

# Frequently Asked Questions about the HECM Counseling Certificate

## Creating Certificates:

### How do I create a counseling certificate for a HECM borrower?

All certificates must be issued through FHA Connection (FHAC) only. Other forms of the certificate may not be used. FHAC certificates are individually numbered.

To create a certificate:

1. Log in to FHAC
2. Click on Single Family FHA, then Single Family Origination, then HECM Counseling Functions, then HECM Counseling Certificate.
3. Fill in the borrower's last name and click Send. This searches for previously-issued certificates for the client. This step is required even if you know you have never seen this client previously.
4. For a new client, you will then get an error message saying that No Records Matched Your Selection Criteria. Ignore this and click the red "Establish Certificate" link.
5. Fill in all the information about the client and the session, and click Send. If you filled everything in, you will get a success message.
6. To create the actual counseling certificate, you now click the link that says "Generate Certificate". This will cause a pop-up window to open, showing the PDF of the counseling certificate. Make sure your browser's pop-up blocker feature is turned off, or that an exception is made for this site.
7. Print the certificate and/or save it to print later.

### May all the counselors in my agency share a single FHAC log-in?

No, each HECM roster counselor must apply to FHA Connection for an individual username and password. FHAC login information must not be shared.

### Whose name(s) should appear at the top of the certificate?

The name(s) of the homeowner(s) or others who are required or recommended by FHA or by the lender to receive counseling.

### Who else might be required to receive counseling, who is not a homeowner?

- A non-borrowing spouse, such as:
  - A non-owner spouse
  - A spouse who is now an owner but plans to quit-claim
- Another owner who plans to quit-claim
- The owner of a remainder interest in the property
- HECM-eligible beneficiaries of a trust that owns the property

**Where do I put the name of the borrower's legal representative (guardian, conservator, or holder of power of attorney)?**

There is now a separate block in which to enter POA/guardian information.

**Where do I put the name of a non-borrowing spouse? (UPDATED)**

There is now a separate block in which to enter non-borrowing spouse information. If you counsel a non-borrowing spouse, put the name in that block, regardless of whether you think they will be eligible or ineligible for deferral.

**What if there are more than two borrowers or others being counseled?**

FHAC allows for up to five names of homeowners. You can print multiple copies of the certificate in order to have places for everyone to sign.

**What if the homeowner was not present for counseling, only the legal representative?**

You can enter the homeowner's name followed by the words "not present", e.g., "Jones not present", in the last-name field, or you can hand-write a notation on the certificate.

**When I do HECM for Purchase counseling, what address should I put on the certificate? (UPDATE)**

HUD advised that counselors use the address of the client's current residence, not the property being purchased. However, when the client identifies the property that they are going to purchase, you can expect a call from the lender asking you to change the certificate. Therefore, if the client is already sure of the address for the property they are buying, it is OK to use the new address from the outset.

**What if the homeowner was present, along with the legal representative, but the homeowner was unable to answer 5/10 comprehension questions?**

You can have both parties sign and make an annotation on the certificate by hand, or you can have just the legal representative sign. In either case, you should put a note in the Comments field in FHA Connection.

**Does anyone read the Comments field?**

Yes, the loan processor will have access to that information, and may convey that to the underwriter. The loan officer may or may not have access to it.

## Changing Certificates

### How do I make changes to a certificate, if I make a mistake in the client's name, address, etc.?

1. Log in to FHAC
2. Click on Single Family FHA, then Single Family Origination, then HECM Counseling Functions, then HECM Counseling Certificate.
3. Fill in the borrower's last name and click Send. This searches for previously-issued certificates for the client.
4. Do NOT click Establish Certificate. The system will not allow you to create a new certificate for the same client on the same date.
5. Instead, when the list pops up showing your client's name and certificate number, click on the certificate number. This will open the page that allows you to edit the client's information. Make your changes, then click Send, and on the next page "Generate Certificate" to create your new PDF certificate.

### If I get a call from a lender wanting a change to the certificate, what do I do?

It depends on what the change is. HUD has said, in a revision to the HECM Counseling Protocol, that lenders are permitted to call counselors to request minor changes such as an address correction, different form of the borrower's name, spelling correction, etc. If a counselor receives such a call, the lender should be able to provide the certificate number to verify that they have the certificate in possession, before the change is made. The counselor does not need to receive a request directly from the borrower for such changes. The revised certificate should then be sent to the client for their signature, and may also be faxed or emailed to the lender.

### What if they want me to change the certificate to remove someone that was actually counseled?

This sometimes happens if there is a question about the borrower's competence, or if you have a Power of Attorney signature and that person will not be signing the closing documents. It might also happen in the case of a non-borrowing spouse who was deemed ineligible for NBS deferral. In such cases, the lender may ask you to remove a name, and it is OK to do so, but keep a copy of the original certificate in your files to show who you actually counseled.

### What if they want me to add a name to the certificate?

The only time this would be OK is if that person was physically present and participating in the session. ***It is not OK to add the name of someone who was not present during the counseling session.*** If the homeowner was not present due to illness or for some other reason, and the legal representative was counseled instead, but the lender wants the homeowner's name on the top of the certificate, be sure to notate it with "Not present" and make a comment in FHAC to explain.

**When I try to open the certificate to make changes, I get a message that says Query Only. What does this mean?**

You will see this message if the certificate has already expired, or if the client's loan has already closed and been endorsed by HUD. The system will not allow you to edit certificates in either of these situations.

**If I make a change on the certificate, such as changing the payment status from Pay at Closing to Fee Waived, will that be reflected in the FHA system?**

If you make the change on FHA Connection, then it will be part of FHA's records. However, you should make sure the borrower gives the revised certificate to their lender and points out the change so that the right information goes to the closing agent.

**If I make a change on the certificate and reprint and re-sign it, should I use the original counseling date or the date that I signed it?**

Use the original counseling date, and have the client do the same.

**FHAC shows two different dates for counseling: the date that "Counseling Session was Held On" and "Date Counseling Completed". Which one of those determines the expiration date of the certificate?**

The "Counseling Session was Held On" date will determine the expiration date, so if you have multiple sessions with a client before issuing a certificate, use the latest date under "Counseling Session was Held On" in order to give the client the full 180 days to use the certificate.

**If the certificate expires, can I just go in and enter a new date?**

No, you cannot edit a certificate that has expired.

**If the certificate expires, can I just "establish" a new certificate with a new date?**

No, you must repeat counseling with the client in order to issue a new certificate. The reason for having an expiration date is that the client may not remember the information given more than 6 months ago, and also the client's circumstances, the features of the HECM program, or the prevailing costs and interest rates may have changed.

## **Miscellaneous**

**Does my counseling file need to contain a copy of the counseling certificate?**

Yes it does. You should have a copy that is at least signed by the counselor. You can keep a paper copy, or, if you are using electronic files, scan the signed certificate and keep the scan.

**Does my file copy have to show the client's signature also?**

No. HUD does not require you to get a signed copy back from the client for your file. If you are doing in-person counseling, it is helpful to keep an extra original, with both counselor and client signatures, in your file, in case the client loses the original that you give them.

**Can I use a stamp for my signature on the certificate?**

This is not recommended, since there is no way to verify that you actually were the one who used the stamp.

**What about electronic signatures? (UPDATED)**

HUD does permit the use of electronic signatures on loan documents now. Adobe Acrobat Reader has a feature that allows you to create or import your signature and then place it in PDF documents such as the counseling certificate.

**How do I go about changing the address for my agency so it will appear correctly on the counseling certificates?**

The agency address on the certificate is pulled from your agency's information in HUD's Housing Counseling System (HCS). Someone in your agency, usually the one who is responsible for 9902 reporting to HUD, will have the login information that allows making changes to this information.