November 8, 2010

Mortgagee Letter 2010-37

TO: ALL APPROVED MORTGAGEES
HUD-APPROVED HOUSING COUNSELING AGENCIES

SUBJECT: Home Equity Conversion Mortgage (HECM) Program: Clarification of Policies Regarding the Requirement that HECM Lenders Provide Prospective HECM Borrowers a List of HECM Counseling Agencies

Purpose
This Mortgagee Letter (ML) provides guidance to lenders regarding
• completing a screen in FHA Connection entitled HECM Referral List Update
• timing for completion of the screen.

Effective Date
The guidance provided in this ML is effective for case numbers issued on or after February 1, 2011. Lenders may opt to begin using these screens on November 22, 2010, however, it is not required until February 1, 2011.

Questions
If you have any questions regarding the Mortgagee Letter, please call the FHA Resource Center at 1-800- CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Signature
David H. Stevens
Assistant Secretary for Housing-Federal Housing Commissioner

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ML 10-37.a  
HECM Counselor List Background

Lenders are required to provide each client with a list of HECM counseling agencies and that list must include no fewer than nine HUD-approved counseling agencies.

The list of counseling agencies must include at least:

- five agencies within the local area and/or state of the prospective borrower
- one of the local agencies located within a reasonable driving distance for the purpose of face-to-face counseling, and
- the following four national intermediaries
  - National Foundation for Credit Counseling (NFCC)
  - Money Management International (MMI)
  - National Council on the Aging (NCOA)
  - CredAbility

ML 10-37.b  
FHA Connection HECM Referral List Update Requirements

Within one (1) business day of requesting a FHA case number, a lender should complete the HECM Referral List Update in FHA Connection. The screen must be completed prior to a HECM loan being endorsed for insurance.

This screen requires the lender to input the nine agencies that the lender provided on the list given to the client.

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The following are samples of the HECM Referral List Update screens. The first is a sample of the screen prior to completion by the lender. The second is a sample of the screen containing the list of agencies entered by the lender.
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**HECM Referral List Update**

**CASE INFORMATION**

- **FHA Case Number:** 011-592653
- **Primary Borrower Name:** SMITH, JOHN
- **Property Address:** 3007 MAIN ST NW, HUNTSVILLE, AL 35810

**Referral Type:**
- Referred
- Not Referred

**CONFIRM NATIONAL COUNSELING AGENCIES REFERRALS**

- **Select All | Select None**
  - NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC. (80751)
    861 ROEDER ROAD
    SUITE 900
    SILVER SPRING, MD 20910-3372
  - MONEY MANAGEMENT INTERNATIONAL INC. (82554)
    9009 WEST LOOP SOUTH (PHONE CENTER)
    SUITE 700
    HOUSTON, TX 77096-1719
  - NATIONAL COUNCIL ON THE AGING (NCOA) (83874)
    1001 L STREET, NW
    4TH FLOOR
    WASHINGTON, DC 20003
  - CCCS OF GREATER ATLANTA - DBA CREDIBILITY (84538)
    100 EDDIEWOOD AVENUE
    SUITE 1800
    ATLANTA, GA 30333

**LENDER REFERRED COUNSELING AGENCIES**

- **Search for HECM Counseling Agency IDs**

  **Agency ID 1:** 82671
  CCCS SOUTH WEST, A DIVISION OF MM1 (82671)
  2015 NORTH 4TH ST, STE. 2
  FLAGSTAFF, AZ 86004-3700

  **Agency ID 2:** 82672
  CCCS SOUTH WEST, A DIVISION OF MM1 (82672)
  17235 NORTH 75TH AVE., STE. C-125
  GLENDALE, AZ 85308

  **Agency ID 3:** 82673
  CCCS SOUTH WEST, A DIVISION OF MM1 (82673)
  1234 S. POWER RD., STE. 100
  MESA, AZ 85206-3740

  **Agency ID 4:** 81809
  ADMINISTRATION OF RESOURCES AND CHOICES (81809)
  1396 EAST THOMAS ROAD, SUITE 108
  PHOENIX, AZ 85014

  **Agency ID 5:** 83789
  CCCS SOUTH WEST PHONE CENTER, A DIVISION OF MM1 (83789)
  13420 N. BLACK CANYON HWY.
  SUITE 250
  PHOENIX, AZ 85029

**Message Board Thursday July 01, 2010**

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The lender must check the “Not Referred” box only if a client has already been counseled by a HUD-approved HECM counselor. The client must be able to confirm that s/he has received counseling by providing the lender a completed Form HUD 92902, Certificate of HECM Counseling, which verifies where and when the client received HECM counseling, and that they received counseling from a HUD-approved HECM counselor.

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