

HUD OFFICE OF HOUSING COUNSELING
January 14, 2015
FREQUENTLY ASKED QUESTIONS
HOW TO BECOME A HUD-APPROVED HOUSING COUNSELING AGENCY

General Questions:

Question 1: How does an agency become HUD-approved?

Answer. Application for approval form HUD-9900 and instructions are available at HUD's Office of Housing Counseling [webpage](#).

Question 2: Where can a housing counseling agency find the requirements for becoming a HUD-approved local housing counseling agency?

Answer: The requirements can be found in Chapter 2 of HUD Handbook 7610.1 Rev-5 and in the Housing Counseling Program final rule 24 CFR 214. These requirements are available at Office of Housing Counseling resource [webpage](#).

Question 3: How long does it take to process the application to become a HUD-approved housing counseling agency?

Answer: Application processing times vary by time of year and complexities specific to each applicant. An application will be reviewed within 60 days of receipt.

Question 4: Can for profit entities become HUD-approved?

Answer: No. Only private or public nonprofit organizations or any unit of local, county, or State government are eligible to apply.

Question 5: Can I use Drop Box or other FTP sites to submit my application?

Answer. No, at this time HUD can only accept applications submitted through email to housing.counseling@hud.gov

Question 6: I've tried sending my application but the email is being returned, what do I do?

Answer: It is possible that your email is too large for the HUD email system. You can do a number of things to reduce the file size of your application.

- Scan the documents at a lower resolution. 100 dpi is acceptable.
- Convert your word documents into pdfs directly through the word program rather than printing and scanning; this reduces the overall file size dramatically. This is typically found as a "save as" command.
- Break the application into sections. Be sure to label each email as "part (*email number*) of (*total number of emails*)"

If you are still having trouble submitting your application, please contact housing.counseling@hud.gov

Questions on form HUD-9900 Application – Organization Information:

Question 7: What document should we submit with our application to prove our agency's nonprofit status?

Answer: HUD requires a copy of the IRS letter your organization received that granted your agency 501(c) status and identifies your organization as a proper recipient of tax exempt, charitable contributions. The IRS letter should also contain a designation of your official taxpayer identification number. We require a copy of the letter because many entities that seem to have a charitable purpose are not officially recognized by the IRS as a 501(c) entity.

Question 8: If we do not have a 501(c) designation but are still an exempt organization, can we still apply to be a HUD approved housing counseling agency?

Answer: HUD-approved housing counseling agencies are private and public nonprofit organizations that are exempt from taxation under section 501(a) pursuant to section 501(c) of the Internal Revenue Code of 1996, 26 U.S.C. 501(a) and 501(c). If your organization meets either one of these requirements, provide a copy of the letter IRS issued officially recognizing your organization's tax exemption status.

Question 9: Can I submit a board resolution with minutes that states we will provide housing counseling and does it have to be filed or stamped by the State in which we reside?

Answer: The housing counseling agency's (HCA) charter, articles of incorporation, or by-laws must specifically authorize the HCA to provide housing counseling. If your State requires recordation of these documents, you must submit a filed copy of the relevant recorded document(s). Otherwise, signed and dated documents from the board members will be acceptable.

Question 10: What documents are required for a government entity applying to become a HUD-approved housing counseling agency?

Answer: A government entity is required to submit the relevant statutory document(s) issued by the local, state, or federal authority that authorizes the agency to operate. The document(s) must be signed and notarized by the authorizing officials. A government applicant must also complete a form HUD-9900 electronically.

Question 11: What documents are required for a State Housing Finance Agency to submit?

Answer: A State Housing Finance Agency (SHFA) is not required to submit an application for HUD approval. However, to participate in HUD's Housing Counseling Program, SHFAs must either submit a housing counseling grant application through the HUD Notice of Funding Availability (NOFA) or submit a written request to HUD to participate. The request should include:

- A list of affiliates that will provide the counseling activities and assurance that the affiliates meet all program requirements as stated in the final rule 24 CFR, part 214.
- Submission of a form HUD-9900, with the following sections completed: Section A; Section B, Part 1, item 7; and Section C.
- A copy of the relevant statutory authority to operate as a SHFA and to provide housing counseling services throughout the entire state.

For further information on the counseling program final rule 24 CFR 214 please view the rule online at the Office of Housing Counseling [webpage](#).

Questions on Counseling Resources:

Question 12: What information do I need to submit concerning the housing counseling staff?

Answer: Provide a complete list of all the housing counselors and supervisors, as well as an up-to-date resume, current title, and description of duties for each.

Question 13: What documents do I need to submit concerning Board of Directors?

Answer: Provide their full names, current residential addresses, and contact telephone numbers.

Question 14: What is an Ineligible Participant?

Answer: Members of the Board of Directors, staff or volunteers cannot have any criminal offenses, outstanding Federal or State tax liens, or defaulted federal loans. In addition, directors, staff and volunteers cannot be subject to any unsatisfied judgments or foreclosure of an FHA insured mortgage.

Question 15: I have an active Real Estate license. Can I be a housing counselor?

Answer: The realtor cannot personally serve as both the client's realtor and counselor, and cannot receive a real estate commission or referral fee at closing. For more information on conflict of interest, go to the Office of Housing Counseling [frequently asked questions webpage](#).

Question 16: What type of training certificate do I need to provide for the housing counseling staff?

Answer: Submit copies of training certificates received within the last 12 months related to the services for which you are applying on the 9900 application.

Question 17: What training is required for volunteer housing counselors?

Answer: They must meet the same requirements as housing counselors on staff.

Question 18: Are there specific training organizations that HUD prefers? Can we obtain training from any organization?

Answer: HUD refers HCAs to several organizations for housing counseling training workshops, online courses, and certificate programs. In some instances HUD contracts with organizations to provide training for counselors. The organizations currently contracted and approved by HUD are listed on HUD's Housing Counseling [webpage](#).

Organizations with relevant content and with reputable credentials can be used. Some of the prominent national housing counseling training providers includes HUD, Federal Housing Administration (FHA), NeighborWorks of America, Fannie Mae, Freddie Mac, U.S. Department of Treasury, the National Community Reinvestment Coalition (NCRC), National Council of La Raza (NCLR), and various state and local finance agencies and governmental entities.

Question 19: If I have attended counseling classes and had experience with another organization that was not an approved agency, can this count towards the six month experience requirement?

Answer: Yes, you can show this as experience on your resume and provide documentation to your agency for submission in its application package.

Question 20: My agency uses off-site accommodations for counseling. How do I show this in my application?

Answer: Provide the address and description of the facility's primary use, identify the property owner, and provide copies of any agreements you have in place to use the facility. Include photos of the space used.

Questions regarding applicant funding:

Question 21: What type of documents must be submitted as part of the applicant's financial reporting requirement to become a HUD-approved housing counseling agency?

Answer: An agency that spends \$500,000 or less of federal awards in a year must submit an independently prepared audited financial statement issued by a certified public accountant. This report must demonstrate the compliance of financial information with Generally Accepted Accounting Principles (GAAP).

Question 22: What are the financial documents reporting requirements for an applicant that expend \$500,000 or more of federal awards in a year?

Answer: The applicant is required to obtain an independent annual audit in accordance with the following:

- [Single Audit Act Amendments of 1996](#);
- [Office of Management and Budget \(OMB\) Circular A-133](#); and the
- [OMB Circular Compliance Supplement; and Government Auditing Standards](#).

The Single Audit, in addition to ensuring the proper expenditure of Federal funds, allows nonfederal entities to obtain one audit in lieu of multiple audits of their activities by individual program. The audit is performed by an independent certified public accountant (CPA) and encompasses both financial and compliance components. The Single Audits must be submitted to the Federal Audit Clearinghouse along with a data collection form, Form SF-SAC.

Question 23: What information should be included in the agency's Proposed Annual Housing Counseling Budget?

Answer: The budget must show sufficient funds to run the housing counseling program for 12 months. The housing counseling budget revenue includes grant income, sub-recipient program income, other program income (e.g., Neighborhood Stabilization Program Funds), and in-kind contributions that require documentation, such as commitment letters. The housing counseling budget expenses typically consist of counseling program salaries, fringe benefits and a minimum amount of operating and administrative expenses.

Question 24: For HUD financial reporting purposes, what is considered a current financial statement?

Answer: Independently-audited annual financial statements and audit reports prepared within the past 12 months are considered current and must be submitted with the application.

Questions regarding Community Resources:

Question 25: What are community resources?

Answer: A housing counseling agency must demonstrate that it has established a working relationship with private and public community resources to which it can refer clients who need assistance that the agency cannot offer, such as family services, food services, childcare, and healthcare, etc.

Question 26: How do I demonstrate the referrals to community resources?

Answer: Submit a list of the names and addresses of the local, state, federal, public and private agencies with which your agency and its branches or affiliates, if applicable, have established working relationships. Clients may be referred to these resources when additional services are not offered by your agency. Community resources may also include HUD-approved counseling agencies with which the applicant and its branches or affiliates will work cooperatively.

Questions on other agency housing activities

Question 27: What key language should a disclosure form contain?

Answer: The disclosure statement must:

- Include a narrative that explicitly describes the various services provided by the agency as stated in its housing counseling work plan.
- Identify any financial arrangements or partnerships between the agency and any other industry partners that are relevant to the client
- Clearly indicate the client is not obligated to receive services offered by the organization or its partners.
- Be on agency letter head

Question 28: Where can I find an example of a disclosure statement?

Answer: For detailed information on the disclosure statement go to the Office of Housing Counseling [Toolkit](#).

Questions on the Housing Counseling Work Plan:

Question 29: I'm not sure what a Housing Counseling Work Plan looks like, where can I get a sample copy?

Answer: A sample Housing Counseling Work Plan is available as part of our Housing Counseling Capacity Building [Toolkit](#).

Question 30: Does an Intermediary, State Housing Finance Agency (SHFA) or Multi-State Organization (MSO) need to have a Housing Counseling Work Plan?

Answer: Yes, as a participating agency, Intermediary, SHFA, and MSO must also have a Housing Counseling Work Plan that includes similar information for their network of affiliated agencies or branches. HUD must approve any amended plans prior to implementation.

Question 31: 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 [locator](#).

Question 32: Do I need to use any specific kind of map when I show the area my agency will serve?

Answer: No, any map that effectively and clearly shows the boundary of your service area is acceptable. Be sure to color code your agency and on the same map indicate other agencies located near you.

Question 33: Do I need to include zip codes in which our agency has served for the past 12 months?

Answer: Yes.

Question 34: My agency plans to charge fees for counseling. Do we include a narrative in our housing counseling work plan describing how fees are charged?

Answer: Yes. Explain how fees charged meet HUD requirements as outlined in Chapter 7 of Handbook 7610.1 and 24 CFR Part 214, including how the agency assesses affordability and ability to pay. If an agency chooses to charge fees, it must conform to the following guidelines:

- Provide counseling without charge to persons who cannot afford the fees.
- Fees must be commensurate with the level of services provided and reasonable and customary for the area.
- Agencies may not impose fees upon clients for the same portion of or for an entire service that is already funded with HUD grant funds.

Question 35: My agency charges nominal fees for counseling. Do I need to display the fee schedule in my office?

Answer: Yes, all fees must be clearly displayed in your office.

For further information on our HUD counseling program refer to additional resources at HUD Office of Housing Counseling Capacity Building [Toolkit](#).