

## CHAPTER 4. RECORDKEEPING AND REPORTING

- 4-1 Introduction. The documentation set forth in this chapter is required of every HUD-approved housing counseling agency. National, regional, and multi-State agencies must assure that their affiliates and branches comply.
- A. Any recordkeeping system may be used; however, HUD expects that the system will lend itself to easy monitoring by HUD when it conducts a performance review of the agency's housing counseling activities. If HUD provides the agency with a recordkeeping software program.
- B. The agency must assure that its records make it possible for the agency to meet the reporting requirements set forth in paragraph 4-9.
- C. Recipients of HUD counseling grants are required to report activities under the grant. This might require some modification to a grantee's recordkeeping method. See Appendix 8 for a sample of these requirements. The requirements are subject to change under future grant documents.
- D. Race/Ethnicity. Section 808(e)(6) of the Fair Housing Act, as amended, states that the Secretary of HUD shall annually report to the Congress and make available to the public, data on the race, color, and other characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of, programs administered by the Department to the extent such characteristics are within the coverage of law and Executive Orders referred to in subsection (f) which apply to such programs (and in order to develop the data to be included and made available to the public under this subsection, the Secretary shall, without regard to any other provisions of law, collect such information relating to those characteristics as the Secretary determines to be necessary or appropriate). Section 562 of the Housing and Urban Development Act of 1987 also supports this data collection.

To enable the Secretary to fulfill this requirement, HUD now requires its approved housing counseling agencies to record this data on their fiscal year reports to HUD on form [HUD-9902](#). In addition, approved agencies that receive HUD housing counseling grants are now required to record this information on form HUD-9921.

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- 4-2. Documentation. In each client's file, the agency must document the services provided to the client. See Appendix 15 for a counseling activity log. Agencies may use that log or one that contains at least the same information and data. The documentation must specify exactly what the agency did on behalf of the client. A typical documentation entry will include the following information.
- A. Date on which the activity occurred

- B. Start and end time of the session
- C. Name or initials of the counselor providing the service and what the counselor did on behalf of the client

INADEQUATE	-	"Made a telephone call"
COMPLETE	-	"Robt Brown: Called County Community Services; spoke with John Calhoun (454-6758); arranged appointment with him to see client on Sat., Feb. 10 at 9 a.m. re application for admission to county's low-income rental housing program"

4-3 Client File. The counseling agency must maintain a separate file folder for each client. The folder must contain at least the following items.

- A. Client's name, address, and telephone number.
- B. Counselor's name.
- C. FHA case number for a client with a HUD-insured single-family mortgage.
- D. Single Family Mortgage Notes System (SFMNS) 9-digit account number for a client with a HUD-held mortgage.
- E. HUD project number or name for clients renting HUD-assisted housing.
- F. Number the counseling agency assigns to the client. HUD recommends that the agency use a six-digit number for this purpose because under a grant HUD requires that kind of number. This recommendation also applies to the group identification number mentioned in para. 4-4 below.

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- G. Counseling plan developed by the counselor on behalf of the client. See para. 3-2E.
- H. Information obtained during the screening interview.
- I. Log of activities conducted with or on behalf of the client. See Appendix 15.
- J. Copies of pertinent records and correspondence, including documentation of the termination of counseling.
- K. Statement about how the person qualifies as a client who is a current or potential homebuyer, homeowner, or renter under a HUD program, a conventional mortgage, or under a Department of Veterans Affairs program.

- 4-4 Group File. When counseling a group of clients, the agency must maintain a separate file for each group. The agency must also record participation in the group session(s) in the client's individual file. The group file must contain at least the following items.
- A. 6-digit ID number of the group.
  - B. Each participating client's name, address, and telephone number.
  - C. Signature of each client for each session attended.
  - D. Subject(s) of each session.
  - E. Name of each counselor participating in the session.
  - F. Date, place, and duration of each session.
  - G. For clients who attend ONLY the group session: a statement of how the person qualifies as a current or potential homebuyer, homeowner, or renter under a HUD program. If the client has a HUD-insured mortgage, include the FHA case number. If HUD holds the client's mortgage under the assignment program, include the SFMNS 9-digit number.
- 4-5 Grantee Records. The grant agreement may require grantees to maintain additional records. See chapter 7.

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4-6 Credit Reports

- A. Purchase of Credit Reports. HUD-approved counseling agencies are eligible to purchase credit reports from credit reporting agencies under contract with HUD.
  - B. Credit Reports from Lenders. Agencies that represent clients in a home mortgage transaction insured or to be insured by HUD are eligible to receive, without cost, from the lender, credit reports on the client.
    - 1. The client must sign a Form HUD-9903, Client Authorization, if he or she wants to authorize the mortgagee to send the credit report to the agency; however, signing the form is voluntary on the part of the client. See Appendix 9.
    - 2. The counseling agency must send a copy of the signed form, with the agency's written request, to the mortgagee.
- 4-7 Mortgage Application Documents Given to Counseling Agencies by Mortgagees. If the agency sends to the mortgagee a written request for these documents, the mortgagee will send the agency a copy of these items.
- A. Form 92004-F Request for Verification of Deposits

- B. Form 92004-G Request for Verification of Employment
  - C. Form 92900 Application for VA or FmHA Home Loan  
Guaranty or for HUD/FHA insured mortgage
  - D. Form 93100 Application for Eligibility for Revised  
Section 235
  - E. Purchase agreement
  - F. Credit report
  - G. All other documents, that are not privileged, pertaining to the mortgage
- 4-8 Confidentiality of Records and Credit Reports. See paragraph 5-3E, Confidentiality of Client Records.
- A. Confidentiality. The counseling agency must hold in strict confidence all client information regardless of the source or sources from which it is received.

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- B. Penalties Under the Fair Credit Reporting Act. Credit reports are subject to the Fair Credit Reporting Act (14 U.S.C. 1681) and must be held in strict confidence. The counseling agency MAY NOT disclose the information to anyone other than HUD or HUD-approved mortgagees. HUD staff may NOT disclose the information contained in individual case files, which may be routinely sampled as part of a monitoring visit.  
A COUNSELING AGENCY MAY BE SUBJECT TO THE PENALTIES PROVIDED IN THE FAIR CREDIT REPORTING ACT FOR VIOLATING ANY PROVISIONS OF THE ACT.
- C. Use of Credit Report Information. Nothing in the Fair Credit Reporting Act precludes a counseling agency from disclosing a credit report to a client.
  1. Credit Reports Obtained from HUD. If the counseling agency obtains a credit report from HUD through the General Services Administration, via its GSA contractor, the present contract does not preclude disclosure.
  2. Credit Reports Obtained from Credit Bureaus. If a counseling agency contracts with a credit bureau for credit reports, whether or not disclosure can be made depends on the terms of the contract between the counseling agency and the credit reporting bureau.
- D. The prudent practice by the counselor is NOT to have the counseling agency's copy of the credit report on his or her desk or in the client's open file during a counseling session. The counselor should use notes taken from the report prior to the client's arrival for the counseling session.

4-9 Reports to HUD. Affiliates and branch offices of national, regional, and multi-State agencies will report to their parent organizations in accordance with their reporting requirements. Those requirements include the use of form [HUD-9902](#). Agencies must base all reports upon data in the agency's files.

Fiscal-Year Activity Report. Every agency must submit to HUD a fiscal-year report on Form [HUD-9902](#), Housing Counseling Agency Fiscal Year Activity Report. See Appendix 10. The fiscal year covers the period October 1 through September 30 (Example: October 1, 1994, through September 30, 1995).

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- A. The reporting period covers the HUD Fiscal Year (FY) [October 1 through September 30]. The report is due by November 30 following the end of each HUD fiscal year.
- B. Locally-approved agencies. Send ONE copy of the report to the Chief of the Loan Management Branch of the HUD office that approved your agency. That office will prepare a summary report on Form HUD-9923 that includes the reports from the individual agencies.
- C. National, regional, and multi-State agencies. These approved agencies create a summary report on Form HUD-9923 of the data submitted to them by their affiliates or branches. Send one copy of the report to the Deputy Assistant Secretary of Single Family Housing, U.S. Department of Housing and Urban Development, Washington, D.C., 20410.

4-10 HUD Review and Analysis of Agency Reports

- A. Field Office. HUD headquarters and HUD field offices will use the agencies' report as follows:
  - 1. The HUD office uses each agency's copy of the report to prepare the office's summary report of Forms [HUD-9902](#). See Appendix 20 for a copy of Form HUD-9923, Summary Report, and instructions for its completion. The Field Office will send one copy of its summary report to the Deputy Assistant Secretary for Single Family Housing in Headquarters, Attention: Field Manager.

NOTE: Field Offices retain each agency's report in the agency's file for monitoring the agency's program participation and as a documentation check under the grant program.
  - 2. The Field Office must use the LOTUS file that contains the summary report format and transmit its copy to Headquarters via CC:MAIL. Headquarters will transmit the LOTUS file report format to each Field Office Director of Single Family or Government Technical Representative. The LOTUS file name is HUD-9923.WK1.

3. If an agency does not submit its report in a timely manner, the HUD office will communicate with the agency in writing that the office has not received the report. The office will give the agency thirty days within which to submit its report. If the office does not receive the report by that deadline,

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the office will withdraw its approval of the agency. If the withdrawal is final, the GTM/GTR must immediately notify the Grant Officer and the Deputy Assistant Secretary for Single Family Housing in Headquarters of the withdrawal.

NOTE: You MUST include a message in your CC:MAIL transmission indicating that you notified the agency in writing about withdrawal of their approval.

- B. Headquarters. Headquarters will prepare a summary report of all field office reports and all reports from national, regional, and multi-State agencies by December 30 of each year. Headquarters will review and analyze the data. Using data obtained from the analysis, Headquarters will prepare a report to the Deputy Assistant Secretary for Single Family Housing. This review and analysis activity will include the following steps:
  1. Assure receipt of a Form HUD-9923 from each Field Office and each national, regional, and multi-State approved agency.
  2. Assure that all reports are complete and correct. Headquarters will return all incomplete or incorrect reports to the appropriate field office and request complete and accurate reports.
  3. Analyze the data to identify findings relating to but not limited to the following factors that appear on the nationwide summary.
    - a. Types of counseling clients with whom the highest percentage of counseling occurs (Examples: homeowners, homebuyers, renters, etc.). The object of this aspect of the analysis is to identify the most significant areas of counseling and the results produced by that counseling.
    - b. Results of counseling in relation to the number of clients counseled under the types identified under paragraph a. immediately above. HUD's primary concern is with the percentage of clients for whom positive results were produced by counseling.

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4. Address such matters as:
  - a. The number of clients served who became first-time homeowners,
  - b. Curing defaults and the prevention of foreclosure among homeowners,
  - c. Use of the Assignment Program and the Home Equity Conversion Mortgage (HECM) Program as a means of preventing foreclosures,
  - d. Curing of rent delinquencies and the prevention of evictions, and
  - e. Assisting the homeless to obtain transitional or permanent housing.