

Temporary Waiver of 24 CFR § 206.304(b)(2) requirement for a Home Equity Conversion Mortgage (HECM) counselor to have passed an exam within the prior 3 years to remain on the HECM Counselor Roster and of HUD Housing Counseling Handbook 7610.1 REV-5. Chapter 4, Reverse Mortgage Housing Counseling, paragraph 4-2

Pursuant to section 7(q) of the Department of Housing and Urban Development Act (codified at 42 U.S.C. § 3535(q)), and the waiver authority contained in 24 CFR § 5.110, I hereby waive the 24 CFR § 206.304(b)(2) requirement for a Home Equity Conversion Mortgage (HECM) counselor to have passed an exam within the prior 3 years to remain on the HECM Roster. This temporary waiver is being issued to ensure that HUD's HECM Roster pool remains at or near the current level of approximately 450 approved and HUD-certified HECM Roster counselors. Absent this waiver, clients who are age 62 or older and seeking an HECM are at risk of significant delays in scheduling and completing the mandated counseling session before loan application can proceed.

FINDINGS

1. Transition periods between contracts are a normal part of many service contracts to ensure uninterrupted service between different contractors and contracts. Typically, a separate Line-Item Number (LIN) within the task order award is used to pay for these extended services. Here, while the contract itself includes transition period language, the task order did not include a LIN to pay for this period.
2. On December 3, 2020, the base contract on which the HECM Exam task order is issued expired. Replacement of this base contract was planned to be completed by late September 2020. Due to administrative challenges caused by the recent COVID pandemic, the award of the replacement for this base contract was delayed by a year.
3. To avoid a break in service, new task orders to carry service through September 2021 were drafted. These new task orders caused an increase to the ceiling of the contract beyond 15% of the total value of the contract, requiring the approval of the Small Business Administration (SBA).
4. When it was discovered the task order did not include a LIN for the transition period, the Contracting Officer requested the SBA approve another increase to the ceiling to pay for that period. The SBA denied this request, making funding the transition period impossible.
5. It was also determined there was not enough time to award a stand-alone contract to cover this period in between contracts.
6. Due to the delay in the availability of the HECM exam, 12% of the current HECM roster counselors will be unable to comply with the HECM retesting requirement.

DETERMINATIONS

1. To assist in ensuring the continued availability of currently active and HUD-certified HECM Roster counselors, a temporary waiver of 24 CFR § 206.304(b)(2) must be granted.
2. The granting of the temporary waiver is consistent with the Department's objectives to assist consumers age 62 or older, who are considering applying for a HECM mortgage, to schedule the counseling required for this FHA-insured loan product in a timely manner; this temporary waiver will assist in maintaining a large pool of qualified HECM roster counselors for consumers selecting and scheduling their counseling.
3. All other requirements of 24 CFR § 206.304(b) remain unchanged except for provision (2) that is being temporary waived.
4. Pursuant to the authority contained in 24 CFR § 5.110, the above findings constitute good cause for granting the partial waiver of 24 CFR § 206.304(b)(2).
5. This temporary waiver shall be in effect through June 30, 2022.

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