

# Housing Counseling Program Handbook

## Table of Contents

---

### Chapter 1. Housing Counseling Program Overview

Overview .....	1-1
1. General Information on the Housing Counseling Program .....	1-2
2. Legislative and Regulatory Authority for the Housing Counseling Program.....	1-4
3. Department of Housing and Urban Development (HUD) Responsibility for Housing Counseling Program Administration .....	1-7
4. HUD Communication With Participating Agencies.....	1-8
5. Housing Counseling Fees .....	1-9
6. Agency Withdrawal from the Housing Counseling Program.....	1-14

### Chapter 2. Agency Applications, Approvals and Appeals

#### Section A. Overview of Agency Eligibility for Approval by Department of Housing and Urban Development (HUD)

Overview .....	2-A-1
1. General Information on Obtaining HUD Agency and Grant Approval.....	2-A-2
2. Applicants Eligible and Ineligible for Approval to Participate in HUD’s Housing Counseling Program.....	2-A-3

#### Section B. Applicant Approval Criteria

Overview .....	2-B-1
1. Introduction to Applicant Approval Criteria.....	2-B-2
2. Criteria for Agency Organizational Status, Experience/Knowledge, Facilities, and Compliance With State/Local Requirements .....	2-B-3
3. System, Recordkeeping/Reporting, and Disclosure Criteria .....	2-B-6
4. Housing Counseling Work Plan and Resource Criteria.....	2-B-9
5. Criteria for Contracting Out Services .....	2-B-12
6. Community Base and Resources Criteria .....	2-B-15
7. Criteria for Compliance With Fair Housing and Civil Rights .....	2-B-16

#### Section C. Agency Application and Approval Process

Overview .....	2-C-1
1. Overview of the Agency Application and Approval Process .....	2-C-2
2. Agency Re-Approvals.....	2-C-8

#### Section D. Agency Appeals

Overview .....	2-D-1
1. Requirements for Filing an Appeal.....	2-D-2

---

*Continued on next page*

## Table of Contents, Continued

---

### Chapter 3. Requirements for Housing Counseling Service Delivery

#### Section A. General Agency Requirements for the Delivery of Housing Counseling Services

Overview .....	3-A-1
1. Overview of the Basic Agency Requirements for the Delivery of Housing Counseling Services.....	3-A-2
2. Knowledge of HUD Programs and Compliance With Industry Standards.....	3-A-6
3. Agency Requirements for Client Intake and Referral to Community Resources.....	3-A-8
4. Housing Counseling Work Plan Requirements .....	3-A-10

#### Section B. Fair Housing and Other Civil Rights Requirements for Housing Counseling

Overview .....	3-B-1
1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling .....	3-B-2
2. Actively Promoting Fair Housing and Protecting Civil Rights .....	3-B-8
3. Filing a Discrimination Fair Housing and/or Civil Rights Complaint With HUD.....	3-B-12

#### Section C. Required Housing Counseling Services, Topics, and Activities

Overview .....	3-C-1
1. Required Housing Counseling Services.....	3-C-2
2. Approved Counseling, Education, and Outreach Topics.....	3-C-4
3. Delivery of Debt Management or Liquidation Services .....	3-C-8
4. Discussion of For-Profit Entities .....	3-C-10
5. Documentation of Client Files.....	3-C-12
6. Follow-Up to Housing Counseling Services.....	3-C-13
7. Termination of Housing Counseling Services .....	3-C-16

### Chapter 4. Reverse Mortgage Counseling

#### Section A. Overview of Reverse Mortgage Counseling

Overview .....	4-A-1
1. General Information on Reverse Mortgage Counseling .....	4-A-2
2. Eligibility to Provide Reverse Mortgage Counseling .....	4-A-4
3. Types of Reverse Mortgage Housing Counseling Education and Methods of Delivery .....	4-A-7
4. Home Equity Conversion Mortgage (HECM) Counseling Fees .....	4-A-11
5. Sources of Information on Reverse Mortgages .....	4-A-14
6. Handling Concerns/Complaints Against HECM Lenders/Reverse Mortgage Counselors.....	4-A-15

---

*Continued on next page*

**Table of Contents, Continued**

---

**Chapter 4. Reverse Mortgage Counseling (cont.)**

**Section B. Counseling Requirements for HECM**

Overview .....	4-B-1
1. Regulatory Requirement for HECM Borrower Counseling .....	4-B-2
2. Persons Required to Receive Reverse Mortgage Counseling.....	4-B-4
3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse .....	4-B-6
4. HECM Counseling Certificate Requirements.....	4-B-11

**Section C. HECM Counseling Session Required Topics, Documentation, and Follow Up**

Overview .....	4-C-1
1. Preparation for the HECM Counseling Session.....	4-C-2
2. HECM Counseling Session Required Topics .....	4-C-4
3. Information Required for Fraud Prevention .....	4-C-12
4. Requirements for Reverse Mortgage Printouts and Client Files .....	4-C-13
5. Required Follow Up After the Housing Counseling Session .....	4-C-17

**Section D. Prohibited HECM Counseling Practices**

Overview .....	4-D-1
1. Restrictions on the Dissemination of Specific Loan Product Information .....	4-D-2
2. Prohibited Lender Steering and Counselor Steering.....	4-D-3

**Chapter 5. Recordkeeping and Reporting**

**Section A. Recordkeeping/Reporting Requirements Overview**

Overview .....	5-A-1
1. General Policy Requirements for Recordkeeping and Reporting.....	5-A-2
2. Recordkeeping System Requirements .....	5-A-5

**Section B. Recordkeeping Requirements**

Overview .....	5-B-1
1. Confidentiality and Disclosure of Records and Credit Reports.....	5-B-2
2. Counseling File Requirements .....	5-B-4
3. Group Education File Requirements.....	5-B-9
4. Financial Records and Supporting Documentation Maintenance and Availability Requirements .....	5-B-11

---

*Continued on next page*

## Table of Contents, Continued

---

### Chapter 5. Recordkeeping and Reporting (cont.)

#### Section C. Reporting Requirements

Overview .....	5-C-1
1. Required Reporting and Disclosure to the Department of Housing and Urban Development (HUD).....	5-C-2
2. Activity Reporting Methodology.....	5-C-6
3. HUD Review and Analysis of Reports .....	5-C-8

### Chapter 6. HUD Monitoring of Participating Agency Performance

#### Section A. Overview of Participating Agency Performance Criteria and Monitoring by HUD

Overview .....	6-A-1
1. General Information on HUD Performance Criteria and Monitoring of Agency Performance .....	6-A-2

#### Section B. Participating Agency Performance Criteria

Overview .....	6-B-1
1. Participating Agency Performance Criteria Overview .....	6-B-2
2. Workload, Work Plan, Reporting, and Referred Client Servicing Criteria .....	6-B-3
3. Compliance With Real Estate Settlement Procedures Act (RESPA) and Nondiscriminatory Practices Regulations.....	6-B-5
4. Fee Schedule and Funding Criteria.....	6-B-6
5. Conflict of Interest Criteria.....	6-B-7
6. Staffing, Supervisor, and Training Criteria.....	6-B-12
7. Auditing Criteria .....	6-B-14
8. Client Disclosure and Provision of Alternative Product/ Service Information Criteria .....	6-B-16

#### Section C. Participating Agency Performance Reviews Performed by HUD

Overview .....	6-C-1
1. General Information on Participating Agency Performance Reviews Performed by HUD .....	6-C-2
2. Accessibility, Confidentiality, and Falsification of Files/Records During Performance Reviews .....	6-C-4
3. Elements of the Participating Agency Performance Review by HUD .....	6-C-6

*Continued on next page*

**Table of Contents, Continued**

**Chapter 6. HUD Monitoring of Participating Agency Performance (cont.)**

**Section D. Outcomes/Consequences of HUD Performance Reviews**

Overview .....	6-D-1
1. Outcomes/Consequences of HUD Performance Reviews Overview .....	6-D-2
2. Unconditional Re-Approval or Continued Participation of Participating Agencies.....	6-D-4
3. Conditional Re-Approval or Continued Participation of Participating Agencies.....	6-D-5
4. Participating Agency Inactive Status .....	6-D-8
5. HUD Suspensions, Debarments, Limited Denials, and Terminations.....	6-D-12

**Chapter 7. Funding for Housing Counseling Services**

Overview.....	7-1
1. Outcomes/Consequences of HUD Performance Reviews Overview .....	7-2
2. Unconditional Re-Approval or Continued Participation of Participating Agencies.....	7-5
3. Conditional Re-Approval or Continued Participation of Participating Agencies.....	7-10
4. Participating Agency Inactive Status .....	7-12

**Chapter 8. Appendix**

Overview.....	8-1
1. Glossary of Terms.....	8-2
2. HUD Contact Information .....	8-14
3. HUD Handbook Listing.....	8-17
4. HUD Website Addresses .....	8-18
5. Other Helpful Websites.....	8-21

# Chapter 1. Housing Counseling Program Overview

## Overview

**Contents** This chapter contains the following topics.

Topic Name	See Page
1. General Information on the Housing Counseling Program	1-2
2. Legislative and Regulatory Authority for the Housing Counseling Program	1-4
3. Department of Housing and Urban Development (HUD) Responsibility for Housing Counseling Program Administration	1-7
4. HUD Communication With Participating Agencies	1-8
5. Housing Counseling Fees	1-9
6. Agency Withdrawal from the Housing Counseling Program	1-14

## 1. General Information on the Housing Counseling Program

---

**Introduction** This topic contains general information on the Department of Housing and Urban Development (HUD) Housing Counseling Program, including

- the objective of the program, and
  - assistance and services provided by housing counselors.
- 

**Change Date** March 18, 2011

---

**7610.1 1.1.a Objective of the Housing Counseling Program** The Department of Housing and Urban Development (HUD) Housing Counseling Program supports the delivery of a wide variety of housing counseling services to

- homebuyers
- homeowners
- low- to moderate-income renters, and
- the homeless.

The primary objective of the program is to educate families and individuals in order to help them make educated decisions regarding improving their housing situations and meeting the responsibilities of tenancy and/or homeownership.

The Housing Counseling Program is instrumental to the achievement of HUD's mission. The Program's far-reaching effects support numerous departmental programs, including Federal Housing Administration (FHA) single family housing programs.

---

*Continued on next page*

# 1. General Information on the Housing Counseling Program, Continued

---

**7610.1 1.1.b  
Assistance and  
Services  
Provided by  
Housing  
Counselors**

Housing counselors assist borrowers in avoiding

- inflated appraisals
- unreasonably high interest rates
- unaffordable repayment terms, and
- other conditions that can result in
  - a loss of equity
  - increased debt
  - default, and
  - possible foreclosure.

In addition to assisting homebuyers, homeowners, renters and the homeless, counselors may also

- provide reverse mortgage counseling to elderly homeowners who seek to convert equity in their homes to pay for
  - home improvements
  - medical costs
  - living expenses, or
  - other expenses, and
- distribute, and be a resource for, information concerning Fair Housing and Fair Lending.

**Reference:** For more information on the role of the housing counselor, see [HUD 7610.1 1.3.A.](#)

---

## 2. Legislative and Regulatory Authority for the Housing Counseling Program

---

**Introduction** This topic contains information on the legislative and regulatory authority for the Housing Counseling Program, including

- the Housing and Urban Development Act of 1968
  - the parts of the Code of Federal Regulations (CFRs) that implement and oversee the administration of the Housing Counseling Program
  - other HUD program requirements, and
  - authority for providing Home Equity Conversion Mortgages (HECM) housing counseling.
- 

**Change Date** March 18, 2011

---

**7610.1 1.2.a Housing and Urban Development Act of 1968** HUD's primary authority to provide housing counseling services is found in subsection 106(a) of the Housing and Urban Development Act of 1968 ([12 U.S.C. 1701x](#)).

Section 106 authorizes HUD to provide, make grants to, or contract with public or private organizations to provide a broad range of housing counseling services to assist homeowners and tenants.

Subsection 106 (a) specifically authorizes the Secretary to provide counseling and advice to tenants and homeowners with respect to

- property maintenance
  - financial management, and
  - other matters that may assist them in
    - improving their housing conditions, and
    - meeting the responsibilities of tenancy or homeownership.
- 

*Continued on next page*

## 2. Legislative and Regulatory Authority for the Housing Counseling Program, Continued

---

### 7610.1 1.2.b CFRs That Implement and Oversee the Administration of the Housing Counseling Program

The regulations contained in [24 CFR 214](#)

- implement the Housing Counseling Program authorized by section 106 of the Housing and Urban Development Act of 1968 ([12 U.S.C. 1701x](#)), and
- prescribe the procedures and requirements by which the Housing Counseling Program is administered.

In addition to the requirements of [24 CFR 214](#), the Housing Counseling Program is subject to other applicable Federal requirements including, but not limited to, the nondiscrimination and equal opportunity requirements at [24 CFR 5.105](#).

---

### 7610.1 1.2.c Other HUD Program Requirements

All agencies participating in HUD's Housing Counseling Program must comply with the requirements outlined in the Housing Counseling Program regulations found in [24 CFR 214](#). Additionally, participants must comply with the requirements found in

- this handbook, and
  - other applicable governing documents, including
    - mortgagee letters, and
    - if applicable, grant agreements and Office of Management and Budget (OMB) regulations governing Federal grant recipients.
- 

*Continued on next page*

## 2. Legislative and Regulatory Authority for the Housing Counseling Program, Continued

---

**7610.1 1.2.d  
Authority for  
Providing  
HECM  
Housing  
Counseling**

The regulations found at [24 CFR Part 206](#) implement the Home Equity Conversion Mortgage (HECM) Insurance program authorized by Section 255 of the National Housing Act.

This section was amended by the FHA Modernization Act, Title I of Division B of the Housing and Economic Recovery Act of 2008. Section 2122 of this act amended Section 255 to require that adequate counseling be provided to borrowers by counselors who meet qualification standards and are independent third parties not associated with or compensated by originating or servicing entities

The table below describes the sections of the National Housing Act, [12 U.S.C. 1715z-20\(d\)\(2\)\(B\)](#) that provide the regulatory authority for HECM Housing Counseling.

<b>Section of the National Housing Act (12 U.S.C. 1715z-20(d)(2)(B))</b>	<b>Description</b>
<a href="#">Subsection 255(d)(2)(B)</a>	States that a HECM must be executed by a borrower who received “adequate counseling by a third party (other than the lender)” in order to be eligible for insurance.
<a href="#">Subsection 255(f)</a>	<p>States that HUD must provide, or ensure that entities other than lenders provide, housing counseling for HECM borrowers.</p> <p>HECM housing counseling must include certain topics, which are described in</p> <ul style="list-style-type: none"> <li>• the <a href="#">HUD HECM Handbook 4235.1</a></li> <li>• this handbook, and</li> <li>• any subsequent mortgagee letters issued regarding HECM counseling.</li> </ul>
<a href="#">Subsection 255 (k)(3)</a>	States that a borrower may waive the housing counseling requirement for a mortgage provided to refinance an existing HECM when the conditions specified in the subsection are satisfied.

---

### 3. Department of Housing and Urban Development (HUD) Responsibility for Housing Counseling Program Administration

---

**Change Date**      March 18, 2011

---

**7610.1 1.3.a  
Responsibility  
for  
Administration  
of the Housing  
Counseling  
Program**

Ultimately, the Assistant Secretary for Housing - Federal Housing Commissioner is the HUD official responsible for administering the Housing Counseling Program. The Assistant Secretary has designated the Deputy Assistant Secretary for Single Family Housing as the individual responsible for carrying out the program. The Assistant Secretary administers the program through the Office of Housing Counseling.

The staff of the Office of Housing Counseling at HUD Headquarters, HUD Homeownership Centers (HOCs), and field offices administer the Housing Counseling Program. Staff at these offices

- evaluate approval and grant applications
- monitor the performance of participating agencies
- develop and implement program policy and procedures, and
- provide technical assistance and training on HUD's Housing Counseling Program.

**Reference:** For contact information for HUD Headquarters and the HUD HOCs, see [HUD 7610.1 8.2](#).

---

## 4. HUD Communication With Participating Agencies

---

Change Date      March 18, 2011

---

**7610.1 1.4.a HUD Methods of Communication With Participating Agencies** HUD communicates Housing Counseling and other single family program information principally through e-mail and Internet postings. The table below lists the automated e-mail lists and web pages used by HUD to communicate with participating agencies.

Email List/ Webpage	Description
Housing Counseling System (HCS) Listserv	<p>HUD automatically sends Housing Counseling Program updates to the participating agency's HUD point of contact registered in HCS. The point of contact</p> <ul style="list-style-type: none"> <li>• must have a valid e-mail address to receive these updates, and</li> <li>• is responsible for ensuring that the address provided to HUD is valid.</li> </ul> <p><i>Update Examples:</i> Examples of updates/announcements include system updates, extensions to file reports, Notice of Funding Availability (NOFA) publications, and training notices.</p>
FHA Homeownership Listserv	<p>FHA Homeownership Listserv is an example of a HUD-sponsored automated e-mail list, through which subscribers receive e-mails regarding FHA single family programs, such as</p> <ul style="list-style-type: none"> <li>• newly-issued mortgagee letters</li> <li>• events, and</li> <li>• training announcements.</li> </ul> <p>HUD strongly recommends that all participating agencies sign up for e-mail notifications through this and other available e-mail lists at <a href="http://www.hud.gov/counselors/">www.hud.gov/counselors/</a>.</p>
Housing Counseling Homepage	<p>This webpage provides relevant information for housing counselors including</p> <ul style="list-style-type: none"> <li>• Housing Counseling and HECM Program information</li> <li>• access to the Housing Counseling System (HCS)</li> <li>• how to subscribe to the FHA Homeownership Listserv, and</li> <li>• training opportunities.</li> </ul> <p><i>Reference:</i> For the web address for this homepage, see <a href="#">HUD 7610.1 8.4</a>.</p>

---

## 5. Housing Counseling Fees

---

**Introduction** This topic contains information on housing counseling fees that may and may not be charged by participating agencies, including

- the HUD policy on housing counseling fees charged by participating agencies
  - services for which fees cannot be charged
  - fees that may be charged to a HUD Housing Counseling NOFA Grant
  - requirement for the posting of agency fee schedules
  - requirement to assess a client's ability to pay
  - regulations on fees for HECM clients
  - determining and documenting a HECM client's ability to pay
  - requirements for the charging of debt management service fees, and
  - agency reimbursement for credit report fees.
- 

**Change Date** March 18, 2011

---

*Continued on next page*

## 5. Housing Counseling Fees, Continued

---

### 7610.1 1.5.a HUD Policy on Housing Counseling Fees Charged by Participating Agencies

Participating agencies may charge reasonable and customary fees for housing education and counseling services as long as the cost does not create a financial hardship for the client.

If an agency chooses to charge fees, the agency must

- provide counseling without charge to persons who cannot afford the fees
- charge fees that are commensurate with the level of service provided and are reasonable and customary for the area
- *not* impose fees upon clients for the same portion of, or for an entire service, that is already funded with HUD grant funds, and
- disclose all fees that will or may be charged to the client prior to the beginning of counseling services.

**Important:** Clients can only be charged a fee for housing counseling and education services provided as described in [HUD 7610.1 3](#).

**Reference:** For information on HECM counseling fees, see

- [HUD 7610.1 1.5.f](#), and
  - [HUD 7610.1 1.5.g](#).
- 

### 7610.1 1.5.b Services for Which Fees Cannot Be Charged

Fees must *not* be charged for education or counseling provided in the following services areas:

- mortgage delinquency
- default, or
- homelessness.

**Note:** Clients *cannot* be charged for the initial client intake.

**Reference:** For more information on client intake, see

- [HUD 7610.1 3.A.3](#), and
  - [HECM PROTCL 4](#).
- 

*Continued on next page*

## 5. Housing Counseling Fees, Continued

---

### 7610.1 1.5.c Fees That May Be Charged to a HUD Housing Counseling NOFA Grant

A participating agency may only charge to the HUD Housing Counseling NOFA Grant the portion of the counseling or education session not covered by fees, if the fees charged to the client do not cover the full cost of the session.

---

### 7610.1 1.5.d Requirement for the Posting of Agency Fee Schedules

An agency's fee schedule must be

- posted in the counseling office in a prominent place, easily viewed by all visitors to the agency
- available to HUD for review, and
- communicated verbally to all potential counseling and education recipients *prior* to the provision of services.

**Note:** Fee schedules must include the cost of credit reports, if applicable.

---

### 7610.1 1.5.e Requirement to Assess a Client's Ability to Pay

Participating agencies must

- assess a client's household income and monthly expenses to determine if charging the client a fee for services will create a financial hardship, and
- determine the client's ability to pay for counseling services by examining factors including, but not limited to
  - household income, and
  - debt obligations.

If an agency serves a client with an annual household income of less than 200% of the Federal Poverty Level, the agency should consider

- waiving the fee in its entirety, or
  - reducing the fee to an amount the client can afford to pay.
- 

*Continued on next page*

## 5. Housing Counseling Fees, Continued

---

### 7610.1 1.5.f Regulations on Fees for HECM Clients

In accordance with the regulations at [24 CFR 214.313](#), FHA has determined that agencies participating in HUD's Housing Counseling Program may charge a fee for HECM counseling services as long as the cost

- is reasonable and customary
- does not create a financial hardship for the client, and
- meets the other requirements of the regulation.

A participating agency *cannot*

- turn a HECM client away because of an inability to pay, and
  - may not withhold counseling or the Certificate of HECM Counseling based on inability or failure to pay.
- 

### 7610.1 1.5.g Determining and Documenting a HECM Client's Ability to Pay

A housing counseling agency must make a determination about a client's ability to pay including, but not limited to, income and debt obligations.

HUD recommends that

- the housing counseling agency have written procedures in place for determining ability to pay
  - such procedures should support that a determination is based on objective criteria, not a subjective determination, and
  - the counseling file of each client charged fees include documentation demonstrating that the cost does not create a financial hardship.
- 

*Continued on next page*

## 5. Housing Counseling Fees, Continued

---

**7610.1 1.5.h  
Requirements  
for the  
Charging of  
Debt  
Management  
Service Fees**

HUD considers debt management service as an activity related to, but apart from, the housing counseling process. It involves the client turning funds over to the agency, which then distributes the funds to creditors via agency checks.

If both debt management fees and housing counseling fees are charged to the same client, the agency must clearly differentiate between the two.

*Note:* The requirements in [HUD 7610.1 7.4](#) do not apply to charges for debt management services even if the clients are also housing counseling clients.

---

**7610.1 1.5.i  
Agency  
Reimbursement  
for Credit  
Report Fees**

Agencies may be reimbursed by clients for the direct cost of obtaining copies of clients' credit reports from credit reporting bureaus if this does not cause hardship for the clients.

In cases where the participating agency receives a discount for the cost of credit reports, this discount must be passed on to the client.

*Note:* The posted fee schedule must include the amount the housing counseling agency charges for obtaining client credit reports, if applicable.

---

## 6. Agency Withdrawal from the Housing Counseling Program

---

Change Date      March 18, 2011

---

**7610.1 1.6.a  
Policy on  
Agency  
Withdrawal  
from the  
Housing  
Counseling  
Program**

At any time, a participating agency may withdraw from the Housing Counseling Program altogether.

***Important:*** If the participating agency chooses to withdraw, the agency must

- notify HUD in writing of its intent to withdraw, and
- return its *Certificate of Approval* to the HUD Homeownership Center (HOC) that issued the approval certificate since the withdrawn agency may not continue to display the certificate.

***Reference:*** For information on reasons for HUD to terminate an agency from the program, see [HUD 7610.1 6.D.1.](#)

---

## Section A. Overview of Agency Eligibility for Approval by Department of Housing and Urban Development (HUD)

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. General Information on Obtaining HUD Agency and Grant Approval	2-A-2
2. Applicants Eligible and Ineligible for Approval to Participate in HUD’s Housing Counseling Program	2-A-3

---

# 1. General Information on Obtaining HUD Agency and Grant Approval

---

**Introduction** This topic contains general information on obtaining Department of Housing and Urban Development (HUD) approval, including

- HUD requirements for approval of agency participation, and
- approval for HUD grants to fund housing counseling services.

---

**Change Date** March 18, 2011

---

**7610.1 2.A.1.a HUD Requirements for Approval of a Participating Agency** The Department of Housing and Urban Development (HUD) may approve a Local Housing Counseling Agency (LHCA), Multi-State Organization (MSO), or housing counseling intermediary to participate in the Housing Counseling Program provided that the agency/organization

- meets the requirements listed in
  - [24 CFR 214](#), and
  - this handbook chapter, and
- completes and submits all of the required documentation for application outlined in [Form HUD-9900, Housing Counseling Program Application](#).

The approval of a counseling agency does *not* create or imply a warranty or endorsement by HUD to a prospective client or to any other organization or individual of

- the listed agency, or their employees, including counselors, or
- any counseling provided by the agency.

Approval means only that the agency has met the qualifications and conditions prescribed by HUD.

---

**7610.1 2.A.1.b Approval for HUD Grants to Fund Housing Counseling Services** Discretionary grant funds are appropriated by Congress to HUD to support the delivery of housing counseling services and training. HUD awards these funds on a competitive basis to eligible organizations that participate in the Housing Counseling Program.

**Reference:** For more information on HUD grants and other sources of funding for housing counseling services, see [HUD 7610.1 7](#).

---

## 2. Applicants Eligible and Ineligible for Approval to Participate in HUD's Housing Counseling Program

---

<b>Introduction</b>	<p>This topic contains information on applicants that are eligible and ineligible for approval to participate in the HUD Housing Counseling Program, including</p> <ul style="list-style-type: none"><li>• applicants eligible to participate in the HUD Housing Counseling Program</li><li>• participation by religious and faith-based organizations</li><li>• approval requirements for State Housing Finance Agencies (SHFAs)</li><li>• approval requirements for branches and affiliates of HUD-approved entities</li><li>• eligibility requirement to comply with fair housing and civil rights requirements, and</li><li>• ineligible participating agencies.</li></ul>
---------------------	--

---

<b>Change Date</b>	March 18, 2011
--------------------	----------------

---

<b>7610.1 2.A.2.a Applicants Eligible to Participate in the HUD Housing Counseling Program</b>	<p>HUD accepts applications for approval to participate in the HUD Housing Counseling Program from eligible private or public organizations, such as nonprofit, state, local, or tribal government entities or public housing authorities that meet the criteria outlined in <a href="#">HUD 7610.1 2.B.</a></p> <p><i>Note:</i> This includes grassroots, faith-based, and other community-based organizations.</p>
--	--

---

*Continued on next page*

## 2. Applicants Eligible and Ineligible for Approval to Participate in HUD's Housing Counseling Program, Continued

---

### 7610.1 2.A.2.b Participation by Religious and Faith- Based Organizations

HUD is committed to full implementation of Executive Order 13279, *Equal Protection of the Laws for Faith-Based and Community Organizations*.

The Executive Order established fundamental principles and policymaking criteria to guide Federal agencies in formulating and developing policies that have implications for faith-based and community organizations, to ensure equal protection for these organizations in social service programs receiving Federal financial assistance.

HUD's rule at [24 CFR 5.109](#) sets a general policy on the participation of religious organizations in HUD programs and states the following:

*“Religious organizations are eligible, on the same basis as any other organization, to participate in HUD's programs and activities. Neither the Federal government, nor a State or local government, nor any other entity that administers any HUD program or activity shall discriminate against an organization on the basis of the organization's religious character or affiliation.”*

---

*Continued on next page*

## 2. Applicants Eligible and Ineligible for Approval to Participate in HUD's Housing Counseling Program, Continued

---

### 7610.1 2.A.2.c Approval Requirements for State Housing Finance Agencies (SHFAs)

State Housing Finance Agencies (SHFAs) are *not* required to submit an application for approval to participate in HUD's Housing Counseling Program provided they

- have statutory authority to provide housing counseling throughout their entire state; and
- adhere to all program requirements outlined in
  - [24 CFR 214](#)
  - this handbook, and
  - other governing documents.

However, to participate in HUD's Housing Counseling Program, SHFAs must either

- submit a successful grant application or otherwise be awarded a HUD Housing Counseling Grant, or
- submit a request to participate and provide HUD with a list of affiliates, if applicable, and assure that the affiliates meet all program requirements.

SHFAs that do not plan to submit a housing counseling grant application or that failed to receive funding from HUD, but are still interested in participating in HUD's Housing Counseling Program, must submit the information required for SHFAs in [Form HUD-9900](#) to the HUD Homeownership Center (HOC) that has jurisdiction over their state.

**Reference:** For contact information for the HUD HOCs, see [HUD 7610.1 8.2](#).

---

*Continued on next page*

## 2. Applicants Eligible and Ineligible for Approval to Participate in HUD's Housing Counseling Program, Continued

---

### 7610.1 2.A.2.d Approval Requirements for Branches and Affiliates of HUD-Approved Entities

HUD program affiliates of HUD-approved intermediaries or SHFAs are not required to be directly approved by HUD in order to participate in the HUD Housing Counseling Program. Additionally, not every branch of an MSO or intermediary must participate in the HUD portion of the parent entity's program.

However, to participate in HUD's Housing Counseling Program, whether funded or not, branches and affiliates must meet all approval and programmatic requirements described in

- [24 CFR 214](#)
- this handbook, and
- other governing documents.

It is the responsibility of the parent entity to evaluate initial and ongoing eligibility and ensure compliance of its branches and affiliates.

---

### 7610.1 2.A.2.e Eligibility Requirement to Comply With Fair Housing and Civil Rights Requirements

In order to be eligible, a participating agency must comply with all applicable fair housing and civil rights requirements in [24 CFR 5.105\(a\)](#) as discussed in [HUD 7610.1 2.B.7](#).

---

### 7610.1 2.A.2.f Ineligible Participants

An agency, including any of its directors, partners, officers, principals, or employees must not be

- suspended, debarred, or otherwise restricted under HUD's, or any other federal regulations
  - indicted for, or convicted of, a criminal offense that reflects upon the responsibility, integrity or ability of the agency to participate in housing counseling activities. (*Note:* These offenses include criminal offenses that can be prosecuted at a local, state, or federal level.), or
  - subject to unresolved findings because of HUD or other government audits or investigations.
-

## Section B. Applicant Approval Criteria

### Overview

**Contents**      This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Introduction to Applicant Approval Criteria	2-B-2
2. Criteria for Agency Organizational Status, Experience, Facilities, and Compliance with State/Local Requirements	2-B-3
3. System, Recordkeeping/Reporting, and Disclosure Criteria	2-B-6
4. Housing Counseling Work Plan and Resource Criteria	2-B-9
5. Criteria for Contracting Out Services	2-B-12
6. Community Base and Resources Criteria	2-B-15
7. Criteria for Compliance With Fair Housing and Civil Rights	2-B-16

# 1. Introduction to Applicant Approval Criteria

---

**Change Date**      March 18, 2011

---

**7610.1 2.B.1.a**  
**Applicability of**  
**Applicant**  
**Approval**  
**Criteria**

The criteria for approval outlined in this section apply to all agencies, including

- local housing counseling agencies (LHCAs), Multi-State Organizations (MSOs), and intermediaries, and
- branches and affiliates participating in a Department of Housing and Urban Development (HUD) Housing Counseling Program through an approved MSO or intermediary.

---

## 2. Criteria for Agency Organizational Status, Experience/Knowledge, Facilities, and Compliance With State/Local Requirements

---

### Introduction

This topic contains information on the requirements for

- agency nonprofit and tax-exempt status
  - experience in the delivery of housing counseling services
  - required agency knowledge of HUD programs and local housing market
  - agency facilities, and
  - compliance with state and local requirements.
- 

### Change Date

March 18, 2011

---

### 7610.1 2.B.2.a Requirement for Agency Nonprofit and Tax-Exempt Status

A housing counseling agency must

- function as a private or public nonprofit organization, or be a unit of local, county, or state government, and
- submit evidence of nonprofit status and tax-exempt status under section 501(a) pursuant to section 501(c) of the Internal Revenue Code (IRC) of 1996 ([26 U.S.C. 501\(a\) and \(c\)](#)).

**Note:** Units of local, county, or state government must submit proof of their authorization to provide housing counseling services.

---

### 7610.1 2.B.2.b Requirement for Experience in the Delivery of Housing Counseling Services

An agency must have successfully administered a housing counseling program for at least one year in accordance with HUD requirements.

An intermediary must have operated in an intermediary capacity for at least one year.

---

*Continued on next page*

## 2. Criteria for Agency Organizational Status, Experience/Knowledge, Facilities, and Compliance With State/Local Requirements, Continued

---

### 7610.1 2.B.2.c Required Agency Knowledge of HUD Programs and Local Housing Market

The agency's housing counseling staff must possess a working knowledge of HUD's housing and single family mortgage insurance programs, as well as housing programs offered by conventional mortgage lenders and other housing or related programs that may assist their clients, such as

- FHA
- other state and local housing programs available in the community
- HUD's Consolidated Plans, including an analysis of impediments to fair housing choice, and
- the local housing market.

*Note:* As a condition of approval or participation, HUD may require training, for example, training regarding FHA products and programs.

*Reference:* For a list of applicable HUD handbooks that may be downloaded from the HUD website at [www.hud.gov](http://www.hud.gov), see [HUD 7610.1 8.3](#).

---

### 7610.1 2.B.2.d Agency Facility Requirements

In accordance with [24 CFR 214.103\(l\)](#), all housing counseling facilities of the agency and its branches, affiliates, and sub-grantees must

- have a clearly and properly identified office, with
    - space available for the provision of housing counseling services, and
    - permanent signage identifying the housing counseling office
  - operate during normal business hours and offer extended hours when necessary (*Exception:* Branch offices whose services are critical to the community in which they are located are allowed to operate on a part-time basis if their resources do not permit normal business hours.)
  - provide privacy for in-person counseling and confidentiality of client records, and
  - provide accessibility features or make alternate accommodations for persons with disabilities, in accordance with
    - section 504 of the Rehabilitation Act of 1973 ([29 U.S.C. 794](#))
    - [24 CFR 8](#) and [24 CFR 9](#), and
    - the Americans with Disabilities Act ([42 U.S.C. 12101](#) et seq.).
- 

*Continued on next page*

## 2. Criteria for Agency Organizational Status, Experience/Knowledge, Facilities, and Compliance With State/Local Requirements, Continued

---

<b>7610.1 2.B.2.e Requirement to Comply With State and Local Requirements</b>	In accordance with <a href="#">24 CFR 214.103(k)</a> an agency and its branches and affiliates must meet all state and local requirements for its operation.
---	--

---

### 3. System, Recordkeeping/Reporting, and Disclosure Criteria

---

**Introduction** This topic contains information on the criteria for participating agency systems, recordkeeping/reporting, and disclosures, including

- recordkeeping and reporting requirements for participating agencies
- requirement for agencies to ensure the confidentiality of client information/credit reports
- consequences of agency failure to maintain confidentiality of client credit reports
- requirement for a Client Management System (CMS), and
- conflicts of interest and disclosure requirements.

---

**Change Date** March 18, 2011

---

**7610.1 2.B.3.a  
Recordkeeping  
and Reporting  
Requirements  
for  
Participating  
Agencies**

An agency must have an established system of recordkeeping so that

- client files, electronic and paper, can be
  - reviewed, and
  - kept confidential in accordance with [24 CFR 214.315](#), and
- annual activity data for the agency can be
  - verified
  - reported, and
  - analyzed.

This system must

- meet the requirements of
    - [24 CFR 1.6](#)
    - [24 CFR 84.21](#)
    - [24 CFR 8.55](#), and
    - [24 CFR 121](#), and
  - be easily accessible to HUD for all monitoring and audit purposes per [24 CFR 214.315](#).
- 

*Continued on next page*

### 3. System, Recordkeeping/Reporting, and Disclosure Criteria, Continued

**7610.1 2.B.3.b  
Requirement  
for Agencies to  
Ensure the  
Confidentiality  
of Client  
Information/  
Credit Reports**

Participating agencies must ensure the confidentiality of each client’s personal and financial information, both electronic and paper, including credit reports, regardless of whether the information is received from the client or another source.

The table below outlines the storage/security requirements for ensuring the confidentiality of client files.

Type of Client File	Requirements
Hard copy files	Must be kept in locked filing cabinets.
Electronic files	Must be <ul style="list-style-type: none"> <li>• kept secure, and</li> <li>• accessible only by authorized employees.</li> </ul>

**7610.1 2.B.3.c  
Consequences  
of Agency  
Failure to  
Maintain  
Confidentiality  
of Client Credit  
Reports**

Improper use of, or failure to maintain the confidentiality of credit reports may subject the agency to penalties under the Fair Credit Reporting Act ([14 U.S.C. 1681 et seq.](#)).

**7610.1 2.B.3.d  
Requirement  
for a CMS**

All participating agencies must utilize an automated housing counseling Client Management System (CMS) for the collection and reporting of client-level information including, but not limited to

- financial and demographic data, and
- counseling services provided and outcomes.

Agencies must utilize a CMS that satisfies HUD’s requirements and interfaces with HUD’s databases.

*Continued on next page*

### 3. System, Recordkeeping/Reporting, and Disclosure Criteria, Continued

---

**7610.1 2.B.3.e**  
**Conflicts of**  
**Interest and**  
**Disclosure**  
**Requirements**

All agencies must

- disclose any real or apparent conflicts of interest, and
- describe how these conflicts will be mitigated, including any disclosures that will be provided to clients.

*References:* For more information on

- conflict of interest requirements, see [HUD 7610.1 6.B.5](#), and
  - disclosure requirements, see [HUD 7610.1 6.B.8](#).
-

## 4. Housing Counseling Work Plan and Resource Criteria

---

**Introduction** This topic contains information on the requirements for participating agency housing counseling work plans and resources, including housing counseling

- work plan requirements, and
- resource requirements.

---

**Change Date** March 18, 2011

---

**7610.1 2.B.4.a  
Housing  
Counseling  
Work Plan  
Requirements** Participating agencies must

- submit a detailed yet concise housing counseling work plan consistent with the requirements outlined in
  - [24 CFR 214](#), and
  - [HUD 7610.1 3.A.4](#), and
- describe anticipated results (outcomes) to be achieved within the period of initial approval.

Intermediaries and SHFAs must require that affiliates and branches participating in their HUD Housing Counseling Program maintain a work plan meeting HUD requirements.

---

**7610.1 2.B.4.b  
Housing  
Counseling  
Resource  
Requirements** Participating agencies must have the sufficient resources to implement the proposed housing counseling work plan as outlined in the table below.

Resource	Requirement
Funding	Evidence of funds immediately available, or written commitment for funds, to cover the cost of operating the housing counseling work plan during the initial 12-month period of HUD approval or program participation.

---

*Continued on next page*

## 4. Housing Counseling Work Plan and Resource Criteria, Continued

### 7610.1 2.B.4.b Housing Counseling Resource Requirements (continued)

Resource	Requirement
Staffing	<p>The agency must</p> <ul style="list-style-type: none"> <li>• employ staff trained in housing counseling</li> <li>• ensure that at least half of the counselors have at least six months experience in the job they perform within the agency’s Housing Counseling Program, and</li> <li>• document evidence of staff training in the agency’s records.</li> </ul> <p>Documentation of staff training is assessed when the agency receives performance reviews and when the agency completes an application for grant funding.</p>
Language skills	<p>The agency must</p> <ul style="list-style-type: none"> <li>• either <ul style="list-style-type: none"> <li>– have housing counselor(s) who are fluent in the language(s) of the clients they serve, or</li> <li>– use the services of an interpreter, or</li> </ul> </li> <li>• make a reasonable effort to refer the client to another agency that can meet the client’s needs.</li> </ul> <p><b>Reference:</b> For further guidance, see “<i>Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons</i>” published in the Federal Register on January 22, 2007 at <a href="http://www.lep.gov/guidance/HUD_guidance_Jan07.pdf">http://www.lep.gov/guidance/HUD_guidance_Jan07.pdf</a> or an updated version.</p> <p><b>Note:</b> The above-mentioned guidance provides “safe harbors” for language services, as well as offering distinctions between terms such as bilingual, interpretations, and translations.</p>

Continued on next page

## 4. Housing Counseling Work Plan and Resource Criteria, Continued

---

### 7610.1 2.B.4.b Housing Counseling Resource Requirements (continued)

Resource	Requirement
Alternative Formats	<p>The agency must be prepared to provide vital documents and information in alternative formats for persons with disabilities, or make alternate accommodations for persons with disabilities, in accordance with</p> <ul style="list-style-type: none"> <li>• Section 504 of the Rehabilitation Act of 1973 (<a href="#">29 U.S.C. 794</a>)</li> <li>• <a href="#">24 CFR Part 8</a> and <a href="#">Part 9</a>, and</li> <li>• the American with Disabilities Act (<a href="#">42 U.S.C. 12101 et seq.</a>).</li> </ul>

---

## 5. Criteria for Contracting Out Services

---

**Introduction**

This topic contains information on criteria for participating agencies to contract out housing counseling services, including

- restriction on contracting out housing counseling services, and
  - exceptions to the restriction on contracting out housing counseling services.
- 

**Change Date**

March 18, 2011

---

**7610.1 2.B.5.a  
Restriction on  
Contracting  
Out Housing  
Counseling  
Services**

An agency and its branches, sub-grantees, or affiliates must deliver all of the housing counseling activities set forth in the agency's housing counseling work plan.

It is *not* permissible to contract out housing counseling services, except as outlined in [HUD 7610.1 2.B.5.b](#).

---

*Continued on next page*

## 5. Criteria for Contracting Out Services, Continued

**7610.1 2.B.5.b Exceptions to the Restriction on Contracting Out Housing Counseling Services** The table below outlines the circumstances in which HUD allows an agency to contract out or enter into an agreement with another entity to provide housing counseling services.

Exception	Requirements
<p>Geographic areas where no HUD-approved housing counseling agency exists</p>	<p>HUD allows for the contracting out of services in geographic areas where</p> <ul style="list-style-type: none"> <li>• a need for housing counseling services is demonstrated, and</li> <li>• no HUD-approved housing counseling agency or its branches, affiliates, or sub-grantees exists.</li> </ul> <p>If a housing counseling agency identifies an underserved geographic area and proposes to provide counseling in the identified area through a service contract</p> <ul style="list-style-type: none"> <li>• the agency presents a justification to HUD, and</li> <li>• HUD reviews and either approves or disapproves the request.</li> </ul> <p>Under this exception, if the request to use contract services is approved for the identified area</p> <ul style="list-style-type: none"> <li>• the contract must delineate the respective Housing Counseling Program responsibilities of the contracting parties</li> <li>• the agency providing services (contractor) must meet the HUD-approval eligibility standards, and</li> <li>• the contracting agency must receive prior written approval from HUD.</li> </ul>

*Continued on next page*

## 5. Criteria for Contracting Out Services, Continued

---

### 7610.1 2.B.5.b Exceptions to the Restriction on Contracting Out Housing Counseling Services (continued)

Exception	Requirements
Intermediaries and SHFAs may enter into agreements with affiliates	<p>Intermediaries and SHFAs may enter into agreements with affiliates to provide housing counseling services, provided that the agreements with affiliates are</p> <ul style="list-style-type: none"> <li>• in the form of an exchange of letters, or a contract, that delineates the respective Housing Counseling Program responsibilities of the parties, and</li> <li>• sufficiently detailed to establish accountability and allow for adequate monitoring in accordance with the following CFRs, as applicable, and the Office of Management and Budget (OMB) Circulars discussed within:               <ul style="list-style-type: none"> <li>– <a href="#">24 CFR 84</a>, and</li> <li>– <a href="#">24 CFR 85</a>.</li> </ul> </li> </ul>
Prior approval obtained from HUD	With prior approval from HUD, and at HUD’s discretion, intermediary organizations may operate a Housing Counseling Program with a network of affiliated counselors, rather than affiliated counseling agencies, if the structure is designed to meet a special housing counseling need identified by HUD.

---

## 6. Community Base and Resources Criteria

---

**Introduction** This topic contains information on criteria for participating agency

- community base, and
- community resources.

---

**Change Date** March 18, 2011

---

**7610.1 2.B.6.a Requirements Regarding a Participating Agency’s Community Base** A housing counseling agency and its HUD program branches and affiliates must have functioned for at least one year in the geographic area(s) the agency will serve as a participating agency as set forth in its housing counseling work plan.

---

**7610.1 2.B.6.b Requirements Regarding a Participating Agency’s Community Resources** A housing counseling agency must

- demonstrate that it has established working relationships with private and public community resources to which it can refer clients who need help that the agency cannot offer, and
- document a description of these working relationships and partnerships in the agency’s
  - application for program approval, and
  - application for Housing Counseling Grant funds.

---

## 7. Criteria for Compliance With Fair Housing and Civil Rights

---

**Introduction** This topic contains information on the criteria for participating agencies to comply with fair housing and civil rights requirements, including

- compliance with fair housing and civil rights laws, and
  - the requirement to affirmatively further fair housing.
- 

**Change Date** March 18, 2011

---

*Continued on next page*

## 7. Criteria for Compliance With Fair Housing and Civil Rights, Continued

---

### 7610.1 2.B.7.a Compliance with Fair Housing and Civil Rights Laws

Counseling agencies must comply with all applicable fair housing and civil rights requirements in [24 CFR 5.105\(a\)](#).

A participating agency is *ineligible* to participate in the HUD Housing Counseling Program if

- the agency
  - has been charged with an ongoing systemic violation of the Fair Housing Act, or
  - is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice (DOJ) alleging an ongoing pattern or practice of discrimination, or
  - has received a letter of findings identifying ongoing systemic noncompliance under
    - [Title VI of the Civil Rights Act of 1964](#)
    - [Section 504 of the Rehabilitation Act 1973](#), or
    - [Section 109 of the Housing and Community Development Act 1974](#),
 and
- the charge, lawsuit, or letter of findings referenced above has not been resolved to HUD's satisfaction.

HUD determines if actions to resolve the matter include, but are not limited to

- a voluntary compliance agreement signed by all parties in response to a letter of findings
- a HUD-approved conciliation agreement signed by all parties
- a consent order or consent decree, or
- an issuance of a judicial ruling or a HUD Administrative Law Judge's decision.

---

*Continued on next page*

## 7. Criteria for Compliance With Fair Housing and Civil Rights, Continued

---

### 7610.1 2.B.7.b Requirement to Affirmatively Further Fair Housing

Under [Section 808 \(e\)\(5\) of the Fair Housing Act](#), HUD has a statutory duty to affirmatively further fair housing in all its activities. HUD requires the same of its funding recipients, expecting agencies to

- help remedy discrimination in housing, and
- promote fair housing rights and fair housing choice.

Agencies must affirmatively further fair housing for classes protected under the Fair Housing Act, including

- race
  - color
  - national origin
  - religion
  - sex
  - disability, and
  - familial status.
-

## Section C. Agency Application and Approval Process

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Overview of the Agency Application and Approval Process	2-C-2
2. Agency Re-Approvals	2-C-8

---

# 1. Overview of the Agency Application and Approval Process

---

<b>Introduction</b>	<p>This topic contains</p> <ul style="list-style-type: none"> <li>• an overview of the agency application and approval process, and</li> <li>• information on             <ul style="list-style-type: none"> <li>– agency actions to take if no response is received from HUD on the submitted application, and</li> <li>– the Department of Housing and Urban Development (HUD) determination of the need for an on-site conference upon agency approval.</li> </ul> </li> </ul>
---------------------	---

---

<b>Change Date</b>	March 18, 2011
--------------------	----------------

---

<b>7610.1 2.C.1.a Agency Application and Approval Process Overview</b>	<p>The table below describes the stages in the process for an agency to</p> <ul style="list-style-type: none"> <li>• submit an initial application, and</li> <li>• receive HUD approval to participate in the Housing Counseling Program.</li> </ul>
--	--

Stage	Who Is Responsible	Description
1	Agency Applicant	<ul style="list-style-type: none"> <li>• Completes <a href="#">Form HUD-9900, Housing Counseling Program Application</a>, and</li> <li>• submits the application and all supporting documentation to the appropriate HUD office that has jurisdiction over the agency, as outlined in <a href="#">HUD 7610.1 8.2</a>.</li> </ul> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• An agency's submission must include in a single application all of the HUD program affiliates and branch offices for which the parent entity exercises control over the quality and type of housing counseling services rendered.</li> <li>• The HUD office that has jurisdiction over the agency can also be contacted for technical assistance.</li> </ul>

*Continued on next page*

# 1. Overview of the Agency Application and Approval Process, Continued

## 7610.1 2.C.1.a Agency Application and Approval Process Overview (continued)

Stage	Who Is Responsible	Description
2	HUD Office	<ul style="list-style-type: none"> <li>• Sends a written acknowledgement to the agency within 10 days from the date of receipt to assure the agency that HUD received the application package and appropriate HUD staff is reviewing it, and</li> <li>• reviews the application package within 60 days of receipt.</li> </ul> <p><i>Reference:</i> See <a href="#">HUD 7610.1 2.C.1.b</a> for information on what to do if a(n)</p> <ul style="list-style-type: none"> <li>• acknowledgement of receipt of the application is not received from HUD, or</li> <li>• decision on the application is not received.</li> </ul>
3	HUD Office	<p>Determines if the application meets all requirements outlined in <a href="#">24 CFR 214.103</a>.</p> <p>Does the application meet all the requirements?</p> <ul style="list-style-type: none"> <li>• If <i>yes</i>, the process continues with Stage 7.</li> <li>• If <i>no</i>, the process continues with Stage 4.</li> </ul>
4	HUD Office	<p>If additional information is needed to evaluate the application, HUD issues a deficiency letter which</p> <ul style="list-style-type: none"> <li>• identifies the deficiencies, and</li> <li>• provides the applicant an opportunity to submit additional information in support of the application within a specified period.</li> </ul>

*Continued on next page*

## 1. Overview of the Agency Application and Approval Process, Continued

### 7610.1 2.C.1.a Agency Application and Approval Process Overview (continued)

Stage	Who Is Responsible	Description
5	Agency Applicant	<p>Reviews the deficiency letter from HUD.</p> <p>Does the agency fail to respond to the deficiency letter and/or responds to the deficiency letter but still does not meet the requirements in <a href="#">24 CFR 214.103</a> and <a href="#">HUD 7610.1 2.B.</a></p> <ul style="list-style-type: none"> <li>• If <i>yes</i>, the process continues with Stage 6.</li> <li>• If <i>no</i> <ul style="list-style-type: none"> <li>– submits a revised application that meets all requirements, and</li> <li>– the process continues with Stage 8.</li> </ul> </li> </ul>
6	HUD Office	<ul style="list-style-type: none"> <li>• Denies approval, and</li> <li>• provides the agency with the reasons in writing.</li> </ul>
7	Agency Applicant	<p>Within 30 calendar days of the HUD written notice of denial, either</p> <ul style="list-style-type: none"> <li>• submits a revised application which meets all requirements and the process continues with Stage 8, or</li> <li>• per <a href="#">24 CFR 214.205</a>, appeals the decision in writing to HUD as outlined in <a href="#">HUD 7610.1 2.D.1.</a></li> </ul> <p><i>Note:</i> If any agency decides to submit a revised application, the agency may consult HUD to determine the specific actions needed to resolve the deficiencies.</p>

*Continued on next page*

# 1. Overview of the Agency Application and Approval Process, Continued

## 7610.1 2.C.1.a Agency Application and Approval Process Overview (continued)

Stage	Who Is Responsible	Description
8	HUD Office	<ul style="list-style-type: none"> <li>• Approves the agency for a period up to 3 years</li> <li>• determines to either                             <ul style="list-style-type: none"> <li>– conduct an on-site conference, or</li> <li>– waive the on-site visit as discussed in <a href="#">HUD 7610.1 2.C.1.c</a>, and</li> </ul> </li> <li>• advises the agency of the approval in the form of an approval letter to the agency’s main office.</li> </ul>
9	Agency Applicant	<p>Upon receipt of the HUD approval letter</p> <ul style="list-style-type: none"> <li>• signs and dates the “Approval Accepted” lines on the letter, and</li> <li>• returns the letter to the HUD office within 10 business days.</li> </ul>
10	HUD Office	<p>Upon receipt of the signed approval letter from the agency</p> <ul style="list-style-type: none"> <li>• issues a “Certificate of Approval” to the approved agency, and</li> <li>• adds the agency to the list of HUD-approved housing counseling agencies.</li> </ul> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• The certificate shows the period of approval.</li> <li>• The agency name and contact information may                             <ul style="list-style-type: none"> <li>– appear on HUD’s public website in a searchable database of agencies participating in the Housing Counseling Program, and</li> <li>– be made available to the public through HUD’s toll free housing counseling hotline.</li> </ul> </li> </ul>

*Continued on next page*

## 1. Overview of the Agency Application and Approval Process, Continued

---

### 7610.1 2.C.1.b Agency Actions to Take If No Response Is Received From HUD on the Application Submission

The table below outlines the actions agencies should take if they do not receive a response from HUD to their application.

<b>If the agency does not receive from the HUD office ...</b>	<b>Then the agency should contact ...</b>
an acknowledgment of its application within 30 days of submission	the HUD office to determine if it received the application.
the HUD approval, deficiency, or denial letter within 90 days of submission of the application	the Program Support Division staff at the HUD office that has jurisdiction over the agency to request prompt resolution of the application.

*Continued on next page*

## 1. Overview of the Agency Application and Approval Process, Continued

---

### 7610.1 2.C.1.c HUD Determination of Need for an On-Site Conference Upon Agency Approval

Before the HUD office issues the approval letter to an applicant, HUD may

- require an on-site conference at the agency's main office, branch office(s), and/or affiliate offices, or
- waive the on-site visit if it lacks travel funds or available staff and may either
  - require a face-to-face conference at the HUD office, or
  - comply with an agency request for a telephone conference at HUD's expense.

When HUD staff cannot conduct an on-site visit, the agency may be asked to submit photographs and floor plans of its facility to demonstrate that the facility meets program requirements, such as having the appropriate space available to provide housing counseling services and adequate signage to identify the agency to the public.

During the on-site conference, face-to-face conference at the HUD office, or telephone conference, HUD staff may

- answer the agency's questions, if any, about this handbook, its attachments, and general questions about HUD funding opportunities and the Notification of Funding Availability (NOFA) process that announces the availability of Housing Counseling Grant funds
- identify training needs of the agency's staff
- evaluate the facility for compliance with the requirements listed under [HUD 76101. 2.B.7](#), and
- make inquiries, request information, or provide technical assistance regarding any issue relevant to
  - the approval process, or
  - compliance with program requirements.

**Note:** Because the housing counseling grants are administered through a competitive award process, staff may only provide information that is general public knowledge.

---

## 2. Agency Re-Approvals

---

**Change Date**      March 18, 2011

---

**7610.1 2.C.2.a  
No Agency  
Application  
Required for  
HUD Re-  
Approval**

A participating agency is not required to submit an application for re-approval.

At the end of the approval period and upon completion of a successful performance review, HUD will re-approve an agency.

*Reference:* For more information on the performance review of a HUD-approved housing counseling agency, see

- [HUD 7610.1 6. C](#), and
  - [HUD 7610.1 6.D](#).
-

## Section D. Agency Appeals

### Overview

---

#### Contents

This section contains the topic “*Requirements for Filing an Appeal.*”

---

## 1. Requirements for Filing an Appeal

**Introduction** This topic contains information on the requirements for filing an appeal of a the Department of Housing and Urban Development (HUD) decision, including

- who may file an appeal of a HUD decision
- the submission requirements for an appeal
- the timeliness of an appeal, and
- the fact that there are no regulatory restrictions on HUD actions against an agency.

**Change Date** March 18, 2011

**7610.1 2.D.1.a Who May File an Appeal of a HUD Decision** Per [24 CFR 214.205](#), an appeal of an adverse decision by HUD may be filed by an

- agency applying for approval
- approved or participating agency seeking re-approval or continued participation
- agency issued a letter terminating HUD approval or participation, or
- agency placed in inactive status involuntarily.

**7610.1 2.D.1.b Submission Requirements for an Appeal** An applicant or participating agency wishing to appeal an adverse decision by HUD must submit a formal written appeal to the HUD office of jurisdiction as outlined in the table below.

*Note:* The appeal may include a request for a face-to-face meeting with the appropriate HUD office staff.

If the entity is a ...	Then the initial written appeal must be sent to ...	And if the initial appeal does not result in a reversal of the original HUD decision, the second written appeal must be sent to ...
local entity or Multi-State Organization (MSO)	the reviewing HUD office as listed in <a href="#">HUD 7610.1 8.2</a>	the appropriate HUD Homeownership Center (HOC) Director.

*Continued on next page*

# 1. Requirements for Filing an Appeal, Continued

---

## 7610.1 2.D.1.b Submission Requirements for an Appeal (continued)

If the entity is a ...	Then the initial written appeal must be sent to ...	And if the initial appeal does not result in a reversal of the original HUD decision, the second written appeal must be sent to ...
national and regional intermediaries	the Director of Single Family Housing Program Development at HUD Headquarters	the Deputy Assistant Secretary for Single Family Housing at HUD Headquarters.

---

### 7610.1 2.D.1.c Timeliness of an Appeal

HUD must receive a written appeal within 30 days of the date of the HUD decision letter to the applicant agency.

HUD is not bound to review appeals received after this 30-day period.

---

### 7610.1 2.D.1.d No Regulatory Restrictions on HUD Actions Against an Agency

Nothing in [24 CFR 214.205](#) prohibits HUD from

- taking such other action against an agency as provided in [2 CFR 180](#) and [2 CFR 2424](#), or
  - seeking any other remedy against an agency available to HUD by statute or otherwise.
-

## Section A. General Agency Requirements for the Delivery of Housing Counseling Services

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Overview of the Basic Agency Requirements for the Delivery of Housing Counseling Services	3-A-2
2. Knowledge of HUD Programs and Compliance With Industry Standards	3-A-6
3. Agency Requirements for Client Intake and Referral to Community Resources	3-A-8
4. Housing Counseling Work Plan Requirements	3-A-10

---

## 1. Overview of the Basic Agency Requirements for the Delivery of Housing Counseling Services

---

**Introduction** This topic provides an overview of the basic agency requirements, including

- delivery of housing and counseling services, and
- the failure to comply.

---

**Change Date** March 18, 2011

---

**7610.1 3.A.1.a Delivery of Housing Counseling Services Basic Requirements** The table below provides the basic requirements for the delivery of housing counseling services as provided under [24 CFR 214](#) and other applicable regulations and statutes

**Reference:** For the basic fair housing and civil rights requirements, see [HUD 7610.1 3.B.1](#).

Basic Requirement	Description
Counseling	<p>Participating agencies must offer and be able to provide counseling, as opposed to just education, to current and potential homeowners or tenants to assist them in</p> <ul style="list-style-type: none"> <li>• improving their housing conditions, and</li> <li>• meeting the responsibilities of homeownership or tenancy.</li> </ul> <p><b>Reference:</b> For a list of topics in which the participating agency must provide counseling, see <a href="#">HUD 7610.1 3.C.3</a>.</p>
Education	<p>All participating agencies that offer group educational sessions must also offer individual counseling on the same topics covered in the group educational sessions.</p>

*Continued on next page*

# 1. Overview of the Basic Agency Requirements for the Delivery of Housing Counseling Services, Continued

## 7610.1 3.A.1.a Delivery of Housing Counseling Services Basic Requirements (continued)

Basic Requirement	Description
Setting/Format	<p>Counseling services must take place</p> <ul style="list-style-type: none"> <li>• in the office of the housing counseling agency</li> <li>• at an alternate location (for example, a client’s home), or</li> <li>• through an alternative format, including telephonic counseling or remote counseling systems designed using                             <ul style="list-style-type: none"> <li>– Skype technology</li> <li>– video cameras, and</li> <li>– the Internet.</li> </ul> </li> </ul> <p><b>Important:</b></p> <ul style="list-style-type: none"> <li>• The alternate location or format must be mutually acceptable to the housing counselor and client.</li> <li>• All participating agencies that provide services directly must offer and provide in-person counseling to clients who prefer this format.</li> </ul> <p><b>Note:</b> Skype technology can also be used to deliver group education workshops and sessions.</p>
Work Plan	<p>A participating agency must</p> <ul style="list-style-type: none"> <li>• be in compliance with its HUD-approved work plan, as outlined in <a href="#">HUD 7610.1 3.A.4</a>, and</li> <li>• deliver housing counseling services consistent with the housing counseling work plan.</li> </ul>
Geographic Scope	<p>Regardless of the setting or format, counseling activities must be limited to the geographic area specified in the agency’s approved housing counseling work plan.</p> <p><b>Note:</b> With HUD’s approval, or at HUD’s discretion, the agency’s geographic scope can be expanded or reduced.</p> <p><b>Example:</b> Agencies may only offer telephone counseling to clients in their approved geographic area.</p>

Continued on next page

# 1. Overview of the Basic Agency Requirements for the Delivery of Housing Counseling Services, Continued

## 7610.1 3.A.1.a Delivery of Housing Counseling Services Basic Requirements (continued)

Basic Requirement	Description
Accessibility and Facilities	<p>In accordance with <a href="#">24 CFR 214.103</a>, all participating agencies, their branches, affiliates, and sub-grantees must</p> <ul style="list-style-type: none"> <li>• have a clearly identified office that               <ul style="list-style-type: none"> <li>– has space available for the provision of housing counseling services, and</li> <li>– operates during normal business hours, and offers extended hours when necessary, and</li> </ul> </li> <li>• provide privacy for in-person counseling and confidentiality of client records.</li> </ul> <p><b>Reference:</b> For information on the fair housing and civil rights requirements for accessibility and facilities, see <a href="#">HUD 7610.1 3.B.1.a</a>.</p>
Referrals	<p>For purposes of client referrals, participating agencies that provide housing counseling services directly must provide HUD with the agency name and contact information, which may</p> <ul style="list-style-type: none"> <li>• appear on HUD’s public website in a searchable database of agencies participating in the Housing Counseling Program, and</li> <li>• be made available to the public through HUD’s toll free housing counseling hotline.</li> </ul> <p><b>Important:</b></p> <ul style="list-style-type: none"> <li>• All clients who contact the agency as a result of these referrals must be served.</li> <li>• The agency must refer the client to another participating agency, preferably in the area, if the agency               <ul style="list-style-type: none"> <li>– does not offer the unique services requested by the client</li> <li>– is unable to communicate effectively with the client, or</li> <li>– does not have sufficient resources.</li> </ul> </li> <li>• If there is not a participating agency available, the agency must make a reasonable effort to refer the client to another agency that can assist him/her in meeting his/her needs.</li> </ul>

Continued on next page

# 1. Overview of the Basic Agency Requirements for the Delivery of Housing Counseling Services, Continued

## 7610.1 3.A.1.a Delivery of Housing Counseling Services Basic Requirements (continued)

Basic Requirement	Description
Marketing and Outreach Initiatives	<p>Participating agencies may conduct marketing and outreach, including but not limited to</p> <ul style="list-style-type: none"> <li>• providing general information about housing opportunities</li> <li>• conducting information campaigns, and</li> <li>• raising awareness about critical housing topics such as predatory lending and fair housing topics.</li> </ul>

**7610.1 3.A.1.b Failure to Comply With the Basic Requirements for the Delivery of Housing Counseling Services**

A participating agency’s failure to remain in compliance with the program’s basic requirements could result in consequences, which may include but are not limited to

- termination of the agency’s HUD approval or participating status
- placement in inactive status
- suspension of payment drawdown access
- forfeiture of remaining grant funds, and
- denial of access to HUD housing counseling training resources.

**Reference:** For additional information on the consequences for failing to comply with the basic requirements for delivering housing counseling services, see [HUD 7610.1 6.D.](#)

## 2. Knowledge of HUD Programs and Compliance With Industry Standards

---

**Introduction** This topic contains information on the requirements regarding knowledge of HUD programs and compliance with industry standards, including

- compliance with housing counseling and education industry standards
  - requirement for up-to-date working knowledge of HUD housing and fair housing programs, and
  - assessment of an agency's working knowledge of HUD housing and fair housing programs.
- 

**Change Date** March 18, 2011

---

**7610.1 3.A.2.a Compliance With Housing Counseling and Education Industry Standards** HUD may require, promote, and incent the adoption and implementation of housing counseling and education standards by participating agencies, including minimum acceptable counseling and education content, activities, training, and testing. The industry standards may be developed or implemented by HUD or other entities and endorsed by HUD.

***Important:*** For reverse mortgage counseling, HUD requires the utilization of, and strict adherence to, the Home Equity Conversion Mortgage (HECM) Protocol.

---

*Continued on next page*

## 2. Knowledge of HUD Programs and Compliance With Industry Standards, Continued

---

**7610.1 3.A.2.b  
Requirement  
for Up-to-Date  
Working  
Knowledge of  
HUD Housing  
and Fair  
Housing  
Programs**

The participating agency's housing counselors must have up-to-date working knowledge of HUD housing and fair housing programs, including the Federal Housing Administration (FHA) Single Family mortgage programs.

**7610.1 3.A.2.c  
Assessment of  
an Agency's  
Working  
Knowledge of  
HUD Housing  
and Fair  
Housing  
Programs**

HUD staff briefly assesses an agency's general knowledge of HUD programs when conducting on-site performance reviews.

*Example:* HUD staff conducting a performance review may ask the agency's staff person questions regarding FHA products or determine if the staff person understands how to access the following on HUDclips:

- memos
- mortgagee letters (MLs), and
- handbooks.

*Reference:* For a list of HUD handbooks, see [HUD 7610.1 8.3](#).

---

### 3. Agency Requirements for Client Intake and Referral to Community Resources

---

**Introduction** This topic contains information on agency requirements for client intake and referral to community resources, including

- housing counseling client intake
  - agency referrals to community resources for housing counseling services, and
  - assessment of agency referral to community resources for housing counseling services.
- 

**Change Date** March 18, 2011

---

**7610.1 3.A.3.a Housing Counseling Client Intake** A housing counselor or administrative staff trained in the requirements of the Privacy Act may obtain basic information to determine if the agency can

- assist a potential client
- schedule an appointment with a housing counselor, or
- refer the potential client to other resources.

**Important:** The above-mentioned client intake process is *not* housing counseling and should not be reported to HUD under housing counseling activities.

---

**7610.1 3.A.3.b Agency Referrals to Community Resources for Housing Counseling Services** Agencies must demonstrate that they have established working relationships with private and public service agencies that could assist clients when they need additional services not offered by the agency.

---

*Continued on next page*

### 3. Agency Requirements for Client Intake and Referral to Community Resources, Continued

---

**7610.1 3.A.3.c**  
**Assessment of**  
**Agency**  
**Referral to**  
**Community**  
**Resources for**  
**Housing**  
**Counseling**  
**Services**

The agency's ability to make referrals to community resources is assessed when the agency submits an application for program approval or to be considered for grant funding. Additionally, an agency's community referral network is assessed through the review of client files and client surveys.

---

## 4. Housing Counseling Work Plan Requirements

---

**Introduction** This topic contains information on the housing counseling work plan requirements, including

- a description of the housing counseling work plan
- required components of the housing counseling work plan
- work plan changes/modifications/amendments, and
- special consideration for geographic scope work plan change requests.

---

**Change Date** March 18, 2011

---

**7610.1 3.A.4.a Description: Housing Counseling Work Plan** The housing counseling work plan is a detailed yet concise plan that

- explains
  - the needs and problems of the target population
  - how the agency will address one or more of the needs and problems with its available resources
  - the type of housing counseling services offered, and
  - the fee structure, if applicable, and
- specifies the geographic service area.

---

**7610.1 3.A.4.b Required Components of the Housing Counseling Work Plan** The table below describes the required components of the housing counseling work plan.

Component	Description
Target Community	The housing counseling work plan must describe the demographics, housing needs and problems, and geographic boundaries of the target area(s) in which the agency plans to offer its housing counseling services.

---

*Continued on next page*

## 4. Housing Counseling Work Plan Requirements, Continued

### 7610.1 3.A.4.b Required Components of the Housing Counseling Work Plan (continued)

Component	Description
Services	<p>The housing counseling work plan must</p> <ul style="list-style-type: none"> <li>• identify the housing counseling services to be provided in response to one or more of the needs in the targeted communities and geographic areas where the agency and its branches and affiliates provide their housing counseling services</li> <li>• meet the basic requirements for counseling services                             <ul style="list-style-type: none"> <li>– as described in <a href="#">24 CFR 214</a> and <a href="#">HUD 7610.1 3.A.1.a</a>, and</li> <li>– based on the approved topics outlined in <a href="#">HUD 7610.1 3.C.2</a>, and</li> </ul> </li> <li>• identify the agency’s group education and marketing and outreach strategies.</li> </ul>
Alternative Settings/ Format	<p>An agency’s housing counseling work plan must also address, if appropriate, alternative settings or formats for the provision of housing counseling services for cases where the</p> <ul style="list-style-type: none"> <li>• agency and the client mutually agree on the need for an alternative setting or alternative format, or</li> <li>• agency’s facilities are <i>not</i> accessible.</li> </ul> <p><b>Reminder:</b> Alternative formats may include telephonic counseling or remote counseling systems designed using Skype technology (also used to deliver group education workshops and sessions), video cameras, and the Internet.</p>
Follow Up	<p>The housing counseling work plan must detail the agency’s plan for follow-up communication with the client as outlined in</p> <ul style="list-style-type: none"> <li>• <a href="#">24 CFR 214.300</a>, and</li> <li>• <a href="#">HUD 7610.1 3.C.3</a>.</li> </ul>

*Continued on next page*

## 4. Housing Counseling Work Plan Requirements, Continued

### 7610.1 3.A.4.b Required Components of the Housing Counseling Work Plan (continued)

Component	Description
Fee Structure	<p>The housing counseling work plan must, if applicable</p> <ul style="list-style-type: none"> <li>• describe the agency’s fee structure for housing counseling and education services</li> <li>• explain how that fee structure is communicated</li> <li>• explain how the fees charged meet HUD requirements, including how the agency assesses affordability and ability to pay, as outlined in               <ul style="list-style-type: none"> <li>– <a href="#">24 CFR Part 214</a>, and</li> <li>– <a href="#">HUD 7610.1 1.4</a>.</li> </ul> </li> </ul>
Limited English Proficiency (LEP)	<p>The housing counseling work plan must describe how the agency serves non-English speaking clients or clients with limited English proficiency.</p> <p><b>References:</b> For information on the requirement of participating agencies to</p> <ul style="list-style-type: none"> <li>• provide access to program benefits and information to LEP individuals through language assistance services, see “<i>Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons</i>” published in the 72 Federal Register 2732 (January 22, 2007), and</li> <li>• improve access to Federally assisted services, programs, and benefits for individuals with LEP, see Executive Order 13166, “<i>Improving Access to Services for Persons with Limited English Proficiency (LEP)</i>.” (Note: See <a href="http://www.lep.gov">www.lep.gov</a> for assistance and information on LEP obligations.)</li> </ul>

Continued on next page

## 4. Housing Counseling Work Plan Requirements, Continued

---

### 7610.1 3.A.4.c Work Plan Changes/ Modifications/ Amendments

With HUD's approval, any aspect of the work plan may be amended (for example, geographic scope can be expanded or reduced).

**Important:** When a counseling work plan is changed or amended, the agency must notify and provide a copy of the updated plan to HUD *prior* to implementation.

**Note:** HUD may

- accept or reject work plan modifications proposed by the participating agency, and
- require the agency to adjust the work plan as a condition of approval or participation.

**Reference:** For more information on notifying HUD of work plan changes, see

- [HUD 7610.1 5.C.1.c](#), and
  - [HUD 7610.1 6.B.2.b](#).
- 

### 7610.1 3.A.4.d Special Consideration for Geographic Scope Work Plan Change Requests

For requests to change geographic scope, HUD

- evaluates each request on a case-by-case basis, and
- approves the request based on the
  - capacity of the agency
  - demand for services, or
  - other factors.

**Notes:**

- HUD may limit or restrict the scope change (for example, allow a participating agency to provide a particular type of counseling nationally but only to referrals from a particular source or only through counselors participating in an affiliated network of counselors).
  - HUD may require specialized training or certifications prior to approving certain housing counseling services, such as HECM counseling.
-

## Section B. Fair Housing and Other Civil Rights Requirements for Housing Counseling

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling	3-B-2
2. Actively Promoting Fair Housing and Protecting Civil Rights	3-B-8
3. Filing a Discrimination Fair Housing and/or Civil Rights Complaint With HUD	3-B-12

---

## 1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling

---

**Introduction** This topic contains guidance for compliance with fair housing and civil rights requirements when providing housing counseling, including

- basic fair housing and civil rights requirements
- discrimination and equal opportunities requirements
- distribution of information and correspondence for clients with impairments, disabilities, and language barriers, and
- civil rights responsibilities for
  - grant recipients
  - intermediaries, and
  - sub-grantees.

---

**Change Date** March 18, 2011

---

*Continued on next page*

# 1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling, Continued

**7610.1 3.B.1.a Basic Fair Housing and Civil Rights Requirements** The table below provides the basic fair housing and civil rights requirements for providing housing counseling.

Basic Requirement	Description
Civil Rights	<p>All participating agencies must administer their housing counseling programs in accordance with, and remain in compliance with, the</p> <ul style="list-style-type: none"> <li>• corresponding HUD regulations and guidance, and</li> <li>• following nondiscrimination regulatory and legislative requirements:                             <ul style="list-style-type: none"> <li>– <a href="#">Title VI of the Civil Rights Act of 1964</a></li> <li>– <a href="#">Title VIII of the Civil Rights Act of 1968</a></li> <li>– <a href="#">Executive Order 11063</a></li> <li>– Section 504 of the Rehabilitation Act of 1973 (<a href="#">29 U.S.C. 794</a>)</li> <li>– <a href="#">Age Discrimination Act of 1975</a></li> <li>– Americans with Disabilities Act (<a href="#">42 U.S.C. 12101 et seq.</a>), and</li> <li>– <a href="#">Title IX of the Education Amendments of 1972</a>.</li> </ul> </li> </ul> <p><i>Note:</i> The above requirements are designed to prevent discrimination in the delivery of benefits and services due to</p> <ul style="list-style-type: none"> <li>• race</li> <li>• color</li> <li>• religion (creed)</li> <li>• sex</li> <li>• national origin</li> <li>• age</li> <li>• familial status, or</li> <li>• disability.</li> </ul>

*Continued on next page*

# 1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling,

Continued

## 7610.1 3.B.1.a Basic Fair Housing and Civil Rights Requirements (continued)

Basic Requirement	Description
Fair Housing	<p>In accordance with <a href="#">Section 808(e)(5) of the Fair Housing Act</a>, participating agencies must affirmatively further fair housing for classes protected under the Fair Housing Act.</p> <p><b>Rationale:</b> Participating housing counseling agencies are expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice.</p> <p><b>Note:</b> Protected classes include</p> <ul style="list-style-type: none"> <li>• race</li> <li>• color</li> <li>• religion (creed)</li> <li>• sex</li> <li>• national origin</li> <li>• age</li> <li>• familial status, or</li> <li>• disability.</li> </ul> <p><b>Reference:</b> For more information on the promotion of fair housing by participating agencies, see <a href="#">HUD 7610.1 3.B.2</a>.</p>
Accessibility and Facilities	<p>In accordance with <a href="#">24 CFR 214.103</a>, all participating agencies, their branches, affiliates, and sub-grantees must provide accessibility features or make alternative accommodations for persons with disabilities as outlined in</p> <ul style="list-style-type: none"> <li>• Section 504 of the Rehabilitation Act of 1973 (<a href="#">29 U.S.C. 794</a>)</li> <li>• <a href="#">24 CFR 8</a> and <a href="#">9</a>, and</li> <li>• Americans with Disabilities Act (<a href="#">42 U.S.C. 12101 et seq.</a>).</li> </ul> <p><b>Reference:</b> For information on the basic requirements for accessibility and facilities, see <a href="#">HUD 7610.1 3.A.1.a</a>.</p>

Continued on next page

# 1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling, Continued

## 7610.1 3.B.1.a Basic Fair Housing and Civil Rights Requirements (continued)

Basic Requirement	Description
Religious Discrimination and Influence	<p>Agencies and their affiliates and branches are prohibited from</p> <ul style="list-style-type: none"> <li>• discriminating on behalf of or against any segment of the population in the provision of services or outreach, including those of other religious affiliations, and</li> <li>• requiring religious instructions or religious counseling, conducting mandatory religious services or worship, engaging in religious proselytizing, and exerting religious influences in the provision of assistance under the agency’s or its affiliates’ or branches’ Housing Counseling Program.</li> </ul>
Limited English Proficiency (LEP)	<p>Agencies must make reasonable efforts to provide language assistance to persons who have Limited English Proficiency (LEP).</p> <p><b>Reference:</b> To determine the extent of the assistance the agency should offer based on its own circumstances, see “<i>Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons</i>” published in the Federal Register (January 22, 2007 or updated version).</p>

### 7610.1 3.B.1.b Discrimination and Equal Opportunity Requirements

In accordance with [24 CFR 214.503](#), all participating agencies must comply with HUD’s general nondiscrimination and equal opportunity requirements outlined in [24 CFR 5.105](#).

**Reference:** For additional information on equal opportunity fair housing, see the Office of Fair Housing and Equal Opportunity (FHEO) on HUD’s website at [www.hud.gov](http://www.hud.gov).

*Continued on next page*

# 1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling,

Continued

---

**7610.1 3.B.1.c  
Distribution of  
Information  
and  
Correspondence  
for Clients  
With  
Impairments,  
Disabilities, and  
Language  
Barriers**

In accordance with [24 CFR 8.6](#) and [214.103](#), participating agencies must

- indicate, on correspondence provided to clients and prospective clients, instructions on how to access information through alternative means, if they have an impairment, disability, language barrier, and so on, and
- ask clients and prospective clients in their written communication if the clients need assistance for mobility impairments, visual or hearing impairments, or other disabilities.

*Example:* Written communications that include instructions on how to contact the agency via text telephone (TTY), Relay services or access translation, or interpreter services.

---

*Continued on next page*

# 1. Guidance for Compliance With Fair Housing and Civil Rights Requirements When Providing Housing Counseling,

Continued

---

**7610.1 3.B.1.d  
Civil Right  
Responsibilities  
for Grant  
Recipients,  
Intermediaries,  
and Sub-  
Grantees**

HUD-funded grant recipients, intermediaries, and sub-grantees are obligated under

- various laws not to discriminate in housing or services directly or indirectly based on race, color, religion, sex, national origin, familial status, or disability
- HUD regulations to comply with Civil Rights-Related Program Requirements (CRRPRs) that affect nearly every aspect of each program if the recipient was in receipt of Federal financial assistance (*Note:* In the case of participating housing counseling agencies, the agency must adhere to these CRRPRs whether they receive Federal financial assistance or not as a condition of their participation in HUD's Housing Counseling Program.)
- nondiscrimination and equal opportunity regulations to
  - maintain records and take actions as outlined in [HUD 7610.1 5](#)
  - train staff on applicable civil rights laws and their applications as outlined in [HUD 7610.1 3.B.1.c](#), and
  - perform education and outreach activities as outlined in [HUD 7610.1 3.B.3](#).

***Important:*** Contract and agreements between participating agencies and their affiliates or sub-grantees must include the terms as outlined above.

---

## 2. Actively Promoting Fair Housing and Protecting Civil Rights

---

**Introduction** This topic contains information on actively promoting fair housing and protecting civil rights, including

- participating agency requirement to further fair housing
  - identification of impediments to fair housing choices, and
  - affirmatively addressing fair housing barriers, and
  - record maintenance of participating agency activities to affirmatively further fair housing.
- 

**Change Date** March 18, 2011

---

**7610.1 3.B.2.a  
Participating  
Agency  
Requirement to  
Further Fair  
Housing**

All participating agencies must

- take reasonable steps to affirmatively further fair housing, and
  - ensure that persons are *not* denied housing counseling services or treated differently on the basis of
    - race
    - color
    - religion (creed)
    - sex
    - national origin
    - age
    - familial status, or
    - disability.
- 

**7610.1 3.B.2.b  
Identification of  
Impediments to  
Fair Housing  
Choices**

To identify barriers to fair housing choices for particular groups receiving housing counseling services, participating agencies should review

- the Consolidated Plan and Analysis of Impediments (AI), which covers the jurisdictions in their service area, and
  - their own policies, procedures, and facilities.
- 

*Continued on next page*

## 2. Actively Promoting Fair Housing and Protecting Civil Rights, Continued

**7610.1 3.B.2.c  
Affirmatively  
Addressing  
Fair Housing  
Barriers**

To address barriers to fair housing, participating agencies must take reasonable steps to affirmatively further fair housing, such as outreach to particular population groups within the classes protected by the Fair Housing Act, particularly groups previously underserved by housing counseling real estate and housing financial services.

The table below provides some activities a participating agency can take to affirmatively address fair housing barriers, as well as examples of such activities.

**Important:** It may be necessary to broaden the target areas or provide translation and interpretive services in languages other than English in order to reach a greater variety of racial and ethnic minorities.

Activity	Example
Affirmative marketing and outreach activities	<p>A participating agency may conduct affirmative marketing and outreach activities that include but are not limited to</p> <ul style="list-style-type: none"> <li>• public service advertising</li> <li>• informational sessions with community-based organizations in public facilities (such as libraries or town halls), and</li> <li>• direct marketing to persons least likely to know about the existence and availability of housing and housing-related services in particular housing markets.</li> </ul> <p><b>Note:</b> The persons least likely to be aware of or pursue housing opportunities within a particular housing market area are likely the ones who need housing counseling services the most.</p>

*Continued on next page*

## 2. Actively Promoting Fair Housing and Protecting Civil Rights, Continued

### 7610.1 3.B.2.c Affirmatively Addressing Fair Housing Barriers (continued)

Activity	Example
Affirmative marketing and outreach plan	<p>Components of an affirmative marketing and outreach plan include</p> <ul style="list-style-type: none"> <li>• advertising the availability of services with an emphasis on certain populations through the Internet, radio stations, flyers, newspapers, public television, message boards, and seminars that are known to be used by those populations within a market area</li> <li>• educating persons within settlement agencies, faith-based communities, service providers, and other community-based organizations about fair housing and the obligations of lenders, landlords, realtors, and sellers to follow nondiscrimination laws, and</li> <li>• marketing housing opportunities and housing-related services to advocacy groups, such as disability or veterans groups.</li> </ul>
Housing Counseling Services	<p>The delivery of particular housing counseling services may include</p> <ul style="list-style-type: none"> <li>• housing counseling that makes people aware of discriminatory practices</li> <li>• education about housing design or construction to increase access for persons with disabilities</li> <li>• language assistance services to persons with limited English proficiency (on the basis of national origin)</li> <li>• affirmative fair housing marketing, and</li> <li>• client encouragement and assistance in seeking housing in locations that afford greater housing choices or access to educational, service, and employment opportunities.</li> </ul> <p><b>Reference:</b> For information on the required housing and counseling topics that may also address fair housing impediments, see <a href="#">HUD 7610.1 3.C.3.</a></p>

*Continued on next page*

## 2. Actively Promoting Fair Housing and Protecting Civil Rights, Continued

---

<b>7610.1 3.B.2.d</b> <b>Record</b> <b>Maintenance of</b> <b>Participating</b> <b>Agency</b> <b>Activities to</b> <b>Affirmatively</b> <b>Further Fair</b> <b>Housing</b>	Participating agencies must maintain records that document <ul style="list-style-type: none"><li>• their activities to affirmatively further fair housing, which<ul style="list-style-type: none"><li>– identify the impediments to fair housing addressed by the planned activities</li><li>– describe the activities that took place, and</li><li>– to the extent possible, describe the impact of the activities, and</li></ul></li><li>• the race, ethnicity, disability status, and familial status of beneficiaries of Housing Counseling Programs.</li></ul>
---	---

---

### 3. Filing a Discrimination Fair Housing and/or Civil Rights Complaint With HUD

---

**Introduction** This topic contains information on filing a discrimination complaint with HUD, including

- when to file a discrimination complaint with HUD
- who can file a discrimination complaint with HUD
- timely filing requirements for discrimination complaints
- referral of client to state, county, or municipal fair housing for assistance
- discrimination complaints filed in jurisdictions with laws equivalent to the Fair Housing Act, and
- how to file a discrimination complaint with HUD.

---

**Change Date** March 18, 2011

---

**7610.1 3.B.3.a  
When to File a  
Discrimination  
Complaint  
With HUD** Clients of participating agencies may file a discrimination complaint when they believe they have been subjected to unlawful discrimination under any one of the following:

- Fair Housing Act ([42 U.S.C. 3601](#), et seq.) (prohibits discrimination because of race, color, national origin, sex, religion, disability, or familial status)
- Title VI of the Civil Rights Act ([42 U.S.C. 2000\(d\)](#), et seq.) (prohibits discrimination on the basis of race, color, and national origin as codified at [24 CFR Part 1](#))
- Section 504 of the Rehabilitation Act of 1973 (prohibits discrimination based on disability in any program or activity receiving Federal financial assistance as codified at [24 CFR Part 8](#)), and
- Executive Order 11063 (prohibits discrimination on the basis of race, color, religion, national origin, and sex as codified in [24 CFR 107](#)).

---

*Continued on next page*

### 3. Filing a Discrimination Fair Housing and/or Civil Rights Complaint With HUD, Continued

---

**7610.1 3.B.3.b Who Can File a Discrimination Complaint With HUD** Clients of the participating agencies file discrimination complaints with HUD. The participating agency or a client's representative may file a complaint on the client's behalf.

---

**7610.1 3.B.3.c Timely Filing Requirements for Discrimination Complaints** All fair housing and civil rights complaints must be filed with HUD no later than one year after the last alleged discriminatory act occurred.

**Exceptions:**

- Complaints filed pursuant to Title VI of the Civil Rights Act and Section 504 of the Rehabilitation Act of 1973 must be filed within 180 days of the alleged act of discrimination, unless the time limit is extended for good cause shown.
  - The Assistant Secretary for FHEO may extend the one year filing period.
- 

**7610.1 3.B.3.d Referral of Client to State, County, or Municipal Fair Housing for Assistance** If a participating agency has a client who needs fair housing assistance, the agency should refer the client to a state, county, or municipal fair housing agency.

---

**7610.1 3.B.3.e Discrimination Complaints Filed in Jurisdictions With Laws Equivalent to the Fair Housing Act** Discrimination complaints that arise in a jurisdiction administering laws that HUD has certified as substantially equivalent to the Fair Housing Act will be referred by HUD to the respective state, or local government agency.

**Note:** For these certified agencies, the statute of limitations for filing a complaint may vary.

---

*Continued on next page*

### 3. Filing a Discrimination Fair Housing and/or Civil Rights Complaint With HUD, Continued

---

**7610.1 3.B.3.f**  
**How to File a**  
**Discrimination**  
**Complaint**  
**With HUD**

To file a complaint with HUD, the client, agency, or representative may

- submit a written complaint by
  - completing HUD’s Fair Housing complaint form on the HUD website at <http://www.hud.gov/offices/fheo/nov108online-complaint.cfm>, and
  - sending it to the nearest HUD office, or
- call the nearest HUD office.

*Note:* The TTY numbers listed for the various HUD offices are *not* toll free. The toll free national TTY hotline is 800-927-9275.

**References:**

- For additional information on filing discrimination complaints with HUD, contact HUD’s FHEO at 800-669-9777, or for the hearing impaired 800-927-9275.
  - For a list of local HUD offices, see the HUD website at <http://www.hud.gov/complaints/housediscrim.cfm>.
-

## Section C. Required Housing Counseling Services, Topics, and Activities

### Overview

---

**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Required Housing Counseling Services	3-C-2
2. Approved Counseling, Education, and Outreach Topics	3-C-4
3. Delivery of Debt Management or Liquidation Services	3-C-8
4. Discussion of For-Profit Entities	3-C-10
5. Documentation of Client Files	3-C-12
6. Follow-Up to Housing Counseling Services	3-C-13
7. Termination of Housing Counseling Services	3-C-16

---

## 1. Required Housing Counseling Services

Change Date      March 18, 2011

**7610.1 3.C.1.a**  
**List of**  
**Required**  
**Housing**  
**Counseling**  
**Services**

The table describes a list of services that a client must receive in order to be classified as “counseled” under HUD’s Housing Counseling Program.

**Important:** The counselor providing the required housing counseling services described below must document these activities in the client’s file as outlined in [HUD 7610.1 5](#).

Type of Service	Description
Basic Services	For information on the basic housing counseling services, see <a href="#">24 CFR 214.300 (6)(b)</a> .
Housing Counseling	The client must receive counseling on at least one of the topics outlined in <a href="#">HUD 7610.1 3.C.3</a> , which enables the client to make informed and reasonable decisions to achieve his/her housing goal.
Discussion of Alternatives	<p>During counseling, the counselor must include a discussion of at least three reasonable and comparative alternatives and options (such as specific products, features, properties, or programs) available to the client, with at least one of those alternative being the Federal government’s safe and affordable options for home finance provided by the Federal Housing Administration (FHA).</p> <p><b>Important:</b> Counselors must <i>not</i> advise clients or promote specific products, features, or programs. Their role is to simply make counseling recipients aware of their options and empower them with the information they need to help make smart choices.</p> <p><b>Example:</b> If a recipient of pre-purchase counseling asks questions about a specific loan product or feature, the counselor should give the client the opportunity to consider products from at least three different lenders.</p>

*Continued on next page*

# 1. Required Housing Counseling Services, Continued

## 7610.1 3.C.1.a List of Required Housing Counseling Services (continued)

Type of Service	Description
Action Plan	<p>Except for reverse mortgages, housing counselors and clients must establish an action plan as outlined in <a href="#">HUD 7610.1 2.B.4</a> and <a href="#">HUD 7610.1 3.A.4</a> which outlines what the housing counseling agency and client will do in order to</p> <ul style="list-style-type: none"> <li>• meet the client’s housing goals, and</li> <li>• when appropriate, address the client’s housing problem(s).</li> </ul>
Financial Analysis	<p>Every housing counseling session requires an analysis of the client’s unique financial situation, including but not limited to</p> <ul style="list-style-type: none"> <li>• a review of the client’s income, expenses, spending habits, home values, and use of credit</li> <li>• a comparative analysis of the client’s spending habits to determine if the client’s habits are more suitable for renting than owning, and</li> <li>• establishing a household budget that the client can afford.</li> </ul>
Referrals	<p>If a participating agency is unable to provide a service and is aware of a local, state, and/or federal resource that would help meet the client’s needs, the agency should make referrals to such resources.</p> <p><i>Examples:</i> Referrals may be for</p> <ul style="list-style-type: none"> <li>• social service programs</li> <li>• energy assistance programs</li> <li>• fair housing assistance, or</li> <li>• legal services.</li> </ul>

## 2. Approved Counseling, Education, and Outreach Topics

Change Date March 18, 2011

### 7610.1 3.C.2.a List of Approved Counseling, Education, and Outreach Topics

The table below describes the approved housing counseling, education, and outreach topics that participating agencies may provide to and discuss with clients.

**Important:** The counselor discussing the approved counseling, education, and outreach topics described below must document these activities in the client's file as outlined in [HUD 7610.1 5.B.](#)

Topic	Description
Pre-Purchase/ Home Buying	<p>Includes, but is not limited to, advice and guidance on</p> <ul style="list-style-type: none"> <li>• readiness and preparation for homeownership</li> <li>• FHA-insured financing</li> <li>• housing selection and mobility</li> <li>• search assistance</li> <li>• fair housing</li> <li>• fair lending and predatory lending</li> <li>• budgeting and credit</li> <li>• loan product and feature comparison</li> <li>• purchase procedures and closing costs</li> <li>• money management (does <i>not</i> include debt management plan programs)</li> <li>• selecting a real estate agent</li> <li>• home inspections</li> <li>• alternative sources of mortgage credit</li> <li>• down payment assistance</li> <li>• housing that provides universal design and visibility</li> <li>• special programs available to potential homebuyers</li> <li>• use of the Section 8 Homeownership Voucher Program, and</li> <li>• referrals to community services and regulatory services.</li> </ul>

*Continued on next page*

## 2. Approved Counseling, Education, and Outreach Topics, Continued

### 7610.1 3.C.2.a List of Approved Counseling, Education, and Outreach Topics (continued)

Topic	Description
Mortgage Delinquency or Default	<p>Includes, but is not limited to</p> <ul style="list-style-type: none"> <li>• discussions on the consequences of                             <ul style="list-style-type: none"> <li>– default and foreclosure</li> <li>– loss mitigation</li> <li>– budgeting and credit</li> <li>– restructuring debt</li> <li>– obtaining re-certification for mortgage subsidy, and</li> <li>– establishing reinstatement plans, and</li> </ul> </li> <li>• helping clients affected by                             <ul style="list-style-type: none"> <li>– predatory lending</li> <li>– foreclosure prevention strategies</li> <li>– explaining the foreclosure process</li> <li>– providing referrals to other sources, and</li> <li>– assisting clients with locating alternative housing.</li> </ul> </li> </ul> <p><b>Important:</b></p> <ul style="list-style-type: none"> <li>• Efforts to assist clients should ideally begin as soon as the loan becomes delinquent. (<b>Rationale:</b> The earlier that the housing counselor and lender establish contact with the client, identify the cause of the default, and begin to discuss re-instatement options, the more likely it is that the default will be cured and the client able to retain home ownership.)</li> <li>• The housing counselor should conduct follow-up housing counseling with the client on an as-needed basis until the                             <ul style="list-style-type: none"> <li>– default is corrected, or</li> <li>– mortgage lender completes foreclosure and the client has found alternate housing.</li> </ul> </li> </ul>

*Continued on next page*

## 2. Approved Counseling, Education, and Outreach Topics, Continued

### 7610.1 3.C.2.a List of Approved Counseling, Education, and Outreach Topics (continued)

Topic	Description
Non-Delinquency Post-Purchase (including Mortgage Term and Home Improvement)	<p>Includes, but is not limited to, discussions and guidance on such home maintenance and financial management topics as</p> <ul style="list-style-type: none"> <li>• escrow funds</li> <li>• budgeting</li> <li>• refinancing</li> <li>• home equity</li> <li>• home improvement</li> <li>• utility costs</li> <li>• energy efficiency</li> <li>• rights and responsibilities of home owners</li> <li>• loan and grant options</li> <li>• housing codes and housing enforcement procedures</li> <li>• accessibility codes and design features that provide accessibility for persons with disabilities</li> <li>• nondiscriminatory lending and funding for persons who modify their dwellings to accommodate disabilities</li> <li>• visibility and universal design</li> <li>• specifications and bidding on construction work, and</li> <li>• entering into and managing construction contracts, including actions to address the non-performance of contractors.</li> </ul>
Rental Housing	<p>Includes, but is not limited to, such rental topics as</p> <ul style="list-style-type: none"> <li>• HUD rental and rent subsidy programs</li> <li>• other Federal, state, or local rental assistance</li> <li>• fair housing</li> <li>• housing search assistance</li> <li>• landlord/tenant laws</li> <li>• lease terms</li> <li>• rent delinquency</li> <li>• budgeting for rent payments, and</li> <li>• assistance with locating alternate housing.</li> </ul>

*Continued on next page*

## 2. Approved Counseling, Education, and Outreach Topics, Continued

---

### 7610.1 3.C.2.a List of Approved Counseling, Education, and Outreach Topics (continued)

Topic	Description
Reverse Mortgage	<p data-bbox="440 495 1398 600">Includes discussions and guidance on FHA’s reverse mortgage product, Home Equity Conversion Mortgage (HECM), as described in <a href="#">HUD 7610.1 4</a>.</p> <p data-bbox="440 642 1122 674"><i>Note:</i> A reverse mortgage is a mortgage product that</p> <ul data-bbox="440 680 1390 789" style="list-style-type: none"> <li data-bbox="440 680 1390 747">• pays a homeowner loan proceeds drawn from accumulated home equity, and</li> <li data-bbox="440 753 997 789">• requires no repayment until a future time.</li> </ul>
Homeless Assistance	<p data-bbox="440 795 1114 827">Includes, but is not limited to, information regarding</p> <ul data-bbox="440 869 854 980" style="list-style-type: none"> <li data-bbox="440 869 699 905">• emergency shelter</li> <li data-bbox="440 911 854 947">• other emergency services, and</li> <li data-bbox="440 953 724 980">• transitional housing.</li> </ul>

---

### 3. Delivery of Debt Management or Liquidation Services

---

**Introduction** This topic contains information on the delivery of debt management and liquidation services, including

- correlation of debt management to the housing counseling process
- omission of debt management services from the housing counseling work plan and counseling activity report
- client-counselor contracts for debt management and liquidation services
- participating agency compliance with state and local debt management laws, and
- fees for debt management services.

---

**Change Date** March 18, 2011

---

**7610.1 3.C.3.a  
Correlation of  
Debt  
Management to  
the Housing  
Counseling  
Process** HUD considers debt management services as an activity related to, but apart from, the housing counseling process even though it may be a direct result of housing counseling.

---

**7610.1 3.C.3.b  
Omission of  
Debt  
Management  
Services From  
the Housing  
Counseling  
Work Plan and  
Counseling  
Activity Report** Since the administration of client debt management plans is *not* considered housing counseling, the agency does *not* include it on the housing counseling work plan or counseling activity report.

---

*Continued on next page*

### 3. Delivery of Debt Management or Liquidation Services,

Continued

---

**7610.1 3.C.3.c**  
**Client-  
Counselor  
Contracts for  
Debt  
Management or  
Liquidation  
Services**

Counselors and clients must enter into client-counselor contracts when the counselors are

- negotiating payment plans with creditors, or
- handling the client's money.

Making payments to creditors for the client is usually done under a client-counselor contract.

*Note:* The client-counselor contract governs the services provided by the housing counselor and the obligations of the client to the agency.

---

**7610.1 3.C.3.d**  
**Participating  
Agency  
Compliance  
With State and  
Local Debt  
Management  
Laws**

Agencies that provide debt management services must assure HUD in writing that they comply with all state and local laws, including agency bonding, that govern these services.

---

**7610.1 3.C.3.e**  
**Fees for Debt  
Management  
Services**

Fees charged for debt management services must meet HUD's guidelines as outlined in

- [HUD 7610.1 7.4.b](#)
  - [HUD 7610.1 7.4.c](#), and
  - [HUD 7610.1 7.4.d](#).
-

## 4. Discussion of For-Profit Entities

---

**Introduction** This topic contains information on the discussion of for-profit entities, including

- when discussion regarding for-profit entities may arise
  - the requirements to discuss for-profit alternatives, and
  - cautions on advice provided during for-profit entity discussions.
- 

**Change Date** March 18, 2011

---

**7610.1 3.C.4.a  
When  
Discussions  
Regarding For-  
Profit Entities  
May Arise** Discussions regarding for-profit entities may arise when counselors are helping clients resolve their housing problems.

---

**7610.1 3.C.4.b  
Requirement to  
Discuss For-  
Profit  
Alternatives** If a client requests information or asks questions about a particular for-profit entity or the counselor feels that having information about a specific for-profit entity is in the best interest of the client, the agency may discuss the for-profit entity so long as the agency also discusses a minimum of three reasonable alternative for-profit entities, if available.

***Important:*** In the case of lenders, the alternatives must include a discussion on FHA mortgage insurance programs and features.

***Reference:*** For information on discussing lenders with reverse mortgage clients, see [HUD 7610.1 4.C.4.](#)

---

*Continued on next page*

## 4. Discussion of For-Profit Entities, Continued

---

**7610.1 3.C.4.c  
Cautions on  
Advice  
Provided  
During For-  
Profit Entity  
Discussions**

Counselors must *not* advise clients on for-profit entities or promote specific entities. The counselor must simply

- make counseling recipients aware of their options, and
- provide the information needed to make smart choices.

***Important:*** To avoid conflict of interest, adhere to the safeguards and disclosures outlined in [HUD 7610.1 6.B.5](#).

---

## 5. Documentation of Client Files

---

**Introduction** This topic contains information on the requirements for the documentation of client files, including

- the documentation of housing counseling services, topics, and activities in the client files, and
  - closing client files for housing counseling.
- 

**Change Date** March 18, 2011

---

**7610.1 3.C.5.a  
Documentation  
of Housing  
Counseling  
Services,  
Topics, and  
Activities in the  
Client Files** The counselor must document all the required housing counseling services, topics, and activities as outlined in [HUD 7610.1 3.C.1](#) and [HUD 7610.1 3.C.2](#) in the client's confidential file.

*Reference:* For information on documenting the required housing counseling services, topics, and activities in the client's confidential file, see [HUD 7610.1 5.B.](#)

---

**7610.1 3.C.5.b  
Closing Client  
Files for  
Housing  
Counseling** Client files cannot remain open indefinitely. Upon termination of the housing counseling, the client file must be closed.

*Reference:* For information on the termination of housing counseling, see [HUD 7610.1 3.C.7.](#)

---

## 6. Follow-Up to Housing Counseling Services

---

**Introduction** This topic contains information on follow-up to housing counseling services, including

- the purpose of client follow-up
  - who performs client follow-up
  - the requirements for client follow-up notifications, and
  - client follow-up process.
- 

**Change Date** March 18, 2011

---

**7610.1 3.C.6.a Purpose of Client Follow-Up** Participating agencies make a reasonable effort to have follow-up communication with the client in order to

- assure that the client is progressing toward his/her housing goal
  - modify or terminate housing counseling, and
  - learn and report outcomes.
- 

**7610.1 3.C.6.b Who Performs Client Follow-Up** Qualified housing counselors must conduct client follow-up.

***Important:*** Hiring a third party agency to conduct follow-up services is prohibited.

---

**7610.1 3.C.6.c Requirements for Client Follow-Up Notifications** Letters or e-mails sent to the client as follow-up to housing counseling must ask the client to contact the housing counseling agency no later than 30 days from the date of the notification.

***Note:*** This requirement also applies to HECM counseling.

---

*Continued on next page*

## 6. Follow-Up to Housing Counseling Services, Continued

---

**7610.1 3.C.6.d** The table below describes the stages of the client follow-up process.

**Client Follow-Up Process**

*Note:* Issuing surveys to assess housing outcomes does *not* fully meet the requirement for client follow-up.

Stage	The agency must...
1	<p>After 60 days of no contact with the client, make a reasonable effort to conduct a verbal (in person or by phone) follow-up session.</p> <p>Is the counselor able to converse with the client?</p> <ul style="list-style-type: none"> <li>• If <i>yes</i>, go to Stage 4.</li> <li>• If <i>no</i>, go to Stage 2.</li> </ul>
2	<p>Make another reasonable effort to conduct a verbal (in person or by phone) follow-up session.</p> <p>Is the counselor able to converse with the client?</p> <ul style="list-style-type: none"> <li>• If <i>yes</i>, go to Stage 4.</li> <li>• If <i>no</i>, go to Stage 3.</li> </ul>
3	<p>Send a letter or e-mail to the client stating what efforts have been made and that there is a need for follow-up communication.</p> <p>Does the client contact the counselor after receiving the letter or e-mail?</p> <ul style="list-style-type: none"> <li>• If <i>yes</i>, go to Stage 4.</li> <li>• If <i>no</i>, go to Stage 5.</li> </ul> <p><b>Reminder:</b> The letter or e-mail must ask the client to contact the housing counseling agency no later than 30 days from the date of the notification.</p>

*Continued on next page*

## 6. Follow-Up to Housing Counseling Services, Continued

---

### 7610.1 3.C.6.d Client Follow-Up Process (continued)

Stage	The agency must...
4	<p>Determine if the client wants and/or needs to continue housing counseling.</p> <p>Does the client wish and/or need to continue housing counseling?</p> <ul style="list-style-type: none"> <li>• If <i>yes</i> <ul style="list-style-type: none"> <li>– resume housing counseling, and</li> <li>– this ends the process.</li> </ul> </li> <li>• If <i>no</i>, go to Stage 5.</li> </ul>
5	<p>If there has been no client contact within a 90-day period,</p> <ul style="list-style-type: none"> <li>• cease to bill or count that client as an active file against any future billing periods unless client contact is reinitiated, and</li> <li>• terminate the housing counseling as outlined in <a href="#">HUD 7610.1 3.C.7.</a></li> </ul>

---

## 7. Termination of Housing Counseling Services

---

<b>Introduction</b>	<p>This topic contains information on the termination of housing counseling services, including the</p> <ul style="list-style-type: none"> <li>• conditions for terminating housing counseling services</li> <li>• follow-up prior to the termination of housing counseling services for lack of client contact</li> <li>• documentation of terminations in the client files, and</li> <li>• billing or reporting inactive housing counseling files.</li> </ul>
<b>Change Date</b>	<p>March 18, 2011</p>
<b>7610.1 3.C.7.a Conditions for Terminating Housing Counseling Services</b>	<p>The termination of housing counseling services occurs or may occur under any of these conditions:</p> <ul style="list-style-type: none"> <li>• the client meets his/her housing needs or resolves his/her housing problem</li> <li>• the agency determines that further housing counseling will not meet the client's housing need or resolve the client's housing problem</li> <li>• the agency attempts but is unable to locate the client</li> <li>• the client does <i>not</i> follow the agreed-upon action plan</li> <li>• the client otherwise terminates housing counseling</li> <li>• the client fails to appear for housing counseling appointments or respond to agency inquiries concerning the client's progress in resolving his/her housing need or problem, or</li> <li>• other circumstances beyond the participating agency's or client's control, such as a natural disaster, that might prevent continuation of counseling.</li> </ul>
<b>7610.1 3.C.7.b Follow-Up Prior to the Termination of Housing Counseling Services for Lack of Client Contact</b>	<p>If there is no client contact for 60 days, the counselor must make reasonable efforts to follow-up with the client prior to terminating housing counseling as outlined in <a href="#">HUD 7610.1 3.C.6</a>.</p>

---

*Continued on next page*

## 7. Termination of Housing Counseling Services, Continued

---

### 7610.1 3.C.7.c Documentation of Terminations in the Client File

The housing counselor must document the termination of housing counseling in the client's file, including the

- date of the termination, and
  - cause/explanation of the termination.
- 

### 7610.1 3.C.7.d Billing or Reporting Inactive Housing Counseling Client Files

If the agency does not have any client contact within a 90-day period, the agency must *not* do any of the following *unless* client contact is re-initiated:

- bill a client file against a HUD housing counseling grant
- count that client as an active file against any future billing periods, or
- count the file as activity under the grant solely because the agency maintains the file in an open status.

***Rationale:*** Actual counseling, education, preparation, or follow-up activity must occur to justify billing a HUD housing counseling grant.

***Note:*** If a client file remains open over multiple reporting cycles or quarters, the initial counseling or education activity is only recorded once on the logic model in the quarter in which it actually occurred. If follow-up occurs in the next quarter, it is still considered part of the initial counseling interaction already recorded in the previous quarter and cannot be counted again on the logic model. The agency can, however, bill the grant for follow-up activity.

---

## Section A. Overview of Reverse Mortgage Counseling

### Overview

---

**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. General Information on Reverse Mortgage Counseling	4-A-2
2. Eligibility to Provide Reverse Mortgage Counseling	4-A-4
3. Types of Reverse Mortgage Housing Counseling Education and Methods of Delivery	4-A-7
4. Home Equity Conversion Mortgage (HECM) Counseling Fees	4-A-11
5. Sources of Information on Reverse Mortgages	4-A-14
6. Handling Concerns/Complaints Against HECM Lenders/Reverse Mortgage Counselors	4-A-15

---

## 1. General Information on Reverse Mortgage Counseling

---

**Introduction** This topic contains general information on reverse mortgage counseling, including

- a description of a reverse mortgage
  - the purpose of reverse mortgage counseling, and
  - Federal Housing Administration's (FHA's) reverse mortgage product – Home Equity Conversion Mortgage (HECM).
- 

**Change Date** March 18, 2011

---

**7610.1 4.A.1.a Description of a Reverse Mortgage** A reverse mortgage is a mortgage that pays a homeowner loan proceeds drawn from accumulated home equity and that requires no repayment until a future time.

---

**7610.1 4.A.1.b Purpose of Reverse Mortgage Counseling** Reverse mortgage counseling assists seniors who seek to convert equity in their homes into income that can be used to pay for

- home improvements
- medical costs
- living expenses, or
- other expenses.

---

*Continued on next page*

## 1. General Information on Reverse Mortgage Counseling, Continued

---

**7610.1 4.A.1.c**  
**FHA's Reverse**  
**Mortgage**  
**Product –**  
**HECM**

The Federal Housing Administration (FHA) insures a reverse mortgage known as a Home Equity Conversion Mortgage (HECM).

For purposes of the HECM program/product, the Department of Housing and Urban Development (HUD) defines a participating agency as a HUD-approved counseling agency that

- employs a HECM Roster counselor, and
- includes HECM counseling in its housing counseling work plan.

*References:* For more information on the

- counseling requirements for HECM, see [HUD 7610.1 4.C](#)
  - HECM Roster, see [HUD's website](#), and
  - housing counseling work plan, see
    - [HUD 7610.1 2.B.4](#), and
    - [HUD 7610.1 6.B.2](#).
-

## 2. Eligibility to Provide Reverse Mortgage Counseling

---

**Introduction** This topic contains information on eligibility to provide reverse mortgage counseling, including

- entities eligible to provide reverse mortgage counseling
- criteria for placement on the HECM Counselor Roster
- required use of the HECM Counseling Protocol
- continuing education requirement for remaining on the HECM Counselor Roster, and
- agency work plan eligibility requirement.

---

**Change Date** March 18, 2011

---

**7610.1 4.A.2.a  
Entities Eligible  
to Provide  
Reverse  
Mortgage  
Counseling** In order to be eligible to provide reverse mortgage counseling, entities, or individuals must

- be separate from reverse mortgage lending institutions, and
- have (or be) an active HECM Roster counselor.

---

*Continued on next page*

## 2. Eligibility to Provide Reverse Mortgage Counseling,

Continued

---

### 7610.1 4.A.2.b Criteria for Placement on the HECM Counselor Roster

To be placed on the HECM Counselor Roster, a counselor must

- be employed by a HUD-approved housing counseling agency or an affiliate of a HUD-approved intermediary or State Housing Finance Agency (SHFA)
- have successfully passed the standardized HECM exam administered by HUD, or a party selected by HUD
- have received training and education related to HECM within the prior two years
- have access to technology that enables HUD to track the results of the counseling offered to each HECM client
- *not* be documented on any of the following:
  - the General Service Administration’s (GSA’s) Suspension or Debarment List
  - HUD’s Limited Denial of Participation List, or
  - HUD’s Credit Alert Interactive Voice Response System (CAIVRS), and
- use the HECM Protocol as discussed in [HUD 7610.1 4.A.2.c](#).

**Reference:** For more information on the requirements for placement on HUD’s HECM Counselor Roster, see [24 CFR Part 206](#).

---

### 7610.1 4.A.2.c Required Use of the HECM Counseling Protocol

In addition to the criteria in [HUD 7610.1 4.A.2.b](#), and as a condition of eligibility to provide reverse mortgage counseling, HECM Roster Counselors are also required to use HUD’s standardized [HECM Protocol](#) as guidance when providing HECM counseling.

**Note:** The HECM Protocol provides guidance to counselors on all the information that they must cover during a counseling session.

---

*Continued on next page*

## 2. Eligibility to Provide Reverse Mortgage Counseling,

Continued

---

**7610.1 4.A.2.d  
Continuing  
Education  
Requirement  
for Remaining  
on the HECM  
Counselor  
Roster**

In order to remain active on the HECM Counselor Roster, a counselor must

- provide proof of training or continuing education every two years, and
- pass the HECM exam every three years.

These timeframes are effective from the date the counselor is placed on the Roster (that is, the counselor must receive training or continuing education within two years of the date the counselor is placed on the HECM Counselor Roster.)

---

**7610.1 4.A.2.e  
Agency Work  
Plan Eligibility  
Requirement**

An agency must identify reverse mortgage counseling in its approved housing counseling work plan, including the specific geographic areas where the agency will provide reverse mortgage counseling.

Additionally, an agency

- may provide telephone counseling nationwide, provided this is included in the housing counseling work plan, and
  - must also agree in its housing counseling work plan to HUD's quality control measures which may include
    - mystery shopping
    - performance reviews, or
    - other actions as determined by HUD.
-

### 3. Types of Reverse Mortgage Housing Counseling Education and Methods of Delivery

---

**Introduction** This topic contains information on types of housing counseling education and the methods of delivery, including

- HUD policy on the use of group education or marketing and outreach, and
  - requirements for
    - one-on-one counseling
    - face-to-face meetings
    - reverse mortgage telephone counseling or other mutually agreed upon method, and
    - emergency counseling for HECM clients.
- 

**Change Date** March 18, 2011

---

**7610.1 4.A.3.a HUD Policy on the Use of Group Education or Marketing and Outreach** A participating agency may provide general reverse mortgage program information to potential borrowers through group education or marketing and outreach, but *must not*

- use these types of activities to deal with individual client needs which require confidentiality and prudent use of private information, and/or
- issue the Reverse Mortgage Housing Counseling Certificate to a person who attends *only* a group education or marketing and outreach session.

---

**7610.1 4.A.3.b Requirements for One-on-One Counseling** One-on-one reverse mortgage counseling

- is required to receive a HECM loan
- must meet the requirements of [HUD 7610.1 3.B.1](#) (*Exception*: Written action plans are *not* required for reverse mortgage counseling.), and
- culminates with the issuance of a HECM Counseling Certificate to the counseling recipient as proof that the counseling occurred and the client has a basic understanding of the HECM program.

**Note:** Other reverse mortgage programs may also have counseling requirements.

---

*Continued on next page*

### 3. Types of Reverse Mortgage Housing Counseling Education and Methods of Delivery, Continued

---

**7610.1 4.A.3.c  
Requirements  
for Face-to-  
Face Meetings**

HUD recommends that potential reverse mortgage borrowers, particularly HECM borrowers, meet face-to-face with a counselor and lender to

- discuss their unique financial circumstances, and
- decide what options are best for them.

Face-to-face counseling enables the counselor to assess whether the client understands the alternative features and reverse mortgage options and the financial implications of a reverse mortgage on his/her household. All agencies offering reverse mortgage counseling must have the capacity to conduct face-to-face counseling with prospective reverse mortgage borrowers.

Counselors must

- advise potential clients that they have a choice to have a face-to-face or counseling through another mutually agreed upon format, such as telephone counseling, and
- document the choice in the client's case file.

Additionally, counselors may provide home visits for those clients who cannot get to the participating agency's office.

---

*Continued on next page*

### 3. Types of Reverse Mortgage Housing Counseling Education and Methods of Delivery, Continued

---

**7610.1 4.A.3.d  
Requirements  
for Reverse  
Mortgage  
Telephone  
Counseling**

HUD recognizes that many seniors prefer telephone counseling to face-to-face counseling for a variety of reasons, including limited mobility and health conditions.

HUD allows participating agencies to provide telephone reverse mortgage counseling *only* if the agency

- has indicated that it will provide this as a service option within its HUD-approved housing counseling work plan, and
- has also defined within its work plan the geographic area in which it will conduct the telephonic counseling.

**Note:** Participating agencies may provide nationwide telephonic counseling as long as it is defined in the housing counseling work plan, and not prohibited by state law.

---

*Continued on next page*

### 3. Types of Reverse Mortgage Housing Counseling Education and Methods of Delivery, Continued

---

**7610.1 4.A.3.e  
Emergency  
Counseling for  
HECM Clients**

Emergency counseling is HECM counseling that occurs without the client scheduling an appointment in advance. The client may receive emergency counseling by phone or in person only if the client

- is in imminent danger of losing his/her home, or
- requires access to funds for impending medical treatment, and he/she is not able to access these funds without obtaining proceeds from a HECM.

***Required Borrower Documentation***

HUD requires that the borrowers provide documentation that the emergency counseling is necessary. The documentation should indicate that the client's home is in imminent danger of being foreclosed or that the client needs impending medical treatment.

***Provision of Required Handouts/Materials by the Counselor***

HUD permits emergency counseling without a prior appointment, and recognizes that in emergency circumstances, it is unlikely that the client has received HUD's required handouts, unless a lender has provided them previously.

Unlike scheduled face-to-face or telephone counseling, counselors who are participating in emergency counseling are not required to provide relevant materials to clients prior to the counseling session, but must provide HUD's required handouts and other resource material immediately after the session via

- email
- fax, or
- regular mail.

***Reference:*** For a listing of HUD's required handouts to clients, see [HECM PROTCL 7.B.1](#).

---

## 4. Home Equity Conversion Mortgage (HECM) Counseling Fees

---

**Introduction** This topic contains information on HECM counseling fees, including

- HUD requirements regarding HECM counseling fees
- methods of payment of HECM counseling fees
- agency restrictions and responsibility for determining a client's ability to pay, and
- parties barred from providing compensation to counseling agencies.

---

**Change Date** March 18, 2011

---

**7610.1 4.A.4.a HUD Requirements Regarding HECM Counseling Fees** In accordance with [24 CFR Part 214.313](#) participating agencies are permitted to charge fees for reverse mortgage counseling services as long as the

- cost does not create a financial hardship for the client and related parties, and
- fee is customary and reasonable and does not exceed the actual cost of providing the service.

**Reference:** For more information on housing counseling fees, see [HUD 7610.1 1.5](#).

---

*Continued on next page*

## 4. Home Equity Conversion Mortgage (HECM) Counseling Fees, Continued

---

### 7610.1 4.A.4.b Methods of Payment of HECM Counseling Fees

The reverse mortgage counseling charges may be paid in either of the two following ways:

- the HECM counseling client and related parties can pay counseling fees directly to the agency, or
- the cost of HECM counseling can be paid out of a HECM borrower's loan proceeds.

The closing agent may assume responsibility for remitting payment to the counseling agency that performed the service.

*Note:* Payment methods must be reflected in the 800 series on the [HUD-1, Settlement Statement](#).

---

### 7610.1 4.A.4.c Agency Restrictions and Responsibility for Determining a Client's Ability to Pay

The housing counseling agency must make a determination about a client's ability to pay the HECM counseling fee based on factors including, but not limited to, income and debt obligations. Clients must not be turned away because of an inability to pay counseling fees.

Additionally, HUD requires that housing counseling agencies avoid unnecessary separate counseling, and make every practical effort to counsel the borrower(s) and any related parties simultaneously.

Housing counseling agencies cannot

- offer a discount on counseling fees based on the client's ability to pay for the service upfront
  - penalize a client who needs to pay for counseling services out of the HECM loan proceeds, or
  - withhold counseling or the HECM Counseling Certificate based on a client's failure to pay.
- 

*Continued on next page*

## 4. Home Equity Conversion Mortgage (HECM) Counseling Fees, Continued

---

**7610.1 4.A.4.d Parties Barred From Providing Compensation to Counseling Agencies** Lenders (originators, servicers and funders) or other parties that sell annuities, investments, long-term care insurance, or any other type of financial or insurance products are barred from providing compensation to counseling agencies. Housing counseling agencies cannot accept compensation from these entities.

---

## 5. Sources of Information on Reverse Mortgages

---

Change Date      March 18, 2011

---

**7610.1 4.A.5.a**      The publications listed in the table below provide information about the alternatives to HECM. In addition, there are additional resources available in [HECM PROTCL 7.C](#).  
**Sources of Information for Reverse Mortgage Counseling**

<b>Source</b>	<b>Publication</b>	<b>Description</b>
HUD	<i>Options for Elderly Homeowners: A Guide to Reverse Mortgages and their Alternatives</i>	Describes both alternative forms of home equity conversion mortgages and alternatives to reverse mortgages.  It is available from HUD USER, which can be accessed by using the Search button at <a href="http://www.hud.gov">www.hud.gov</a> .
Fannie Mae	<i>Money From Home: A Guide to Understanding Reverse Mortgages</i>	Can be downloaded from Fannie Mae's website at <a href="http://www.fanniemae.com/global/pdf/homebuyers/moneyfromhome.pdf">http://www.fanniemae.com/global/pdf/homebuyers/moneyfromhome.pdf</a>

---

## 6. Handling Concerns/Complaints Regarding HECM Lenders/Reverse Mortgage Counselors

---

**Change Date**      March 18, 2011

---

**7610.1 4.A.6.a  
Concerns or  
Complaints  
Regarding a  
HECM Lender  
or Reverse  
Mortgage  
Counselor**

If a consumer, lender, counselor or representative from the housing industry has a concern or complaint about the services provided by a particular HECM lender or reverse mortgage counselor, he/she should immediately contact the HUD Homeownership Center (HOC) in the appropriate jurisdiction.

*Reference:* For contact information for the HUD HOCs, see [HUD 7610.1 8.2](#).

---

## Section B. Counseling Requirements for HECM

### Overview

---

**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Regulatory Requirement for HECM Borrower Counseling	4-B-2
2. Persons Required to Receive Reverse Mortgage Counseling	4-B-4
3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse	4-B-6
4. HECM Counseling Certificate Requirements	4-B-11

---

# 1. Regulatory Requirement for HECM Borrower Counseling

---

**Introduction** This topic contains information on the regulatory requirements for Home Equity Conversion Mortgage (HECM) borrower counseling, including

- the regulatory counseling requirement for HECM borrowers
  - face-to-face counseling for prospective HECM borrowers, and
  - exceptions to the HECM/reverse mortgage counseling requirement for borrowers who are refinancing.
- 

**Change Date** March 18, 2011

---

**7610.1 4.B.1.a Regulatory Counseling Requirement for HECM Borrowers** Section 255(d) of the National Housing Act and the implementing Federal Housing Administration (FHA) regulations at [24 CFR 206.41](#) state that

- all prospective Home Equity Conversion Mortgages (HECM) borrowers must receive reverse mortgage counseling prior to obtaining a HECM, and
- the counseling must be received from eligible counselors working for participating agencies approved to provide this statutorily required counseling.

To meet the statutory requirements for obtaining a HECM, the prospective borrower must receive one-on-one reverse mortgage counseling and be issued a HECM Counseling Certificate.

A group of related family members, if they are documented on the deed together, are also required to receive reverse mortgage counseling by a HECM counselor.

---

*Continued on next page*

## 1. Regulatory Requirement for HECM Borrower Counseling, Continued

---

### 7610.1 4.B.1.b Face-to-Face Counseling for Prospective HECM Borrowers

While FHA prefers that all prospective HECM borrowers participate in face-to-face interviews with a HECM lender and reverse mortgage counselor, this procedure may create a hardship for some prospective HECM borrowers, particularly those living in rural areas or with limited mobility.

For this reason, FHA allows prospective HECM borrowers the option of

- meeting face-to-face with the lender and/or reverse mortgage counselor, or
- participating in loan origination and counseling activities by telephone or other HUD-approved mutually agreed upon format for counseling.

A prospective HECM borrower who decides to forego participation in face-to-face counseling is still required to fulfill FHA's mandatory reverse mortgage counseling requirement (for example, completing a telephone counseling session).

**Reference:** For more information on types of counseling education and methods of delivery, see [HUD 7610.1 4.A.3](#).

---

### 7610.1 4.B.1.c Exceptions to the HECM/Reverse Mortgage Counseling Requirement for Borrowers Who Are Refinancing

Per [24 CFR 206.53](#), HECM borrowers who are refinancing into a new HECM mortgage may choose not to receive counseling *only* if the following conditions are met:

- the HECM borrower received the anti-churning disclosure form required by law in connection with the new loan
  - the increase in the borrower's principal limit exceeds the total cost of the refinancing by five times (**Note:** Although the current threshold is by five times, this may change – see the Federal Register for the most current standard.), and
  - the timing between the closing on the existing HECM loan and the date of the application for refinancing does not exceed five years.
-

## 2. Persons Required to Receive Reverse Mortgage Counseling

---

**Introduction** This topic contains information on persons who are required to receive reverse mortgage counseling, including

- the requirement for all eligible HECM borrowers to receive reverse mortgage housing counseling
  - HUD’s expectation of simultaneous counseling of multiple borrowers, and
  - persons who must receive reverse mortgage counseling.
- 

**Change Date** March 18, 2011

---

**7610.1 4.B.2.a Requirement for All Eligible HECM Borrowers to Receive Reverse Mortgage Housing Counseling** All eligible HECM borrower(s) meeting the requirements of [HUD Handbook 4235.1](#), including all eligible borrowers on the property deed, must receive reverse mortgage counseling covering the topics outlined in this chapter.

---

**7610.1 4.B.2.b HUD’s Expectation of Simultaneous Counseling of Multiple Borrowers** In the event that multiple eligible borrowers shown on the deed are not located in the same place

- counseling may be provided to these parties by one counselor via teleconference call or the individuals may receive counseling separately from different counselors, *but*
- HUD expects counseling agencies to
  - avoid unnecessary separate counseling, and
  - make every practical effort to counsel the borrower(s) and any related parties simultaneously.

---

*Continued on next page*

## 2. Persons Required to Receive Reverse Mortgage Counseling, Continued

**7610.1 4.B.2.c  
Persons Who  
Must Receive  
Reverse  
Mortgage  
Counseling**

The table below lists all persons who are party to a reverse mortgage and are required to receive reverse mortgage housing counseling.

Person	Requirement
Person(s) on the Deed	Any person(s) listed on the deed must receive reverse mortgage counseling.
Beneficiaries of Trusts	<p>FHA will insure a HECM on property held in the name of a trust with beneficiaries according to the provisions described in</p> <ul style="list-style-type: none"> <li>• <a href="#">HUD Handbook 4235.1</a>, and</li> <li>• <a href="#">ML 93-22</a>.</li> </ul> <p>These documents provide, in part, that all beneficiaries of the trust should be eligible HECM borrowers at the time of origination and until the mortgage is released.</p> <p>Current trust beneficiaries or individuals who are eligible HECM borrowers and are seeking a HECM loan must</p> <ul style="list-style-type: none"> <li>• attend reverse mortgage counseling, and</li> <li>• sign the HECM Counseling Certificate.</li> </ul>
Borrower’s Legal Representative	<p>For borrowers lacking legal competency, the counseling session must be conducted with a</p> <ul style="list-style-type: none"> <li>• person holding a power of attorney (POA) for the borrower, or</li> <li>• court-appointed conservator or guardian.</li> </ul>

### 3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse

---

**Introduction**

This topic contains information on

- persons not required to receive reverse mortgage counseling, including
    - the prospective borrower’s children
    - persons with a reversionary or remainder interest in the real estate, trustees, and contingent beneficiaries of a life estate, and
    - persons with advocacy interest, and
  - a caution to the non-borrower spouse that quitclaims interest in real estate serving as security for a HECM.
- 

**Change Date**

March 18, 2011

---

**7610.1 4.B.3.a  
Prospective  
HECM  
Borrower’s  
Children**

The children of a prospective HECM borrower are *not* required to receive reverse mortgage counseling, if they

- do not qualify for a HECM, but currently reside in the subject property, or
- are on the title for the real estate that will serve as the security for the FHA-insured HECM, but will be removed from the title prior to closing.

Although counseling for the child of a prospective HECM borrower is not required, it is permissible, and reverse mortgage counseling should be made available by a HUD-approved housing counseling agency, if requested by the child and consent is given by the client. If a POA is in place and the client is unable to give consent, counseling can be provided on the basis of the POA’s consent.

**Note:** Counseling for the children of a prospective borrower does not have to take place at the same agency that provided reverse mortgage counseling to the borrower.

---

*Continued on next page*

### 3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse, Continued

**7610.1 4.B.3.b  
Persons With a Reversionary or Remainder Interest in the Real Estate, Trustees, and Contingent Beneficiaries of a Life Estate**

While counseling is *not* required for persons with a reversionary or remainder interest in the real estate, or trustees and contingent beneficiaries who are not HECM borrowers, FHA *strongly* encourages these individuals to seek reverse mortgage counseling at a HUD-approved housing counseling agency of their choice, which does not have to be the same agency that provided reverse mortgage counseling to the HECM borrower.

If these persons

- *do* attend counseling, they do *not* sign the HECM Counseling Certificate, or
- *do not* attend counseling, they should still be familiar with the program requirements for the FHA-insured HECM.

The table below outlines additional information and requirements for these types of persons/beneficiaries.

Type of Person/Beneficiary	Requirements
Persons with a reversionary or remainder interest in the real estate serving as security for a HECM	<p>Under FHA regulations at <a href="#">24 CFR 206.35</a>, if a HECM borrower holds a life estate in the property that will serve as the security for the FHA-insured HECM, persons with a reversionary or remainder interest in that property also must execute the HECM mortgage.</p> <p>The referenced “reversionary or remainder interest” is an interest in the real estate that will serve as the security for the FHA-insured HECM. The trustee must also sign the mortgage.</p> <p>Counseling is <i>not</i> required for persons with a reversionary or remainder interest in the real estate.</p>

*Continued on next page*

### 3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse, Continued

#### 7610.1 4.B.3.b Persons With a Reversionary or Remainder Interest in the Real Estate, Trustees, and Contingent Beneficiaries of a Life Estate (continued)

Type of Person/Beneficiary	Requirements
Contingent beneficiary	Contingent beneficiaries of the trust who will neither receive any benefit from the trust nor have any control over trust assets until the beneficiaries/HECM borrowers are deceased <ul style="list-style-type: none"> <li>• need <i>not</i> be eligible HECM borrowers, and</li> <li>• are <i>not</i> required to receive reverse mortgage counseling.</li> </ul>
Trustee	The trustee is <i>not</i> required to attend counseling unless the trustee is also the beneficiary/HECM borrower.

#### 7610.1 4.B.3.c Persons With Advocacy Interest

The following persons with advocacy interest may attend the housing counseling session if the borrower requests it and/or agrees:

- non-borrower members of the borrower's family
- the borrower's attorney
- a friend or friends of the borrower, or
- staff from a HUD-approved housing counseling agency.

**Important:** Advocacy interest *does not* include a representative of the lending entity.

*Continued on next page*

### 3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse, Continued

---

**7610.1 4.B.3.d  
Cautions to the  
Non-Borrower  
Spouse Who  
Quitclaims  
Interest in Real  
Estate Serving  
as Security for  
a HECM**

In some cases, spouses of prospective HECM borrowers have quitclaimed their interests in the real estate which will serve as the security for an FHA-insured HECM, when the spouse of the prospective HECM borrower has chosen not to seek, or is ineligible for, an FHA-insured HECM.

***FHA Recommendation for Counseling:***

To ensure that the non-borrowing spouse understands the implications and risks posed by quit claiming his/her interest in the real estate, FHA recommends that the HECM non-borrowing spouse receive reverse mortgage counseling.

Non-borrowing spouses include a spouse who is

- currently on the title for the real estate that will serve as the security for the FHA-insured HECM and is eligible for a HECM, but instead plans to be removed from the title
- ineligible to receive a HECM because he/she is under 62 years of age but is on the title for the property that will serve as the security for the FHA-insured HECM but plans to be removed from the title, or
- currently not on the title for the real estate.

In the first two cases described above, if the non-borrowing spouse elects to quitclaim his/her interest in the property to the prospective HECM borrower, it should be done prior to the HECM closing.

---

*Continued on next page*

### 3. Persons Not Required to Receive Reverse Mortgage Counseling and Cautions to the Non-Borrower Spouse, Continued

---

**7610.1 4.B.3.e  
HECM is Non-  
Assumable by  
the Non-  
Borrower  
Spouse**

During counseling, all parties must be made aware that the FHA-insured HECM cannot be assumed by the non-borrower spouse upon the HECM borrower's death or change of primary residence. In other words, the HECM becomes due and payable

- upon the HECM borrower's death, or
  - when the real estate is no longer the primary residence of the HECM borrower.
-

## 4. HECM Counseling Certificate Requirements

---

**Introduction** This topic contains information on requirements for the HECM Counseling Certificate, including

- the purpose of the required HECM Counseling Certificate
  - a statement that the issuance of the HECM Counseling Certificate attests only to the completion of counseling
  - the HECM Counseling Certificate form
  - HECM Counseling Certificate required signatures and information
  - reasons to withhold a HECM Counseling Certificate
  - agency requirements for retaining the HECM Counseling Certificate and providing copies to clients counseled by telephone, and
  - forwarding the HECM Counseling Certificate to the client’s lender.
- 

**Change Date** March 18, 2011

---

**7610.1 4.B.4.a Purpose of the Required HECM Counseling Certificate** A HECM Counseling Certificate is issued upon the successful completion of the HECM counseling session to demonstrate to the lender that the statutorily required counseling was provided.

Other reverse mortgage products and programs may also require this certification of reverse mortgage counseling.

---

**7610.1 4.B.4.b Issuance of the HECM Counseling Certificate Attests Only to the Completion of Counseling** The counseling agency’s issuing of a HECM Counseling Certificate

- attests *only* to the fact that the client attended and participated in the required counseling and that the statutorily required counseling for a HECM was provided, and
- does *not* indicate whether the counseling agency recommends or does not recommend the client for a reverse mortgage.

---

*Continued on next page*

## 4. HECM Counseling Certificate Requirements, Continued

---

**7610.1 4.B.4.c**  
**HECM**  
**Counseling**  
**Certificate**  
**Form**

Complete [Form HUD-92902, \*Certificate of HECM Counseling\*](#) upon successful completion of the counseling.

The lender can *only* proceed to process the initial loan application after the counseling is complete, and evidenced by a completed [HUD-92902](#) that contains the date and signatures of both the counselor and the borrower(s).

HUD policy states that

- the certificate must be produced in FHA Connection, and
- *no* alterations to this form are authorized.

***Example:*** Housing counseling agencies may *not* print this form on their own letterhead.

---

*Continued on next page*

## 4. HECM Counseling Certificate Requirements, Continued

---

**7610.1 4.B.4.d**  
**HECM**  
**Counseling**  
**Certificate**  
**Required**  
**Signatures and**  
**Information**

The HECM Counseling Certificate must contain the

- name of the
  - counselor, and
  - counseling agency, and
- Housing Counseling System (HCS) identification number of the counseling agency.

In addition, the certificate must

- be signed and dated by the counselor, indicating the statutorily required counseling has been completed
- provide the actual expiration date for the certificate (*Note:* The certificate will expire 180 calendar days from the date the counseling was completed.)
- indicate any fee charged to the counseling recipient, if applicable, and
- be signed and dated by
  - all eligible borrowers shown on the property deed, or
  - the legal representative, as described in [HUD 7610.1 4.B.3.](#)

***Need for Separate Certificates for Multiple Parties:***

In the event that multiple parties shown on the deed are not located in the same place and the potential reverse mortgage borrowers choose to receive counseling from separate counseling agencies, each of the parties must sign and date a separate Reverse Mortgage Counseling Certificate.

---

*Continued on next page*

## 4. HECM Counseling Certificate Requirements, Continued

---

### 7610.1 4.B.4.e Reasons to Withhold a HECM Counseling Certificate

A HECM Counseling Certificate

- *cannot* be withheld based on lack of payment, and
- *must* be withheld from a client who cannot successfully answer five of the ten review questions that are provided in [HECM PROTCL 7.B.10](#).

**Note:** The client must be given adequate opportunities to correctly respond to the review questions in accordance with the requirements in [HECM PROTCL 7.B.10](#).

---

### 7610.1 4.B.4.f Agency Requirements for Retaining HECM Counseling Certificates and Providing Copies to Clients Counseled by Telephone

Agencies must

- keep a copy of the signed and dated certificate in the client's file, and
  - send two certificates to clients counseled by telephone with instructions indicating that the client should
    - sign both copies, and
    - return one of the signed copies to the counseling agencies.
- 

### 7610.1 4.B.4.g Forwarding the HECM Counseling Certificate to the Client's Lender

With the permission of the client, the counselor may fax or otherwise provide a copy of the signed and dated HECM Counseling Certificate to the client's lender.

---

## Section C. HECM Counseling Session Required Topics, Documentation, and Follow Up

### Overview

---

**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Preparation for the HECM Counseling Session	4-C-2
2. HECM Counseling Session Required Topics	4-C-4
3. Information Required for Fraud Prevention	4-C-12
4. Requirements for Reverse Mortgage Printouts and Client Files	4-C-13
5. Required Follow Up After the Housing Counseling Session	4-C-17

---

## 1. Preparation for the HECM Counseling Session

---

**Introduction** This topic contains information on preparation for the HECM counseling session, including

- the timeframe for sending an information packet to the client prior to counseling
  - requirements for written communication to clients, and
  - required contents for the information packet.
- 

**Change Date** March 18, 2011

---

**7610.1 4.C.1.a Timeframe for Sending an Information Packet to a Client Prior to Counseling** HUD requires agencies to provide each client with an information packet

- prior to the counseling session, and
- in enough time to allow the client to review the information and prepare questions.

In cases where emergency counseling is necessary, the counselor must send the information to the client immediately after completing the counseling session.

**Note:** A lender may provide the client with an information packet prior to the client's counseling session. If the lender provides the information packet to the client, the lender must provide the counselor with copies of the same loan comparison print-outs that were provided to the client. The counseling session cannot be held until the counselor has a copy of the loan comparison print-outs provided by the lender.

**Reference:** For additional information on sending an information packet to a client prior to counseling, see the HECM Protocol.

---

*Continued on next page*

## 1. Preparation for the HECM Counseling Session, Continued

---

### 7610.1 4.C.1.b Requirements for Cover Letter for Information Packet to Clients

The cover letter included with the client's information packet

- should include instructions on how to contact the agency via text telephone (TTY), relay, or other assistive means for persons with hearing impairments
  - can inform clients and prospective clients about translation or interpreter services, and
  - should ask clients and prospective clients if they need assistance for
    - mobility impairments
    - visual or hearing impairments, or
    - other disabilities.
- 

### 7610.1 4.C.1.c Required Contents for the Information Packet

The information packet

- can be sent via regular mail, priority mail, facsimile, or e-mail, and
- must include the following:
  - “*Preparing for Your Counseling Session*” (found in [HECM Protocol 7.C.12](#))
  - printout of loan comparisons
  - printout of Total Annual Loan Cost (TALC) (*Note*: This calculation is available on the IBIS software that counselors use to prepare loan printouts and TALC printouts.)
  - loan amortization schedule, and
  - the National Council on Aging (NCOA) booklet “*Use Your Home to Stay at Home – A Guide for Homeowners Who Need Help Now.*”

**Note:** Loan printouts must be relevant to the client's situation to facilitate the counseling session.

---

## 2. HECM Counseling Session Required Topics

---

<b>Introduction</b>	<p>This topic contains information on required topics for the Home Equity Conversion Mortgage (HECM) counseling session, including</p> <ul style="list-style-type: none"> <li>• the basic policy requirement for topics covered in the HECM counseling session, and</li> <li>• discussing             <ul style="list-style-type: none"> <li>– alternatives and options</li> <li>– reverse mortgage information</li> <li>– HECM-specific information</li> <li>– financial implications</li> <li>– loan and annuity combinations, and</li> <li>– client questions/concerns and next steps.</li> </ul> </li> </ul>
---------------------	--

---

<b>Change Date</b>	March 18, 2011
--------------------	----------------

---

<b>7610.1 4.C.2.a Basic Policy Requirement for Topics Covered in the HECM Counseling Session</b>	<p>In accordance with the Home Equity Conversion Mortgage (HECM) statute and regulations contained in <a href="#">Section 255(f) of the National Housing Act</a>, counselors must provide potential HECM borrowers with all the information outlined in this topic.</p>
--	---

HUD suggests that the counselor confirm the client's receipt and review of the information. While clients may also receive some of the information outlined in this topic from lenders, it is the role of counselor to

- explain the concepts of reverse mortgage, and
- answer any questions the client may have.

**Note:** It is *not* the counselor's role to provide legal or tax advice during the course of providing counseling.

---

<b>7610.1 4.C.2.b Discussing Alternatives and Options</b>	<p>The counselor must discuss information on a client's other options and alternatives to a HECM, as available and appropriate.</p>
---	---

---

*Continued on next page*

## 2. HECM Counseling Session Required Topics, Continued

**7610.1 4.C.2.c**  
**Discussing**  
**Reverse**  
**Mortgage**  
**Information**

The counselor must review basic information on reverse mortgages, and may present this information within the context of the HECM program.

The topics most essential to an understanding of reverse mortgages include

- rising debt, falling equity
- repayment requirements, when, how much
- nonrecourse limits
- leftover equity (implications for borrower and his/her heirs)
- factors that determine loan amounts and loan limits
- borrower obligations, especially taxes, insurance, and any property charges, such as homeowner association or condominium fees. (*Note:* Provide the client with the handout “*Reverse Mortgage Borrower Obligations*” which can be located in the [HECM Protocol 7.C.7](#))
- fees and fee financing
- retention of title and other title issues
- the impact on public benefits (*Note:* Consider using the NCOA’s website at [www.benefitscheckup.org](http://www.benefitscheckup.org) as a reference.), and
- refinancing a reverse mortgage.

**7610.1 4.C.2.d**  
**Discussing**  
**HECM-**  
**Specific**  
**Information**

The counselor should discuss key HECM program features and information, as outlined in the table below.

HECM-Specific Topic	Description/Discussion Requirements
Eligibility	<p>Discuss any special problems relating to deed or property.</p> <p><i>Important:</i> While the counselor can generally describe basic borrower and property eligibility requirements for a HECM, remember that only the lender and an FHA-approved appraiser are authorized to make official determinations regarding the eligibility of both the homeowner and subject property.</p>

*Continued on next page*

## 2. HECM Counseling Session Required Topics, Continued

---

### 7610.1 4.C.2.d Discussing HECM- Specific Information (continued)

HECM-Specific Topic	Description/Discussion Requirements
Principal Limit	<p>The amount the borrower can receive from a HECM.</p> <p>The principal limit at origination is based on</p> <ul style="list-style-type: none"> <li>• the age of the youngest borrower</li> <li>• the expected average mortgage interest rate, and</li> <li>• the maximum claim amount.</li> </ul>
Expected Rate	<p>The expected rate is</p> <ul style="list-style-type: none"> <li>• fixed throughout the life of the loan, and</li> <li>• used to determine payments to the borrower.</li> </ul> <p>For a(n)</p> <ul style="list-style-type: none"> <li>• fixed rate loan, the expected rate is the fixed interest rate, and</li> <li>• adjustable rate loan, the expected rate is the sum of the lender's margin, and the loan's index adjusted to a constant maturity of 10 years.</li> </ul>
Claim Amount	<p>The maximum claim amount is the lesser of</p> <ul style="list-style-type: none"> <li>• the appraised value of the property, or</li> <li>• the maximum mortgage amount for a one-family residence that HUD will insure in an area under Section 305(a)(2) of the Federal Housing Home Loan Mortgage Corporation Act.</li> </ul> <p>The maximum claim amount represents the maximum amount that HUD pays on a claim for insurance benefits.</p>

---

*Continued on next page*

## 2. HECM Counseling Session Required Topics, Continued

### 7610.1 4.C.2.d Discussing HECM- Specific Information (continued)

HECM-Specific Topic	Description/Discussion Requirements
<p>Payment Plan Options and Changes</p>	<p>A HECM borrower may request a change to the payment plan at any time during the life of the loan. The HECM borrower may</p> <ul style="list-style-type: none"> <li>• change the term of payments</li> <li>• receive an unscheduled payment</li> <li>• suspend payments</li> <li>• establish or terminate a line of credit, or</li> <li>• receive the entire net principal limit (for example, the difference between the current principal limit and the outstanding balance) in a lump sum payment.</li> </ul> <p>Additionally, the HECM borrower may choose to prepay all or part of the outstanding balance at any time without incurring penalties.</p> <p>With all payment plans, the lender must be able to make lump sum payments up to the net principal limit at the borrower's request.</p> <p>The lender may charge a fee, not to exceed \$20.00, for changing the payment plan.</p>
<p>Credit Line Growth</p>	<p>The unused portion of the line of credit grows at the “credit line growth rate,” which is equal to the note rate. This is the same rate at which the principal limit and the loan balance grow, which is the current interest rate plus 0.5%.</p> <p>Therefore, the amount of funds available to the borrower from a line of credit grows larger each month for as long as any funds remain. Counselors must <i>not</i> tell clients that HECM credit lines “earn interest,” because credit line growth is simply increased access to borrowing power, comparable to an increase in a credit limit on a credit card.</p>
<p>FHA Home Standards – Required Repairs</p>	<p><b>Reference:</b> For details, see <a href="#">HUD Handbook 4235.1</a>.</p>

Continued on next page

## 2. HECM Counseling Session Required Topics, Continued

### 7610.1 4.C.2.d Discussing HECM- Specific Information (continued)

HECM-Specific Topic	Description/Discussion Requirements
Loan Costs	<p>Loan costs include the</p> <ul style="list-style-type: none"> <li>• application fee, appraisal fee, and credit report</li> <li>• closing costs</li> <li>• origination fee</li> <li>• servicing fee</li> <li>• mortgage insurance premium, and</li> <li>• interest rate (adjustable and fixed, as well as the adjustment frequency).</li> </ul> <p><i>Reference:</i> For more information, see the <a href="#">HECM Protocol 7.C.3.</a></p>
Repayment	<p>When covering repayment, discuss</p> <ul style="list-style-type: none"> <li>• requirements</li> <li>• when</li> <li>• how much, and</li> <li>• open-end credit versus closed-end credit.</li> </ul> <p><i>Note:</i> Open-end credit loans allow for the repayment of some or the entire principal that can be re-borrowed at some future point in time (“revolving credit”). Closed-end credit loans do <i>not</i> allow for the “re-borrowing” of principal that is paid on the loan.</p>
Borrower Obligations	<p>For additional information, see the <a href="#">HECM Protocol 7.C.7.</a></p> <p><i>Note:</i> Provide the client with this handout.</p>
Tax Implications	<p>Counselors should advise clients to consult a tax advisor.</p>

Continued on next page

## 2. HECM Counseling Session Required Topics, Continued

7610.1 4.C.2.d Discussing HECM- Specific Information (continued)

HECM-Specific Topic	Description/Discussion Requirements
Estate planning services	<p>Counselors should refrain from giving legal, tax, and accounting advice to a prospective or existing client during a housing counseling session and/or meeting.</p> <p>If counselors are licensed professionals and are asked general questions related to that discipline, counselors may respond but should refer clients to an outside source for advisory service.</p> <p>Counselors should <i>not</i> misrepresent themselves to hold financial designations, for example, the designations of Certified Financial Planner (CFP) or Certified Public Accountant (CPA), unless they hold these designations. When a client’s needs are beyond the housing counselor’s education, training, or certification to provide, he/she should refer the client to a financial advisor or other professional.</p>
Loan application – FNMA-1009, <i>Residential Loan Application for Reverse Mortgages</i>	<p>This application is provided by the lender; however, the counselor should review the form with the client if requested.</p>

*Continued on next page*

## 2. HECM Counseling Session Required Topics, Continued

---

### 7610.1 4.C.2.e Discussing Financial Implications

The counselor must review the financial implications of a reverse mortgage to help the client assess whether or not the reverse mortgage proceeds will be sufficient to meet his/her financial obligations, including taxes and insurance. The counselor may reference printouts, including proprietary loan comparisons, as appropriate.

Financial overviews and printouts may include

- cash advances and itemized costs
- individual loan amortization schedule(s)
- future projections and comparisons, including
  - total cash advances
  - total dollar costs
  - leftover equity, and
  - total annual average rates, and
- loan and annuity combinations.

**Reference:** For more information on loan and annuity combinations, see [HUD 7610.1 4.C.2.f](#).

---

### 7610.1 4.C.2.f Discussing Loan and Annuity Combinations

Counselors must ask a client if he/she intends to use the HECM proceeds to buy an annuity. If so, the counselor should

- inform the client that there are other ways to purchase an annuity, and
- point out that, in most cases, term or tenure HECM proceed amounts are greater than the annuity monthly payment.

The Federal Truth-in-Lending Act (TILA) recognizes the unique difficulty of evaluating the total cost of a HECM that is used to purchase an annuity. Counselors are also advised to give clients the brochure entitled “*Using a Reverse Mortgage to Buy an Annuity.*”

**Reference:** For more detailed information on HECM loans and annuity combinations, see the HECM Protocol.

---

*Continued on next page*

## 2. HECM Counseling Session Required Topics, Continued

---

**7610.1 4.C.2.g**  
**Discussing**  
**Client**  
**Questions/**  
**Concerns and**  
**Next Steps**

The counselor should

- answer any client questions
- address any client concerns
- discuss options, and
- review next steps, making sure to
  - explain/review the contents of the information packet
  - instruct the client to make and keep copies of all documents
  - review loan processing and expected timelines, and
  - provide ongoing access to the counselor and other resources.

**Reference:** For more information on the contents of the information packet, see [HUD 7610.1 4.C.1.b](#).

---

### 3. Information Required for Fraud Prevention

---

**Change Date**      March 18, 2011

---

**7610.1 4.C.3.a  
Required  
Discussions  
With  
Prospective  
Borrowers to  
Prevent Fraud**

It is important to educate prospective borrowers on how to avoid becoming victims of fraud schemes. In an effort to warn borrowers, HUD requires that reverse mortgage counseling cover the following:

- discuss the potential of mortgage fraud with the borrowers
- explain the standard ways in which borrowers can access their loan proceeds
- warn borrowers against signing over their funds to loan officers or other parties involved in the mortgage transaction, and
- discuss how to recognize and report predatory lending practices.

HUD monitors counselor compliance with this requirement through client surveys and other customer surveying tools.

---

## 4. Requirements for Reverse Mortgage Printouts and Client Files

---

**Introduction** This topic contains information on the requirements for reverse mortgage printouts and client files, including

- the HUD requirement for counselor use of reverse mortgage printouts
  - reverse mortgage analyst software/HUD HECM software
  - guidelines for counselor discussion of loan printouts and loan products
  - required loan printout information, and
  - requirements for the reverse mortgage client's file.
- 

**Change Date** March 18, 2011

---

**7610.1 4.C.4.a  
HUD  
Requirement  
for Counselor  
Use of Reverse  
Mortgage  
Printouts**

A counselor must utilize and provide to the counseling recipient computer printouts generated by HUD or HUD-endorsed software, or similar software generating the same information, for calculating the maximum funds available to the borrower, determining payment plan options, and providing loan comparisons of available products.

Using the software, counselors are able to show the client how variations in different reverse mortgage products may affect the client's

- access to equity
- amortization schedules
- loan balances, and/or
- loan costs.

**Note:** If the lender provides the information packet to the client, the lender must provide the counselor with copies of the same loan comparison printouts that were provided to the client. The counseling session cannot be held until the counselor has a copy of the loan comparison print-outs provided by the lender.

---

*Continued on next page*

## 4. Requirements for Reverse Mortgage Printouts and Client Files, Continued

---

**7610.1 4.C.4.b**  
**Reverse**  
**Mortgage**  
**Analyst**  
**Software/HUD**  
**HECM**  
**Software**

The web-based Reverse Mortgage Analyst software, which HUD makes available to all HECM Roster counselors, calculates principal limits for variations on a HECM based on different interest rates with different indexes and margins. Although the software generates principal limits for available HECM variations, it is not programmed to generate the principal limits for any specific proprietary reverse mortgage product or every single HECM variation.

HUD HECM software may also be used. For agencies that have never installed the HECM software, it can be downloaded from the HUD counselors' webpage at [www.hud.gov/counselors/](http://www.hud.gov/counselors/). Updates are also available from the website.

**Reference:** For full instructions on how to use the HECM calculator, see [HUD Handbook 4235.1](#).

---

*Continued on next page*

## 4. Requirements for Reverse Mortgage Printouts and Client Files, Continued

---

### 7610.1 4.C.4.c Guidelines for Counselor Discussion of Loan Products

When meeting with reverse mortgage clients, counselors

- may discuss loan printouts and amortization schedules given to the clients by lenders (*Note*: If the lender provides the information packet to the client, the lender must provide the counselor with copies of the same loan comparison print-outs that were provided to the client. The counseling session cannot be held until the counselor has a copy of the loan comparison print-outs provided by the lender.)
- may also generate and discuss amortization schedules and loan comparisons from an available reverse mortgage calculator
- should answer questions about the loan printouts and product features
- must be sensitive when helping their clients analyze and compare the financial implications of the loan choices clients are considering
- must be cautious not to steer clients away from or toward any particular proprietary or HECM product, and
- must discuss loan printouts and information without bias, striving to provide a balanced view by only providing individually customized loan printouts to clients on
  - HECM loans that are widely available from a majority of HECM lenders
  - proprietary products that are broadly offered by reverse mortgage lenders, and
  - proprietary or HECM products that have been offered to a specific client by a reverse mortgage lender.

Counselors must *not*

- encourage or discourage clients from any particular products, or
- provide any information on which lenders are offering specific HECM variations or proprietary products; however, this should not dissuade counselors from telling clients that they should research various products and the terms offered by different lenders provided no lenders' names are given.

*Note*: Counselors must discuss the consequences of the various loan product choices as they relate to their clients' situations.

---

*Continued on next page*

## 4. Requirements for Reverse Mortgage Printouts and Client Files, Continued

---

### 7610.1 4.C.4.d Required Loan Printout Information

The reverse mortgage loan printouts should include

- future remaining credit line projections based on credit line draws specified by the client (if the client selects a credit line)
  - a comparison of estimated loan details at closing
  - projected loan comparisons at various future times, including projected figures for
    - total cash received
    - cash remaining, and
    - total cost expressed in terms of total dollars and a total annual average rate, and
  - amortization projections for selected products with year-by-year details (the loans negatively amortize - as the loan balance increases, equity decreases).
- 

### 7610.1 4.C.4.e Requirements for Reverse Mortgage Client's File

Counselors must maintain all information listed in [HUD 7610.1 5.B.2](#) in the reverse mortgage client's file.

---

## 5. Required Follow Up After the Housing Counseling Session

---

**Change Date**      March 18, 2011

---

**7610.1 4.C.5.a  
Follow-Up  
After the  
Reverse  
Mortgage  
Counseling  
Session**

Regardless of the counseling format required by [24 CFR 214.300\(b\)\(2\)](#), housing counselors must make a reasonable effort to have follow-up communication with the client, when possible, to

- assure that the client is progressing toward his/her housing goal
- modify or terminate housing counseling, and
- learn and report outcomes.

Follow-up must be performed and documented for all reverse mortgage clients to determine if the client

- needs additional assistance
- obtained a reverse mortgage, or
- utilized other options discussed during the counseling session.

**Reference:** For more detailed information on follow-up requirements, see the HECM Protocol.

---

## Section D. Prohibited HECM Counseling Practices

### Overview

---

**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Restrictions on the Dissemination of Specific Loan Product Information	4-D-2
2. Prohibited Lender Steering and Counselor Steering	4-D-3

---

## 1. Restrictions on the Dissemination of Specific Loan Product Information

---

**Change Date**      March 18, 2011

---

**7610.1 4.D.1.a  
Prohibited  
Dissemination  
of Specific  
Loan Product  
Information**

A counselor must never provide information on the specific costs charged by any individual lender, because costs are subject to market fluctuations and may depend on variables that are not constant from client to client.

Counselors should tell their clients that information on prices must come from a loan officer. If a client presents a counselor with detailed information on a variety of loans offered by multiple lenders, the counselor may help the client compare the costs.

---

## 2. Prohibited Lender Steering and Counselor Steering

---

**Introduction** This topic contains information on the prohibition of lender and counselor steering, including

- restrictions on lender steering
- required agency disclosure of relationships between the agency and lenders, and
- restrictions on counselor steering.

---

**Change Date** March 18, 2011

---

**7610.1 4.D.2.a Restrictions on Lender Steering** Housing counseling agencies are not permitted to promote, represent, recommend or speak for any specific lender. The clearest way to avoid steering is by not presuming that a client wants to contact a lender unless the client specifically asks for help in finding a lender.

If a client does initiate a request for help in finding a lender, then counselors should

- tell the client about HUD’s current list of lenders and provide the client with the web address for finding the list, as provided in [HUD 7610.1 8.2](#), or
- provide the client with a copy of the list, being sure to make available
  - materials in alternative formats, if needed, and
  - either translation or interpretation services for Limited English Proficiency (LEP) clients.

This ensures that only clients who expressly request help in finding a lender are given information about contacting lenders, and that the information they receive is a list compiled by HUD, rather than by a counselor or the agency.

---

*Continued on next page*

## 2. Prohibited Lender Steering and Counselor Steering,

Continued

---

### 7610.1 4.D.2.b Required Agency Disclosure of Relationships Between the Agency and Lenders

Agencies must provide to reverse mortgage clients, and retain in its files, a disclosure form acknowledging any relationship or agreements between the agency and any lending institutions. This disclosure must meet all the requirements for disclosure outlined in [HUD 7610.1 6](#).

---

### 7610.1 4.D.2.c Restrictions on Counselor Steering

A lender may not steer, direct, recommend, or otherwise encourage a client to seek the services of any one particular counselor or counseling agency. Before, during, or after the counseling session is completed, the lender may *not* contact a counselor or counseling agency to

- refer a client by any means including, but not limited to
  - phone
  - facsimile, or
  - electronic database
- discuss a client's personal information, including the timing or scheduling of the counseling, or
- request information regarding the topics covered in a counseling session.

**Note:** If the lender provides the information packet to the client, the lender must provide the counselor with copies of the same loan comparison print-outs that were provided to the client. The counseling session cannot be held until the counselor has a copy of the loan comparison print-outs provided by the lender.

Lenders are required to provide every client with a list of Home Equity Conversion Mortgage (HECM) counseling providers that includes

- the national intermediaries providing telephone counseling, and
- five agencies in the local area and/or state of the client with at least one of the local agencies located within a reasonable driving distance for face-to-face counseling.

**Note:** Only agencies that appear on the HECM Counselor Roster may be included on the list given to clients.

**Reference:** To obtain a list of these counseling agencies, see the HECM Counselor Roster on HUD's website at [www.hud.gov/counselors/](http://www.hud.gov/counselors/).

---

## Section A. Recordkeeping/Reporting Requirements Overview

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. General Policy Requirements for Recordkeeping and Reporting	5-A-2
2. Recordkeeping System Requirements	5-A-5

---

# 1. General Policy Requirements for Recordkeeping and Reporting

---

**Introduction** This topic contains the general policy requirements for recordkeeping and reporting, including the

- governing authority for the recordkeeping and reporting requirements
  - accessibility of files for monitoring and auditing purposes
  - data collection requirements
  - file retention requirements, and
  - failure to comply with recordkeeping and reporting requirements.
- 

**Change Date** March 18, 2011

---

**7610.1 5.A.1.a  
Governing  
Authority for  
the  
Recordkeeping  
and Reporting  
Requirements** Every participating agency must comply with the recordkeeping and recording requirements contained in

- [24 CFR 214.315](#)
- [24 CFR 214.317](#), and
- [24 CFR 8.55](#).

---

**7610.1 5.A.1.b  
Accessibility of  
Files for  
Monitoring and  
Auditing  
Purposes** In accordance with [24 CFR 214.315](#), all client files must be easily accessible to the Department of Housing and Urban Development (HUD) for monitoring and auditing purposes.

---

*Continued on next page*

# 1. General Policy Requirements for Recordkeeping and Reporting, Continued

---

## 7610.1 5.A.1.c Data Collection Requirements

The Fair Housing Act, Section 808(e)(6), as amended, mandates that the Secretary of HUD report annually to Congress and make available to the public the following data on persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of programs administered by the Department:

- race
- religion
- familial status
- ethnicity
- disability
- sex, and
- any other pertinent characteristics.

To enable the Secretary to fulfill this requirement, HUD requires that participating agencies maintain and report at least the following current and accurate data on all recipients of counseling (counseling clients) and education (education participants), regardless of the funding source:

- race
- ethnicity, and
- income.

**Note:** The Housing and Community Development Act of 1987, Section 562 also supports the collection of the above data.

---

*Continued on next page*

## 1. General Policy Requirements for Recordkeeping and Reporting, Continued

---

### 7610.1 5.A.1.d File Retention Requirements

The housing counseling agency must retain financial records, supporting documents, statistical records, and all other pertinent records, both electronic and paper, for a set period of time. Use the table below to determine the timeframe for which files must be retained.

<b>If the housing counseling agency ...</b>	<b>Then the agency must retain the financial records, supporting documents, statistical records, and all other pertinent records, both electronic and paper, for a period of ...</b>
received a HUD Housing Counseling Grant	three years from the date the final grant invoice is paid by HUD.
did <i>not</i> receive a HUD Housing Counseling Grant	three years from the date the case file was terminated for housing counseling.

---

### 7610.1 5.A.1.e Failure to Comply With the Recordkeeping and Reporting Requirements

Failure to comply with any of HUD's housing and counseling recordkeeping and reporting requirements could result in consequences, which may include, but are not limited to

- a delay in payment of vouchers under a HUD Housing Counseling Grant
- the grantee's forfeiture of all remaining funds in the grant account
- the grantee's future Housing Counseling Grant application being adversely rated
- ineligibility for HUD housing counseling training resources, and/or
- placement in inactive status or termination of the agency's approved or participating status and deletion from the list of HUD-approved and participating agencies.

**Reference:** For additional information on the compliance with Fair Housing and Civil Rights laws, see

- [HUD 7610.1 2.B.7](#), and
  - [HUD 7610.1 3.B](#).
-

## 2. Recordkeeping System Requirements

---

**Introduction** This topic contains information on recordkeeping system requirements, including the

- governing authority for the recordkeeping system
  - accessibility of the recordkeeping system information for performance reviews
  - requirement for a Client Management System (CMS)
  - HUD's relationship with CMS vendors, and
  - CMS interface capability requirements.
- 

**Change Date** March 18, 2011

---

**7610.1 5.A.2.a  
Governing  
Authority for  
the  
Recordkeeping  
System** The recordkeeping system must meet the requirements of

- [24 CFR 1.6](#)
  - [24 CFR 84.21](#), and
  - [24 CFR 121](#).
- 

**7610.1 5.A.2.b  
Accessibility of  
Recordkeeping  
System  
Information for  
Performance  
Reviews** Each participating agency must maintain a recordkeeping system that permits HUD to easily access all information needed for a performance review.

More specifically, the recordkeeping system must allow HUD to perform a review of the client files, maintained electronically, or as a combination of electronic means and paper, so the annual activity data for the agency can be

- verified
  - reported, and
  - analyzed.
- 

*Continued on next page*

## 2. Recordkeeping System Requirements, Continued

---

### 7610.1 5.A.2.c Requirement for a CMS

All participating agencies are required to use a Client Management System (CMS) that interfaces with HUD's databases for the collection and reporting of agency and client-level data.

**Note:** A CMS is an existing online tool that automates much of the housing counseling process including

- client intake
  - file maintenance
  - financial and credit analysis
  - outreach
  - client notification, and
  - reporting.
- 

### 7610.1 5.A.2.d HUD Relationship With CMS Vendors

While [24 CFR 214.103\(f\)](#) does require that all agencies participating in HUD's Housing Counseling Program use a CMS that satisfies HUD requirements and interfaces with HUD databases, HUD does *not* have a direct relationship with CMS vendors.

**Important:** HUD does *not* monitor, negotiate, or engage with CMS vendors on behalf of housing counseling agencies.

---

### 7610.1 5.A.2.e CMS Interface Capability Requirements

In order to interface with HUD's database, a participating housing counseling agency must use a CMS with the capabilities listed in the table below.

Required CMS Capability	Description
Required Data	For one or more unique types of counseling and education, capture all mandatory data elements listed on the HUD Housing Counseling website at <a href="http://www.hud.gov/counselors/">www.hud.gov/counselors/</a> .
Loan Product Comparison Tool	For counseling/education involving home buying or ownership (for example, loans), provide access to a loan product comparison tool that interfaces with client data captured by the CMS.

---

*Continued on next page*

## 2. Recordkeeping System Requirements, Continued

---

### 7610.1 5.A.2.e CMS Interface Capability Requirements (continued)

Required CMS Capability	Description
Financial Calculators	Provide access to tools/calculators that interface with client data captured by the CMS to analyze financial and credit information.
Text Fields	Include text fields in which counselors can input an activity log and client action plan.
File Access	Allow HUD limited access to, in coordination with participating agencies, client files for the purpose of conducting agency monitoring.
Privacy	<p>Ensure the confidentiality of all client level and agency profile information.</p> <p><b>Important:</b> Housing counseling agencies must use a CMS that has taken all the standard and required security protections, including assurances that the data will <i>not</i> be shared with any entities other than HUD and the housing counseling agency, <i>unless</i> explicitly instructed to do so by the</p> <ul style="list-style-type: none"> <li>• client, and</li> <li>• in the case of agency information, housing counseling agency.</li> </ul>

---

## Section B. Recordkeeping Requirements

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Confidentiality and Disclosure of Records and Credit Reports	5-B-2
2. Counseling File Requirements	5-B-3
3. Group Education File Requirements	5-B-9
4. Financial Records and Supporting Documentation Maintenance and Availability Requirements	5-B-11

---

# 1. Confidentiality and Disclosure of Records and Credit Reports

---

**Introduction** This topic contains information on the confidentiality and disclosure of records and credit reports, including the

- Client Management System (CMS) confidentiality requirements
  - disclosure of individual case file information
  - disclosure of the credit report to the client
  - storage requirements for client records and credit reports, and
  - failure to maintain the confidentiality of records and credit reports.
- 

**Change Date** March 18, 2011

---

**7610.1 5.B.1.a  
CMS  
Confidentiality  
Requirement** Participating agencies must ensure that their Client Management System (CMS) protects the confidentiality of each client's personal and financial information, both electronic and paper, including credit reports, regardless of whether the information is received from the client or another source.

---

**7610.1 5.B.1.b  
Disclosure of  
Individual Case  
File  
Information** The participating agency must ensure that neither it nor its CMS vendor discloses the information in the client's individual case file to anyone except authorized agency personnel and Department of Housing and Urban Development (HUD), *unless* the counseling recipient expressly grants permission (for example, the automatic loan application and submission to a lender through a CMS).

***Important:***

- Participating agencies must also ensure that their selected CMS maintains the confidentiality of this information.
  - HUD staff may *not* disclose the information contained in an individual case file that may be sampled as part of monitoring or received as part of reporting to anyone *except* authorized HUD personnel.
- 

*Continued on next page*

# 1. Confidentiality and Disclosure of Records and Credit Reports, Continued

---

**7610.1 5.B.1.c  
Disclosure of  
the Credit  
Report to the  
Client**

If the housing counseling agency contracts with a credit bureau for credit reports, the terms of the contract between the agency and the credit bureau determine whether or not disclosure of a credit report may be made to the client.

*Important:* The counselor must secure a client’s authorization prior to ordering a credit report.

*Note:* The Fair Credit Reporting Act does not preclude a counseling agency from disclosing a credit report to a client.

---

**7610.1 5.B.1.d  
Storage  
Requirements  
for Client  
Records and  
Credit Reports**

The table below provides the requirements for storing paper and electronic client records and credit reports.

Form	Storage Requirement
Paper	Must be kept in locked filing cabinets.
Electronic	Must be kept secure and be accessible by authorized individuals only.

---

**7610.1 5.B.1.e  
Failure to  
Maintain the  
Confidentiality  
of Records and  
Credit Reports**

Failure to maintain the confidentiality of, or improper use of, credit reports may subject the agency to penalties under the Fair Credit Reporting Act ([14 U.S.C. 1681 et seq.](#)).

---

## 2. Counseling File Requirements

---

**Introduction** This topic contains information on counseling file requirements, including the

- requirement for a separate confidential file for counseling services
  - types of counseling file formats
  - counseling file candidates
  - counseling file content requirements, and
  - additional reverse mortgage counseling file requirements.
- 

**Change Date** March 18, 2011

---

**7610.1 5.B.2.a Requirement for a Separate Confidential File for Counseling Services** The housing counseling agency must maintain a separate confidential file documenting each unique, distinct provision of counseling services provided to a client.

*Reference:* For more information on the requirements of the separate confidential file for counseling services, see

- [24 CFR 214.300](#), and
  - [HUD 7610.1 3.C.5](#).
- 

**7610.1 5.B.2.b Counseling File Formats** Counseling files may be

- electronic, or
- a combination of electronic and paper.

---

*Continued on next page*

## 2. Counseling File Requirements, Continued

**7610.1 5.B.2.c  
Counseling File  
Candidates**

The client file may be for a(n)

- individual
- household, or
- group of clients with the same housing needs (such as tenants of an apartment complex with the same complaint against their landlord).

**7610.1 5.B.2.d  
Counseling File  
Content  
Requirements**

The table below provides the content requirements for counseling files.

File Component	Description
Required Data	<p>All required fields are listed on the Housing Counseling website at <a href="http://www.hud.gov/counselors/">http://www.hud.gov/counselors/</a>.</p> <p><b>Reference:</b> For additional information on the CMS website containing the listing of all the required data fields for the counseling file, see <a href="#">HUD 7610.1 8.4</a>.</p>
File Number	A unique file number for the counseling interaction.
Financial Analysis	Evidence of an analysis of the client’s unique financial and credit circumstances.
Activity Log	<p>A recording of the following information for each interaction or activity performed on behalf of, and by, the client:</p> <ul style="list-style-type: none"> <li>• date</li> <li>• time</li> <li>• duration, and</li> <li>• description.</li> </ul>

*Continued on next page*

## 2. Counseling File Requirements, Continued

### 7610.1 5.B.2.d Counseling File Content Requirements (continued)

File Component	Description
Action Plan	<p>An individual housing counseling action plan prepared by a housing counselor that</p> <ul style="list-style-type: none"> <li>• identifies the client’s need or problem, and</li> <li>• outlines what the agency and client need to do in order to meet the client’s housing goals.</li> </ul> <p><b>Exception:</b> An action plan is not required for reverse mortgage counseling.</p> <p><b>Note:</b> A copy of the action plan must be given to the client.</p>
Follow-Up	<p>A documented record of all follow-up communication with the client, including an account of all written and verbal attempts made to contact the client to conduct follow-up sessions.</p>
Pertinent Documents	<p>Copies (electronic or paper) of pertinent records or correspondence received from the client or created on his/her behalf.</p>
Disclosure	<p>Either a</p> <ul style="list-style-type: none"> <li>• copy of the disclosure statement provided to each client in a face-to-face setting, or</li> <li>• notation of the date that the disclosure statement was verbally provided during telephone counseling.</li> </ul> <p><b>Important:</b> The wording of the disclosure statement must be relevant to the client.</p> <p><b>Reference:</b> For additional information on the disclosure statements provided to clients, see <a href="#">HUD 7610.1 6.B.8.</a></p>
Termination	<p>The date and cause/explanation for the termination of housing counseling services.</p> <p><b>Note:</b> Client files cannot remain open indefinitely.</p> <p><b>Reference:</b> For more information on the documentation requirements for the termination of housing counseling services, see <a href="#">HUD 7610.1 3.C.6.</a></p>

Continued on next page

## 2. Counseling File Requirements, Continued

---

### 7610.1 5.B.2.d Counseling File Content Requirements (continued)

File Component	Description
Results	The results of the housing counseling services.
Funding Source	The funding source or sources, and amounts to which the counseling activity is attributed.
Fees	<p>If applicable, the amount paid through client fees and a copy of the receipt provided to the client, as well as the amount and source of fees paid by other parties (for example, lenders).</p> <p><b>Important:</b> The counseling file for each client charged fees must include documentation that the cost did <i>not</i> create a financial hardship.</p>
HUD Grant Activity	If applicable, the activity and amount that was partially or fully funded by a HUD Housing Counseling Grant or sub-grant.
Discussion of Alternatives	List of any service providers, product vendors, products, features, services, or properties that were discussed with the client.
Client Authorization	If applicable, the client’s documented authorization to order a credit report and/or to share information with HUD or third parties, as applicable.
Miscellaneous	Other information obtained during the intake or subsequent housing counseling sessions not previously mentioned.

*Continued on next page*

## 2. Counseling File Requirements, Continued

---

**7610.1 5.B.2.e**  
**Additional**  
**Reverse**  
**Mortgage**  
**Counseling File**  
**Requirements**

Additional documentation required for reverse mortgage counseling files include

- a list of people other than the borrower(s) who attended the reverse mortgage counseling session, and a description of their relationships to the borrower(s)
  - signed and dated Home Equity Conversion Mortgage (HECM) counseling certificates, if applicable
  - power of attorney (POA) or other documents relating to legal competency, if applicable
  - the Total Annual Loan Cost Analysis (TALC)
  - amortization schedules for reverse mortgage loan options
  - notation of any brochures or handouts on the reverse mortgage lending process/procedures/timelines, reverse mortgage lenders, and/or alternatives to a reverse mortgage provided to the client, and
  - documentation demonstrating that all required counseling content and information was provided as outlined in [HUD 7610.1 4](#).
-

### 3. Group Education File Requirements

---

**Introduction** This topic contains information on the group file requirements, including the

- requirement for separate confidential files for each group course
- establishment of separate files for each education attendee
- group education file format requirements, and
- group education file content requirements.

---

**Change Date** March 18, 2011

---

**7610.1 5.B.3.a Requirement for Separate Confidential Files for Each Group Course** The housing counseling agency must maintain a separate confidential file for each course provided.

---

**7610.1 5.B.3.b Establishment of Separate Files for Each Education Attendee** An individual file does *not* need to be established for each attendee. If a client has an existing individual counseling file and attends a group workshop, the client’s participation in the workshop session must be documented in the client’s individual file.

---

**7610.1 5.B.3.c Group Education File Formats** Group education files may be

- electronic, or
- a combination of electronic and paper.

---

*Continued on next page*

### 3. Group Education File Requirements, Continued

---

**7610.1 5.B.3.d** The table below provides the content requirements for group education files.  
**Group Education File Content Requirements**

<b>File Component</b>	<b>Description</b>
File Number	A unique file number for the education/workshop session.
Required Data	All required fields are listed on the Housing Counseling website at <a href="http://www.hud.gov/counselors/">http://www.hud.gov/counselors/</a> .
HUD Grant Activity	If applicable, the activity and amount that was partially or fully funded by a HUD Housing Counseling Grant or sub-grant.
Course Description	<ul style="list-style-type: none"> <li>• The course title, course outline, or established curriculum, and</li> <li>• instructional goals.</li> </ul>
Instructors	Name of each housing counselor, instructor, and/or presenter participating in the session.
Course Logistics	Date, place, and duration of each session.
Participant Information	List of participating households, as well as the race, ethnicity, and income data for each household.
Disclosure	<p>The disclosure statement provided to each household relevant to the subject of the session.</p> <p><b>Reference:</b> For additional information on the disclosure statements provided to clients, see <a href="#">HUD 7610.1 6.B.8</a>.</p>
Fees	If applicable, the amount paid through client fees as well as a copy of the receipt provided to the client for those fees.

---

## 4. Financial Records and Supporting Documentation Maintenance and Availability Requirements

---

**Introduction** This topic contains information on the financial records and supporting documentation maintenance and availability requirements, including the

- financial records maintenance and availability requirements, and
  - supporting documentation maintenance and availability requirements.
- 

**Change Date** March 18, 2011

---

**7610.1 5.B.4.a  
Financial  
Records  
Maintenance  
and Availability  
Requirements** Participating agencies must maintain and make available to HUD, upon request, evidence that the

- leveraged funds cited in the grant application were actually provided to the agency, and/or
- total housing counseling budget reported by the agency was accurate and used for housing counseling purposes.

---

**7610.1 5.B.4.b  
Supporting  
Documentation  
Maintenance  
and Availability  
Requirements** Participating agencies must maintain and make available to HUD, upon request, documentation (such as time sheets, paid invoices, and payroll records) in support of expenses assessed to a HUD Housing Counseling Grant.

***Important:*** A Housing Counseling Grant or sub-grant recipient may be required to maintain additional records as identified in the applicable grant agreement.

---

## Section C. Reporting Requirements

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Required Reporting and Disclosure to the Department of Housing and Urban Development (HUD)	5-C-2
2. Activity Reporting Methodology	5-C-6
3. HUD Review and Analysis of Reports	5-C-8

---

# 1. Required Reporting and Disclosure to the Department of Housing and Urban Development (HUD)

---

**Introduction** This topic contains information on the required reporting and disclosure to the Department of Housing and Urban Development (HUD), including the

- requirement for the submission of activity reports
  - activity report general format requirements
  - data reporting requirements
  - other reporting requirements, and
  - failure to comply with the reporting requirements.
- 

**Change Date** March 18, 2011

---

**7610.1 5.C.1.a Requirement for the** Participating agencies must submit complete, accurate, and timely activity reports.

**Submission of Activity Reports**

**Important:** Participating agencies that are also recipients of HUD grants or sub-grants may be required to submit additional reports as

- described in their grant agreements, and
  - prescribed by the Department of Housing and Urban Development (HUD).
- 

**7610.1 5.C.1.b Activity Report General Format Requirements**

The reports must be submitted by the date, and in the format and manner prescribed by HUD.

---

*Continued on next page*

# 1. Required Reporting and Disclosure to the Department of Housing and Urban Development (HUD), Continued

**7610.1 5.C.1.c Data Reporting Requirements** The table below provides the reporting requirements for the different types of data that must be submitted to HUD.

Type of Data	Requirements
Client-Level Data	<p>Client-level data reflecting the counseling and education activity with all sources of money must be transmitted to HUD quarterly via the agency’s Client Management System (CMS).</p> <p><b>Result:</b> Client-level data transmitted by the agency via their CMS is compiled and aggregated in HUD’s Housing Counseling System (HCS) where it may be verified by the agency.</p>
Agency Profile Changes	<p>Participating agencies must notify HUD within 15 days when any of the following changes:</p> <ul style="list-style-type: none"> <li>• the agency loses or changes its tax-exempt, non-profit status</li> <li>• the agency no longer complies with HUD or other Federal, state, or local requirements, or</li> <li>• the agency’s main office and the address(es) of its branches and affiliates change</li> <li>• the agency’s staff personnel responsible for the Housing Counseling Program, such as the housing counselor and management staff, changes</li> <li>• the agency’s telephone numbers of the main office, affiliates, and branches change, or</li> <li>• any other aspect of the agency’s purpose or functions change that may impair its ability to comply with                         <ul style="list-style-type: none"> <li>– programmatic requirements</li> <li>– applicable regulations, or</li> <li>– applicable grant agreement.</li> </ul> </li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• When the agency changes its profile information (such as address, telephone number, or other contact information), the agency can submit the current, corrected information to the HCS database through their CMS. However, making these changes through the CMS does <i>not</i> relieve the agency of its responsibility to notify the appropriate HUD office.</li> <li>• Changes can be verified through HCS.</li> </ul>

Continued on next page

# 1. Required Reporting and Disclosure to the Department of Housing and Urban Development (HUD), Continued

## 7610.1 5.C.1.c Data Reporting Requirements (continued)

Type of Data	Requirements
Grantee Activity Report	<p>Recipients of HUD Housing Counseling Grants are required to report activities under the grant in a format prescribed by HUD and within the designated timeframes required by the applicable grant agreement.</p> <p><i>Note:</i> These requirements may include completion and submission of Form HUD-96010, <i>Logic Model</i>, which captures projections and activity data specifically attributed to the relevant grant.</p>
Disclosure to HUD	<p>Agencies that provide housing services in addition to housing counseling services must disclose these additional services to HUD, as well as make HUD aware of any financial or other arrangements with other organizations</p> <ul style="list-style-type: none"> <li>• when an agency applies for approval or takes on new services that result in any of the practices outlined in <a href="#">HUD 7610.1 6.B.5</a>, or</li> <li>• upon request from HUD.</li> </ul> <p>The disclosure should contain the following information regarding an agency and its business practices and procedures:</p> <ul style="list-style-type: none"> <li>• any business practices and/or partnerships that would constitute a conflict of interest pursuant to <a href="#">HUD 7610.1 6.B.5</a></li> <li>• description of the organizational structure and business practices that protect the client from inappropriate steering or influence</li> <li>• the agency’s written standard of ethics, and</li> <li>• the agency’s quality control plan for <ul style="list-style-type: none"> <li>– identifying, addressing or mitigating any conflicts of interest, and</li> <li>– complying with handbook requirements.</li> </ul> </li> </ul> <p><i>Important:</i> If the information provided to HUD does <i>not</i> alleviate concerns regarding conflict of interest, HUD may request that the agency address the concerns, which they will have 60 days to do. If the agency does <i>not</i> respond, HUD may terminate the agency’s approval or participation.</p>

*Continued on next page*

# 1. Required Reporting and Disclosure to the Department of Housing and Urban Development (HUD), Continued

## 7610.1 5.C.1.c Data Reporting Requirements (continued)

Type of Data	Requirements
Housing Counseling Work Plan Changes	Changes to a participating agency’s housing counseling work plan must be submitted to HUD for approval prior to implementation, including the proposed changes in services to be offered and geographic boundaries.
Independent Audits	<p>The most recent independent audit of the participating agency’s financial records must be made available to HUD during a performance review.</p> <p>Additionally, the Housing Counseling Grant recipients and sub-recipients</p> <ul style="list-style-type: none"> <li>• are subject to the audit requirements contained in <a href="#">24 CFR 84</a> and <a href="#">85</a>, and</li> <li>• must provide HUD a copy of the audit report within 30 days of completion.</li> </ul>

### 7610.1 5.C.1.d Other Reporting Requirements

HUD may require that participating agencies submit additional reports.

### 7610.1 5.C.1.e Failure to Comply With the Reporting Requirements

If a participating agency fails to comply with the reporting requirements, the noncompliance is documented as a finding in the agency’s performance review report or in the agency’s official file maintained by HUD.

Additionally, if the agency fails to submit the required report, the agency can be

- placed on inactive status, or
- terminated.

## 2. Activity Reporting Methodology

---

**Introduction** This topic contains information on the activity reporting methodology, including the

- application of the activity reporting methodology
- methodology for activity reporting
- activity reporting methodology by household, and
- activity reporting methodology for households that receive multiple types of counseling or education.

---

**Change Date** March 18, 2011

---

**7610.1 5.C.2.a Application of the Activity Reporting Methodology** The activity reporting methodology applies to all activity reporting, including client-level data from

- [HUD-9902, \*Housing Counseling Agency Fiscal Year Activity Report\*](#), and
- HUD-96010 (Logic Model).

---

**7610.1 5.C.2.b Methodology for Activity Reporting** The methodology required by HUD for reporting activity data is to report the number of unique counseling or education services provided by the housing counseling agency, by household.

---

**7610.1 5.C.2.c Activity Reporting Methodology by Household** *By household* means that if a family comes in for counseling or attends a course, regardless of the number of people, it is captured as one

- counseling activity and outcome, or
- course attendee.

**Example:** A group of tenants receiving counseling simultaneously on the same issue would be captured as one counseling activity and one outcome, regardless of the size of the group.

---

*Continued on next page*

## 2. Activity Reporting Methodology, Continued

---

**7610.1 5.C.2.d**  
**Activity**  
**Reporting**  
**Methodology**  
**for Households**  
**That Receive**  
**Multiple Types**  
**of Counseling**  
**or Education**

An individual or household that receives multiple, distinct types of counseling or education in a reporting period may be reported multiple times.

**Exceptions:** The following conditions are not considered multiple counseling or education sessions and should be counted as a single activity:

- multiple topics covered in a single counseling session or education/group session
- a course on a unique education topic that takes multiple sessions on different days (for example, instead of a single course being completed in a one 8-hour session, it may be completed in a two 4-hour or four 2-hour sessions performed on different days), and
- complete counseling service provisions that take multiple sessions on different days (for examples, pre-purchase counseling may take multiple visits, however, it is only reported as one counseling activity with one outcome).

**Example:** An individual attends pre-purchase counseling. Later in the reporting period, the same individual attends default counseling. Because the individual attended two distinct counseling sessions, two activities are reported for this individual.

---

### 3. HUD Review and Analysis of Reports

---

**Change Date**      March 18, 2011

---

**7601.1 5.C.3.a**      The table below describes how an agency's reports are to be used by local  
**Use of the**           HUD offices and HUD headquarters.  
**Agencies'**  
**Reports**

<b>Type of Use</b>	<b>Description</b>
Monitoring	HUD offices retain all reports for reviewing and monitoring the agency's program participation and compliance under a HUD Housing Counseling Grant application, if applicable.
<ul style="list-style-type: none"> <li>• Performance Indicators, and</li> <li>• Program Appropriations</li> </ul>	<p>Annually, headquarters may make available to the public, through HUD's website, data regarding program activity.</p> <p>The data obtained from agency reports is used to</p> <ul style="list-style-type: none"> <li>• demonstrate the impact of the housing counseling program</li> <li>• justify annual appropriations, and</li> <li>• develop and report on performance indicators and efficiency measures.</li> </ul>
Grant Application Scoring	Agency reports are used in the scoring of HUD Housing Counseling Grant applications.

---

## Section A. Overview of Participating Agency Performance Criteria and Monitoring by HUD

### Overview

---

**Contents**

This section contains the topic “*General Information on HUD Performance Criteria and Monitoring of Agency Performance.*”

---

# 1. General Information on HUD Performance Criteria and Monitoring of Agency Performance

---

<b>Introduction</b>	<p>This topic contains general information on HUD performance criteria and monitoring of agency performance, including</p> <ul style="list-style-type: none"><li>• the criteria for compliance with HUD regulatory and program requirements</li><li>• tool for monitoring the participating agency performance, and</li><li>• participating agency monitoring outcomes/consequences.</li></ul>
<b>Change Date</b>	March 18, 2011
<b>7610.1 6.A.1.a Criteria for Monitoring Participating Agency Performance</b>	<p>To ensure that participating agencies providing housing counseling and education services are complying with the necessary programmatic requirements, HUD monitors the agencies according to the performance criteria outlined in <a href="#">HUD 7610.1 2.B</a> and <a href="#">HUD 7610.1 6.B</a>.</p>
<b>7610.1 6.A.1.b Reviews as a Tool for Monitoring the Participating Agency Performance</b>	<p>To monitor the participating agencies performance against the necessary programmatic requirements, HUD performs regular performance reviews as outlined in <a href="#">HUD 7610.1 6.C</a>.</p>
<b>7610.1 6.A.1.c Participating Agency Monitoring Outcomes/ Consequences</b>	<p>A performance reviews reveals whether a participating agency is compliant or non-compliant with the necessary programmatic requirements. If the participating agency is found to be non-compliant, there are a number of consequences as outlined in <a href="#">HUD 7610.1 6.D</a>.</p>

---

## Section B. Participating Agency Performance Criteria

### Overview

---

**Contents** This section contains the following topics:

Topic	See Page
1. Participating Agency Performance Criteria Overview	6-B-2
2. Workload, Work Plan, Reporting, and Referred Client Servicing Criteria	6-B-3
3. Compliance With Real Estate Settlement Procedures Act (RESPA) and Nondiscriminatory Practices Regulations	6-B-5
4. Fee Schedule and Funding Criteria	6-B-6
5. Conflict of Interest Criteria	6-B-7
6. Staffing, Supervisor, and Training Criteria	6-B-12
7. Auditing Criteria	6-B-14
8. Client Disclosure and Provision of Alternative Product/ Service Information Criteria	6-B-16

---

## 1. Participating Agency Performance Criteria Overview

---

<b>Introduction</b>	<p>This topic provides an overview of the participating agency performance criteria, including the</p> <ul style="list-style-type: none"><li>• performance criteria requirements</li><li>• failure to comply with the performance criteria, and</li><li>• failure to correct issues out of compliance with the performance criteria.</li></ul>
<b>Change Date</b>	<p>March 18, 2011</p>
<b>7610.1 6.B.1.a Performance Criteria Requirements</b>	<p>A participating agency that provides housing counseling and education services directly must meet the performance criteria in this section, in addition to continually meeting the application approval criteria set forth in</p> <ul style="list-style-type: none"><li>• <a href="#">24 CFR 214.103</a>, and</li><li>• <a href="#">HUD 7610.1 2.B.</a></li></ul>
<b>7610.1 6.B.1.b Failure to Comply With Performance Criteria</b>	<p>If an agency fails to comply with the performance criteria set forth in this handbook, the non-compliance issue is documented</p> <ul style="list-style-type: none"><li>• in the agency's file, or</li><li>• as a finding on the agency's performance review report.</li></ul>
<b>7610.1 6.B.1.c Failure to Correct Issues Out of Compliance From the Performance Criteria</b>	<p>If the agency fails to correct the non-compliance issues, it may be</p> <ul style="list-style-type: none"><li>• terminated from the Housing Counseling Program, or</li><li>• placed on an inactive status.</li></ul>

---

## 2. Workload, Work Plan, Reporting, and Referred Client Servicing Criteria

---

**Introduction** This topic contains information on workload, work plan, reporting, and referred client servicing criteria, including

- workload criteria
- criteria for participating agency housing counseling work plans and changes to work plans
- participating agency reporting criteria, and
- referred client servicing criteria.

---

**Change Date** March 18, 2011

---

**7610.1 6.B.2.a Workload Criteria** During each 12-month period, the participating agency must provide housing counseling to at least 30 clients.

*Exception:* The above does *not* apply to participating agencies that offer only housing counseling services limited to reverse mortgages, including Home Equity Conversion Mortgages (HECMs).

*Reference:* For more information on reverse mortgage counseling, see

- [HUD 7610.1 4](#), and
- the [HECM Protocol](#).

---

**7610.1 6.B.2.b Criteria for Participating Agency Housing Counseling Work Plans and Changes to Work Plans** The participating agency must

- implement its housing counseling work plan, and
- demonstrate reasonable achievement of the outcome objectives approved by the Department of Housing and Urban Development (HUD).

*Important:* Changes to a participating agency's housing counseling work plan must be submitted to HUD for approval prior to implementation, including proposed changes in services to be offered and geographical boundaries.

---

*Continued on next page*

## 2. Workload, Work Plan, Reporting, and Referred Client Servicing Criteria, Continued

---

**7610.1 6.B.2.c**  
**Participating**  
**Agency**  
**Reporting**  
**Criteria**

The participating agency must submit to HUD complete, accurate, and timely activity reports as described in

- [24 CFR 214.317](#), and
  - [HUD 7610.1 5.C](#).
- 

**7610.1 6.B.2.d**  
**Referred Client**  
**Servicing**  
**Criteria**

All clients who contact the agency as a result of a referral from HUD or another participating agency must be served *unless*

- the agency
  - does *not* offer the unique services requested by the client
  - is unable to effectively communicate with the client, or
  - does *not* have sufficient resources, or
- the client is outside the geographic jurisdiction of the agency.

***Important:*** If the agency is unable to provide the necessary services to the referred client for one of the reasons listed above, then the agency must refer the client to another participating agency, preferably an agency in the client's area. If one is *not* available, the agency must make a reasonable effort to refer the client to another agency that can help meet his/her needs.

---

### 3. Compliance With Real Estate Settlement Procedures Act (RESPA) and Nondiscriminatory Practices Regulations

---

<b>Introduction</b>	<p>This topic contains information on the compliance with</p> <ul style="list-style-type: none"><li>• Real Estate Settlement Procedures Act (RESPA) regulations, and</li><li>• nondiscriminatory practices regulations</li></ul>
<b>Change Date</b>	<p>March 18, 2011</p>
<b>7610.1 6.B.3.a Compliance With RESPA Regulations</b>	<p>A participating agency, or its interested parties, must be in full compliance with <i>Public Law (Pub. L.) 93-533</i>, 88 Stat. 1724, known as RESPA of 1974 (<a href="#">12 U.S.C. 2601et seq.</a>)</p>
<b>7610.1 6.B.3.b Compliance With Nondiscriminat ory Practices Regulations</b>	<p>The agency must administer its housing counseling activities pursuant to the following laws, which prohibit discrimination because of race, color, religion, sex, national origin, disability, familial status, or age:</p> <ul style="list-style-type: none"><li>• Title VI of the Civil Rights Act of 1964</li><li>• Fair Housing Act</li><li>• Executive Order 11063</li><li>• Section 504 of the Rehabilitation Act of 1973, and</li><li>• Age Discrimination Act of 1975.</li></ul> <p><b>Important:</b> All housing counseling agencies are required to affirmatively further fair housing in accordance with HUD regulation as outlined in <a href="#">HUD 7610.1 3.B.</a></p> <p><b>Note:</b> A faith-based organization's federal statutory exemption from employment discrimination on the basis of religion is found at Section 702(a) of the Civil Rights Act of 1964 (<a href="#">42 U.S.C. 2000e-1(a)</a>).</p>

---

## 4. Fee Schedule and Funding Criteria

---

<b>Introduction</b>	<p>This topic contains information on fee schedule and funding criteria, including</p> <ul style="list-style-type: none"><li>• fee schedule criteria</li><li>• requirement to document the communication of the fee schedule to the client, and</li><li>• funding criteria.</li></ul>
<b>Change Date</b>	March 18, 2011
<b>7610.1 6.B.4.a Fee Schedule Criteria</b>	<p>Participating agencies must</p> <ul style="list-style-type: none"><li>• verbally communicate to their counseling and education clients any fee schedule/structure in advance of providing services, including intake, and</li><li>• have the fee schedule posted in a prominent place that is easily viewed by clients.</li></ul> <p><b>Important:</b> Participating agencies <i>cannot</i> refuse to provide counseling services if a client cannot afford to pay the fees.</p> <p><b>Reference:</b> For more information on fees, see <a href="#">HUD 7610.1 1.5</a>.</p>
<b>7610.1 6.B.4.b Requirement to Document the Communication of the Fee Schedule to the Client</b>	<p>For all clients receiving counseling, the participating agency must document the verbal communication of the fee schedule in the counseling and education file, including the date of the verbal fee schedule disclosure or documentation of the electronic fee schedule disclosure.</p>
<b>7610.1 6.B.4.c Funding Criteria</b>	<p>The participating agency must maintain a level of funds that enables it to provide housing counseling to at least the required workload of clients every year whether or not the agency receives HUD funding.</p> <p><b>Reference:</b> For more information on HUD funding for housing counseling services, see <a href="#">HUD 7610.1 7</a>.</p>

---

## 5. Conflict of Interest Criteria

---

**Introduction** This topic contains information on the conflict of interest criteria, including

- responsibility to ensure the compliance of the conflict of interest criteria by the participating agency’s staff
- types of conflicts of interest
- HUD investigation of conflicts of interest, and
- notification to HUD of conflict of interests.

---

**Change Date** March 18, 2011

---

**7610.1 6.B.5.a Responsibility to Ensure the Compliance of the Conflict of Interest Criteria by the Participating Agency’s Staff** The participating agency must ensure that their directors, employees, officers, volunteers and consultants understand and comply with the conflict of interest requirements provided in this topic.

---

*Continued on next page*

## 5. Conflict of Interest Criteria, Continued

---

**7610.1 6.B.5.b** In accordance with [24 CFR 214.303\(f\)](#), a director, employee, officer, contractor, volunteer, agent of a participating agency, or a spouse, child, or business partner of any individual holding these positions must *not* engage in activities that create a real or apparent conflict of interest as outlined in the table below.

Type of Conflict	Requirement
Personal Gain or Preferential Treatment from a Position of Trust	<p>A person of trust, including a director, employee, officer, contractor, volunteer, agent of a participating agency, or the spouse, child, or business partner of any individual holding these positions must avoid</p> <ul style="list-style-type: none"> <li>• any action that might result in or create the appearance of administering the housing counseling operation for personal or private gain</li> <li>• providing preferential treatment to any organization or person, or</li> <li>• undertaking any action that might compromise the agency’s ability to               <ul style="list-style-type: none"> <li>– ensure compliance with the conflict of interest requirements stated in this topic, and</li> <li>– serve the best interest of its clients</li> </ul> </li> </ul>

---

*Continued on next page*

## 5. Conflict of Interest Criteria, Continued

### 7610.1 6.B.5.b Types of Conflict of Interests (continued)

Type of Conflict	Requirement
<p>Personal Gain From a Direct Interest in the Client</p>	<p>Direct interest occurs when the director, employee, officer, contractor, volunteer, or agent of a participating agency, or the spouse, child, or business partner of any individual holding these positions of trust, or any organization in which these persons serves as an employee (other than with the participating counseling agency), or with whom is negotiating future employment, has direct interest in the client by virtue of their role as the client's</p> <ul style="list-style-type: none"> <li>• landlord</li> <li>• real estate agent or broker</li> <li>• creditor</li> <li>• mortgage broker</li> <li>• loan originator in which there is a financial interest in servicing or underwriting a mortgage on the client's property</li> <li>• owner or purchaser of property that the client seeks to rent or purchase, or</li> <li>• collection agent for the client's mortgage lender, landlord, or creditor.</li> </ul> <p>A person with direct interest, as mentioned above, must avoid administering the housing counseling operation for personal or private gain, including the receipt of anything of value (for example, compensation on a commission basis for any of the above services to the client related to the matter on which the client is being counseled).</p> <p><b>Exception:</b> The direct interest conflict does <i>not</i> preclude a director, employee, or officer who provides multiple affordable housing services on behalf of the participating agency from being compensated a reasonable salary from the participating agency.</p> <p><b>Important:</b> The HECM statute specifically prohibits participating agencies from offering both HECM counseling and HECM loan origination to a potential HECM borrower.</p>

Continued on next page

## 5. Conflict of Interest Criteria, Continued

---

### 7610.1 6.B.5.b Types of Conflict of Interests (continued)

Type of Conflict	Requirement
Personal Gain From a Referral	<p>Directors, employees, officers, contractors, volunteers, and/or agents of a participating agency must avoid</p> <ul style="list-style-type: none"> <li>• referring clients to entities that provide a service to the client related to the matter that the client is being counseled about in which they or their spouse, child, or general partners have a financial interest, including but not limited to               <ul style="list-style-type: none"> <li>– landlords</li> <li>– real estate agents or brokers</li> <li>– creditors</li> <li>– mortgage brokers</li> <li>– loan originators</li> <li>– property owners seeking to sell or rent to clients, or</li> <li>– collection agents for the client’s mortgage lender, landlord, or creditor</li> </ul> </li> <li>• accepting a fee or any other consideration, for personal or private gain or otherwise, for referring their housing counseling client(s) to any of the above mentioned parties, and</li> <li>• acquiring the client’s property from the trustee in bankruptcy.</li> </ul>

---

**7610.1 6.B.5.c HUD Investigation of Conflicts of Interest** HUD may investigate agency practices and take the action necessary to inactivate or terminate the agency’s approval or participation in the Housing Counseling Program.

*Continued on next page*

## 5. Conflict of Interest Criteria, Continued

---

**7610.1 6.B.5.d**  
**Notification to**  
**HUD of**  
**Conflict of**  
**Interests**

Participating agencies must notify HUD in a written letter or e-mail of conflicts of interest no later than 15 calendar days after the conflict is discovered.

The letter or e-mail must

- include the corrective action taken to cure the immediate conflict and avoid future conflicts, and
- be sent to the HUD GTR.

***Important:*** If the participating agency fails to comply with the notification requirements above, the agency may be terminated or placed on an inactive status until the agency implements a correction action to address the conflict of interest.

---

## 6. Staffing, Supervisor, and Training Criteria

---

**Introduction** This topic contains information on the staffing, supervisor, and training criteria, including the

- staffing criteria
  - failure to comply with the staffing requirements
  - supervisor criteria, and
  - counselor training criteria.
- 

**Change Date** March 18, 2011

---

**7610.1 6.B.6.a Staffing Criteria** The agency must employ staff trained in housing counseling. Additionally, at least half the counselors must have at least 6 months experience in the job they will perform in the agency's Housing Counseling Program.

---

**7610.1 6.B.6.b Failure to Comply With the Staffing Requirements** The table below provides the consequences should a participating agency fail to comply with the staffing requirements provided above.

<b>If ...</b>	<b>Then the ...</b>
less than one half of the counselors do <i>not</i> have the required experience	finding is documented on the agency's performance review report, as well as in the agency's official file maintained by HUD.
the agency fails to maintain qualified staff to meet the program requirement	agency can be terminated or placed on an inactive status until required staffing levels are met.

---

*Continued on next page*

## 6. Staffing, Supervisor, and Training Criteria, Continued

---

**7610.1 6.B.6.c**  
**Housing**  
**Counselor**  
**Supervisor**  
**Criteria**

Supervisors of housing counselors must monitor the work of the housing counselors by reviewing client files with the housing counselor to determine the adequacy and effectiveness of the housing counseling.

***Important:*** The agency must document these monitoring activities and make the documentation available to HUD upon request.

---

**7610.1 6.B.6.d**  
**Counselor**  
**Training**  
**Criteria**

Participating agencies are encouraged to send their housing counselors to formal training courses.

***Note:*** HUD may sponsor the training of counselors from participating agencies and strive to do so fairly and equitably.

***Reference:*** For information on the training available, see the Housing Counseling webpage at <http://www.hud.gov/counselors/>.

---

## 7. Auditing Criteria

---

**Introduction** This topic contains information on the auditing criteria, including

- when to perform audits
  - the requirements of the audit, and
  - the provision of audited reports to HUD.
- 

**Change Date** March 18, 2011

---

**7610.1 6.B.7.a** In accordance with OMB Circular A-133 (revised), grant recipients and sub-  
**When to** recipients must have an audit performed.  
**Perform Audits**

The table below indicates when to perform these audits.

<b>If the grant recipient or sub-recipient expends ...</b>	<b>Then the participating agency must have a(n) ...</b>
\$500,000 or more in a year in federal awards	single or program-specific financial audit conducted for that year by the agency's Independent Public Accountant.
less than \$500,00 in a year in federal awards	independent audit every 2 years.

---

*Continued on next page*

## 7. Auditing Criteria, Continued

**7610.1 6.B.7.b  
Requirements  
of the Audit**

The table below provides the guidelines for performing the audit for Housing Counseling recipients or sub-recipients based on the amount of Federal awards expended in a year.

<b>Housing Counseling recipients or sub-recipients expending Federal awards totaling...</b>	<b>Must have...</b>
\$500,000 or more in a year	a single or program-specific financial audit conducted for that year that must be <ul style="list-style-type: none"> <li>• conducted in accordance with the provisions in OMB Circular A-133, and</li> <li>• performed by an Independent Public Accountant certifying that the agency                             <ul style="list-style-type: none"> <li>– maintains internal control over Federal awards</li> <li>– complies with applicable laws, regulations and contract or grant provisions, and</li> <li>– prepares appropriate financial statements.</li> </ul> </li> </ul>
less than \$500,000 in a year	an independent audit every two years that must <ul style="list-style-type: none"> <li>• be prepared in accordance with generally accepted accounting principles and reporting practices, and</li> <li>• include an auditor’s review report, treasure’s report, and any supplemental schedules.</li> </ul>

**7610.1 6.B.7.c  
Provision of  
Audited  
Reports to  
HUD**

HUD must be provided a copy of all audit reports within 30 days of completion.

## 8. Client Disclosure and Provision of Alternative Product/Service Information Criteria

---

**Introduction** This topic contains information on the client disclosure and provision of alternative product/service information criteria, including the

- client disclosure statement requirements
  - disclosure statement format requirements
  - selection of the proper disclosure statement by the counselor
  - HUD assessment of the disclosure statement provided to the client
  - record of the disclosure statement provided to the client, and
  - provision of alternative product/service information criteria.
- 

**Change Date** March 18, 2011

---

**7610.1 6.B.8.a Client Disclosure Statement Requirements** A participating agency must provide to clients a disclosure statement that

- identifies the agency and explicitly describes the various types of services provided by the agency, as well as any exclusive, financial, or other relationships between this agency and any other industry partners that might be relevant to the client, and
- clearly states that the client is *not* obligated to receive, purchase, or utilize any other services offered by the organization or its exclusive partners in order to receive housing counseling services.

---

**7610.1 6.B.8.b Disclosure Statement Format Requirements** The table below provides the format requirements for disclosure statements.

<b>For clients ...</b>	<b>The agency must ...</b>
with whom the agency meets face-to-face	provide a written disclosure.
receiving counseling via another format (for example, telephone counseling)	verbally or electronically provide a disclosure that meets the requirements in this topic.

---

*Continued on next page*

## 8. Client Disclosure and Provision of Alternative Product/ Service Information Criteria, Continued

---

**7610.1 6.B.8.c**      Counselors must initially determine which disclosures are relevant to the Selection of the Proper Disclosure Statement by the Counselor client.

---

**7610.1 6.B.8.d**      To determine if the proper disclosures were provided to clients, HUD HUD Assessment of the Disclosure Statement Provided to the Client

- assesses files during performance reviews, and
- reviews the responses to client surveys.

---

**7610.1 6.B.8.e**      Use the table below to determine how to record the disclosure statement Record of the Disclosure Statement Provided to the Client provided to the client.

<b>If the disclosure statement is ...</b>	<b>Then ...</b>
paper	the disclosure statement must be retained in the counseling or group education file for all those counseled.
verbal	a note indicating the date of the verbal disclosure, or documentation of electronic disclosure, must be retained in the files of all those counseled.

---

*Continued on next page*

## 8. Client Disclosure and Provision of Alternative Product/Service Information Criteria, Continued

---

**7610.1 6.B.8.f**  
**Provisions of**  
**Alternative**  
**Product/Service**  
**Criteria**

If the counselor provides information about a specific service, program feature or product, the counselor must

- also provide information on at least three relevant alternatives, if available, and
- document in the client file the information provided to the client on the additional products available.

***Important:*** Federal Housing Administration (FHA) products, features, or programs must be discussed as one of the available alternatives.

---

## Section C. Participating Agency Performance Reviews Performed by HUD

### Overview

---

**Contents**

This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. General Information on Participating Agency Performance Reviews Performed by HUD	6-C-2
2. Accessibility, Confidentiality, and Falsification of Files/Records During Performance Reviews	6-C-4
3. Elements of the Participating Agency Performance Review by HUD	6-C-6

---

# 1. General Information on Participating Agency Performance Reviews Performed by HUD

---

**Introduction** This topic contains general information on participating agency performance reviews performed by HUD, including the

- types of participating agency performance reviews
- conditions prompting participating agency performance reviews, and
- scope of the participating agency performance reviews.

---

**Change Date** March 18, 2011

**7610.1 6.C.1.a**  
**Types of**  
**Participating**  
**Agency**  
**Performance**  
**Reviews**

HUD may conduct periodic

- onsite or desk performance reviews
- remote performance reviews, or
- a combination of both.

**7610.1 6.C.1.b**  
**Conditions**  
**Prompting**  
**Participating**  
**Agency**  
**Performance**  
**Reviews**

HUD reserves the right to monitor a participating agency's performance review

- as part of the re-approval process, or
- based on perceived risk.

---

*Continued on next page*

## 1. General Information on Participating Agency Performance Reviews Performed by HUD, Continued

---

**7610.1 6.C.1.c**  
**Scope of the**  
**Participating**  
**Agency**  
**Performance**  
**Review**

The participating agency performance review involves, but is not limited to

- compliance with basic program requirements, including
    - applicable civil rights requirements and
    - the agency’s ability to deliver quality counseling services
  - the skills and experience of the agency manager and the housing counselors
  - the financial and administrative capacity of the agency
  - program practices
  - compliance with the conflict of interest requirements
  - facility and accessibility requirements, and
  - grant requirements, if applicable.
-

## 2. Accessibility, Confidentiality, and Falsification of Files/Records/Documents During Performance Reviews

**Introduction** This topic contains information on the accessibility, confidentiality, and falsification of files/records/documents, including

- access to files and information during performance reviews
- confidentiality of client records during performance reviews, and
- falsification of records or fraud during performance reviews.

**Change Date** March 18, 2011

**7610.1 6.C.2.a Access to Files and Information During Performance Reviews** The participating agency must

- allow HUD staff to obtain the necessary information to complete the performance reviews, and
- provide any information that HUD requests.

The table below lists access requirements and options for files and information used during performance reviews.

Item	Requirements
<ul style="list-style-type: none"> <li>• Client files, and</li> <li>• Group education files</li> </ul>	<p>HUD staff assigned to review the housing and counseling activities of a participating agency may request from the agency specific client files and group education files for review.</p> <ul style="list-style-type: none"> <li>• These files, in paper or electronic format (or a combination of the two) must be provided to the HUD reviewer.</li> <li>• The reviewer decides which and how many files will be reviewed, as well as the method used to identify those files.</li> </ul> <p><b>Important:</b> Agencies must provide the names, addresses, and other uniquely identifying information of clients when asked by the HUD office conducting the review.</p>
Other documentation	<p>Other documentation that may be requested includes, but is not limited to</p> <ul style="list-style-type: none"> <li>• the most recent housing counseling work plan</li> <li>• evidence of leveraging</li> <li>• financial statements</li> <li>• documentation supporting draws or allocations on grants or sub-grants, and</li> <li>• audit reports.</li> </ul>

*Continued on next page*

## 2. Accessibility, Confidentiality, and Falsification of Files/Records/Documents During Performance Reviews, Continued

### 7610.1 6.C.2.a Access to Files and Information During Performance Reviews (continued)

Item	Requirements
Viewing and access options	<ul style="list-style-type: none"> <li>• Most information and files are viewed by HUD staff while onsite conducting performance reviews.</li> <li>• HUD staff may on occasion request an agency to send the required information or files to the HUD office prior to an onsite review or as preparation for a desk review.</li> <li>• HUD may access the files remotely through the agency’s Client Management System (CMS). When information is accessed remotely, the GTR generally requests the information by way of official correspondence with the required dates and times for submission or access.</li> </ul>

**Reference:** For information on the access to and confidentiality and falsification of files/records, see

- [HUD 7610.1 6.C.2.b](#), and
- [HUD 7610.1 6.C.2.c](#)

#### 7610.1 6.C.2.b Confidentiality of Client Records During Performance Reviews

HUD staff conducting the review will

- protect the confidentiality of all client records maintained by the agency, and
- ensure that they do *not* disclose information to any person or entity outside of HUD, or anyone not an agent of HUD, unless directed to do so by a duly constituted legal authority, such as
  - a court of law
  - a member of HUD’s Office of Inspector General (OIG) should an official investigation be underway, or
  - similar law enforcement.

#### 7610.1 6.C.2.c Falsification of Records Found During Performance Reviews

Derogatory findings indicating the possibility of falsified records or fraud may be reported by the reviewing HUD office to the appropriate

- OIG, and
- Deputy Assistant Secretary for the Office of Single Family Housing.

### 3. Elements of the Participating Agency Performance Review by HUD

---

**Introduction** This topic contains information on the elements of the participating agency performance review conducted by HUD, including the

- tool used to conduct and record the participating agency performance review, and
  - review of the participating agency's
    - compliance with the housing counseling work plan
    - client counseling sessions
    - fee structure
    - Housing Counseling Grants, and
    - files and other documentation.
- 

**Change Date** March 18, 2011

---

**7610.1 6.C.3.a  
Tool Used to  
Conduct and  
Record the  
Participating  
Agency  
Performance  
Review** HUD staff uses [HUD-9910, Performance Review](#) as a monitoring tool when conducting and recording the results of the review.

---

*Continued on next page*

### 3. Elements of the Participating Agency Performance Review by HUD, Continued

- 7610.1 6.C.3.b**      The review may assure that the agency’s counseling and education activities comply with
- Review of Compliance With the Housing Counseling Work Plan**
- the initial work plan submitted by the agency as part of its application for approval, or
  - any revised plan that is considered current.

The table below describes requirements for the agency if it should it be discovered during the performance review that the agency has not implemented the work plan fully or modified its activities.

If the agency has ...	Then the agency must ...
<i>not</i> implemented the work plan fully	<ul style="list-style-type: none"> <li>• commence full implementation of the work plan within 60 days of HUD’s written notice to the agency to that affect, and</li> <li>• notify HUD of its compliance in writing.</li> </ul>
modified its activities since HUD approved the work plan	<p>prepare and deliver to HUD a revised work plan no later than 15 days after the reviewer’s written notice to the agency to that affect.</p> <p><b>Important:</b> The agency may begin operating under its revised plan immediately after the agency receives a letter stating that the corrective action plan has been accepted.</p> <p><b>Note:</b> HUD expects that, over time, work plans may be modified to accommodate changes in housing market conditions within an agency’s targeted area or geographic area where its housing counseling services are provides.</p>

*Continued on next page*

### 3. Elements of the Participating Agency Performance Review by HUD, Continued

---

**7610.1 6.C.3.c  
Review of the  
Client  
Counseling  
Sessions**

The reviewing HUD office may conduct client surveys where the client anonymously responds to questions regarding the service received from the agency. Additional information on how these reviews are conducted is provided below.

- During the performance review, HUD staff randomly selects clients to be surveyed and subsequently send to each client a survey form, for example [HUD-9908, \*Housing Counseling Session Evaluation\*](#), and an envelope addressed to the HUD office conducting the review.
  - HUD staff may randomly select names and addresses from the client-level data submitted by the participating agency, request the names and addresses of clients randomly selected from the agency's list of client file numbers, send surveys based on a sampling of the files reviewed, or any combination of the two sources.
- 

**7610.1 6.C.3.d  
Review of the  
Participating  
Agency's Fee  
Structure**

HUD may review the agency's fee structure to ensure compliance with all program requirements outlined within

- [HUD 7610.1 1.5](#), and
  - [24 CFR 214.313](#).
- 

**7610.1 6.C.3.e  
Review of  
Housing  
Counseling  
Grants**

If there are participants that receive a Housing Counseling Grant, or there are sub-recipients, the HUD reviewer examines the agency's compliance with the applicable funding notice, participant's grant application, and grant or cooperative agreement, including but not limited to

- reviewing supporting documentation for vouchers and implementation of the proposed work plan, and
  - verifying the actual leveraging of resources.
- 

**7610.1 6.C.3.f  
Review of Files  
and Other  
Documentation**

HUD reviews the agency's files to

- verify the participating agency's compliance with recordkeeping and other programmatic requirements, and
  - evaluate the quality of counseling services being provided.
-

## Section D. Outcomes/Consequences of HUD Performance Reviews

### Overview

---

**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Page</b>
1. Outcomes/Consequences of HUD Performance Reviews Overview	6-D-2
2. Unconditional Re-Approval or Continued Participation of Participating Agencies	6-D-4
3. Conditional Re-Approval or Continued Participation of Participating Agencies	6-D-5
4. Participating Agency Inactive Status	6-D-8
5. HUD Suspensions, Debarments, Limited Denials, and Terminations	6-D-12

---

# 1. Outcomes/Consequences of HUD Performance Reviews Overview

---

**Introduction** This topic provides an overview on the possible outcomes/consequences of HUD performance reviews, including

- outcomes of the HUD performance reviews, and
- consequences of the HUD performance reviews.

---

**Change Date** March 18, 2011

---

**7610.1 6.D.1.a Outcomes of HUD Performance Reviews** HUD uses the findings of the agency’s performance review to determine whether or not the participating agency is compliant with programmatic requirements.

*Note:* Additionally, the findings of a performance review may serve as a basis for determining future grant funding for the Housing Counseling Program.

The table below describes how HUD uses the findings of the performance review to determine if the participating agency is compliant.

<b>If the performance review reveals that the participating agency has ...</b>	<b>Then HUD considers the participating agency to be ...</b>	<b>Refer to ...</b>
fully met the programmatic requirements	compliant and re-approves the participating agency unconditionally.	<a href="#">HUD 7610.1 6.D.2.</a>
<i>not</i> fully met the programmatic requirements	noncompliant.	<a href="#">HUD 7610.1 6.D.1.b.</a>

---

*Continued on next page*

# 1. Outcomes/Consequences of HUD Performance Reviews Overview, Continued

**7610.1 6.D.1.b  
Consequences  
of HUD  
Performance  
Reviews  
Resulting in  
Noncompliance**

The table below lists the

- consequences for HUD performance reviews that reveal the participating agency is noncompliant with programmatic requirements, and
- references where additional information can be found on each consequence.

Consequence	Reference
Conditional Re-Approval	<a href="#">HUD 7610.1 6.D.3</a>
Inactivation of Status	<a href="#">HUD 7610.1 6.D.4</a>
Suspension	<a href="#">HUD 7610.1 6.D.5</a>
Debarment	<a href="#">HUD 7610.1 6.D.5</a>
Limited Denial of Participation	<a href="#">HUD 7610.1 6.D.5</a>
Termination	<a href="#">HUD 7610.1 6.D.5</a>

## 2. Unconditional Re-Approval or Continued Participation of Participating Agencies

---

**Introduction** This topic contains information on the unconditional re-approval or continued participation of participating agencies, including

- when participating agencies are re-approved unconditionally
  - the duration of the unconditional re-approval or continued participation, and
  - the notification of the unconditional re-approval or continued participation.
- 

**Change Date** March 18, 2011

---

**7610.1 6.D.2.a**  
**When Participating Agencies Are Re-Approved Unconditionally** HUD re-approves the agency unconditionally or allows continued participation when the performance review reveals that the agency is in full compliance with all programmatic requirements.

---

**7610.1 6.D.2.b**  
**Duration of the Unconditional Re-Approval or Continued Participation** If the performance review reveals that the participating agency is fully compliant with all programmatic requirements, the unconditional re-approval or continued participation is for up to three years.

---

**7610.1 6.D.2.c**  
**Notification of Unconditional Re-Approval or Continued Participation** HUD notifies the participating agency of its re-approval or continued participation.

---

### 3. Conditional Re-Approval or Continued Participation of Participating Agencies

---

**Introduction** This topic contains information on the conditional re-approval or continued participation of participating agencies, including

- when participating agencies are approved conditionally
  - the duration of the conditional re-approval or continued participation of participating agencies
  - the notification of conditional re-approval or continued participation of participating agencies
  - the documented corrections of deficiencies for conditional re-approval or continued participation
  - the follow-up review by HUD to determine if the deficiencies have been corrected, and
  - the outcomes of the follow-up review conducted by HUD to determine if the deficiencies have been corrected.
- 

**Change Date** March 18, 2011

---

**7610.1 6.D.3.a  
When  
Participating  
Agencies Are  
Approved  
Conditionally** If the agency fails to comply with programmatic requirements, HUD may extend the agency's approval or allow continued participation so long as the

- failure does *not* seriously impair the agency's counseling capability as required in this handbook and applicable regulations, and
- participating agency agrees to attempt to correct the program deficiencies within the period of the extension.

---

**7610.1 6.D.3.b  
Duration of the  
Conditional Re-  
Approval or  
Continued  
Participation of  
Participating  
Agencies** HUD may extend the agency's approval or allow continued participation conditionally for up to 120 calendar days.

---

*Continued on next page*

### 3. Conditional Re-Approval or Continued Participation of Participating Agencies, Continued

---

**7610.1 6.D.3.c  
Notification of  
Conditional Re-  
Approval or  
Continued  
Participation of  
Participating  
Agencies**

HUD notifies the participating agency of its conditional approval or participation.

---

**7610.1 6.D.3.d  
Documented  
Corrections of  
Deficiencies for  
Conditional Re-  
Approval or  
Continued  
Participation**

Once notified of a participating agency's conditional re-approval or continued participation, the participating agency must submit, and have accepted by HUD, a letter documenting the required corrections of deficiencies.

**Important:** If the participating agency does *not* submit an acceptable letter to HUD or fails to reply within the deadline of HUD's performance review letter, HUD

- notifies the agency again to specify the deficiencies, and
  - may terminate the approval or the continued participation of the agency as outlined in [HUD 7610.1.6.D.5](#).
- 

**7610.1 6.D.3.e  
Follow-Up  
Review by  
HUD to  
Determine if  
the Deficiencies  
Have Been  
Corrected**

To determine if the corrections to the deficiencies during a conditional re-approval or continued participation of a participating agency have been completed, HUD may

- review the agency's response
  - review documents submitted as proof of the correction
  - conduct a follow-up performance review, or
  - any combination of the above.
- 

*Continued on next page*

### 3. Conditional Re-Approval or Continued Participation of Participating Agencies, Continued

**7610.1 6.D.3.f**  
**Outcomes of the Follow-Up Review Conducted by HUD to Determine if the Deficiencies Have Been Corrected**

The table below describes the various outcomes of the follow-up review conducted by HUD during a conditional re-approval or continued participation of a participating agency.

<b>If HUD determinates that the participating agency ...</b>	<b>Then HUD ...</b>
has corrected the deficiencies	sends a <ul style="list-style-type: none"> <li>• re-approval letter and new certificate of approval to the agency, or</li> <li>• communication granting continued participation.</li> </ul>
has <i>not</i> corrected the deficiencies or fails to reply within the deadline of HUD’s performance review letter	<ul style="list-style-type: none"> <li>• notifies the agency again to specify the deficiencies, and</li> <li>• may terminate the approval or the continued participation of the agency as outlined in <a href="#">HUD 7610.1.6.D.5</a>.</li> </ul>

## 4. Participating Agency Inactive Status

---

### Introduction

This topic contains information on the inactive status of a participating agency, including

- the authority to change a participating agency's status to inactive given certain circumstances
  - who can initiate the change of a participating agency to an inactive status
  - the circumstances for changing a participating agency's status to inactive
  - the duration of an inactive status
  - the participating agency's request to be placed in inactive status
  - HUD's response to a participating agency's request to be placed in inactive status
  - HUD's decision to place a participating agency in inactive status
  - inactive status extensions, and
  - the remedy of a participating agency's inactive status.
- 

### Change Date

March 18, 2011

---

### 7610.1 6.D.4.a Authority to Change a Participating Agency's Status to Inactive Given Certain Circumstances

According to [24 CFR 214.200](#), HUD may change a participating agency's status to inactive instead of terminating the participating agency's HUD-approved status or removing the participating agency from the list of HUD-approved agencies given certain circumstances that may temporarily impair an agency from complying with its housing counseling work plan.

---

### 7610.1 6.D.4.b Who Can Initiate the Change of a Participating Agency to an Inactive Status

The status of a participating agency can be changed to inactive as a result of either of the following:

- the participating agency may submit a request to be changed to an inactive status, or
  - HUD may change the participating agency's status to inactive as a result of information received by HUD.
- 

*Continued on next page*

## 4. Participating Agency Inactive Status, Continued

---

### 7610.1 6.D.4.c Circumstances for Changing a Participating Agency's Status to Inactive

HUD changes a participating agency's status to inactive on a case-by-case basis should certain circumstances exist that temporarily impair the agency from complying with its housing counseling work plan.

Some of the conditions under which inactive status may be considered include, but are not limited to

- loss of counselors
  - damage to facilities by natural disasters that render the agency unable to function properly
  - significant, unexpected loss of funds
  - relocation
  - circumstances caused by reasons beyond the agency's control
  - results of performance reviews
  - detection by HUD of questionable business practices or conflicts of interest, and
  - outstanding Fair Housing violations.
- 

### 7610.1 6.D.4.d Duration of an Inactive Status

HUD may change a participating agency's status to inactive for a period not to exceed six months unless an extension is provided by HUD.

---

### 7610.1 6.D.4.e Participating Agency Request to Be Placed in Inactive Status

Participating agencies that seek a temporary inactive status must submit a request to HUD in writing, along with the evidence of the condition(s) that have rendered the agency incapable of carrying out its housing counseling work plan, if possible.

---

*Continued on next page*

## 4. Participating Agency Inactive Status, Continued

---

**7610.1 6.D.4.f**  
**HUD's**  
**Response to a**  
**Request From a**  
**Participating**  
**Agency to be**  
**Placed in**  
**Inactive Status**

Upon receipt of a request from a participating agency to be placed on inactive status, HUD reviews the request and notifies the agency in writing of

- approval, or
- rejection.

**Important:** If the inactivation is approved, the agency's name and contact information is temporarily removed from the HUD-approved list of agencies and participating agencies, as well as the telephone referral system.

---

**7610.1 6.D.4.g**  
**HUD's Decision**  
**to Place the**  
**Participating**  
**Agency in**  
**Inactive Status**

HUD may initiate a change to inactive status until a full investigation can be completed, if HUD

- independently obtains information of circumstances that may temporarily impair an agency from complying with its housing counseling plan, or
- detects any questionable business practices.

**Important:** HUD must notify the participating agency in writing and provide the manner in which the participating agency may respond.

**Reference:** For information regarding a participating agency's appeal rights, see [HUD 7610.1 2.D.](#)

---

**7610.1 6.D.4.h**  
**Inactive Status**  
**Extensions**

If the condition(s) still persist after six months, an extension of the inactive period may be considered at HUD's discretion.

**Important:**

- If HUD is unwilling to grant an extension, the participating agency may be terminated or removed from the Housing Counseling Program altogether.
  - Regardless of the decision, HUD must notify the participating agency of its decision in writing.
- 

*Continued on next page*

## 4. Participating Agency Inactive Status, Continued

---

**7610.1 6.D.4.i**  
**Remedy of a**  
**Participating**  
**Agency's**  
**Inactive Status**

A participating agency must notify HUD in writing and provide supporting documentation or evidence when it is ready to resume operations or no later than the end of the inactive period.

**Result:** After review and acceptance by HUD, the agency's contact information may be restored to the list of HUD-approved and participating agencies and the toll free telephone referral system.

---

## 5. HUD Suspensions, Debarments, Limited Denials, and Terminations

---

**Introduction** This topic contains information on HUD suspensions, debarments, limited denials, and terminations, including the

- termination from HUD-approved or participation status, removal of State Housing Financing Agency (SHFA), Multi-State Organization (MSO), or SHFA Housing Counseling Program, or termination of grant agreements
  - suspension, debarment, limited denial, and termination for fraud misrepresentation, or other inappropriate acts or activities
  - notification of termination
  - consequences of termination, and
  - appeal of termination.
- 

**Change Date** March 18, 2011

---

**7610.1 6.D.5.a Termination From HUD-Approved or Participation Status, Removal of SHFA, MSO, or SHFA Housing Counseling Program, or Termination of Grant Agreements**

HUD may terminate approval or participation of the agency, remove a State Housing Financing Agency (SHFA), remove one or more branches or affiliates from the HUD portion of an intermediary's Multi-State Organization (MSO) or SHFA's Housing Counseling Program, or terminate any grant agreements (if applicable) when

- there are serious program deficiencies that impair the agency's ability to comply with this handbook or applicable regulations, including any non-discrimination or Fair Housing requirements
- the agency fails to correct deficiencies identified during a review
- the agency fails to
  - implement, in whole or part, the agency's approved housing counseling work plan
  - notify HUD of changes in the agency's housing counseling work plan, or
  - accept HUD decisions regarding the work plan
- the agency lacks the capacity to deliver the housing counseling activities described in its approved housing counseling work plan
- the agency fails to achieve the outcomes described in the work plan
- the agency misuses grant funds, or
- HUD determines that there is good cause.

---

*Continued on next page*

## 5. HUD Suspensions, Debarments, Limited Denials, and Terminations, Continued

---

**7610.1 6.D.5.b  
Suspension,  
Debarment,  
Limited Denial,  
and  
Termination  
for Fraud,  
Misrepresentati  
on, or Other  
Inappropriate  
Acts or  
Activities**

According to [2 CFR 180](#) and [2424](#), HUD may exercise its ability to suspend, debar, impose a limited denial of, or terminate participation of a participant in cases where HUD has found

- fraud
  - misrepresentation, or
  - any other act or activity that HUD determines to be unsatisfactory.
- 

**7610.1 6.D.5.c  
Notification of  
Termination**

HUD sends a written notice to the agency of the determination to terminate approval or participation.

---

**7610.1 6.D.5.d  
Consequences  
of a  
Termination**

When a termination occurs, the participating agency must return its *Certificate of Approval* to the HOC that issued the approval certificate since the terminated agency may not continue to display the certificate.

According to [2 CFR Parts 180](#) and [2424](#), HUD may also impose sanctions on the agency if a determination is made that the agency violated the requirements of the Housing Counseling Program in any way.

---

**7610.1 6.D.5.e  
Appeal of  
Termination**

If HUD does *not* reinstate the approval or termination of participation, the agency may file an appeal as outlined in [HUD 7610.1 2.D.](#)

---

## Chapter 7. Funding for Housing Counseling Services

### Overview

---

**Contents** This chapter contains the following topics.

<b>Topic Name</b>	<b>See Page</b>
1. General Information on HUD Housing Counseling Grants	7-2
2. Housing Counseling Grant Administration	7-5
3. Other HUD Grants as a Funding Source	7-10
4. Alternative Funding Sources	7-12

---

# 1. General Information on HUD Housing Counseling Grants

---

**Introduction** This topic contains general information on HUD’s Housing Counseling Grants, including

- the appropriation of grant funds by Congress
- HUD’s Office of Housing Counseling’s Notification of Funding Availability (NOFA)-public notification announcing the availability of funds
- application requirements for the Housing Counseling NOFA
- who may apply for Housing Counseling Grant funds, and
- the policy stating that grants awarded through the NOFA are not intended to cover all housing counseling costs.

---

**Change Date** March 18, 2011

---

**7610.1 7.1.a Appropriation of Grant Funds by Congress** Funding for the Housing Counseling Program depends upon appropriations from Congress, and is awarded competitively under Department of Housing and Urban Development (HUD) regulations, including Sections 102 and 103 of the Department of Housing and Urban Development Reform Act of 1989 ([42 U.S.C. 3535\(d\), 3537\(a\), and 3545 et seq.](#) and other Federal regulations and policies governing federal financial assistance programs).

Congress appropriates the discretionary grant funds to HUD to support the delivery of housing counseling services and training, and HUD awards these funds on a competitive basis to eligible organizations that participate in the Housing Counseling Program.

Agencies may receive housing counseling funds

- through a direct grant award, or
- as a participating sub-recipient.

The Housing Counseling Program also awards competitive grants to organizations to provide training for counselors employed by HUD-approved housing counseling agencies.

---

*Continued on next page*

## 1. General Information on HUD Housing Counseling Grants, Continued

---

### 7610.1 7.1.b HUD Notification to the Public of the Availability of Funds Through a NOFA

If Housing Counseling funds become available, HUD notifies the public through a *Notification of Funding Availability* (NOFA) in the Federal Register on the Internet or other electronic media. Publication of the NOFA generally occurs between January and May of the year following the appropriation by Congress.

HUD may notify agencies of the publication date, but ultimately it is the housing counseling agency's responsibility to ascertain when publication of the NOFA occurs.

**Note:** An organization approved by HUD to participate in the Housing Counseling Program does not automatically receive funding from HUD, but must apply as discussed in [HUD 7610.1 7.1.c](#) to participate in the competitive grant process.

---

### 7610.1 7.1.c Application Requirements for NOFA Grant Funds

Approved agencies that want to compete for funding must submit a proposal in response to the NOFA. The NOFA

- sets forth application criteria and instructions, and
- outlines the applicable Federal and HUD policies and regulations.

HUD may require its Housing Counseling Grant applicants to submit their applications electronically through <http://www.grants.gov>.

**Reference:** For more information on this website, see [HUD 7610.1 8.4](#).

---

*Continued on next page*

## 1. General Information on HUD Housing Counseling Grants, Continued

---

### 7610.1 7.1.d Who May Apply For NOFA Grant Funds

The following entities may apply to receive a Housing Counseling Grant through the NOFA:

- HUD-approved Local Housing Counseling Agencies (LHCAs)
  - HUD-approved national and regional intermediaries (Intermediaries)
  - HUD-approved Multi-State Organizations (MSOs), and
  - State Housing Finance Agencies (SHFAs).
- 

### 7610.1 7.1.e NOFA Grants Are Not Intended to Cover All Housing Counseling Costs

HUD housing counseling funds awarded under a NOFA are *not* intended to cover all costs incurred by the agency to deliver counseling services or to ensure that counselors are adequately trained.

An agency must maintain a level of funds that enables it to provide housing counseling to at least the required workload of 30 clients every year whether or not the agency receives HUD funding, as discussed in [HUD 7610.1 6.B.2.a.](#)

---

## 2. Housing Counseling Grant Administration

---

**Introduction** This topic contains information on Housing Counseling Grant administration, including

- HUD offices responsible for grant administration
  - responsibilities of the HUD Government Technical Representative (GTR) and Government Technical Monitors (GTM) for grant administration
  - submitting vouchers to HUD for payment
  - HUD restrictions on duplicate billing
  - requirements for voucher approval by the GTR/GTM
  - payments by HUD to grantees
  - requirements for grantee documentation of expenses
  - record retention requirements for grantees
  - audit requirements for housing counseling grant recipients and sub-recipients, and
  - grantee compliance with the Drug-Free Workplace Act of 1988.
- 

**Change Date** March 18, 2011

---

**7610.1 7.2.a HUD Offices Responsible for Grant Administration** The table below outlines the HUD office/division responsible for grant administration, depending upon the type of grant/grant recipient.

<b>Type of Grant</b>	<b>Responsible HUD Office/Division</b>
Local, MSO, and SHFA Housing Counseling Grants	HUD Homeownership Center (HOC) governing the jurisdiction where the agency is located.
National and regional intermediary Housing Counseling Grants	Office of Housing Counseling in HUD Headquarters

---

*Continued on next page*

## 2. Housing Counseling Grant Administration, Continued

---

### 7610.1 7.2.b Responsibilities of the HUD GTR and GTM for Grant Administration

Government Technical Representatives (GTR) and Government Technical Monitors (GTM) are responsible for grant administration, including the approval of grant voucher payment requests.

**References:**

- For information on the duties of these two positions, see [HUD Handbook 2210.17, Discretionary Grant and Cooperative Agreement Policies and Procedures](#).
  - For definitions of the terms GTR and GTM, see [HUD 7610.1 8.1](#).
- 

### 7610.1 7.2.c Submitting Vouchers to HUD for Payment

Grantees must submit [HUD-27053, Request Voucher for Grant Payment](#), with each request for grant payment. This form can be accessed by visiting HUD's Client Information and Policy Information website at [www.hud.gov/hudclips/](http://www.hud.gov/hudclips/).

**Notes:**

- Grantees are strongly encouraged to draw down funds in conjunction with quarterly report submissions.
  - The Housing Counseling Grant agreement provides specific instructions on how to submit a voucher to HUD for payment under a Housing Counseling Grant award.
- 

*Continued on next page*

## 2. Housing Counseling Grant Administration, Continued

---

### 7610.1 7.2.d HUD Restrictions on Duplicate Billing

Grantees must *not* voucher HUD for full or partial housing counseling service costs under a HUD Housing Counseling Grant, and charge other funding sources for the same full or partial service to the same client.

**Example:**

- If an agency charges a client a fee for housing counseling services, only the portion of the session *not* covered by fees can be counted toward the HUD Housing Counseling Grant drawdown if fees charged to the client do not cover the full cost of the session.
  - The agency may use multiple sources of funding to pay for a specific counselor or specific counseling activities, provided the combined funding does not exceed the actual cost. In this type of scenario, if a non-HUD grant program reimburses at a fixed rate on a “per household counseled” basis, and the reimbursement does not cover the true cost of counseling, the agency may bill HUD for the balance of the cost.
- 

### 7610.1 7.2.e Requirements for Voucher Approval by the GTR/GTM

Only the GTR, GTM, or their designees may approve payment request vouchers submitted by grantees.

The GTR or GTM

- may only approve the grant voucher payment request if the agency is in compliance with the grant agreement, and
- may reject the voucher if
  - there are
    - outstanding reports due, or
    - outstanding program compliance issues, or
  - the voucher is incorrect.

**Note:** Grantees seeking information about the status of a voucher must contact the GTR or GTM at the appropriate HUD office.

---

*Continued on next page*

## 2. Housing Counseling Grant Administration, Continued

---

### 7610.1 7.2.f Payments by HUD to Grantees

HUD makes direct-deposit payments to the grantees' financial institutions. Part of the grant-award process includes the grantee's completion of SF-1199A, *Direct Deposit Sign-up Form*.

**Reference:** To access SF-1199A, see HUD's Client Information and Policy Information website at [www.hud.gov/hudclips/](http://www.hud.gov/hudclips/).

---

### 7610.1 7.2.g Requirements for Grantee Documentation of Expenses

Grantees must maintain source documentation of costs to support all requests for payment, including

- invoices
- cancelled checks, and
- salary reports.

**Note:** This information must be made available to HUD upon request.

---

### 7610.1 7.2.h Record Retention Requirements for Grantees

Grantees must retain the following records, both electronic and paper, for a period of three years from the date the case file was terminated for housing counseling:

- financial records
- supporting documents
- statistical records, and
- all other pertinent records.

Housing Counseling Grant recipients must retain all of the records/files listed above for three years from the date the final grant invoice was paid by HUD.

---

*Continued on next page*

## 2. Housing Counseling Grant Administration, Continued

---

**7610.1 7.2.i**  
**Audit**  
**Requirements**  
**for Housing**  
**Counseling**  
**Grant**  
**Recipients and**  
**Sub-Recipients**

Housing counseling grant recipients and sub-recipients must

- comply with the audit requirements contained in [24 CFR 84](#) and [85](#), and
- provide a copy of the audit report to HUD within 30 days of completion.

---

**76101. 7.2.j**  
**Grantee**  
**Compliance**  
**With the Drug-**  
**Free**  
**Workplace Act**  
**of 1988**

The Drug-Free Workplace Act of 1988 requires grantees of Federal agencies to clarify that they will provide drug-free workplaces. Each potential grantee must certify that it will comply with drug-free workplace requirements in accordance with [24 CFR 21](#).

---

### 3. Other HUD Grants as a Funding Source

Change Date March 18, 2011

**7610.1 7.3.a  
Other HUD  
Grants That  
Can Be Used as  
a Funding  
Source**

Listed in the table below are examples of HUD grants that allow housing counseling and education as eligible activities, as of the publication of this handbook.

*Note:* This list is not meant to be all-inclusive and is subject to change.

Grant Program	Description
Community Development Block Grant (CDBG)  (Block Grant)	The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs.  The funds are provided annually on a formula basis to units of state and local government. Funding for housing counseling and fair housing services may be available from these units of government.
Home Investment Partnerships Program (HOME)  (Block Grant)	Grants are provided to state and local governments to expand the supply of decent, affordable housing for low- and very low-income families.  Nonprofits may provide housing counseling on behalf of the state and local government grant recipients.
Fair Housing Initiatives Program (FHIP)	The Office of the Assistant Secretary for Fair Housing and Equal Opportunity publishes the FHIP NOFA when appropriated funds are available.  Eligible activities include providing outreach and education about <ul style="list-style-type: none"> <li>• fair housing rights and obligations, and</li> <li>• how to avoid predatory lenders.</li> </ul> <i>Reference:</i> For more information, see <a href="#">24 CFR 125</a> .

*Continued on next page*

### 3. Other HUD Grants as a Funding Source, Continued

---

**7610.1 7.3.a Other HUD Grants That Can Be Used as a Funding Source** (continued)

<b>Grant Program</b>	<b>Description</b>
Housing Choice Voucher Family Self-Sufficiency (FSS) Program	This grant is designed to help voucher families obtain employment that leads to economic independence and self-sufficiency.  Eligible activities include <ul style="list-style-type: none"> <li>• household skill training, and</li> <li>• homeownership counseling.</li> </ul>

---

## 4. Alternative Funding Sources

---

**Introduction** This topic contains information on funding sources other than HUD Housing Counseling Grants, including

- HUD’s recommendation to seek alternative funding sources
  - requirements for lender-funded counseling services
  - policy governing lender payments to agencies and what is allowed and prohibited under Real Estate Settlement Procedures (RESPA), and
  - requirements for a Memorandum of Understanding (MOU) between a housing counseling agency and a lender.
- 

**Change Date** March 18, 2011

---

**7610.1 7.4.a HUD Recommendation to Seek Alternative Funding Sources** HUD recommends that approved agencies and participating agencies seek and secure funding from various other potential funding sources which may include

- local and state governments
- private foundations
- lending or real estate organizations, and
- individual donations.

Agencies must assure that such arrangements do not violate the provisions regarding conflicts of interest described in [24 CFR 214.303\(e\)](#) and [HUD 7610.1 6.B.5](#).

---

*Continued on next page*

## 4. Alternative Funding Sources, Continued

---

### 7610.1 7.4.b Requirements for Lender- Funded Counseling Services

With the exception of reverse mortgage counseling, lenders may pay agencies for counseling services, through a lump sum or on a case-by-case basis, provided the level of payment

- does not exceed a level that is commensurate with the services provided
- is reasonable and customary for the area, and
- does not violate requirements of the Real Estate Settlement Procedures Act (RESPA) ([12 U.S.C. 2601 et seq.](#)).

These transactions and relationships must

- be disclosed to the client as required in
  - [24 CFR 214.303\(g\)](#), and
  - [HUD 7610.1 6.B.8](#), and
- *not* violate the provisions regarding conflicts of interest described in
  - [24 CFR 214.303\(e\)](#), and
  - [HUD 7610.1 6.B.5](#).

**Reference:** For more information on RESPA and the payment by lenders to agencies for services, see

- [HUD 7610.1 7.4.c](#), and
- [HUD 7610.1 7.4.d](#).

---

*Continued on next page*

## 4. Alternative Funding Sources, Continued

---

### 7610.1 7.4.c Lender Payments to Agencies That Are Allowed and Prohibited Under RESPA

RESPA requires disclosures and provides protections for consumers during the process of closing a mortgage loan. It governs interactions between those parties involved in the home buying process, including lenders, title companies, real estate agents, mortgage brokers, and consumers by

- requiring disclosures that inform consumers about
  - fees
  - the various responsibilities of the lender and escrow agent in the servicing of the loan, and
  - basic relationships of the parties involved, and
- prohibiting unearned fees and kickbacks from the lender in exchange for referral of business.

[24 CFR 3500.14\(g\)](#) states that Section 8 of RESPA permits the following:

*“A payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed.”*

RESPA explicitly

- *prohibits* lenders from paying agencies for providing referrals, but
- *allows* lenders to pay fees specifically associated with services.

---

*Continued on next page*

## 4. Alternative Funding Sources, Continued

---

### 7610.1 7.4.d MOU Requirements

Once a housing counseling agency has decided to enter into a relationship with a particular lender, HUD requires that the agency enter into a Memorandum of Understanding (MOU), signed by both parties, to formalize the relationship.

The purpose of the document is to outline the expectations of both parties. The terms of the MOU agreement must ensure

- compliance with RESPA requirements, and
- inclusion of the following two terms:
  - the client will choose between comparable products from at least three different lenders, and
  - the fee income is based on services rendered, *not* on the amount of the loan.

*Note:* An example MOU can be found on HUD's website.

---

## Chapter 8. Appendix

### Overview

---

**Contents** This chapter contains the following topics.

<b>Topic Name</b>	<b>See Page</b>
1. Glossary of Terms	8-2
2. HUD Contact Information	8-14
3. HUD Handbook Listing	8-17
4. HUD Website Addresses	8-18
5. Other Helpful Websites	8-21

---

## 1. Glossary of Terms

---

**Change Date**      March 18, 2011

---

**7610.1 8.1.a**      The table below defines the terms used in this housing counseling handbook  
**Housing**            that begin with the letter “A.”  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**A**

<b>Term</b>	<b>Definitions</b>
Action plan	An outline of what the housing counseling agency and the client will do in order to meet the client’s housing goals and, when appropriate, addresses the client’s housing problem(s).
Affiliate	<p>A nonprofit organization participating in the HUD-related Housing Counseling Program of a</p> <ul style="list-style-type: none"> <li>• regional or national intermediary, or</li> <li>• State Housing Finance Agency (SHFA).</li> </ul> <p>The affiliate organization is incorporated separately from the regional or national intermediary or SHFA. An affiliate is</p> <ul style="list-style-type: none"> <li>• duly organized and existing as a tax-exempt 501(c)(3) nonprofit organization</li> <li>• in good standing under the laws of the state of the organization, and</li> <li>• authorized to do business in the states where it provides or proposes to provide housing counseling services.</li> </ul>

*Continued on next page*

## 1. Glossary of Terms, Continued

**7610.1 8.1.b** The table below defines the terms used in this housing counseling handbook that begin with the letter “B.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**B**

Term	Definitions
<ul style="list-style-type: none"> <li>• Branch, or</li> <li>• Branch Office</li> </ul>	<p>An organizational and subordinate unit of a local housing counseling agency, Multi-State Organization (MSO), regional or national intermediary, or SHFA, not separately incorporated or organized, that participates in HUD’s Housing Counseling Program.</p> <p>A branch or branch office must be in good standing under the laws of the State where it provides or proposes to provide housing counseling services.</p>

**7610.1 8.1.c** The table below defines the terms used in this housing counseling handbook that begin with the letter “C.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**C**

Term	Definitions
Client Management System (CMS)	<p>An online system that automates some of the counseling process, including intake, file creation, and the collection and reporting of client-level information including, but not limited to</p> <ul style="list-style-type: none"> <li>• financial and demographic data</li> <li>• counseling services provided, and</li> <li>• outcomes.</li> </ul> <p>CMSs also provide counselors with sophisticated calculators and other tools (for example, analyze credit, evaluate readiness for homeownership, and compare loan products and features).</p>
Clients	Individuals or households who seek assistance from an agency participating in HUD’s Housing Counseling Program to meet a housing need or resolve a housing problem.

*Continued on next page*

## 1. Glossary of Terms, Continued

---

### 7610.1 8.1.c Housing Counseling Glossary of Terms: Letter C (continued)

Term	Definitions
Counseling	<p>Counselor-to-client assistance that addresses unique financial circumstances and housing issues, and focuses on overcoming specific obstacles to achieving a housing goal, such as</p> <ul style="list-style-type: none"> <li>• repairing credit</li> <li>• addressing a rental dispute</li> <li>• purchasing a home</li> <li>• locating cash for a down payment, and</li> <li>• raising awareness about critical housing topics, such as               <ul style="list-style-type: none"> <li>– predatory lending practices</li> <li>– fair lending and fair housing requirements</li> <li>– finding units accessible to persons with disabilities</li> <li>– avoiding foreclosure, or</li> <li>– resolving a financial crisis.</li> </ul> </li> </ul> <p><i>Note:</i> Except for reverse mortgage counseling, all counseling involves the creation of an action plan.</p>

---

*Continued on next page*

# 1. Glossary of Terms, Continued

**7610.1 8.1.d**      The table below defines the terms used in this housing counseling handbook that begin with the letter “E.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**E**

Term	Definitions
Education	<p>For the purposes of HUD’s Housing Counseling Program, education is formal classes with established curriculum and instructional goals provided in a group or classroom setting, or other formats approved by HUD, covering topics such as, but not limited to</p> <ul style="list-style-type: none"> <li>• renter rights</li> <li>• the home buying process</li> <li>• how to maintain a home</li> <li>• budgeting</li> <li>• fair housing</li> <li>• identifying and reporting predatory lending practices, and</li> <li>• rights for persons with disabilities.</li> </ul> <p><i>Note:</i> The educational topic of “fair housing” may include the promotion and protection of civil rights as they relate to ensuring equal opportunity housing. Such educational sessions may include topics such as</p> <ul style="list-style-type: none"> <li>• identifying and reporting discriminatory policies</li> <li>• procedures practices</li> <li>• fair lending</li> <li>• Section 504 of the Rehabilitation Act, and</li> <li>• predatory lending.</li> </ul>

*Continued on next page*

## 1. Glossary of Terms, Continued

---

**7610.1 8.1.e**      The table below defines the terms used in this housing counseling handbook  
**Housing**            that begin with the letter “G.”  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**G**

<b>Term</b>	<b>Definitions</b>
Government Technical Monitor (GTM)	A HUD staff person who monitors the grant activities of grantees as deemed necessary by the Government Technical Representative (GTR). The GTM is responsible to the GTR.
Government Technical Representative (GTR)	A HUD staff person who oversees and monitors an agency’s Housing Counseling Grant agreement.
Grant Agreement	A legal instrument that outlines the terms and conditions an agency must comply with when it receives a HUD Housing Counseling Grant award. The grantee and the HUD Grant Officer (GO), or authorized designee, sign the agreement.
Grantee	A HUD-approved housing counseling agency or SHFA that receives housing counseling funds from HUD.  <i>Note:</i> The term “grantee” includes the agency’s branch or branch offices identified in the application.
Grant Officer (GO)	The HUD officially designated authority to award and administer grants.

---

*Continued on next page*

# 1. Glossary of Terms, Continued

**7610.1 8.1.f**      The table below defines the terms used in this housing counseling handbook that begin with the letter “H.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**H**

Term	Definitions
Housing Counseling System (HCS)	<p>A web-based application that allows agencies to verify certain information and reports, such as client-level data, submitted from their CMS. Agencies also use the HCS to verify agency profile information such as changes in address, telephone number, and contact information.</p> <p>HUD uses the HCS to manage the Housing Counseling Program, including the scoring of grant applications and calculating of grant amounts. The system is accessed through the Housing Counseling webpage on HUD’s website at <a href="http://www.hud.gov">www.hud.gov</a>.</p>
Housing Counseling Work Plan	<p>A participating agency’s plan that explains</p> <ul style="list-style-type: none"> <li>• the needs and problems of the target population</li> <li>• how the agency will address one or more of these needs and problems with its available resources</li> <li>• the type of housing counseling services offered</li> <li>• fee structure, if applicable</li> <li>• the geographic service area to be served, and</li> <li>• the anticipated results (outcomes) to be achieved within the period of approval.</li> </ul> <p>When the plan is changed or amended, the agency must notify and provide a copy to HUD. An agency’s housing counseling work plan must also address, if appropriate, alternative settings and formats for the provision of housing counseling services. Alternative formats can include telephonic counseling or remote counseling systems designed using Skype technology, video cameras, and the Internet.</p> <p>An intermediary, SHFA, or MSO’s plan includes similar information for the network of affiliated agencies or branches. HUD must approve any amended plan prior to implementation.</p>

*Continued on next page*

## 1. Glossary of Terms, Continued

---

### 7610.1 8.1.f Housing Counseling Glossary of Terms: Letter H (continued)

Term	Definitions
Housing Counselor	A professional who provides advice and guidance to individuals and households in order to assist them in improving their housing situations, and meeting the responsibilities of tenancy and/or homeownership.
Housing Goal	A realistic short- or long-term objective set by the client, with advice from a housing counselor.
HUD-Approved Housing Counseling Agencies	Private and public nonprofit organizations that <ul style="list-style-type: none"> <li>• are exempt from taxation under Section 501(a) pursuant to Section 501(c) of the Internal Revenue Code (IRC) of 1996 (<a href="#">26 U.S.C. 501(a) and 501(c)</a>)</li> <li>• are approved by HUD in accordance with this Handbook and <a href="#">24 CFR 214</a>, and</li> <li>• provide housing counseling services to clients directly, or through their affiliates or branches, and meet the requirements set forth in this Handbook.</li> </ul>

---

*Continued on next page*

# 1. Glossary of Terms, Continued

**7610.1 8.1.g**      The table below defines the terms used in this housing counseling handbook that begin with the letter “I.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**I**

Term	Definitions						
Interface Control Document (ICD)	A technical guide to assist CMS vendors that have been contracted by housing counseling agencies to build an interface to HUD’s database for the submission of client-level and agency data.						
Intermediary	<p>A HUD-approved organization that provides housing counseling services indirectly through its branches or affiliates, for whom it exercises control over the quality and type of housing counseling services rendered. The table below outlines the two types of intermediaries that the Housing Counseling Program recognizes.</p> <table border="1" data-bbox="526 921 1414 1640"> <thead> <tr> <th data-bbox="526 921 764 999">Type of Intermediary</th> <th data-bbox="764 921 1414 999">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="526 999 764 1451">National Intermediary</td> <td data-bbox="764 999 1414 1451"> <p>A national intermediary provides, in multiple regions of the United States</p> <ul style="list-style-type: none"> <li>• housing counseling services through its branches or affiliates or both, and</li> <li>• administrative and supportive services to its network of affiliates or branches, including but not limited to                             <ul style="list-style-type: none"> <li>– oversight</li> <li>– pass-through funding</li> <li>– training, and</li> <li>– technical assistance.</li> </ul> </li> </ul> </td> </tr> <tr> <td data-bbox="526 1451 764 1640">Regional Intermediary</td> <td data-bbox="764 1451 1414 1640">A regional intermediary provides the same services as the national intermediary listed above, but does so in a generally recognized region within the United States, such as the Southwest, Mid-Atlantic, or New England.</td> </tr> </tbody> </table>	Type of Intermediary	Description	National Intermediary	<p>A national intermediary provides, in multiple regions of the United States</p> <ul style="list-style-type: none"> <li>• housing counseling services through its branches or affiliates or both, and</li> <li>• administrative and supportive services to its network of affiliates or branches, including but not limited to                             <ul style="list-style-type: none"> <li>– oversight</li> <li>– pass-through funding</li> <li>– training, and</li> <li>– technical assistance.</li> </ul> </li> </ul>	Regional Intermediary	A regional intermediary provides the same services as the national intermediary listed above, but does so in a generally recognized region within the United States, such as the Southwest, Mid-Atlantic, or New England.
Type of Intermediary	Description						
National Intermediary	<p>A national intermediary provides, in multiple regions of the United States</p> <ul style="list-style-type: none"> <li>• housing counseling services through its branches or affiliates or both, and</li> <li>• administrative and supportive services to its network of affiliates or branches, including but not limited to                             <ul style="list-style-type: none"> <li>– oversight</li> <li>– pass-through funding</li> <li>– training, and</li> <li>– technical assistance.</li> </ul> </li> </ul>						
Regional Intermediary	A regional intermediary provides the same services as the national intermediary listed above, but does so in a generally recognized region within the United States, such as the Southwest, Mid-Atlantic, or New England.						

*Continued on next page*

## 1. Glossary of Terms, Continued

**7610.1 8.1.h** The table below defines the terms used in this housing counseling handbook that begin with the letter “L.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**L**

<b>Term</b>	<b>Definitions</b>
Local Housing Counseling Agency (LHCA)	An housing counseling agency that provides housing counseling services directly with a main office and one or more branch offices in no more than two contiguous states.

**7610.1 8.1.i** The table below defines the terms used in this housing counseling handbook that begin with the letter “M.”  
**Housing**  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**M**

<b>Term</b>	<b>Definitions</b>
Marketing and Outreach	<p>The provision of information to raise awareness about critical housing topics, such as</p> <ul style="list-style-type: none"> <li>• predatory lending</li> <li>• fair lending and fair housing issues, including what to do if you think you have been discriminated against (i.e. how to file a complaint), and</li> <li>• the availability of housing counseling and other forms of assistance.</li> </ul> <p>Marketing and outreach includes</p> <ul style="list-style-type: none"> <li>• distributing materials</li> <li>• presenting at community events</li> <li>• conducting informational campaigns, such as               <ul style="list-style-type: none"> <li>– public service announcements (PSAs)</li> <li>– advertisements, or</li> <li>– other forms of media campaigns, and</li> </ul> </li> <li>• advocating with lenders and other industry partners.</li> </ul>

*Continued on next page*

# 1. Glossary of Terms, Continued

## 7610.1 8.1.i Housing Counseling Glossary of Terms: Letter M (continued)

Term	Definitions
Multi-State Organization (MSO)	An organization that directly provides housing counseling services through a main office and branches in two or more states.

**7610.1 8.1.j Housing Counseling Glossary of Terms: Letter N** The table below defines the terms used in this housing counseling handbook that begin with the letter “N.”

Term	Definitions
Notice of Funding Availability (NOFA)	HUD’s funding opportunity announcement that is published in the Federal Register to announce the availability of competitive Housing Counseling Grant funds. It sets forth the instructions regarding the preparation and submission of a Housing Counseling grant application.

**7610.1 8.1.k Housing Counseling Glossary of Terms: Letter P** The table below defines the terms used in this housing counseling handbook that begin with the letter “P.”

Term	Definitions
Participating Agency	All housing counseling and intermediary organizations participating in HUD’s Housing Counseling Program, including HUD-approved agencies and affiliates and branches of <ul style="list-style-type: none"> <li>• HUD-approved intermediaries</li> <li>• HUD-approved MSOs, and</li> <li>• SHFAs.</li> </ul>
Person in a Position of Trust	This person is a participating agency’s employee (including both paid and volunteer staff), consultant, officer, director, elected or appointed official, any member of their immediate families, or anyone in a position to influence a participating agency’s decision-making process or who has access to the agency’s confidential client information.

*Continued on next page*

## 1. Glossary of Terms, Continued

---

### 7610.1 8.1.k Housing Counseling Glossary of Terms: Letter P (continued)

Term	Definitions
Predatory Lending	<p>Unscrupulous actions by lenders, appraisers, mortgage brokers, home improvement contractors, and other industry participants who take advantage of borrowers that can result in</p> <ul style="list-style-type: none"> <li>• a loss of equity</li> <li>• increased debt</li> <li>• default, and</li> <li>• possible foreclosure.</li> </ul> <p><i>Examples:</i> Examples include, but are not limited to</p> <ul style="list-style-type: none"> <li>• selling properties for more than they are worth using false appraisals</li> <li>• encouraging borrowers to lie about their incomes, expenses, or cash available for down payment in order to obtain loans</li> <li>• knowingly lending more money than a borrower can afford to repay</li> <li>• charging higher interest rates to borrowers based on their races or national origins and not on their credit history, or</li> <li>• charging fees for unnecessary or nonexistent products and services.</li> </ul>

---

### 7610.1 8.1.l Housing Counseling Glossary of Terms: Letter R

The table below defines the terms used in this housing counseling handbook that begin with the letter “R.”

Term	Definitions
Reverse Mortgage	A mortgage that pays a homeowner loan proceeds drawn from accumulated home equity and that requires no repayment until a future time.

---

*Continued on next page*

# 1. Glossary of Terms, Continued

---

**7610.1 8.1.m**      The table below defines the terms used in this housing counseling handbook  
**Housing**            that begin with the letter “S.”  
**Counseling**  
**Glossary of**  
**Terms: Letter**  
**S**

Term	Definitions
State Housing Finance Agency (SHFA)	<p>The public body, agency, or instrumentality created by a specific act of a state legislature, empowered to finance activities designed to provide housing and related services (for example, land acquisition, construction, or rehabilitation) throughout an entire state.</p> <p>SHFAs may provide direct counseling services or sub-grant housing counseling funds, or both, to affiliated housing counseling agencies within the SHFA's State.</p> <p><i>Note:</i> The term “state” includes all States, Puerto Rico, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa and the U.S. Virgin Islands.</p>
Sub-Grantee	<p>An affiliate of a HUD-approved intermediary or SHFA that receives a sub-award of housing counseling funds provided under a HUD Housing Counseling Grant.</p>

---

## 2. HUD Contact Information

---

<b>Introduction</b>	<p>This topic contains HUD contact information, including</p> <ul style="list-style-type: none"> <li>• HUD contact information for technical support and application submission</li> <li>• the application mailing address for national and regional intermediaries, and</li> <li>• the HOC mailing addresses for applications from             <ul style="list-style-type: none"> <li>– LHCAAs</li> <li>– MSOs, and</li> <li>– SHFAs.</li> </ul> </li> </ul>
<b>Change Date</b>	March 18, 2011
<b>7610.1 8.2.a HUD Contact Information for Technical Support and Application Submission</b>	<p>Applicants and participating agencies may contact the offices outlined in this topic to obtain technical support for HUD’s Housing Counseling Program.</p> <p>Applications must be submitted to the appropriate office based on type of organization or geographic location of the main office.</p> <p><i>Note:</i> Contact information is also available at <a href="http://www.hud.gov/counselors/">http://www.hud.gov/counselors/</a>.</p>
<b>7610.1 8.2.b Application Mailing Address for National and Regional Intermediaries</b>	<p>National and regional intermediaries should mail applications to</p> <p>Director, Program Support Division Office of Single Family Housing HUD Headquarters, Room B-133 – Plaza 2206 451 Seventh Street, S.W. Washington, D.C. 20410</p> <p><i>Note:</i> For technical assistance, call (202) 402-2209.</p>

---

*Continued on next page*

## 2. HUD Contact Information, Continued

**7610.1 8.2.c  
HOC Mailing  
Address for  
Applications  
from LHCAs,  
MSOs, and  
SHFAs**

The table below lists the Homeownership Center (HOC) mailing addresses to which applicants should mail applications, based on the state in which their main office is located.

State	HOC Mailing Address	Technical Assistance
<ul style="list-style-type: none"> <li>• Connecticut</li> <li>• Delaware</li> <li>• District of Columbia</li> <li>• Maine</li> <li>• Maryland</li> <li>• Massachusetts</li> <li>• Michigan</li> <li>• New Hampshire</li> <li>• New Jersey</li> <li>• New York</li> <li>• Ohio</li> <li>• Pennsylvania</li> <li>• Rhode Island</li> <li>• Vermont</li> <li>• Virginia, and</li> <li>• West Virginia</li> </ul>	U.S. Department of Housing and Urban Development Philadelphia HUD Homeownership Center ATTN: Director, Program Support Division The Wanamaker Building, 100 Penn Square East Philadelphia, PA 19107-3380	(800) 225-5342
<ul style="list-style-type: none"> <li>• Alabama</li> <li>• Puerto Rico</li> <li>• Florida</li> <li>• Georgia</li> <li>• Illinois</li> <li>• Indiana</li> <li>• Kentucky</li> <li>• Mississippi</li> <li>• North Carolina</li> <li>• South Carolina, and</li> <li>• Tennessee</li> </ul>	U.S. Department of Housing and Urban Development Atlanta HUD Homeownership Center ATTN: Director, Program Support Division 40 Marietta Street, 8th Floor Atlanta, GA 30303-2806	(800) 225-5342

*Continued on next page*

## 2. HUD Contact Information, Continued

### 7610.1 8.2.c HOC Mailing Address for Applications from LHCAs, MSOs, and SHFAs (continued)

State	HOC Mailing Address	Technical Assistance
<ul style="list-style-type: none"> <li>• Arkansas</li> <li>• Colorado</li> <li>• Iowa</li> <li>• Kansas</li> <li>• Louisiana</li> <li>• Minnesota</li> <li>• Missouri</li> <li>• Montana</li> <li>• Nebraska</li> <li>• New Mexico</li> <li>• North Dakota</li> <li>• Oklahoma</li> <li>• South Dakota</li> <li>• Texas</li> <li>• Utah</li> <li>• Wisconsin, and</li> <li>• Wyoming</li> </ul>	U.S. Department of Housing and Urban Development Denver HUD Homeownership Center ATTN: Director, Program Support Division 20rd Floor 1670 Broadway Denver, CO 80202-4801	(800) 225-5342
<ul style="list-style-type: none"> <li>• Alaska</li> <li>• Arizona</li> <li>• California</li> <li>• Guam</li> <li>• Hawaii</li> <li>• Oregon</li> <li>• Idaho</li> <li>• Nevada, and</li> <li>• Washington</li> </ul>	U.S. Department of Housing and Urban Development Santa Ana HUD Homeownership Center ATTN: Director, Program Support Division Santa Ana Federal Building 34 Civic Center Plaza, Room 7015 Santa Ana, CA 92701-4558	(714) 796-1200, extension 3210

### 3. HUD Handbook Listing

**Change Date**      March 18, 2011

**7610.1 8.3.a  
Listing of HUD  
Handbooks**

The HUD handbooks listed in the table below may be downloaded from <http://www.hud.gov/hudclips/>.

<b>HUD Handbook Number</b>	<b>HUD Handbook Name</b>
<a href="#"><u>1378.0</u></a>	<i>Tenant Assistance, Relocation and Real Properties Acquisition</i>
<a href="#"><u>4235.1</u></a>	<i>Home Equity Conversion Mortgages</i>
<a href="#"><u>4240.4</u></a>	<i>Rehabilitation Home Mortgage Insurance</i>
<a href="#"><u>4330.1</u></a>	<i>Administration of Insured Home Mortgages</i>
<a href="#"><u>4350.1</u></a>	<i>Project Servicing</i>
<a href="#"><u>4350.3</u></a>	<i>Occupancy Requirement</i>
<a href="#"><u>4381.5</u></a>	<i>The Management Agents Handbook</i>
<a href="#"><u>7420.3</u></a>	<i>Section 8 Housing Assistance Payments Program</i>
<a href="#"><u>7465.1</u></a>	<i>Public Housing Occupancy Handbook</i>
<a href="#"><u>7472.1</u></a>	<i>Indian HOME Program Grants Administration</i>
<a href="#"><u>8024.1</u></a>	<i>Title VIII, Complaint Intake, Investigation and Conciliation Handbook</i>

## 4. HUD Website Addresses

---

**Change Date** March 18, 2011

---

### 7610.1 8.4.a Addresses and Descriptions of HUD Websites

The table below lists various frequently used HUD website addresses, which may periodically change.

For problems accessing a particular site, seek assistance by

- accessing HUD's website at <http://www.hud.gov> and using the Search box at the top left
- contacting the appropriate HUD Homeownership Center listed in [HUD 7610.1 8.2](#)
- calling 1 (800) CALL FHA, or
- sending an email to [info@fhaoutreach.com](mailto:info@fhaoutreach.com).

<b>Information Source</b>	<b>Web address</b>	<b>Website purpose</b>
HUD Main Page	<a href="http://www.hud.gov">http://www.hud.gov</a>	The main webpage includes HUD news, highlights, program, and contact information for the public and HUD partners.
HUD Main Page in Spanish	<a href="http://espanol.hud.gov">http://espanol.hud.gov</a>	The main webpage in Spanish includes HUD news, highlights, program, and contact information for the public and HUD partners.
HUD Client Information and Policy System	<a href="http://www.hud.gov/hudclips/">http://www.hud.gov/hudclips/</a>	HUD's library which provides links to handbooks, mortgagee letters and forms. The site also <ul style="list-style-type: none"> <li>• explains how to order HUD pamphlets and publications, and</li> <li>• includes links to the Federal Register.</li> </ul>

---

*Continued on next page*

## 4. HUD Website Addresses, Continued

### 7610.1 8.4.a Addresses and Descriptions of HUD Websites (continued)

Information Source	Web address	Website purpose
HUD Housing Counselor Main Page	<a href="http://www.hud.gov/counselors/">http://www.hud.gov/counselors/</a>	<p>This page provides links to</p> <ul style="list-style-type: none"> <li>• the HCS</li> <li>• training opportunities for housing counselors</li> <li>• frequently asked questions (FAQs)</li> <li>• information on how to become a HUD-approved housing counseling agency</li> <li>• grant information, and</li> <li>• HUD’s reverse mortgage housing counseling network.</li> </ul>
HUD Client Management System (CMS) Main Page	<a href="http://www.hud.gov/counselors/">http://www.hud.gov/counselors/</a> >>click on Client Management System	<p>This link provides information about CMS interface requirements for housing counseling electronic systems, including</p> <ul style="list-style-type: none"> <li>• interface requirements</li> <li>• HCS compliant vendors</li> <li>• security information, and</li> <li>• FAQs.</li> </ul>
HUD National Servicing Center	<a href="http://www.hud.gov/offices/hsg/sfh/nsc/nschome.cfm">http://www.hud.gov/offices/hsg/sfh/nsc/nschome.cfm</a>	<p>This page provides links to loss mitigation servicing guidelines for housing counselors, mortgagee letters, and training information specific to HUD’s loss mitigation program.</p>
HUD Grantees/Non-Profits main page	<a href="http://portal.hud.gov/hudportal/HUD?src=/i_want_to/apply_for_a_grant">http://portal.hud.gov/hudportal/HUD?src=/i_want_to/apply_for_a_grant</a>	<p>This page has links to income limits, fair market rents, and other information useful to HUD grantees and nonprofits.</p>

*Continued on next page*

## 4. HUD Website Addresses, Continued

---

### 7610.1 8.4.a Addresses and Descriptions of HUD Websites (continued)

<b>Information Source</b>	<b>Web address</b>	<b>Website purpose</b>
HUD User	<a href="http://www.huduser.org/portal/">http://www.huduser.org/portal/</a>	The main page for HUD's Policy and Research Information Service. This site includes over 1,000 free downloads of data sets, reports, and publications.

---

## 5. Other Helpful Websites

---

**Change Date**      March 18, 2011

---

**7610.1 8.5.a**      The table below lists various other helpful website addresses.  
**Addresses and**  
**Descriptions of**  
**Other Helpful**  
**Websites**

<b>Information Source</b>	<b>Web address</b>	<b>Website purpose</b>
American Association for Retired Persons (AARP)	<a href="http://www.aarp.org">http://www.aarp.org</a>	This page includes information on reverse mortgages.
Area Agency on Aging	<a href="http://www.eldercare.gov">www.eldercare.gov</a>	---
Fannie Mae	<a href="http://www.fanniemae.com/global/pdf/homebuyers/moneyfromhome.pdf">http://www.fanniemae.com/global/pdf/homebuyers/moneyfromhome.pdf</a>	This page includes information on reverse mortgages.
Grants.gov – Federal grant information	<a href="http://www.grants.gov">http://www.grants.gov</a>	The site provides information about Federal grant programs and on-line grant application submission.
Office of Management and Budget (OMB)	<a href="http://www.omb.gov">http://www.omb.gov</a>	This site provides additional information on Federal regulations governing Federal financial assistance.

---