



**HUD Office of Housing Counseling  
Office of Housing Counseling Program Handbook 7610.1 Revision 6  
September 08, 2023**

**Frequently Asked Questions**

## **Chapter 1. General Program Information**

**1-1 How can an agency obtain a copy of 24 CFR Part 214 and the latest version of HUD Handbook 7610.1 REV-6?**

Answer: 24 CFR Part 214 is available at <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-214>

HUD Handbook 7610.1, REV-6 is available at [HUDClips](#).

**1-2 Is an Intermediary the same as a parent organization?**

**Answer:** The term “parent organization” is not an official term. The official definitions are provided in 24 CFR Part 214. However, the term ‘parent organization’ is sometimes used to describe HUD-approved organizations that provide housing counseling services indirectly through their branches or affiliates.

**1-3 How do I know who my Point of Contact (POC) is?**

**Answer:** Please send a request via email to [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov) and you will receive a message back with your POC’s contact information.

## **Chapter 2. Obtaining Hud Approval**

**2-1 When applying for Agency Approval, what information does an agency need to provide about its board members on the HUD-9900a?**

**Answer:** Agencies should provide the Board Member's name and title, employer name, duties, home address, and telephone number.

**2-2 When applying for Agency Approval, what information does an agency need to provide about its housing counseling staff on the HUD-9900a?**

**Answer:** Agencies should provide the name and title of each housing counseling staff member, duties, length of employment, whether staff member works full or part time, or volunteers, along with their home address and telephone number.

**2-3 What are the key qualifying criteria for an agency to be approved to participate in HUD's Housing Counseling Program?**

**Answer:** The criteria for an agency to be approved to participate in HUD's Housing Counseling Program are delineated in Chapter 2 of HUD Handbook 7610.1 REV-6.

**2-4 How does an agency become HUD-approved?**

**Answer:** A Local Housing Counseling Agency, State Housing Finance Agency, Multi-State Organization or Housing Counseling Intermediary may be approved by HUD to participate in the Housing Counseling program upon meeting the requirements enumerated in 24 CFR Part 214 and the HUD Handbook 7610.1 REV-6, Chapter 2. In order for an agency to participate in HUD's Housing Counseling Program, all individuals who provide housing counseling services, including homeownership and rental housing counseling, must be HUD certified. The agency must also complete and submit all the required documentation for application outlined in HUD-Form 9900.

**2-5 How do I know the locations of other HUD approved Housing Counseling Agencies required for the map in the work plan?**

**Answer:** You can find the location of all approved housing counseling agencies in your area by using the HUD locator at [Talk to a Housing Counselor](#).

**2-6 How do I know the locations of other HUD approved Housing Counseling Agencies required for the map in the work plan?**

**Answer:** You can find the location of all approved housing counseling agencies in your area by using the HUD locator at [Talk to a Housing Counselor](#).

**2-7 What is an Ineligible Participant?**

**Answer:** An ineligible participant is an agency, including any of the agency's directors, partners, officers, principals, or employees who has been:

1. Suspended, debarred, or otherwise restricted under the Department's or any other federal regulations;
2. 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. Examples of such crimes include, but are not limited to, fraud, bribery, corruption, embezzlement, identify theft, money laundering, etc. These offenses include criminal offenses that can be prosecuted at a local, state, or federal level;
3. Subject to unresolved findings because of HUD or other government audit or investigations.

**2-8 What documents are required for a State Housing Finance Agency (SHFA) to submit in order to participate in the HUD housing counseling program?**

**Answer:** SHFAs are not required to submit an application for approval to participate in HUD's housing counseling program as long as they have statutory authority to provide housing counseling throughout their entire state and adhere to all program requirements outlined in 24 CFR Part 214, the HUD Housing Counseling Handbook 7610.1 REV-6, and other governing documents.

To participate in HUD's Housing Counseling Program, SHFAs must either:

1. Submit a successful grant application or otherwise be awarded a HUD housing counseling grant; or
2. Submit a request and provide HUD with a list of affiliates, if applicable, and assure that they meet all program requirements. SHFAs not planning 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, Housing Counseling Program Application.

## **Chapter 3. Delivery Of Housing Counseling Services**

**3-1 Our agency, a State Housing Finance Agency (SHFA), was not awarded a HUD Comprehensive Housing Counseling grant. Must we still perform oversight activities over our network of agencies?**

**Answer:** Yes, a State Housing Finance Agency (SHFA) participating in HUD's Housing Counseling Program must perform oversight activities over its network of affiliates. Even if an agency does not receive HUD funding in a particular grant year, any agency participating in the Housing Counseling Program is subject to HUD requirements. According to HUD Housing Counseling Handbook 7610.1, REV-6 it is the responsibility of the intermediary entity to evaluate initial and ongoing eligibility and ensure compliance of branches and affiliates in its network.

**3-2 What is the definition of LEP?**

**Answer:** Individuals are limited English proficient or “LEP” if they do not speak English as their primary language and have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance with respect to a particular type or service, benefit, or encounter. For more information, visit [www.lep.gov](http://www.lep.gov) or Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (LEP).

**3-3 Are Participating Agencies required to conduct supervisory monitoring and quality control of their branches, affiliates and/or subgrantees?**

**Answer:** Yes, the housing counseling work plan must include supervisory monitoring and quality control procedures. Refer to HUD Handbook 7610.1 REV-6, Chapter 3, Paragraph 3-2(A)(13).

**3-4 As a Local Housing Counseling Agency (LHCA) we provide financial literacy workshops and counseling services to clients under the age of 18. How should we count these clients on our HUD 9902, and are we allowed to bill HUD for these clients?**

**Answer:** HUD housing counseling regulations do not stipulate or restrict housing counseling activities based on client age. However, HUD does provide specific guidance on HUD approved housing counseling, education, and outreach topics in Chapter 3, Paragraph 3-6 of the HUD Housing Counseling Handbook. If an agency wishes to seek reimbursement for group education sessions, the session content must meet the requirements outlined in the handbook, and a group education file must be maintained, as defined in Chapter 5, Paragraph 5-8 of the HUD Housing Counseling Handbook. A group education file must include a collection of demographic data for all education participants. HUD recommends the agency devise a simple, anonymous form for households to complete at the beginning of group education sessions.

**3-5 Can HUD Housing Counseling grant funds be used to reimburse the salaries of staff that do not provide direct housing counseling services?**

**Answer:** Grant recipients may request reimbursement for costs specified in the Eligible Activities section of the relevant Comprehensive Housing Counseling NOFO. HUD housing counseling grant funds may be used to reimburse the salaries of staff, including staff of Intermediaries, State Housing Finance Agencies (SHFAs), and Multi-State Organizations (MSOs), managing a network of housing counseling agencies, branch offices, or both, subject to those NOFO provisions; however, housing counseling grant funds may not be used for the salaries of individuals who are not HUD-certified housing counselors to provide housing counseling. Housing counseling can only be provided by a HUD-certified housing counselor. HUD reserves the right to review and approve or reject costs. All costs charged to a HUD grant must be included as itemized expenses on an approved grant budget. Grantees should review the Eligible Activities section of the relevant Comprehensive Housing Counseling NOFO and work with their HUD Point of Contact during the grant execution phase.

**3-6 If a Housing Counseling Agency does not collect fees of any kind from clients, does the**

**agency still need to post a Fee Schedule as required by 24 CFR 214.313 and Handbook 7610.1 REV-6, Chapter 3, Paragraph 3-2(A)(11)?**

**Answer:** If the Housing Counseling Agency does not collect fees of any kind from clients, then there is no need to post a fee schedule.

**3-7 What is the requirement relating to Participating Agencies providing home inspection materials?**

**Answer:** Each client receiving Homeownership Counseling (pre-purchase, non-delinquency post-purchase, mortgage delinquency and reverse mortgage) services whose needs may be met through the purchase of a home, or who expresses an interest in the purchase of a home, must receive copies of all documents HUD requires regarding the availability and importance of getting a home inspection. The agency work plan must describe procedures implemented for clients to acknowledge receipt of home inspection materials. The Office of Housing Counseling is not requiring that individual client files document distribution of home inspection materials and discussion of each relevant topic under homeownership counseling as long as the agency's work plan clearly outlines how the agency will comply with these requirements.

**3-8 What are the requirements for an agency participating in HUD's housing counseling program?**

**Answer:** Once an agency is approved to participate in HUD's housing counseling program, they will be required to comply with all applicable Housing Counseling Program requirements, including but not limited to requirements found in 24 CFR Part 5, 24 CFR Part 214, and the HUD Handbook 7610.1 REV-6 (Housing Counseling Program Handbook). The agency must also comply with the Housing Counseling Certification Rule.

**3-9 Where can a Housing Counseling Agency view sample work plans?**

**Answer:** Visit Handbook 7610.1 REV-6, Chapter 3, Paragraph 3-2 for work plan requirements and the [Housing Counseling workplan toolkit](#).

## **Chapter 4. Reverse Mortgage Housing Counseling**

**4-1 In this year's grant application, I indicated that my agency would provide default counseling to reverse mortgage/HECM clients. How do I report this information?**

**Answer:** HUD collects grant reports throughout the period of performance. When submitting your progress report and requesting drawdowns, agencies providing reverse mortgage and Home Equity Conversion Mortgage (HECM) default counseling should include a short narrative

indicating: (1) the name of counselors providing such services, (2) the title and duration of any reverse mortgage trainings taken during the three years prior to the end of the period of performance, and (3) the total number of HECM default clients who have received counseling during the period of performance. Report such clients under item 9g (Resolving or Preventing Reverse Mortgage Delinquency or Default) each quarter in the HUD-9902 Housing Counseling Agency Activity Report as well.

**4-2 If an agency provides reverse mortgage counseling for a proprietary product, such as a reverse mortgage with a specific lender, to a client, is this expense eligible for reimbursement under the Housing Counseling Comprehensive NOFO?**

**Answer:** For a service to be eligible for reimbursement under a HUD grant, the services provided must meet the requirements outlined in Chapter 4: Reverse Mortgage Counseling of the Housing Counseling Handbook.

Additionally, eligible activities and basic requirements of housing counseling will be outlined in the applicable NOFO, which should be reviewed.

In general, for a counseling session to meet the HUD requirements for reimbursement, the counselor must, at a minimum, perform and document each of the following activities related to reverse mortgage counseling:

- **Budget/Financial Analysis.** A review of the client's income, expenses, spending habits, and use of credit in order to evaluate their unique financial situation relative to their housing needs.
- **Housing Analysis.** A review of the client's housing needs, current housing quality, and housing affordability relative to their financial capability.
- **Discuss Alternatives.** Identify and discuss with the client at least three (3) alternatives or options available to the client, including Federal Housing Administration (FHA) programs and products if applicable, relevant to the specific housing need. For example, if a particular company, loan product, property, or debt management program is discussed, the counseling must include a detailed discussion of alternative companies, loan products, properties, debt management programs, etc.
- **Follow-up.** Efforts made by the counselor to have follow-up communication with the client, to ensure that the client is progressing toward his or her housing goal(s), to modify or terminate housing counseling services, and to determine and report outcomes.

**4-3 The FHA Single Family Mortgage Insurance Program is listed in the certification rule as a "HUD Program where Housing Counseling is required by statute, regulation, Notice of Funding Availability, or otherwise required by HUD." Must all housing counseling provided in connection with an FHA-insured loan be provided by a HUD certified housing counselor?**

**Answer:** No. The inclusion of the FHA Single Family Mortgage Insurance Program on the list is intended to apply to situations where housing counseling is required in connection with a specific FHA product, such as with Home Equity Conversion Mortgages (HECM). See 24 CFR 5.111.

**4-4 My housing counseling agency is offering courses in many subject areas. Does HUD have a requirement for the length, for example, number of hours or days, for each one-on-one counseling session or group workshop?**

**Answer:** HUD does not approve or disapprove courses offered by housing counseling agencies. Each individual housing counseling agency may set the length and time of courses or workshops, with the exception of Home Equity Conversion Mortgage (HECM) counseling sessions, which must meet the requirements of Handbook 4235.1, 7610.1 REV-6, and relevant Housing Notices and Mortgage Letters, when applicable.

**4-5 What are the causes for removal from the HECM Counselor Roster?**

**Answer:**

1. Providing misrepresentations or fraudulent statements, including instances of cheating on the HECM exam;
2. Promoting, representing, or recommending a specific lender;
3. Failure to pass the HUD Housing Counselors Certification Exam;
4. Failure to comply with education and training requirements;
5. Failure to respond to HUD inquiries and requests for documentation within a reasonable time;
6. Failure to comply with applicable fair housing and civil rights requirements;
7. Failure to comply with applicable statutes, regulations, or HUD requirements;
8. Failure to provide information to clients on:
  - a. options other than HECMs;
  - b. the financial implications of a HECM;
  - c. the tax consequences of a HECM; and
  - d. any other information required by HUD or requested by the applicant;
9. Failure to maintain registration, license, or certification requirements of the applicable state or local authority;
10. Failure to provide satisfactory counseling to HECM applicants; or
11. Any other reason HUD determines serious enough to justify an administrative action.

**4-6 Once I am on the HECM Roster, are there requirements for staying on it?**

**Answer:** Yes. Home Equity Conversion Mortgage (HECM) counselors must continue to meet the program requirements for the Roster as set out in Chapter 4 of HUD Handbook 7610.1 REV-6, including receiving training and education related to HECM every two years and passing the HECM exam every three years.

#### **4-7 Where do I find information about the HECM exam?**

**Answer:** For information about how to register to take the Home Equity Conversion Mortgage (HECM) exam go to the website, [HUDhousingcounselors.com](http://HUDhousingcounselors.com).

#### **4-8 Who can apply to be on the HECM Roster?**

**Answer:** To be placed on the HECM Counselor Roster, a counselor must meet the following regulatory criteria:

1. Is employed by a HUD-participating Housing Counseling Agency,
2. Successfully passed the standardized HECM Counselor exam administered by HUD or a party selected by HUD within the prior three years,
3. Received training and education related to HECM within the prior two years,
4. Have access to technology that enables HUD to track the results of the counseling offered to each HECM client, and
5. Is not listed on:
  - a. The General Service Administration's Suspension or Debarment List or Excluded Parties List,
  - b. HUD's Limited Denial of Participation List, or
  - c. HUD's Credit Alert Interactive Response System,
6. Successfully pass the HUD housing counseling certification exam, and
7. Complies with registration, license, or certification requirements of a state or local authority, as applicable.

#### **4-9 How long can I be removed from the Roster?**

**Answer:** The maximum time period for removal from the Roster is twelve months from the effective date of removal.

#### **4-10 Who can I contact if I have complaints regarding a HECM lender?**

**Answer:** Complaints about HECM lenders (origination or servicing) should be sent to [Answers@hud.gov](mailto:Answers@hud.gov) or 1-800-225-5432. In addition, complaints should be filed with the [Consumer Finance Protection Bureau \(CFPB\)](http://ConsumerFinanceProtectionBureau.com) or call 855-411-2372.

#### **4-11 Can a HECM counselor contact a lender for a copy of a client's lender illustrations?**

**Answer:** No. There are prohibitions on lender steering, and counselors contacting a lender for illustrations violates these prohibitions. See the HECM Protocol (Appendix 1 of HUD Handbook 7610.1, Rev 6), III.A.3.



**4-12 Do lenders understand that the certificate is the invoice?**

**Answer:** Yes, the National Reverse Mortgage Lenders Association (NRMLA) has issued guidance on this issue to its membership.

**4-13 Where can I find the HUD-92902 Certificate of HECM Counseling?**

**Answer:** The HUD-92902 Certificate of HECM Counseling can be found on HUD.gov and can be completed by HECM Counselors in FHA Connection.

**4-14 Can lenders steer prospective HECM borrowers to agencies that do not charge a fee?**

**Answer:** No. Lenders may not steer, direct, recommend, or otherwise encourage a client to seek the services of any one particular counselor or counseling agency.

**4-15 Are all agencies charging the \$125 recommended fee? If a client asks if there are other agencies charging a lesser fee, how should a counselor respond? Will there be a HUD phone number available for clients who wish to investigate other agencies? A website for clients would be helpful as well.**

**Answer:** The fee policy is determined by each individual HUD approved agency. Some agencies may elect to continue to not charge a fee or to charge a fee other than the recommended \$125. Each agency must be able to document that the fees that are charged are commensurate with the level of service. Clients can be referred to HUD's Housing Counseling toll free number (800-569-4287) or to HUD's website to find other agencies providing Home Equity Conversion Mortgage (HECM) counseling.

**4-16 Where can I find housing counseling services?**

**Answer:** To locate a HUD-approved housing counseling agency in your area you can: Access an on-line list of HUD-approved housing counseling agencies: [https://hudgov-answers.force.com/housingcounseling/s/?language=en\\_US](https://hudgov-answers.force.com/housingcounseling/s/?language=en_US)

Call HUD's interactive voice system toll-free at 1-800-569-4287 for a list of HUD-approved Housing Counseling Agencies and their contact information

Additional housing counseling information is available at: [Talk to a Housing Counselor | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

To search for a Home Equity Conversion Mortgage (HECM) Counseling Agency: [Counseling Agencies \(hud.gov\)](#)

#### **4-17 What is the current status of the HECM Roster exam?**

**Answer:** The HUD Home Equity Conversion Mortgage (HECM) Roster exam is now available and can be accessed at [HUDhousingcounselors.com](http://HUDhousingcounselors.com).

Information on the HECM Counselor Roster can be found on the HUD Exchange. Please refer any questions to your assigned HUD point of contact or email: [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov)

#### **4-18 Where is the HECM Protocol?**

**Answer:** The HECM Protocol is Appendix 1 of HUD Handbook 7610.1, REV-6.

#### **4-19 Where can I find the requirements for reverse mortgage counseling?**

**Answer:** HUD requirements for counseling on non-HUD reverse mortgages are in Chapter 4 of HUD Handbook 7610.1, REV-6. For HUD Home Equity Conversion Mortgage (HECM) counseling, requirements are in Chapter 4 and Appendix 1, HECM Protocol.

## **Chapter 5. Recordkeeping And Reporting**

#### **5-1 What is the HUD-9902 Form?**

**Answer:** The HUD-9902 form, Housing Counseling Agency Activity Report, is an important tool that HUD uses to track the Housing Counseling Program, and the data collected through the form is critical to demonstrating the program's impact to Congress and other industry stakeholders. The form captures information on the number of housing counseling clients served, their demographic characteristics, the unique counseling and education services received, and the outcomes achieved. HUD-9902 form Housing Counseling Agency Activity Reports are cumulative fiscal year-to-date for each quarterly report period. The only activities to be recorded are education and counseling, as defined in HUD Handbook 7610.1 REV-6 Chapter 1, Paragraph 1-4, Definitions. Marketing and outreach activities, such as flyers mailed or calls made, should not be recorded.

#### **5-2 Do the recordkeeping requirements apply to affiliates and branches of intermediaries/state finance agencies and non-funded HUD approved agencies?**

**Answer:** Recordkeeping requirements apply to all HUD-approved and participating agencies. 24 CFR Part 214 Section 214.315 and HUD Handbook 7610.1 REV-6 are the main sources of guidance on recordkeeping. It is important to emphasize that HUD's housing counseling recordkeeping requirements apply to affiliates and branches of HUD-approved intermediaries as well. Intermediaries and State Housing Finance Agencies (SHFAs) must assure that their affiliates and branches comply with all requirements in 24 CFR Part 214 Subpart D Section 214.315 and

HUD Handbook 7610.1 REV-6. These recordkeeping requirements also apply to all HUD-approved Local Housing Counseling Agencies (LHCAs), Multi-State Organizations (MSOs) and their branches, and any participating non-funded agencies.

**5-3 When agencies use multiple funding sources (including HUD funds) to pay for a counseling session, are the agencies required to keep separate files for each funding source?**

**Answer:** The Handbook 7610.1 REV-6, Chapter 5, Paragraph 5-7 does not require a separate “HUD” file, distinct from files utilizing other funding sources. Chapter 5, Paragraph 5-7 does, however, require that counseling agencies will keep a file for each “unique, distinct provision of counseling services provided to a client”.

HUD does require that agencies comply with the cost principle requirements found in 2 CFR 200 - Subpart E by ensuring that within each client file, the funding sources are clearly identified and are detailed on a time sheet, personnel activity report, client notes, or all the above.

If the client’s housing counseling services were partially or fully funded by a HUD housing counseling grant, agencies must document the funding source(s), time spent counseling, and the amounts to which the counseling activity is attributed. Grantees are prohibited from receiving duplicate payments for the same counseling activity. If a client is charged a fee, the file must also state the amount charged in addition to the amount charged to the HUD grant, and other funding sources, when applicable.

**5-4 What agencies are required to have a Client Management System (CMS) for reporting quarterly performance activity? Is a SHFA required to have a CMS if the agency does not provide direct counseling services?**

**Answer:** All Participating Agencies shall utilize an automated housing counseling client management system for the collection and reporting of client-level information including, but not limited to, financial and demographic data, counseling services provided and outcomes. Agencies must utilize a Client Management System (CMS) that satisfies HUD’s requirements and interfaces with HUD’s databases. HUD regulations require that all HUD-approved agencies use a CMS to report housing counseling activity on a quarterly basis (9902 reporting).

State Housing Finance Agencies (SHFAs) may be exempted from this requirement if the following circumstances exist: The SHFA does not provide direct counseling services; the SHFA serves only in an administrative capacity to its sub-grantees; and the sub-grantees submit their own individual quarterly 9902 reports which make up the consolidated report for the SHFA.

## Chapter 6. Performance Criteria and Monitoring

### 6-1 What is HUD's Performance Review process?

**Answer:** The Office of Housing Counseling (OHC) is responsible for the administration and oversight of the HUD Housing Counseling Program. OHC staff may conduct periodic on-site or desk performance reviews of all Participating Agencies. The performance review consists of a review of the Participating Agency's compliance with program requirements, including applicable civil rights requirements, and the agency's ability to deliver quality counseling services. HUD may assess a Participating Agency's compliance with such requirements by utilizing the responses provided on the form HUD-9910 or other electronic medium.

### 6-2 What can an agency expect during a performance review?

**Answer:** A review can be either an on-site or remote monitoring visit. During a performance review, the HUD Point of Contact assesses the agency's compliance with program and grant requirements.

The performance review consists of a review of the participating agency's compliance with program requirements, including applicable civil rights requirements, and the agency's ability to deliver quality counseling services. HUD may assess a participating agency's compliance with such requirements by utilizing the responses provided on the form HUD-9910 or other electronic medium.

The participating agency must allow HUD staff to obtain the necessary information to complete performance reviews and provide any information that HUD requests. HUD staff assigned to review the housing counseling activities of a participating agency may request specific client files and group education files from the agency for review. These files, in paper or electronic format, or a combination, must be provided to the HUD reviewer. Other documentation that may be requested includes, but is not limited to, the most recent housing counseling work plan; evidence of leveraging; financial statements; documentation supporting draws or allocations on grants or sub-grants; and audit reports. Participating agencies must also provide the names, addresses and other uniquely identifying information of clients when requested to do so by the HUD office conducting the review. Refer to Chapter 6, Paragraph 6-3 of HUD Handbook 7610.1 REV-6 for additional information.

The agency must ensure confidentiality of electronic transmission of Sensitive PII via fax, email, etc. When sending by fax, verify that the intended recipient is available. When sending SPII by email or other unsecured information system, ensure the information and attachments are encrypted. Encryption is mandatory for email transmission of SPII to HUD personnel. Refer to Chapter 5, Paragraph 5-6 of HUD Handbook 7610.1 for additional information.

If the review is on-site, please allow read-only access to allow the monitor to review entire electronic client files. Please see HUD Handbook 7610.1 REV 6 Chapter 5, Paragraph 5-3. When the monitor arrives, have a designated, confidential workplace available and have all requested information and files ready in the designated area. Participating agencies must comply with all applicable privacy laws, and, if needed, seek legal counsel on the pertinent laws. Participating Agencies must also provide assurances that confidential data will not be shared with any entities other than HUD, the participating agency, or other federal agencies as required by law, unless explicitly instructed to do so by the client themselves, and in the case of agency information, the housing counseling agency.

**6-3 What other guidance does the Office of Housing Counseling (OHC) have for housing counseling agencies about the Performance Review [form HUD 9910](#)?**

**Answer:** All housing counseling agency requirements, listed on the form HUD 9910, are outlined in:

- Part 214 of the Code of Federal Regulations;
- The HUD Housing Counseling Handbook 7610.1 REV-6; and
- The Housing Counseling Grant Agreement, if applicable.

**6-4 What is the difference between an on-site performance review and a desk performance review?**

**Answer:** An on-site review is conducted at an agency's office and a desk review is conducted remotely from the HUD Point of Contact's office location. During a performance review, the HUD Point of Contact assesses the agency's compliance with program and grant requirements.

**6-5 Is the 30-client minimum a requirement of HUD CHC grantees only or of all HUD Housing Counseling Program participating agencies?**

**Answer:** During each 12-month period, all HUD Housing Counseling program participating agencies must provide housing counseling in accordance with the workload requirements in 24 CFR 214.303. Agencies that offer only housing counseling services limited to reverse mortgages, including home equity conversion mortgages (HECMs) origination, are exempt from this workload requirement.

**6-6 Where can I locate the HUD-9910?**

**Answer:** [Form HUD-9910](#) is located on HUDClips.

## Chapter 7. Funding

### **7-1 May a housing counseling agency charge a higher fee for expedited or fast-tracked pre-purchase services?**

**Answer:** Housing counseling regulations do not prohibit agencies from charging higher fees for expedited or fast-tracked pre-purchase services. All fees must conform with the requirements of HUD's Housing Counseling Handbook 7610.1 REV-6, Chapter 7, Paragraph 7-5, Fees for Housing Counseling and Related Services. If a housing counseling agency is considering charging fees for expedited housing counseling, it should also consider the following concerns: There should be no difference in the quality or format of standard pre-purchase counseling sessions versus expedited or fast-tracked counseling sessions; rather, the higher fee should reflect the need for the agency to compress what they usually cover in multiple sessions and/or through group education into one session. Housing counseling agencies should only charge fees that are 'reasonable and customary' for the expedited service and waive fees for expedited service if consumers have a financial hardship (as is required for standard counseling services). Expedited housing counseling services should not take resources away from housing counseling capacity for clients who do not need an expedited service.

### **7-2 My agency charges nominal fees for counseling. Do I need to display the fee schedule in my office?**

**Answer:** Yes, an agency's fee schedule must be posted in a prominent place in the agency's office or on the agency's website that is easily viewed by clients. Participating agencies should also verbally communicate the fee schedule directly to the clients.

### **7-3 Do housing counseling agencies need to have an agreement with lenders when lenders provide grants?**

**Answer:** Yes. Once a housing counseling agency has decided to enter into a relationship with a particular lender, HUD requires that the agency enter into an agreement, signed by both parties, to formalize the relationship between the housing counseling agency and the lender. The agreement must outline the expectations of each party.

The agreement must also ensure compliance with the Real Estate Settlement Procedures Act (RESPA) by requiring discussion of comparable loan products from three different lenders, as well as ensure that any fee income is based on services rendered and not the amount of the loan. At least one of the options discussed with the counselor must be a Federal Housing Administration (FHA) product or feature.

Housing counseling agencies must also include in the disclosure forms their relationship with any lenders and other partners.

#### **7-4 What is the grant review process for HUD housing counseling grants?**

**Answer:** Specific grant processing requirements are contained in the instructions provided in the Notice of Funding Opportunity (NOFO). General information regarding the NOFO can be obtained from [Home | GRANTS.GOV](#)

## **APPENDIX 1: HECM Counseling Protocol**

### **1. Will HUD insure a HECM loan if the lender has a faxed, rather than original, copy of the counseling certificate?**

**Answer:** No. If a lender has a faxed copy of a counseling certificate bearing the signature of the borrower and counselor, or, in the case of phone counseling, a copy of two different certificates, one signed by the borrower and one by the counselor, then the lender may begin to process the loan application by obtaining a case number, ordering the appraisal and title work, etc. However, for insuring purposes, the lender must have in their possession an original certificate bearing the wet signatures of both the counselor and borrower, or, in the case of telephone counseling, separate certificates with the wet signatures of the client and counselor, so they can submit certified true copies in the case binder.

For more information view the Submission of Case Binder Documents Section of Mortgagee Letter 2004-39.

### **2. If a fee is waived for a HECM client, should the agency note this on the certificate?**

**Answer:** Yes. HUD has revised the certificate to include a checkbox for fee waiver.

### **3. Can an agency use a sliding scale for HECM origination counseling fees?**

**Answer:** Counseling agencies may establish a fee structure for HECM counseling as long as the fee:

- a. is reasonable and customary,
- b. does not create a financial hardship for the client,
- c. is commensurate with the counseling services that are provided, and
- d. is not being charged to pay for the same portion of or for an entire service that is already funded with HUD housing counseling grant funds or any other funds received for HECM or delinquency counseling.

In addition, agencies must not offer a discount on counseling charges based on the client's ability to pay for the counseling services upfront. Clients who pay for counseling services out of the proceeds must not be penalized for doing so.

**4. Do the agencies need a lender agreement when the lender is paying the fee for HECM origination counseling?**

**Answer:** HUD prohibits HECM lenders funding or servicing the HECM loan from paying for HECM origination counseling either directly or indirectly.

**5. Can HECM counseling fees collected from clients, paid by the client or out of loan proceeds, be charged against the HUD Housing Counseling grant?**

**Answer:** When HECM counseling fees are collected from clients (either assessed upfront or collected out of loan proceeds), only the portion of the actual cost of counseling that is not covered by those fees can be charged to the HUD grant.

**6. How do I meet the requirements for creating a budget as part of HECM origination counseling?**

**Answer:** Counselors are required to complete a budget using the Client Budget and Resource Identity Tool (CBRIT) with every client using financial information obtained from the client.

**7. Where can I find the required handouts for HECM origination counseling?**

**Answer:** The required handouts for HECM origination counseling clients are in Attachment B to Appendix 1, HECM Protocol, of the HUD Handbook 7610.1 REV-6.