

THE BRIDGE

THE OFFICE OF HOUSING COUNSELING NEWSLETTER



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DECEMBER 2014

BREAKING NEWS

- Congress approves budget increase of \$2 million, to \$47 million, for housing counseling program, and instructs HUD not to implement the Homeowners Armed With Knowledge (HAWK) program.
- The Office of Housing Counseling requests that existing grantees inform the Office of their eligibility and interest in receiving FY 15 funding.

Looking Back and Ahead!

Staying Focused on the Mission

This edition takes a look back at the accomplishments of the Office of Housing Counseling, its respective offices, as well as a look forward to 2015 ambitions.

The mission of the Office of Housing Counseling is to help families to obtain, sustain and retain their homes. We will accomplish this mission through a strong network of HUD-approved housing counseling agencies and counselors.

The Office of Housing Counseling is comprised of the following offices with specific missions that support the overall goals.

- **Office of the Deputy Assistant Secretary:** Responsible for all activities and matters related to the Department's housing counseling program.
- **Office of Oversight and Accountability:** To ensure quality and effective counseling services to the consumers through monitoring and certification of HUD-approved housing counseling agencies and counselors.
- **Office of Outreach and Capacity Building:** To train and certify housing counselors and increase public awareness of HUD's housing counseling programs to enable all families to access safe, healthy, and affordable housing.
- **Office of Policy and Grant Administration:** Through updated program design and information exchange, create a strong, more sustainable framework and infrastructure for HUD's housing counseling programs.

Top 5 Reasons 2014 was a Good Year in Housing Counseling

As the Office of Housing Counseling reflects on the accomplishments of the past fiscal year, 'The Bridge' reviews the top 5 reasons why 2014 was a good year in housing counseling.



1. **Congressional Budget Increase for Housing Counseling** - Provides \$47 million for HUD's Housing Counseling program and \$50 million for the National Foreclosure Mitigation Counseling (NFMC) program.



2. **Notice of Funding Availability Grants**- HUD awarded more than \$40 million in grants to hundreds of national, regional and local organizations to help families and individuals with their housing needs and to prevent future foreclosures.



3. **Preparation for New Certification Requirements** – To improve HUD programs and the effectiveness of the housing counseling program.



4. **Planning for the Housing Counseling Federal Advisory Committee**
Will be represented by the mortgage industry, real estate industry, housing counseling agencies, and consumers.



5. **Streamlined reporting and processes** – To improve data quality and focus on key program outcomes.

FROM THE DEPUTY ASSISTANT SECRETARY



Sarah Gerecke
*Deputy Assistant
Secretary
Office of Housing*

Greetings,

The Office of Housing Counseling is delighted to share with our housing counseling partners and stakeholders, the tremendous strides we have made during the past year working collaboratively with so many of you.

As this edition of *The Bridge* goes to press, we have learned that Congress has passed and the President will sign the 2015 budget. The budget shows tremendous confidence in the housing counseling program, increasing our resources by \$2 million, up to \$47 million compared to 2014. However, the budget also prohibits implementation of HAWK, Homeowners Armed With Knowledge, which would have provided homebuyers with a reduction on the FHA Mortgage Insurance Premium upon completion of housing counseling and education. We are seeking to understand and respond to Congress's concern about the program and are disappointed that it cannot move forward.

As we take a look back at 2014, some of our accomplishments are:

- Awarded \$40 Million in NOFA grants that benefitted close to 1,600 organizations.
- Provided [webinar and training sessions](#) for HUD-approved housing counseling agencies and intermediaries.
- Launched a multi-media '[Housing Counseling Works!](#)' public awareness campaign to increase visibility and access to HUD-approved housing counseling agencies.
- Improved reporting to focus on meaningful outcomes.
- Prepared for the upcoming requirement to certify and test individual housing counselors participating in the HUD housing counseling program.

In this issue, we also take a look forward at what's on the horizon such as:

- Preparing for the Final Rule for Housing Counseling Certification in Spring 2015
- Enhancements to the Home Equity Conversion Mortgage program
- Launching the Housing Counseling Federal Advisory Committee,
- New webinars from Technical Assistance providers and HUD,
- Clarity around the Office of Management and Budget omnibus rules for federal contracting,
- Fiscal Year 15 funding grants,
- Supplemental Notice of Funding Availability, and much more.

On behalf of the Office of Housing Counseling, I thank all of you, our housing counseling partners and stakeholders, for collaboratively working with us to fulfill OHC's mission to provide individuals and families with the knowledge to obtain, sustain and improve their housing.

Together we *can* and *will continue* to make a difference.

Happy Holidays and New Year!

Sarah

THE OFFICE OF POLICY AND GRANT ADMINISTRATION

New Approaches to Effectively Capture Client Results with the Revised Form HUD 9902



In October 2014, OHC launched a new HUD 9902 Housing Counseling Agency Activity Report designed to more effectively capture client results achieved through the housing counseling program. The launch is a culmination of efforts by HUD and industry stakeholders to develop a significantly revised reporting tool that will improve data quality, decrease reporting burdens, and focus on key program outcomes.

The revised reporting tool narrows the focus of information agencies must report. Rather than attempting to capture every possible outcome associated with each counseling type, the new form hones in on the key outcomes OHC believes truly demonstrate the impact of the program. The new tool also eliminates the “other” category and allows agencies to select multiple short- and long term impacts applicable to each household served.

The new form will also allow OHC to track and report information on clients served in rural areas and clients with Limited English Proficiency – important demographic characteristics that OHC was not able to track with the previous tool.

OHC hopes this new approach to reporting will decrease ambiguity in program results while being more user friendly and sensitive to counseling agency capacity. The new form is effective with FY 2015, Quarter 1 reporting, and OHC expects initial data to be available in February 2015.

New Certification Requirements Are Coming Soon



On September 13, 2013, HUD published a proposed rule [“Housing Counseling Program: New Certification Requirements”](#) in the Federal Register for public comment.

This proposed rule revises HUD’s Housing Counseling Program regulations to adopt new requirements applicable to counseling agencies and individual counselors, and the use of grant funds. HUD’s proposed changes to the Housing Counseling Program are in response to Congressional requirements outlined in Subtitle D of title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, 124 Stat. 1376 (July 21, 2010)) ((Dodd-Frank Act).

These requirements amended the housing counseling statute to improve HUD programs and the effectiveness of the housing counseling program. Among other things, the amended statute:

- requires that housing counseling agencies and individual counselors be certified by HUD as competent to provide such services, and
- prohibits distribution of grant funds to agencies found in violation of Federal election laws or who have employees found in violation of Federal election laws, and
- requires the reimbursement of grant funds for misuse of funds.

HUD received numerous comments during the comment period for the proposed rule, which was extended to December 12, 2013. Since that time, HUD has been in the process of reviewing all comments and is currently working on implementing the rule.

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\$40 MILLION IN GRANT FUNDING AWARDED IN FISCAL YEAR 2014

The Office of Housing Counseling accomplished much during the past year by working with committed housing counseling partners and stakeholders to provide valuable housing and financial information, education, resources, and tools to consumers across the country.

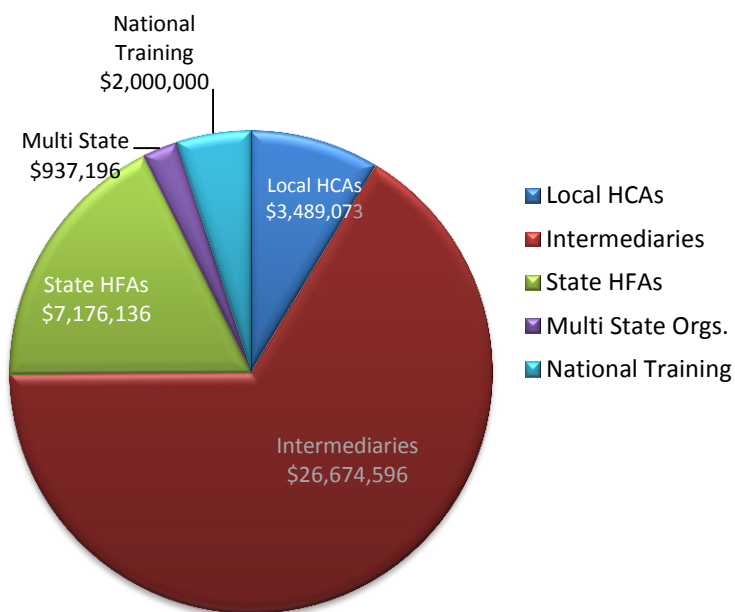
In Fiscal Year 2014, HUD awarded more than \$40 million in housing counseling grants to hundreds of national, regional and local organizations to support the full spectrum of housing counseling services including:

- ~homebuyer education
- ~fair housing workshops
- ~budgeting workshops
- ~pre-purchase counseling
- ~default counseling
- ~rental counseling
- ~reverse mortgage counseling
- ~training

HUD's Office of Housing Counseling issued two Notices of Funding Availability for the grants. Under the FY 2014 - FY 2015 Comprehensive Housing Counseling Program NOFA, published on March 4, 2014, HUD awarded more than \$38 million in grant funding to directly support the housing counseling services of:

- 29 national and regional organizations,
- seven multi-state organizations,
- 22 State Housing Finance Agencies (SHFAs) and
- 232 local housing counseling agencies.

Breakdown of \$40 Million in Grant Funding



Additionally, under the Housing Counseling Training Grant Program NOFA, published on April 3, 2014, \$2 million was awarded to the following three national organizations that offer [training programs meeting HUD standards](#) for housing counselors:

1. NeighborWorks America (NW)
2. National Community Reinvestment Coalition (NCRC)
3. National Council of La Raza (NCLR).

During FY 2014, NOFA applicants experienced the second year of OHC procedural changes that streamlined the grant application and program requirements, encouraged efficient and effective counseling programs and reduced administrative burdens for both the agencies and HUD.

One of the most significant accomplishments for the Comprehensive Housing Counseling Program NOFA was that it reserved the right for HUD to conduct a competition for housing counseling grant funding for both FY 2014 and FY 2015 with the single FY 2014 – FY 2015 NOFA.

On December 12, 2014, OHC began the process by sending FY 2014 grantees 'expression of interest' letters to confirm their interest in receiving FY 2015 grant funds if appropriations become available. This action will greatly reduce the administrative burden to housing counseling agencies and get funding to them quickly.

Both the Comprehensive Housing Counseling Program and Housing Counseling Training Grant Program NOFAs reflect OHC's efforts to incorporate housing counseling agencies' feedback and comments.

Looking forward to the FY 2015 Housing Counseling Comprehensive Notice of Funding Availability, the Office of Housing Counseling recently sent an email via the housing counseling listserv that iterates, in part, grant funding opportunities under OHC's Housing Counseling Program FY 2014 - 2015 Comprehensive Notice of Funding Availability.

Access the archived email dated [December 15, 2014](#) for additional information.

COLLABORATING FOR SUCCESS

“Small changes can make a BIG difference.”

In June 2014, Cheryl Appline, Director of Oversight and Accountability held discussions with Lori Michalski, Deputy Assistant Secretary for Housing Operations, and a consultant as part of ongoing efforts to improve risk management controls within the Office of Housing Counseling.

Kaizen Conferences Inform Risk Management Plan

Kaizen pronounced ‘*ky-zen*’— means incremental, continuous growth and improvement in Japanese. Kaizen is a daily activity, which goes beyond the confines of simple productivity improvement. It is a way of thinking AND doing whereby instances of waste are eliminated. Kaizen helps organizations to focus on activities that energize and structure department’s based on its own unique abilities.

In September and November 2014, the Office of Oversight and Accountability hosted Kaizen conferences in Washington D.C. comprised of internal and external (Housing Counseling Agencies) stakeholders and staff from the Offices of Housing Operations, General Counsel, Risk Management and Regulatory Affairs and Information Technology Security.

The conference welcomed cross collaboration on ways to establish and implement a Risk Management Plan. Executives in attendance worked to develop effective and efficient strategies to identify potential challenges, assess constraints, and mitigate risks within the Department.

Participants learned how to define risk and create standardized evaluation tools that can be used at any level across the organization. The Office of Oversight and Accountability examined strategies to mitigate risk at the initial application stage, through the performance review stage.

Attendees designed procedures to address the need for data automation and developed a process for sharing internal checklists with stakeholders to increase transparency.



Additionally, the conferences helped to further streamline the Performance Review 9910 form, which was organized to reflect the following three risk factors:

- Good Use of Federal Funds,
- Quality Counseling,
- Organizational Systems.

What can Agencies Expect Going Forward?

- Agencies can expect a compliance certification process utilizing self certification, if they are eligible.
- HUD staff will utilize a standard work plan that is clearly defined in a consistent manner and provides a more streamlined approach and expedited response concerning performance reviews.

These steps are part of the Office’s leading edge processes and continuous improvements. Enhancing and establishing new risk management and mitigation controls remain a vital goal for 2015.

(continued from pg. 3 – New Certification Requirements Are Coming Soon)

Preparing for the Final Rule

HUD’s best estimate for publication of the final rule is March 2015. The Office of Housing Counseling also plans to launch the HUD Housing Counselor Certification website, which will offer free on-line training and a study guide to help housing counselors prepare for the HUD Housing Counselor Certification examination.

Please note although advance training is not required to take the certification examination, OHC strongly encourages housing counselors to take advantage of this free training. The website will also host the certification examination when the final rule is effective.

UNDERSCORING THE IMPORTANCE OF EMERGENCY PREPAREDNESS FOR HOUSING COUNSELING AGENCIES

Emergency Preparedness



HUD Secretary Julián Castro supports the [President's Climate Action Plan](#) which provides a series of executive actions to reduce carbon pollution, prepare the U.S. for the impacts of climate change, and lead international efforts to address global climate change. In his [vision statements for HUD](#), Secretary Castro shared a vision to address climate change and natural disasters.

In support of the President and Secretary Castro, on October 23, 2014, [OHC's Disaster Assistance and Relief Team](#) presented an industry webinar on "[Emergency Preparedness for HUD-approved Housing Counseling Agencies](#)" to 235 participants. The science is clear: climate change is real and poses a growing threat to local communities.

HUD will take action on three fronts:

1. Doing all we can to combat climate change;
2. Preparing communities for the risks posed by extreme weather and other natural disasters; and
3. Strengthening communities' ability to be economically and culturally resilient in the face of a changing climate and natural disasters.

This work is especially critical for the vulnerable communities HUD serves because they are more likely to be affected by poor health and have fewer resources to rebuild with after disaster strikes.

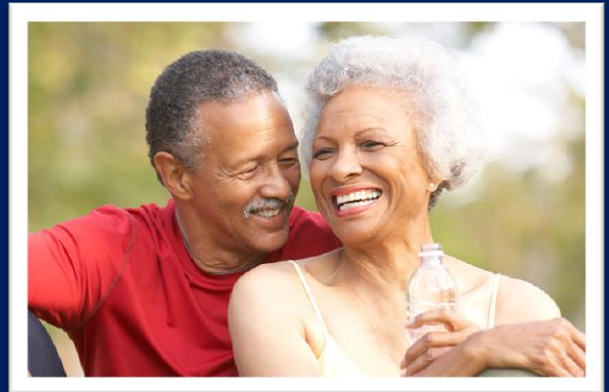
This stakeholders meeting discussed the role of housing counseling agencies in community emergency responses and the importance of Emergency Preparedness Planning for their own agencies.

The goal of the webinar was to educate housing counseling agencies on the importance of preparing and having a plan in the event of either a local emergency or large scale disaster that could impact their community, their business functionality or hinder or stop the valuable housing counseling services they offer in their community.

The interactive webinar provided the opportunity for many agencies to share their experiences about how to respond to emergencies and disasters.

Many admitted that their agencies had not been proactive in preparing action plans. The webinar provided a forum for thought-provoking discussions and provided relevant websites and resources for agencies to consider as they develop their own emergency preparedness plans. The conference call archival recording number is: (800) 475-6701, Access Code: 333586. [View the Presentation.](#)

Enhancing the Effectiveness of the Home Equity Conversion Mortgage Program



The Office of Housing Counseling's Reverse Mortgage Counseling Team is undertaking a comprehensive review of the current Home Equity Conversion Mortgage protocol. The goal of the project is to make Home Equity Conversion Mortgage counseling more effective and efficient for both the client and counselor.

Under the current protocol, counselors are required to provide clients with a broad, all encompassing review of the Home Equity Conversion Mortgage program. This approach means the unique personal circumstances of each client may not receive the dedicated attention it should.

This project seeks to make revisions that allow the counselors the opportunity to focus their sessions around a client's individual situation and not areas of the Home Equity Conversion Mortgage program that do not apply.

(continued on pg.7)

INFORMING AND ENGAGING STAKEHOLDERS AT OFFICE OF HOUSING COUNSELING WEBINARS

(continued from pg. 6 - Enhancing the Effectiveness of the Home Equity Conversion Mortgage Program)

Issuing Guidance to Address Counselor Concerns

The Reverse Mortgage Counseling Team has also been very active in preparing and issuing additional guidance to Home Equity Conversion Mortgage counselors covering areas of concern like:

- non borrower spouse,
- thoroughness of counseling sessions,
- counselor steering by lenders, and
- lenders participation in counseling sessions.

The Reverse Mortgage Counseling Team has also prepared and issued guidance to address new requirements for counseling in the states of California and Massachusetts. Both states have enacted legislation that involves face to face counseling.

Building Capacity with Home Equity Conversion Mortgage Training

The Reverse Mortgage Counseling Team, along with their colleagues in OHC's Office of Outreach and Capacity Building, have also developed and conducted Home Equity Conversion Mortgage training for HUD approved housing counselors.

The team recently completed training on the:

- HECM Stabilization Act under Mortgagee letter 13-27 and Mortgagee Letter 13-33 ([View Presentation](#))
- Financial Assessment requirements under Mortgagee Letter 13-28 ([View Presentation](#))

Three additional training sessions will be conducted in the coming months on both of these topics. Subscribe to the [OHC listserv](#) to stay informed.



Engaging housing counseling stakeholders through webinars was a priority activity in 2014. The purposes of these meetings are to:

- Provide the opportunity for communication and interaction.
- Evaluate stakeholder input on program policy and procedures.
- Share best practices and challenges.
- Provide valuable insight for the Office of Housing Counseling to help consumers achieve housing goals.
- Provide advice to leadership as it relates to housing legislation, regulation, policy development, budget, training, program evaluation and oversight.
- Provide education and training.

During 2014, nearly 1,000 stakeholders participated in webinars that covered a wide variety of topics, including:

- Roles of intermediaries,
- Agency training needs,
- Marketing,
- Home Equity Conversion Mortgage Protocols, and
- Emergency Preparedness Planning.

Participant feedback and insights about housing counseling were invaluable as the Office of Housing Counseling developed new policies and procedures.

All stakeholder training webinars are archived at [OHC Webinar Archive](#).

MAXIMIZING TRAINING AND OUTREACH OPPORTUNITIES



The Office of Housing Counseling's Office of Outreach and Capacity Building coordinated outreach to more than 6,800 stakeholders in Fiscal Year 2014 through stakeholder meetings and training webinars, more than doubling participation from Fiscal Year 2013. The Office of Housing Counseling's [ListServ](#) and *The Bridge* subscribers increased to 12,806 by the end of September 2014.

The Office produced training webinars for housing counseling stakeholders with overall attendance exceeding 5,200 participants. The Office partnered with HUD colleagues in the Federal Housing Administration, the Office of the Chief Information Officer, and Center for Faith-Based and Neighborhood Partnerships. The Consumer Financial Protection Bureau also partnered with the Office to educate housing counselors about the bureau's programs.

The January 30, 2014 webinar, [First Look at the New Form HUD-9902 Housing Counseling Agency Activity Report](#) was the top viewed training session with 940 participants. The webinar provided housing counselors with an introduction to the new Form HUD-9902 which was implemented October 1, 2014.

One housing counseling agency representative described to her HUD Point of Contact how her agency hosts monthly *Lunch and Learn* training sessions where the agency gathers all housing counselors to review archived OHC trainings.

How does your housing counseling agency maximize training and outreach resources? Send [The Bridge](#) a brief write-up and pictures of your agency or network training activities for an upcoming issue on training in FY2015!

22 New Housing Counseling Agencies Become HUD Approved



HUD APPROVAL AS A HOUSING COUNSELING AGENCY

The U. S. Department of Housing and Urban Development approves the following named entity as a Local Housing Counseling Agency. The entity has:

- (1) met the Department's initial approval criteria and
- (2) submitted an acceptable housing counseling work plan to serve its target community.

In the Office of Outreach and Capacity Building, a team of 12 Housing Specialists reviewed 52 new applications from housing counseling agencies seeking to become HUD approved.

The Office of Housing Counseling approved 22 new agencies including Local Housing Counseling Agencies, Multi State Organizations, and Intermediaries.

The approval process consisted of reviewing the minimum requirements described in HUD's housing counseling regulation 24 CFR 214 and in Handbook 7610.1 Rev described in Chapter 2 and in the application Form HUD 9900.

Improving the Approval Process

The Office improved the process by having staff available to interact with potential applicants prior to submitting their application. The potential applicant would send an email to housing.counseling@hud.gov and request an appointment with an application advisor who assisted the agency with questions relating to their application and the approval process.

This appointment saves time and resources for both the agency and the Office of Housing Counseling by informing the applicant if there is a reasonable opportunity to be approved based on the criteria.

For further information on HUD's application approval process please review the [Instructions for Agency's Submitting Applications to HUD for Approval](#).

TOOLS AND RESOURCES



[Office of Housing Counseling Events and Training](#)

All stakeholder training webinars are accessible at the [OHC Webinar Archive](#).



[How to Become a HUD Approved Housing Counseling Agency](#)

HUD provides housing counseling services directly or through private or public organizations with special competence and knowledge in counseling low and moderate income families.



[Home Equity Conversion Mortgage](#)

The only reverse mortgage insured by the U.S. Federal Government is called a Home Equity Conversion Mortgage or HECM, and is only available through an FHA approved lender.



[Housing Counseling Capacity Building Toolkit](#)

Get valuable information including best practices on how to prepare your organization to provide housing counseling services or how to expand existing services.



[New HUD 9902 Form](#)

Get the latest information on the new HUD 9902 form and review [Frequently Asked Questions](#).



[Disaster Assistance Resources](#)

Housing counselors can play a critical role in disaster recovery. The links below can help counselors serve families in need of disaster recovery assistance.



[Housing Counselor Certification:](#)

- Information on the Proposed Rule
- FAQs
- Archived Conference Calls
- Other information



[Listserv Archives](#)

Subscribe to the Listserv to receive the latest updates from the Office of Housing Counseling.



[Housing Counseling Handbook 7610.1 Rev-5](#)

Offers policy guidance and procedures for HUD staff and program participants to assist both audiences with effective program oversight.



[NOFA for HUD's FY14 & 15 Comprehensive Housing Counseling Grant Program](#)

- Information on the NOFA,
- FAQs,
- Training and Notices



[President Obama's Climate Change Action Plan](#)

President Obama believes we have a moral obligation to lead the fight against carbon pollution. Share the details of his plan to help make sure people in your community know the facts, and click above for the latest info on how climate change is affecting the U.S.



[Secretary of HUD Julián Castro's Vision](#)

The vision will build on HUD's mission to promote homeownership, support community development, and increase access to affordable housing, free from discrimination.

