator: Our next question comes from the line of Hilda Fernandez. Please go ahead.

Hilda: Hi, I heard talk of a January 13, 2017 date. Can you please explain what that date is? Is it a deadline?

Bill: Sure, I’ll explain that. That’s really what the effective date of the rule is. That is the date that the provisions in a sense go into effect, so the definitions of housing counseling, homeownership counseling, rental counseling, all the things that we talked about with respect to that go into effect; however, a couple of caveats on that.
First of all the main caveat is that as we’ve been saying, the certification requirement does not have to be complied with until 36 months after the test becomes available. So, even though the effective date is January 13th, the final compliance date for certification is not for another three years after the exam becomes available. So, that’s the first main caveat to that.

The second thing is that while the effective date is January 13th for requirements such as homeownership counseling, the requirement that if an agency provides homeownership counseling, then it must cover the other homeownership topics and the provision with regards to when you have to hand out home inspection materials. The effective date of that is January 13th.

However, as we indicated, with respect to those particular items, we are going to be providing training throughout January on that. So, we’re not expecting agencies to update their housing counseling work plans before January 13th. We’re going to give plenty of training on that.

Hilda: Okay, thank you.
Bill: Sure.

Moderator: Our next question comes from the line of Josephine Smith. Please go ahead.

Josephine: Yes, I would like to just get another explanation on the relationship with intermediary and their affiliate, how the certification is done in that process.

Lorraine: Sure, let me clarify that for you, and thanks for asking. Each individual agency, regardless if they’re part of a network or they’re independent locally approved, are going to have to be involved in the certification of their counselors. So, when a counselor passes the exam, and then they go ahead and register on FHA Connection, it’s going to be the agency that they work for that’s going to verify their employment. Even though they’re part of maybe a network, the actual certification process is based on the fact the agency that they work for regardless of their network. Does that clarify for you?

Josephine: Yes, thank you very much.
Lorraine  Thank you for asking.

Moderator  [Operator instructions]. Our next question comes from the line of Moses Perez. Please go ahead.

Moses  Yes, sorry, I came in late, and I just have one question. I just got here. A counselor has 36 months to get certified? Is that the deal?

Lorraine  It’s 36 months from the date the certification examination becomes available, and the exam is not available yet. We’re going to issue a separate Federal Register notice, and we expect it will be available in the spring.

Moses  So, but you have 36 months to get certified.

Lorraine  Yes.

Moses  Okay.

Lorraine  Okay.
Our next question comes from the line of Leiha Ortiz. Please go ahead.

Hi, can you hear me?

Yes, we can.

Yes, hi. I work for the Housing Authority of the City of Brownsville. We are in the process of applying to become HUD approved. Does the Final Rule affect our application process in any way?

I’m sorry, I didn’t quite understand what you were saying. You’re applying to become HUD approved?

Yes, we are working on the application right now.

Okay. The certification requirement doesn’t become effective until 36 months after the exam is available. So, that will not impact your approval process right now.

Okay, okay, thank you.
Our next question comes from the line of Jaclyn Kong. Please go ahead.

Hello, thank you for having the question and answer period. We appreciate this. Can you hear me?

Yes, absolutely.

Fantastic, I have a couple questions for you. First of all, we have a private contractor that does our housing counseling on behalf of some of our homebuyer programs. So, how would I instruct this contractor to then become, I guess, an employee of a HUD-approved agency in order for him to become certified and continue services?

This sounds like a very complex question. Bill, I think maybe we need to recommend that she sends her question in to housing.counseling. I think what we would like to do is reach out to you and have a one-on-one conversation.

Okay.

Yes, absolutely.
Jaclyn  Great, and then my second question, we were looking through the FAQs, digging around on your website, and we are trying to find a list of the other HUD funded programs that are affected by this particular Final Rule. Similar to what was asked earlier is we receive funds for our homebuyer program from the HOME Investment Partnership grant as well as Section 8 funding, FSS program. Then, we also have funding from the State of California which I think gets money from HUD in order for us to provide those homebuyer services. All of those programs have a housing counseling element to them, so I’m still trying to find where we see which programs are affected by this particular rule.

Lorraine  When you were on the HUD Exchange, did you see the document that’s called List of Programs Covered by the Final Rule? It’s going to be separate from the FAQs.

Jaclyn  Okay.

Lorraine  And, it’s going to be on the right-hand side of the HUD Exchange certification web page. Then, we also, within the FAQs we have, as Bill mentioned, FAQs that are related to specific programs.
Jaclyn: Okay. All right, we will go back out there and look for it. We’ve been digging around out there, and we weren’t really successful at finding that.

Lorraine: Okay.

Jaclyn: So we’re going to reach out to you. You said send our question to housing—

Lorraine: .counseling.

Jaclyn: Okay.

Lorraine: Yes, @hud.gov, and we’ll reach out to you. What was your name again, please?

Jaclyn: Jaclyn Kong, and we’re with the City of Redding Housing Authority.

Lorraine: Okay, thank you.

Jaclyn: Great, thank you so much.
Moderator: Our next question comes from the line of Beverly Isom. Please go ahead.

Beverly: Hello. Hello.

Moderator: Your line is open.

Bill: We can hear you.

Beverly: Okay. I’m just wanting to know if you provide rental counseling, that’s a separate category than your homeownership counseling, on the test is one counselor responsible for passing every subject, like the rental counseling, the homeownership counseling?

Lorraine: That’s a really good question. Yes, regardless, for example if you just did rental, or other folks may just do foreclosure, or just pre-purchase, you still have to pass all six sections of the certification examination. That’s a very positive thing. We feel that as a result of passing it, you’re going to have a much broader basic knowledge and you can provide better referrals to your clients, so we’re very excited that you’ll cover all six topics.
Beverly

Okay that was my question because we do provide different counseling areas. So, some of the counselors are not familiar with a certain area, but that is great that everyone will be familiar with the same, with the all-around package.

Lorraine

Absolutely. I think that was our last question that we were able to answer right now, and I’m going to turn the call back to Sarah.

Sarah

Well, thank you. We’re delighted to get the questions. We hope you continue to send us your questions to housing.counseling@hud.gov.

If you have suggestions for ways we can make the webpage more friendly, if you are confused about how this applies to your program, please let us know. We want to help you work through how the rule affects your particular program and your employees, but most of all, I want to thank you for your partnership. This is a big undertaking.

It will be transformative for the counseling industry. If we do it together, I have every confidence that counseling agencies, HUD, and most of all, the folks who need help with their housing will all be better off. So, I want to thank you all for your partnership.
We look forward to the questions that we didn’t get to today. We will continually revise the webpage. So, thank you for your dialogue, and thank you for your time this afternoon.

I look forward to seeing you in the New Year, and at more of our trainings and calls. Thank you all.

**Moderator**

That does conclude our conference for today. Thank you for your participation and using AT&T. You may now disconnect.