

# THE BRIDGE

## THE OFFICE OF HOUSING COUNSELING NEWSLETTER



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# Working Together – Supporting Homeownership



### Cultivating a Foundation for Financial Stability

Lexington, KY - This month, [eHome America](#) celebrates a significant milestone in its eight-year history by preparing more than 250,000 individuals across the nation with homeownership education. Developed by [Community Ventures](#), eHome America is an online homeownership education program created to ensure that current and future homeowners receive adequate education about the complexities of buying and owning a home. eHome America has grown rapidly becoming one of the nation's top homebuyer education resources for families looking to purchase their first home and increase their financial well-being.

"In the wake of the recession, eHome America quickly realized that consumers needed a resource to help cultivate a foundation for financial stability," said Kevin Smith, President & CEO of Community Ventures. "The impact that eHome America has had on the lives of Americans post-recession has surpassed our greatest expectations for the company," said Milt Sharp, President of eHome America.

"Our goal is to provide homebuyer education to as many first-time homebuyers as possible in advance of them making one of the largest financial transactions of their lives."

Having already assisted nearly 20,000 in the first quarter of 2017, eHome America is well on track to exceed 300,000 registered users in 2018. The profile of the eHome user is largely first-time homebuyers with over 87 percent purchasing their first home. Sixty percent of users are under the age of 35 and roughly half are single, indicating an increase in home purchases from millennials. "We are seeing a steady influx of minority households and younger homeowners striving to understand the economy and their role within it," said Smith. "eHome helps illustrate and promote the greater impact of homeownership on the economy."

Working with over 500 non-profit partners across the nation, eHome America has been endorsed by the U.S. Department of Agriculture and numerous state housing finance agencies, and is accepted by most lenders as well as 10 of the 11 [Federal Home Loan Banks](#).

## FROM THE DEPUTY ASSISTANT SECRETARY



**Sarah Gerecke**  
*Deputy Assistant  
Secretary, Office of  
Housing Counseling*

Greetings,

June is National Homeownership Month! A great time to reflect on the impact that owning a home has on individuals, families, neighborhoods and communities across our nation. During this month, the Office of Housing Counseling celebrates the success of our nationwide network of HUD-approved housing counseling agencies in providing pre-purchase counseling to prepare homebuyers for sustainable homeownership and post-purchase counseling to prevent mortgage defaults.

We know that [Housing Counseling Works](#) and the benefits are far reaching. This is evidenced by data that indicates Homeownership Education and Counseling helps clients lower their housing costs, save more income, improve their credit, avoid delinquency, address defaults, and avoid foreclosure. A national [First-Time Homebuyer Education and Counseling Demonstration](#) study by HUD is currently in progress to research how pre-purchase Homebuyer Education and Counseling affects outcomes for low-, moderate-, and middle-income first time homebuyers. The study includes more than 5,800 randomly selected participants. Interim results for the full study sample are expected in early 2018 and final results in mid-2020.

Homeownership is complex and housing counselors help people decide whether homeownership is the right choice by explaining all of its benefits and responsibilities. I know the risks first-hand. The first home my husband and I purchased, a one-bedroom cooperative in Manhattan, became too small as soon as my daughter was born. Unfortunately, that coincided with the dot.com crash and the home lost 50 percent of its value. We rented it out and moved into another apartment, losing money every year, we waited for the market to turn around and saved, saved, saved. After five years, we sold it for 30 percent less than what we paid and wrote a big check to the bank.

The homeownership classes that I've attended addressed the pros and cons of the stickiness of homeownership. It is very stable tenure if you have an affordable fixed mortgage. You don't have to worry about a rent increase or a lease not renewed... but that very stickiness can also be a risk if you need to move unexpectedly.

During National Homeownership Month, I thank all of our housing counseling stakeholders and encourage you to keep up the good work of helping clients achieve their 'American Dream.' Follow HUD on social media at: [#FindYourPlace](#).



# HUD ANNOUNCES START DATE FOR HOUSING COUNSELOR CERTIFICATION EXAMINATION



**FEDERAL REGISTER**  
The Daily Journal of the United States Government

On May 31, 2017, HUD published a Federal Register Notice announcing the start of the HUD Certified Housing Counselor Examination on **August 01, 2017**. This Notice is available online in the [Federal Register](#), and on [FDsys.gov](#).

- **Title:** Notice of Availability of the HUD Certified Housing Counselor Examination
- **Document Citation:** 82 FR 24988
- **Pages:** 24988-24989 (2 pages)
- **Agency/Docket Number:** Docket No. FR-5339-N-05
- **Document Number:** 2017-11213
- **Publication Date:** May 31, 2017

The Notice also announces that the cost for the Housing Counseling Certification Examination will be \$60.00 on line at the examinee's location and \$100.00 at a proctoring site. Additional information will be available at: [www.hudhousingcounselors.com](http://www.hudhousingcounselors.com).



If you have any questions on Housing Counselor Certification or any other housing counseling topic, please email HUD at: [housing.counselors@hud.gov](mailto:housing.counselors@hud.gov).

## Updates to [HUDHousingCounselor.com](http://HUDHousingCounselor.com)

Effective June 01, 2017, the HUD Housing Counselors certification website, [www.hudhousingcounselors.com](http://www.hudhousingcounselors.com), will enable user accounts. With this new feature, counselors will provide a name and email to create an account and access training materials. The account portal allows counselors to track their progress in the online training course. The same account portal will provide access to the practice exam and the certification exam registration when they become available. At this time, users cannot register for the HUD housing counselor certification examination.

Additionally, training materials, including both the interactive online modules and the downloadable Study Guide, have been modified and republished (Version 201701). Content changes in the recent release include:

- Elimination or revision of content relating to the [Making Home Affordable program](#), particularly [Home Affordable Modification Program \(HAMP\)](#) and [Home Affordable Refinance Program \(HARP\)](#)
- New and revised content on [CFPB's Mortgage Servicing Rule](#), issued August 2016, including [Truth in Lending Act \(TILA\)](#), [Real Estate Settlement Procedures Act](#), and [Home Ownership and Equity Protection Act \(HOEPA\)](#) impacts
- Updates to content on [Hardest Hit Fund](#), [National Mortgage Settlements](#), and [HLP](#), formerly known as Hope LoanPort
- New content on Government Sponsored Enterprises (GSE) mortgage disposition options

Housing Counselors are encouraged to review updated training materials in preparation for certification. If you have downloaded the previous study guide, HUD recommends you delete that version and save this new version. The new account portal provides a full revision history of training materials and modules are dated to ensure users are accessing the most recent version.

If you have any questions on Housing Counselor Certification website training content or any other housing counseling topic, please email HUD at: [housing.counselors@hud.gov](mailto:housing.counselors@hud.gov).

# HELPING MILLENNIALS MAKE THE MOVE



**Baltimore, MD** - June is National Homeownership Month, but not everyone is celebrating. Raised in the recession and burdened with student loan debt, many millennials (age 18-34) are putting off purchasing a home. A recent Pew Center research study found that 32.1 percent of these young adults still live at home with Mom and Dad. A substantial number also rent and share housing. However, as the job market improves, this trend is changing. [eHomeAmerica™](#) reports that millennials now make up the largest home buying demographic in America and 74 percent of millennial renters plan to buy a home in the next three to four years.

Guidewell Financial Solutions Director of Counseling, Tiffany Scalzo believes that millennial homeownership doesn't just involve a change in residence. It represents a shift in mindset. She says, "Many of these young adults saw their parents lose jobs and homes in the recent financial crisis. As a result, they don't view homeownership as the great American Dream. Our programs can help them overcome their reluctance and increase awareness, so they know their options and are better prepared for life on their own."

As a HUD-approved housing counseling agency, [Guidewell Financial Solutions](#) (also known as Consumer Credit Counseling Service of Maryland and Delaware, Inc.) has several services that can help millennials make a successful transition to homeownership.

## Budget and Credit Counseling

Saving for a down payment is a major objective that most homebuyers must reach. Guidewell Financial Solutions' budget and credit counseling programs help millennials and other prospective homebuyers achieve this goal.

Counseling Manager Ericka Blagmond says, "Our confidential budget and credit counseling provide homebuyers with a much needed tool. At their counseling sessions, homebuyers find out where they stand financially. We also help them review their credit reports. By setting up and sticking to a budget, they are better equipped to save toward a down payment."

"While many millennials don't carry a lot of credit card debt, credit counseling may still be helpful for those who want to improve their credit scores. During credit counseling they learn about options, such as our debt management program, that may help them repay their creditors and build a positive credit history, so they can qualify for mortgage financing and better interest rates."

## Student Loan Counseling

Student loan debt poses a major homeownership hurdle for many millennials, who leave school owing an average of \$27,000.00. Certified Student Loan Counselor Natia Hill says, "College grads who hope to buy a home, definitely need to get a handle on what they owe. Ignoring payments or defaulting on student loans can destroy your credit rating and make it much harder to qualify for a mortgage."

[Guidewell Financial Solutions' student loan debt counseling program](#) provides borrowers with a holistic financial assessment and helps them explore available loan options. Hill says clients walk away with a budget and a realistic plan for meeting their payments and achieving long-term goals. "Millennials who stick to the plan are ultimately better prepared for homeownership because they build a solid repayment history. When the time comes to purchase, a budget also helps them determine how much they can afford to spend, so they're less likely to purchase too much house."

*(continued on pg. 7)*

# EMPOWERING HOMEOWNERS TO PURCHASE AND MAINTAIN THEIR HOMES

Danville, VA - [Danville Redevelopment and Housing Authority \(DRHA\)](#) recently expanded their housing program by developing a full service housing education department. [The Center for Housing Education](#) is a three-year venture featuring Virginia's first hands-on, post-purchase home program along with a host of other professional services. The primary intent of the program is to fight blight by empowering individuals to purchase and maintain homes. The Center does this through educational programming with real-world examples.

The Center offers a full-scale indoor model home equipped with replicas available for a hands-on learning experience such as how to:

- Repair holes in the wall,
- Change plumbing in sinks and toilets,
- Install a door knob and
- Properly use a hammer and nail.

The post-purchase workshop is an eight-hour course, which details three core components:

1. Preventative maintenance,
2. Financial management, and
3. Community.

The course caters to [Going Green](#) and provides examples of how to recycle and create eco-friendly recipes for detergents, cleaners and compost. The Center provides other professional services at no cost including: financial management, credit counseling, debt management counseling, rental counseling, pre purchase counseling, a homebuyers educational course, post purchase counseling, and fair housing training.

In addition, The Center partnered with The City of Danville Community Development Department and facilitates the first HUD/HOME Lease Purchase Program in the State of Virginia. This program, utilizing HOME funding, is a 36-month program that gives low income families the opportunity to deflect any barriers that they may have to purchase a home.



The families lease HOME-assisted housing with an option to purchase after 36-months. Started with 14 rehab homes, the program has sold nine homes within the last two years.

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The Director of Housing Education for The Center, Kimberly Walker, is certified by the [Virginia Housing Development Authority](#) and NeighborWorks to facilitate all services. She developed and coordinates DRHA's housing education department to adapt to more trending housing education strategies that will inspire others to reach for their goals and fulfill their dreams.

The vision for The Center is to cultivate new housing lifestyles in whatever housing spectrum an individual/or family is in so as to fit their housing lifestyle needs for today and to focus towards their tomorrow.

# INCREASING ACCESS TO MORTGAGE CREDIT

San Diego, CA - The [Nationwide Mortgage Collaborative](#) (NMC) is designed to significantly increase access to mortgage credit for low- to moderate- income and other underserved market segments and communities across the nation.

Powered by [Springboard Community Development Financial Institution \(CDFI\)](#), a California-based 501(c)3 nonprofit mortgage bank and guided by the NMC Leadership Council, made up of the top mortgage and homeownership focused non-profits across the country; the NMC will harness the new homebuyer activities of hundreds of local nonprofit housing providers across the nation by creating a sustainable and scalable mortgage solution.

The industry leading collaboration will rebuild the delivery system for underserved borrowers nationally. NMC members are changing the way that consumers access mortgage credit – especially for underserved communities; the greatest pool of Americans in the growing wealth gap. “We are excited to enhance our existing services with an increased set of affordable home loan solutions that are now accessible through the NMC platform,” said Kristen Faust, President/CEO of the [Neighborhood Housing Services of Chicago](#), a HUD-approved housing counseling agency, CDFI, and NMC Leadership Councilmember.

While mortgage credit remains an unattainable goal for some first-time homebuyers, this lack of access to mortgage credit is contributing to a growing divide in America of “have” and “have not” households by precluding many families from owning a home at a time when mortgage interest rates are affordable.

The adverse consequences are many. Most low- income families cannot build net worth and are forced to pay rent that often greatly exceeds the total payment of Principal, Interest, Taxes, and Insurance (PITI) for the very same homes. These families also don't benefit from the stability and investment returns that come with homeownership.

The reasons for this continuing dilemma are many including:

Lack of homebuyer confidence and knowledge,



- Shortage of cash and reserves for down payment and closing costs,
- Tight mortgage credit standards,
- New regulatory requirements on the ability to repay and fair lending,
- Fewer public subsidies,
- Lack of lender expertise in affordable lending,
- Hesitancy to make loans with perceived rep and warrant risk, and the
- High cost of originating atypical and sometimes complex high Loan to Value (LTV), low value mortgages.

Individual nonprofit providers typically cannot generate a sufficient volume of mortgage originations to cover costs or garner the attention of the traditional mortgage lending industry. By aggregating loan originations through NMC, it can ensure consistency of loan quality, standardize loan processing and underwriting, and bundle loans for interested [Community Reinvestment Act \(CRA\)](#) lenders or for sale to the secondary market. Local nonprofits will provide the sourcing, homebuyer education and counseling and in some cases, initial processing, document collection, and other consumer-facing services for a standardized fee and agreement options provided to members of the Nationwide Mortgage Collaborative.

The NMC platform accommodates a full range of mortgage products and down payment assistance programs reflecting the diversity of market needs across the nation. A one-size-fits-all approach simply will not work. Rather, the NMC provides an open marketplace approach. The NMC platform is now fully operational in CA and IL and anticipates TX, FL, and AZ will be working in June. Over the next five years, NMC plans to expand into all 50 states with a goal to bring on at least 350 partner non-profits nationally.

# SEIZING THE OPPORTUNITIES IN COMMUNITY AND WEALTH BUILDING

**Oakland, CA** – As we celebrate National Homeownership Month, National Investment Division – Housing Counseling Agency's (NID) 32 branch offices realize that more work must be done to repair the loss of equity during the housing crisis. NID, a HUD-approved intermediary, employs proven practices to help bridge the gap with effective and holistic homeownership education and counseling services.

NID's branch network is unique given that its branch personnel and locations are anchored in the communities they serve with their primary mode of counseling being face to face. NID recognizes by way of decades of experience in the real estate and community services marketplace that people of color and underserved communities are best served through building a rapport that will last well after the education and counseling sessions are completed and the initial housing goal is reached.

Supported by historical data and evolving housing market conditions, the NID network strongly believes that now is the time to confidently educate its socially, culturally and economically diverse clients and communities on the opportunities and rewards of homeownership. Now is the time that its clients who have lost their homes during the housing crises can become successful homeowners again. That clients who are long-term subsidized renters or senior citizens on a fixed income can purchase a home they can afford. That clients with physical disabilities or aging in place can purchase or refinance their home and have it retrofitted for their long-term needs with one mortgage.

Sixty-five percent of NID's clients that are presently renting, purchase a home within one year and 85 percent purchase a home within 24-months of long-term housing counseling to overcome obstacles of a poor credit score, high debt, lack of savings, previous foreclosures and other challenges.

NID branch managers, counselors and support staff understand that homeownership is an opportunity that offers tremendous benefits to a family when done right. A disciplined savings plan, building a strong traditional and alternative credit history, tax deductions and the freedom to create their desired living environment.

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*(Continued from pg. 4 – Helping Millennials Make the Move)*



## Homeownership Education and Counseling

Guidewell Financial Solutions' homeownership program, which includes both web-based education and personalized counseling, helps clients understand the purchase process and the financial realities of owning. Tech-savvy millennials are likely to be drawn to its eight-hour online homeownership course, which can be accessed anytime, anywhere and completed on whatever schedule users choose.

How does the course prepare prospective homebuyers? Certified Housing Counselor Denitra Braham says, "The information workshop participants receive empowers them to make better informed decisions throughout the home buying process. We also help them develop the knowledge and skills they'll need to successfully keep and maintain a home."

Certified Housing Counselor Wanda Silva agrees and says millennials also find the agency's personalized, confidential housing counseling useful and efficient. "We are there to answer questions, provide resources and guidance throughout the home buying process. They can get advice at our local offices or even by phone."

Guidewell Financial Solutions' programs aren't just for millennials. They help people of all ages become more financially informed and secure.

# MANUFACTURED HOUSING: A VIABLE OPTION FOR HOUSING AFFORDABILITY

Morehead, KY - For more than 40 years, [Frontier Housing](#) has served the homeownership needs of residents in northeastern Kentucky. A HUD-approved housing counseling agency and a sub-grantee of [NeighborWorks®America](#), Frontier Housing is continuing its efforts to promote affordable homeownership by recently joining the SmartMH (Manufactured Housing) pilot program.

The pilot is administered by [Next Step](#) – a unique nonprofit housing intermediary promoting the use of [ENERGY STAR® manufactured homes](#) as an affordable housing solution.

[The SmartMH program](#) is the result of an innovative partnership between Next Step, Freddie Mac and eHome America – an online homebuyer education platform. The goal of the program is three-fold:

1. To create an online homebuyer education curriculum specific to factory-built housing,
2. To partner with Kentucky nonprofits to provide housing counseling services, and
3. To expand the pool of lenders originating real property loans on manufactured homes.

The SmartMH program serves Kentuckians who want to purchase a manufactured home, but may have blemished credit histories or other financial factors that would prevent them from securing a loan. They receive assistance from the housing counseling agencies that are a part of the SmartMH Network, which includes homebuyer education and advice on strengthening their credit and navigating the finance and purchase processes.

Whether customers are shopping for a mortgage loan, in need of homebuyer education, or looking to purchase a new or existing home, Frontier Housing works to support the homeownership needs of Kentuckians. In the past five years, Frontier Housing's staff has helped customers secure more than \$13 million in loans, enrolled nearly 300 individuals in homebuyer education, and helped design, build and finance 108 new energy-efficient homes



Frontier Housing's years of expertise and experience helping families navigate the manufactured housing market make it a valuable asset to the SmartMH Network. In 2016, just 67.9 percent of Kentuckians owned their homes. Manufactured housing has served as a viable solution for housing affordability in Kentucky for decades. Moreover, according to [the U.S. Census Bureau](#), nearly 29 percent of households in Kentucky making less than \$20,000 per year that live in rental housing pay 30 percent or more of their income toward housing costs. Manufactured homes offer an opportunity for families to affordably own a home and access the increased ability to build wealth through homeownership.

The counseling and education that homebuyers receive pays dividends throughout the lifetime of their home. Counseled borrowers are 67 percent more likely to remain current on their mortgage and first-time homebuyers who complete homebuyer education are 29 percent less likely to be delinquent on loan payments compared to first-time homebuyers who do not complete homebuyer education.

Energy-efficiency is also a core component of the SmartMH program. By encouraging customers to purchase ENERGY STAR certified manufactured homes, Frontier Housing is helping them save money and allowing families to pay less for monthly housing costs. An ENERGY STAR certified manufactured home can save an average of \$60 a month on utility costs and reduce home energy usage by 30 percent.

## CREATING AFFORDABLE, RESPONSIBLE HOMEOWNERSHIP

**Boston, MA** - The [Neighborhood Assistance Corporation of America \(NACA\)](#) is one of the nation's largest non-profit, HUD-approved home ownership and community advocacy organizations. Founded in Boston in 1988 by former Federal Reserve Bank of New York official Bruce Marks, NACA's mission nationwide is to defend and promote economic justice, revitalize communities, and fight financial exploitation and discriminatory lending practices.

NACA focuses on primarily low and moderate income people and communities who without NACA are subjected to predatory terms or prevented from purchasing homes through no fault of their own. NACA has established itself over the past three decades by providing effective homeownership programs for both homeowners with an unaffordable mortgage and homebuyers accessing NACA's Mortgage. The vast majority of NACA homebuyers are low-to-moderate-income, many of whom have neither perfect credit nor substantial savings.

During the mortgage crisis, NACA created its Home Save Program, which made use of legally binding agreements with major lenders to provide permanent, affordable mortgage modification solutions for struggling homeowners, which to date has saved more than a quarter-million homes. NACA conducted 165 "American Dream" events coast to coast, bringing homeowners face to face with representatives from the major lenders, creating many modification solutions on the spot in a single day.

Many refer to NACA's one-of-a-kind home purchase program as the "Best Mortgage in America." The character-based lending program provides free individual comprehensive counseling to evaluate a homebuyer's overall finances to determine if he or she is ready for homeownership and to calculate an affordable mortgage payment. NACA Housing Counselors work with homebuyers for as long as it takes to become pre-approved for a mortgage, without consideration of their credit score and then throughout the mortgage process and home purchase



The [NACA Mortgage provides](#) every homebuyer the same terms, which makes homeownership affordable without the need for perfect credit, large savings or high income. Additionally, NACA offers the option of a 15-year Freedom Loan, giving homebuyers an unprecedented opportunity to build personal wealth far more efficiently than with a 30-year mortgage loan, while maintaining affordability for the home buyer.

Most recently, NACA has focused on the [Homeownership Voucher Program](#), a unique opportunity for Section 8 recipients to make use of their benefits to buy a home. The program takes less than 15 years to pay off the mortgage by incorporating Section 8 funds along with the buyer's income to create an accelerated payment schedule. NACA views the program as a huge opportunity to help thousands of people to break the cycle of poverty by building wealth through home ownership.

Additionally, the NACA program does not make use of the buyer's credit score, but reviews the buyer's financial picture over the past two years instead to determine eligibility and affordability. The NACA Purchase Program creates affordable homeownership opportunities using a ground breaking web-based paperless mortgage application and processing system known as NACA-Lynx. Funds for rehab and renovation of homes bought through the program can also be built into the loan.

Having originated more than \$1.2 billion in mortgages in 2016, NACA continues to grow with more than 40 offices nationwide including recent new offices in Detroit, MI, Rochester, NY and Orlando, FL.

## SUCCESS STORY

**Lincoln, NE** - Established in 1986 as Neighborhood Housing Services, [NeighborWorks<sup>®</sup>Lincoln](#) spent its early years defining its scope and programs. By 1993, the organization began to flourish and focused its work on a few targeted inner city neighborhoods. In 1994, it became a chartered member of the Neighborhood Reinvestment Corporation network known as NeighborWorks America, gaining access to financial resources, tools, training opportunities, and the experience of hundreds of colleagues around the country.

NeighborWorks Lincoln knows how satisfying it is to help a client who hasn't done their best with establishing good credit or whose budget skills are lacking. Or spending hours counseling them on the fundamentals of good credit then watching their score grow from poor to fair to good until they are eligible for a mortgage loan; Then working with them to figure out how to make a house payment and utilities fit into their budget. It can be such a moving experience.

Sometimes housing counselors encounter an exception to the rule; someone who already has their "ducks in a row." A person whose credit score is exemplary and budget awareness comes as second nature. NeighborWorks Lincoln recently assisted a young woman like this achieve home ownership for her and her nine-year old son. The reasoning behind her desire to buy a home and the issues surrounding it were a first for the housing counselor.

"Carol" applied for NeighborWorks Lincoln Home Buyer Education course in October 2016. She was a divorced, single mother of one son. She earned close to \$40,000, had a credit score of 778, minimal debt and \$3,500 in savings. Her expected house payment was at \$900 per month. A "Poster Child" for mortgage pre-approval, she was invited to the next set of classes.

Her housing counselor was impressed with Carol's application but even more impressed with the woman herself after meeting with Carol for her document and budget review.



Carol was in tune with her finances and had an excellent read on her budget and homeownership expectations. The most interesting part of their meeting was when Carol told her housing counselor of her current living situation and her desire to buy her own home, which was unexpected.

Her divorce had been quite recent. In fact, Carol and her son were still sharing the house with her ex-husband. But, there was another person living in the house; her ex-husband's girlfriend! After learning about this motivation, her housing counselor sent Carol to the bank immediately where she received pre-approval on the spot.

It didn't take long for Carol to find a home that fit her needs and was well within her budget. The transaction went very smoothly. And throughout the transaction, her housing counselor got to know Carol and her son well. After she closed on her house, her housing counselor recommended Carol to her Leadership Team as someone who would make a good Board Member for the organization. After meeting Carol, the board agreed and invited her to join. Carol readily agreed.

Since working with NeighborWorks Lincoln, Carol has purchased a home, been promoted at work and become an active Board Member.

## INQUIRING MINDS WANT TO KNOW



The topic for this month's segment comes from one of our readers. Have you recently hired a new counselor or would your staff benefit from training updates? Outlined below is information and training resources available through our training partners and on the [Office of Housing Counseling's HUD Exchange webpage](#) that is beneficial for both new housing counselors and for all counselors at any level of experience.

**Q:** Our agency recently hired a new housing counselor. In addition to on-the-job training, can you recommend other training resources available for a new housing counselor?

**A:** HUD provides grants for training and certification programs for housing counselors. Training grantees provide placed based, training institute, interactive webinar, and on-line training classes. Scholarships may be available for tuition and in some instances, for lodging. The following HUD Training grantees provide introductory courses and certification programs for homeownership, financial, and foreclosure counseling that would benefit new housing counselors and experienced counselors seeking to expand their expertise for a specific type of counseling.

- NeighborWorks America (NW),
- National Council of LaRaza, and
- National Community Reinvestment Coalition

Rural Community Assistance Corporation, NW, and NCLR offer training on student loan debt. Visit links to HUD training grantees and other training partners on the [HUD Exchange](#).

HUD also offers free training on basic knowledge topics for housing counselors including: financial management, property maintenance, fair housing laws

and responsibilities, housing affordability, responsibilities of homeownership and tenancy, and avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default.

The training is designed to help counselors prepare for the certification examination and is also an excellent source for helping new counselors develop a strong knowledge base of counseling topics. The training is available at [www.hudhousingcounselors.com](http://www.hudhousingcounselors.com).

**Q:** What information is available to help a new housing counselor understand program standards for HUD's Housing Counseling Program?

**A:** The best place to start is by reviewing HUD's Housing Counseling Program Code of Federal Regulations (24CFR214) and HUD's Housing Counseling Program Handbook 7610.1. These two source documents outline housing counseling program standards. We recommend reviewing the regulations then Chapters 3 – 7 of the handbook to understand HUD's delivery of services, reporting, and recordkeeping requirements.

OHC has also posted frequently asked questions (FAQS) on numerous housing counseling topics including recordkeeping, reporting, conflict of interest, counseling delivery, and HUD's Housing Counseling System. The 24CFR214, HUD Handbook 7610.1, and FAQs can be found under *Policy* on OHC's main [HUD Exchange webpage](#).

Several of HUD's training grantees also offer compliance courses for HUD's Housing Counseling Program. HUD is in the process of developing on-line training on these topics and expects to launch a new on-line course in a few months.

*(continued on pg. 16)*

# SUCCESS STORY

## Turning a Dream into a Reality

Athens, GA - [University of Georgia \(UGA\) Extension](#) has been a HUD-approved housing counseling agency since 2005 and helps meet the outreach mission of the university by providing research-based information, education and learning opportunities throughout the state.

The [Family and Consumer Sciences \(FACS\) Extension Agents](#) work closely with county residents and community organizations to offer programs and resources that meet the greatest needs of the individuals and families in their counties. FACS Extension Agents respond to consumer questions, provide resources, and conduct programs on a wide range of topics that help individuals and families improve their well-being. Homebuyer education is provided online through a partnership with [eHome America](#) and face-to-face in Chatham, Clayton and Monroe counties.

UGA Extension maintains a holistic approach to housing that includes a focus on [healthy homes](#). The UGA Extension program is part of the [National Healthy Homes Partnership](#), which is funded by the HUD Office of Lead Hazard Control and Healthy Homes and [USDA – National Institute of Food and Agriculture](#). This June is the second annual [National Healthy Homes Month](#). FACS Extension Agents encourage clients to take action and improve the health of their homes. There are eight things clients can do to keep a healthy home:

1. Keep your home dry	5. Keep your home contaminant-free
2. Keep your home clean	6. Keep your home ventilated
3. Keep your home pest-free	7. Keep your home maintained
4. Keep your home safe	8. Keep your home temperature controlled

Learn more about keeping a new home healthy on the [UGA Extension website](#).



*Jackie Ogden*

*FACS Extension Agent, UGA Extension, Chatham County*

This spring, Jackie Ogden, UGA Extension FACS Agent, taught the 'Steps on the Path to Home Ownership' course for potential homebuyers in Savannah, Georgia. The class covered six principles to help turn the dream of homeownership into a reality including setting goals, evaluating credit reports, developing a budget, determining saving habits, exploring housing options, and shopping for a home. The six-hour course empowers future homeowners with the tools they need to make informed decisions about buying and owning a home.

After completion, participants indicated that the course was very useful and they gained new knowledge. Many have shared their successful results from attending this training. For example, Jasmine McDougald, who is looking to purchase a home under construction stated, "I plan on using this information in every step of the way to finish purchasing my home."

Elwyn Christian reports that he is now a successful first-time homeowner and was able to purchase an existing home after completing this training, which met the [Georgia Dream](#) program requirements. His mortgage lender recommended he attend the training and fulfill his dream of homeownership after many years of renting.

Isaac Martin, III attended the course and shared he will use the information on his journey to becoming a first-time homebuyer. Martin said, "Not being pressured into buying until I had reviewed all the facts has already saved me around \$5,000."

# SUCCESS STORY

## ACTS Housing: Transitioning Renters to Homeowners



*Esperanza in her new home*

**Milwaukee, WI** - When Maria first met Esperanza, she was down on her hands and knees scraping old tile off the floor of her new home. She was working so quickly and effectively that debris was flying everywhere. Maria knew in that moment, this was a woman on a mission. Esperanza came to [ACTS Housing](#), a HUD-approved housing counseling agency, because she was tired of paying high rental costs. "Half of my check goes to the rent. With three kids, I was ready. I've been saving so long and my kids deserve more," said Esperanza.

The first step in Esperanza's homebuying process was meeting with a homebuyer counselor. She worked with ACTS Housing's Director of Homebuyer Counseling, Maria Santos, who pulled her credit report, walked her through various housing options, and supported her throughout the home buying process. Maria shared, "Esperanza was a joy to work with. She was passionate and focused on homeownership from day one."

With guidance from Maria, Esperanza purchased a City Tax-foreclosed property on the South Side of Milwaukee and renovated it into the home of her dreams. With five years' experience in the construction trade, Esperanza had the skillset to take on such a big project. She explained, "Once I purchased the house, the kids were so excited because everyone has their own room now and I have more money in my pocket." Esperanza, her three children, their dog and cat are now happy and cozy in their newly renovated South Side home.

Maria explains "The most rewarding part of my work is watching families overcome obstacles and move closer to homeownership. Once the keys are in hand, it makes all the hard work worth it."



*R: Akilah A. Ford, Housing Program Coordinator, UGA Extension Clayton County, L: Ms. Evans, new homeowner*

**Clayton County, GA** – Ms. Evans came to UGA Extension in 2016 seeking to purchase the home she had been renting for the last four years. Evans was living on a fixed income and had a 580 credit score. During the initial counseling, UGA's Akilah Ford analyzed Evans' debt, income, and credit report. After three months of financial coaching about the importance of debt management, paying bills on time, and simple ways to increase her credit score, she was pre-approved for a loan of \$80,000 by a regulated financial institution.

After attending an eight-hour HUD-approved homebuyer education course, Evans connected with a loan officer from a local bank. She was considered a first-time homebuyer, therefore qualifying for the CHIP program, which allowed 3.5 percent down payment assistance.

During financial counseling, Evans learned strategies on how to negotiate the funds toward her closing costs. She applied the knowledge gained from attending the Homebuyer seminar and was successful in negotiating a reduced amount for closing costs by \$6,000. In March of this year, she became a new homeowner in Forest Park, Georgia.

A former participant highly recommended UGA Clayton County Extension to Evans who said, "Without your help Ms. Ford, I could have never accomplished my dream of homeownership again. Thank you for your patience and expertise."

## SUCCESS STORY

**Columbus, OH** - As a couple in their mid-30's with three young boys, Delmecia and Dwight Wilkins are living the American Dream, enjoying a beautiful two-story single family home with fenced back yard and trampoline.

Since 2015, their residence in Obetz, Ohio was constructed on a series of financial and home buying education courses from [Homeport](#), a HUD-approved housing counseling agency and [NeighborWorks®America](#) affiliate. The Wilkins' decided to attend classes after experiencing foreclosure, which resulted in a low credit score. "All the classes at Homeport collectively pulled us out of a hole. I took every bit of information I learned and shared it," Delmecia said. "There was not one thing that I learned that I did not use."

In 2006 the Wilkins qualified for a \$115,000, three-bedroom, two ½ bath, 1,500 square foot home in Canal Winchester to raise their then two small boys. They were approved for a mortgage on Delmecia's \$10 an hour job and Dwight's part-time job at \$11 an hour. Then rough times struck. A few weeks before closing, they both lost their jobs after missing work to attend the funeral of Dwight's grandmother in Maryland.

"We reported to the lender at the time that we had lost our jobs and couldn't afford the house," Delmecia recalled. "They told us that we could be sued for not taking the house. We didn't know any better." The deal closed. And though the Wilkins eventually found work, jobs that paid more than what they had previously earned, they never seemed to catch their financial breath, a problem exacerbated by an increase in their mortgage payment.

"We moved out in 2009 once the bank wouldn't work with us. We were not comfortable sitting in the home waiting for the bank to just take our home," Delmecia said. "We have children so that wasn't something we were ok with doing." The Wilkins, the older boys and now an infant son, moved in with Delmecia's sister and eventually on to apartments.

By 2013, the Wilkins, on the advice of a co-worker, decided to take some personal finance and home buyer courses offered by Homeport.



*Delmecia and Dwight Wilkins*

"I did not want to buy a house. We had been in an apartment a few years," Delmecia recalled. "But I thought, at the very least, 'let me educate myself' -- unlike last time."

The rebound began in 2013 when Delmecia and Dwight took a Credit Counseling course from Homeport's Housing Advisory Center. They followed it in 2013 with Homeport's Financial Fitness course. Finally, in 2014, they took the Homebuyer Education course offered by Homeport.

Dwight said the leap in knowledge was spectacular from the time he first bought a home at age 25. "It was like I was in kindergarten learning how to read again."

By 2015, the long road back to homeownership was over. They and their boys were living in a new 2,400 square foot home with four bedrooms and 3 ½ half baths.

"I had fellow employees (at Molina Healthcare of Ohio) ask, How did you get the house?" Dwight said. "It is a long process, but it is worth it. The classes helped educate us, the step by step process of what we should look for."

It all worked out, said Delmecia, an office manager for Franklin County. "You can buy another house and be successful," she said. "That is what I thought after I took the classes."

## CHAMPIONS OF SERVICE



*Danny Felton*

**Miami Gardens, FL** - Danny Felton is a Certified NID-HCA Branch Office Manager in Miami Gardens, FL, one of NID's top-five producing offices. He joined the NID network in 2004 at the height of the sub-prime lending boom and wanted a trusted partner to combat predatory lending practices in communities like Liberty City, where he grew up.

Felton's team has been successful in assuring that more than 1,500 of their clients obtain fair home loan products and services. More than 2,000 families facing foreclosure stay in their homes with another 250 finding successful resolution to their delinquency/default circumstances. Of his clients who experienced a foreclosure, 55 purchased a new home with the help of down payment or Housing Choice Voucher assistance programs.

Felton has worked with the Dade/Miami County Housing Authority Family Self-Sufficiency Program for six years providing homebuyer education and counseling services on a monthly basis to over 4,500 clients with over 1,500 on the path to homeownership.

He works with the community including local HUD and South Florida political leaders to advocate for his clients who are primarily African American, diverse Spanish speaking, and Caribbean Islander populations.

While information is key in housing counseling, Felton educates his clients on a variety of mortgage options and programs. For example, many of his clients have received FHA/VA loans that provide home loan products and services borrowers rely on such as affordable mortgages, while offering options to keep families in their homes.

### **CONGRATULATIONS DANNY FELTON, YOU ARE A CHAMPION OF SERVICE!**

*(Continued from pg. 7 - Seizing the Opportunities in Community and Wealth-Building)*

And of most importance to NID, that homeownership is also the social and economic cornerstone of a healthy and thriving community. NID works within this complex housing and community-building ecosystem alongside its clients to assure that the dream of homeownership and wealth-building is accessible to all Americans.

As the nation celebrates National Homeownership Month, NID reflects on its past progress and plans for the future. Through its 16-year history as a HUD Intermediary during the pre- housing crisis, NID helped more than 5,000 individuals and families achieve homeownership and approximately 1,000 new homeowners during the economic crisis.

Of NID's thousands of clients, only 125 of them experienced a foreclosure, while 95 percent of its clients receiving loss mitigation services successfully sustained homeownership.

# HOUSING COUNSELING WORKS!

(Continued from pg. 11 – Inquiring Minds Want to Know)

**Q: Do you recommend new counselors learn about form HUD 9902, Housing Counseling Agency activity report?**

**A:** Yes. It is important that all counselors accurately report client demographics and counseling outcomes through their agency client management systems. A desk guide for the HUD 9902 is available at the [HUD Exchange](#).

OHC also conducted training on how to complete the 9902 in September 2015. Guest trainers also offered training on [CounselorMax](#) and [Home Counselor Online](#). These webinars have been archived and are available on the [HUD Exchange](#).

**Q: Do you have any other recommendations for an agency that has hired a new housing counselor?**

**A:** As a best practice, OHC recommends that an agency develop a formal training plan for any new housing counselor. The training plan should account for the counselor's prior experiences and knowledge base and address skills needed to meet the agency's housing counseling mission. For an example, a newly hired counselor with prior experience in pre-purchase and homebuyer education would need additional training before providing mortgage default or rental counseling.

HUD continues to require that at least half the agency's counselors must have at least 6 months of experience in the job they will perform in the agency's housing counseling program. Agencies must notify their HUD point of contact within 15 days when the agency hires a new housing counselor. Please include a copy of the counselor's resume as part of the notification. Agencies must also notify their POC when a counselor is no longer providing housing counseling services for the agency.

During National Homeownership Month, increase awareness of the benefits of housing counseling with downloadable Housing Counseling Works banner ads, flyers, and fact sheets on target service areas. Visit [Housing Counseling Outreach](#) on the HUD Exchange.

**DID YOU KNOW**

- HUD approved housing counselors provided 17.5% of overall housing counseling services to First-Time Homebuyers with 168,581 clients counseled in FY2015
- First-time buyers made up 32 percent of all home buyers, down from 33 percent last year
- First-time buyers who financed their home financed 94 % of their home compared to repeat buyers at 86 %

**TOP 5 BENEFITS OF PRE-PURCHASE HOUSING COUNSELING**

- Determine if homeownership is right for you
- Discover how much house you can afford
- Understand your credit score
- Save for a down-payment
- Choose from affordable mortgage options

**FIRST-TIME HOMEBUYERS**  
**PRE-PURCHASE HOUSING COUNSELING WORKS**

Housing counseling leads to positive results by reducing mortgage delinquency up to 50%.

Buying your first home can be overwhelming. Housing counseling can help you individualize your home buying options, empowering you to make informed decisions, and significantly improve your home buying success.

Housing counseling will help you determine what you can afford and teach you how to sustain your home for the long term.

[WWW.HUD.GOV/HOUSINGCOUNSELING](http://WWW.HUD.GOV/HOUSINGCOUNSELING)  
or call 1-800-569-4287

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

# TOOLS AND RESOURCES



## [Housing Counseling Works](#)

Briefly summarizes recent research evidence on the role of housing counseling to improve housing outcomes for homebuyers, homeowners, and renters.



## [First-Time Homebuyer Education and Counseling Demonstration](#)

Study by HUD is currently in progress to research how pre-purchase Homebuyer Education and Counseling



## [Going Green](#)

Learn about environment-friendly technologies and what you can do to help the environment.



## [Framework](#)

Platform dedicated to making smart homeownership the new norm; its services offer curriculum, technology, dedication to customer service, and innovative relationships with lenders, brokers, and a network of nonprofit partners.



## [The SmartMH program](#)

Pairs clients with a reputable homebuyer coach to help them navigate the successful financing, purchasing and ownership of their own energy-efficient manufactured home.



## [Homeownership Voucher Program](#)

Learn what families are eligible to apply for homeownership vouchers.



## [U.S. Federal Home Loan Banks](#)

Eleven U.S. government-sponsored banks that provide reliable liquidity to member financial institutions to support housing finance and community investment.



## [National Healthy Homes Month](#)

Learn more about housing and its impact on health and get resources to encourage local activities as well as empower families to protect themselves from hazards in their home.

