

**TO: All Mortgagees
All HUD-Approved Housing Counseling Agencies**

**December 18, 2012 - IMPORTANT UPDATE:
California: Face-to-Face Reverse Mortgage Counseling**

On January 1, 2013, the State of California will implement the provisions of Assembly Bill 2010 (AB 2010). This bill requires counselors to provide face-to-face counseling unless the borrower elects to receive the counseling in another manner, such as telephone counseling. The current Certificate of HECM Counseling form HUD-92902 provides language in which the counselors are required to indicate whether face-to-face or telephone counseling was conducted. This guidance is being issued so all reverse mortgage counselors and lenders in California are aware of the new requirement and have a methodology to address the provisions of AB 2010.

All reverse mortgage lenders are encouraged to accept the current form as long as the Certificate of HECM Counseling is completed properly, and the face-to-face or telephone box is checked off, as appropriate, by the counselor. This is to be considered an acceptable certification consistent with the AB 2010 requirement.

Counselors working with clients who are residents of California and lending institutions doing business in California may, at the lenders request, provide an attachment that indicates the client was fully advised of the available counseling option and chose the one indicated on the Certification of HECM Counseling form in accordance with the California requirement. A suggested format and language has been included below.

Modification to the current form may be considered to address concerns raised by the California legislation as well as pending legislation in other states, when HUD is required to issue a new OMB approved form HUD-92902, Certification of HECM Counseling.

California Assembly Bill No. 2010

CHAPTER 641

An act to amend Section 1923.2 of the Civil Code, relating to reverse mortgages.

[Approved by Governor September 27, 2012. Filed Secretary of State: September 27, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2010, Bonilla. Reverse mortgages: counseling.

Existing law defines and regulates reverse mortgage loans and prohibits a reverse mortgage loan application from being taken by a lender unless the loan applicant has been provided a specified notice advising the applicant about counseling prior to obtaining the reverse mortgage loan. Existing law requires a lender to provide a prospective borrower a list of not fewer than 10 housing counseling agencies approved by the United States Department of Housing and Community Development to engage in reverse mortgage counseling, as specified, and prohibits a lender from accepting a final and complete application for a reverse mortgage or assessing any fees upon a prospective borrower without receiving certification that the prospective borrower has received this counseling from an approved counseling agency.

This bill would require the above certification to indicate that the reverse mortgage counseling was conducted in person, unless the borrower elected to receive the counseling in another manner.

Addendum to Certificate of HECM Counseling

(Pursuant to Cal. Civ. Code § 1923.2(k))

Date of Counseling: _____

A lender must provide a prospective borrower a list of not fewer than 10 housing counseling agencies approved by the United States Department of Housing and Urban Development to engage in reverse mortgage counseling, and a lender may not accept a final and complete application for a reverse mortgage or assess any fees upon a prospective borrower without receiving certification that the prospective borrower has received counseling from an approved counseling agency.

The certification must indicate that the reverse mortgage counseling was conducted in person, unless the borrower elected to receive the counseling in another manner.

__ I/We hereby indicate that I/we elected to receive to counseling in a manner other than in person (specify manner of counseling):

Telephone

Skype

Other _____

Homeowner (Borrower) Signature & Date:	Homeowner (Borrower) Signature & Date:
Address (City, State/Zip) and Telephone Number:	Address (City, State/Zip) and Telephone Number:

Counselor's Name (Printed):	HUD-Approved Counseling Agency Name:
Counselor's Name (Signature & Date):	Address (City, State/Zip):
	Telephone Number:
X	

This is an addendum to the Certificate of HECM Counseling (OMB No. 2502-0524 (4/30/2014)). An electronic facsimile copy of the housing counseling certification satisfies the requirements of Cal. Civ. Code § 1923.2(k).