

THE BRIDGE

THE OFFICE OF HOUSING COUNSELING NEWSLETTER



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JULY 2017

Housing Counseling Supports Seniors



Celebrating 50 Years of Senior Services

Bergen County, NJ - 2016-2017 marks the 50th Anniversary of the [Bergen County Division of Senior Services](#) (DSS), one of the first Office on Aging in the State and in the Nation...two facts DSS is very proud of. With humble beginnings, two workers and a \$16,000 budget in 1967 to 87 full-time employees, over 200 volunteers and a multi-million dollar budget today, DSS continues to provide information and services to its 196,000 plus older adult residents.

Bergen County remains one of the most densely populated counties in the country with accompanying high property charges and general cost of living. Lorraine Joewono, Director of DSS said the agency "always needs to think outside the shrinking box" while describing how to meet the demands of its growing market when so many baby boomers are reaching senior status. "More and more single and married seniors are making the decision to remain in their homes, so for the past few years the division has adopted an 'Aging in Place' model and is blending all of its programs and resources to help meet that goal," said Joewono.

Some of those programs include: Adult Day Care, Adult Protected Services, Meals on Wheels, Benefits Eligibility,

Consumer Protection, Health Issues, Home Care Programs, Legal Services, Ombudsman/Quality of Care, Respite Care, Pharmaceutical Assistance, Transportation, Utilities Assistance and 10 County operated Senior Activity Centers. Last, but certainly not least is Housing and Home Equity Conversion Mortgage (HECM) Counseling.

Through its [HECM Counseling Program](#), DSS specifically addresses the needs of seniors 62 years and over who want to stay in their homes. Over the last five years, Ron Romano, DSS' HECM counselor has worked with Joewono and her staff to integrate the "reverse mortgage" product into the overall 'Aging in Place' concept. He conducts 90-minute counseling sessions that include a heart-to-heart discussion of a client's entire living condition and how a reverse mortgage may or may not be the answer.

Mr. Romano stated that it is not his place to sell the HECM product but instead to inform on how best to utilize the other services, along with the mortgage, to positively impact a client's life. "We touch on issues from Power of Attorney, Wills and Medical Directives to home modifications and improvements we can finance through another federal program not utilizing a reverse mortgage," Romano said.

(continued on pg. 15)

FROM THE DEPUTY ASSISTANT SECRETARY



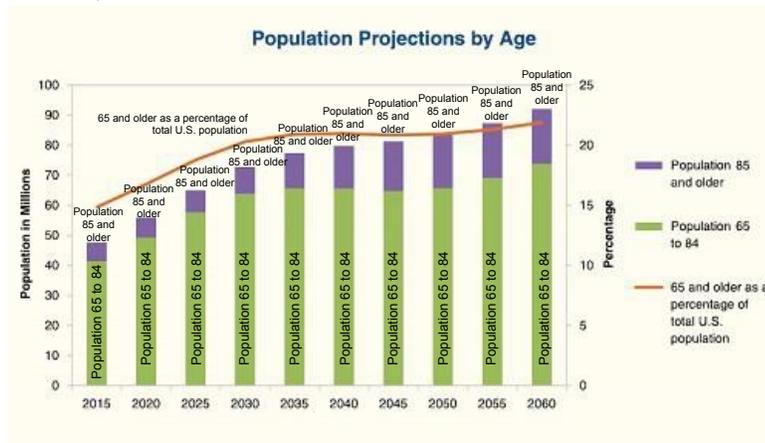
Sarah Gerecke
Deputy Assistant
Secretary, Office of
Housing Counseling

Greetings & Happy Independence Day!

As we celebrate our nation's Independence Day with families and friends, the Office of Housing Counseling honors our veterans and those who continue to serve to keep our nation safe and secure. Thank you for your service!

This month's edition of 'The Bridge' features our HUD-approved housing counseling agencies that help keep our seniors safe and secure in their homes. According to a HUD research study entitled: [Aging in Place: Facilitating Choice and Independence:](#)

'In the coming decades, increasing life expectancy, a declining birth rate, and the aging of the baby boom generation will dramatically increase the number and proportion of the U.S. population over the age of 65. This aging of the population presents a number of challenges and unanswered questions, including where people will live and how they will obtain the support and care they will need as they age while retaining as much independence as possible.'



Source: U.S. Census Bureau, Population Division. 2012. "Table 12. Projections of the Population by Age and Sex for the United States: 2015 to 2060 (NP2012-T12)."

"Most seniors indicate that they would prefer to age in place, either staying in their current home or choosing from a range of affordable, age-appropriate housing options within their community. To make these options viable, we must adapt homes and communities to meet the changing needs of aging residents, make available affordable housing options suitable for aging residents, and connect seniors to the services they need in the places that they live.'

One of the ways housing counseling agencies support seniors is by educating them on the Home Equity Conversion Mortgage, which is FHA's reverse mortgage insurance program that enables seniors 62 years and older to withdraw some of the equity in their home. HECM-insured loans can give older Americans greater financial security by supplementing their Social Security, meeting unexpected medical expenses, making home improvements and more. HUD recently published an issue of [Cityscape](#) with new studies about the HECM program.

As our population ages, housing counselors will have a growing role in educating and informing seniors about available resources, tools, and programs that allow them to live in safe, secure, and familiar surroundings.

Sarah

ACTIVITY OF HUD-APPROVED HOUSING COUNSELING AGENCIES (October - December 2016)

All housing counseling activity reports (HUD-9902) can be found on the HUD Exchange at:
[Housing Counseling HUD-9902 Quarterly Reports](#)

36,417 received one-on-one counseling and group education

125,979 received information on fair housing, fair lending and/or accessibility rights

98,869 developed a sustainable household budget

48,627 improved their financial capacity

49,065 gained access to resources to help them improve their housing situation

31,610 gained access to non-housing resources

3,706 obtained temporary or permanent housing

5,221 received rental counseling and avoided eviction

6,164 received rental counseling and improved living conditions

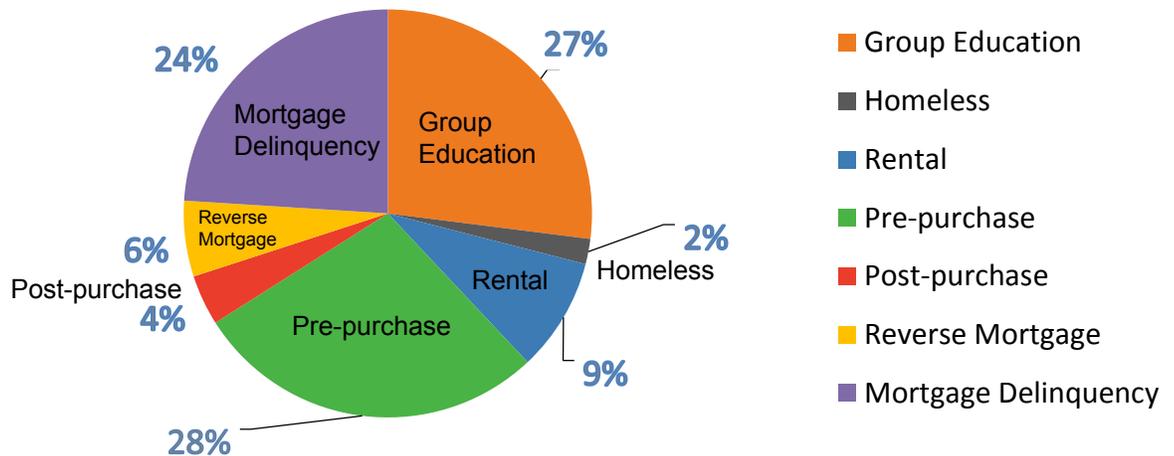
7,680 received pre-purchase/homebuying counseling and purchased housing

4,879 obtained a Home Equity Conversion Mortgage (HECM)

6,420 received non-delinquency post-purchase counseling to improve home conditions or home affordability

18,200 prevented or resolved a mortgage default

Type of Counseling



356,727 Total Clients Served

SAVING THE HOMES OF SENIORS IN MICHIGAN



Lansing, MI - [Elder Law of Michigan \(ELM\)](#) is one of the leading statewide organizations focusing on older adults. Over the years, ELM has seen a significant increase in the number of clients experiencing housing-related difficulties. Since the beginning of the economic downturn, ELM's clients have required additional assistance with housing issues, particularly with preventing property-tax and mortgage foreclosure, including reverse-mortgage foreclosure. ELM provides counseling for legal, pension, housing, and benefits access issues.

Recognizing the importance of senior related housing matters, ELM created a separate housing counseling program to focus on their unique housing needs. While other agencies focus on forward/traditional mortgages, ELM is working to help seniors avoid property-tax foreclosures or reverse-mortgage foreclosures. It helps that most of ELM's housing counselors are also licensed attorneys, who can identify other non-housing related issues and help to resolve them.

Michigan was one of the hardest hit states of the foreclosure crisis. When the state opened up Hardest Hit Funds to help avoid reverse mortgage foreclosures, ELM jumped at the chance to help seniors affected. As many as one in five of the reverse mortgages in the city of Detroit were delinquent. And while the average delinquency was under \$5,000, many of these homes were saved for less than \$1,000.

To reach more seniors, ELM launched a dedicated outreach effort that focused on explaining the foreclosure situation and making seniors feel more comfortable about asking for help. ELM partnered with the [Detroit Area Agency on Aging](#) and the [National Council on Aging](#), which focused on the community where the reverse mortgage service providers showed the

highest concentration of reverse mortgage delinquent properties.

For its property-tax foreclosure prevention efforts, ELM partnered with county treasurers to provide targeted outreach to seniors facing this problem. ELM included its flyer in the property tax delinquency notices in several counties. Housing counselors also worked to set up repayment plans, made equitable arguments in court to prevent a foreclosure, and educated both homeowners and county treasurers about the limitations and requirements of the law in this area. During the project, ELM assisted several hundred clients so that they could stay in their homes.

Of the 5,000+ clients that ELM serves each year, about 80 percent are low-income, with approximately 60 percent living at or below the poverty line. ELM uses a phone-based service delivery model because it overcomes the barriers of disability, social isolation, lack of transportation, etc. as well as being less stressful.

Working with seniors, here are some of ELM's housing counselor's lessons-learned:

- To do proper budgeting, housing counselors should screen for available benefits. Use [BenefitsCheckup.org](#) to screen seniors.
- Many seniors are not equipped to handle the complex application process. For example, they have to start by entering an email address, which many low-income seniors don't have.
- The average counseling time is increased almost 13X if housing counselors want to be there to help the senior through everything. In many instances, ELM found that the older adults just gave up on responding to requests for additional information without assistance.
- Marketing techniques and messaging are critical to the success of any campaign.
- Finally, the heartwarming stories really leave an impression on ELM counselors every time.

HELPING DELINQUENT SENIORS IN FLORIDA



Clearwater, FL - Consumer Credit and Budget Counseling, Inc., doing business as National Foundation for Debt Management (NFDM), a HUD-approved multi-state organization in New Jersey and Florida, was once one of the most active Home Equity Conversion Mortgage (HECM) counseling agencies in the nation. However, with more and more seniors experiencing challenges with paying the taxes and insurance on their homes, a requirement for all reverse mortgages, NFDM has now refocused its efforts to foreclosure intervention for these senior homeowners.

It's not much of a surprise to find that a Florida housing counseling agency is working with seniors and HECM loans, but to the degree that NFDM has specialized in this service shows the agency's dedication to this special population. Its commitment to seniors and helping them age in their own homes is unparalleled.

In addition to the specialized training that NFDM's counselors undergo, they must have a certain temperament for this type of work remarks Russell Graves, Executive Director of NFDM. "Seeing homeowners at their lowest point takes a certain dedication; it takes something extra special for our HECM foreclosure counselors due to the inherent limitations of the population they serve." Graves continued, "Seniors just do not have the same access to transportation, fax machines and technology, in general."

"As a result, the foreclosure prevention process is lengthened because obtaining the required documents that younger populations would simply download, often times requires a senior homeowner to make multiple phone calls and visits to the bank or government agency."

Despite the lengthy wait times, these special counselors carry the client loads with pride, knowing that each client is someone's parent(s) or grandparent(s). NFDM counselors provide senior homeowners the same help and respect they would provide to members of their own families.

For example, NFDM helps eligible seniors prevent foreclosure and gives them what amounts to a "virtual reset" on their reverse mortgages through the Florida Hardest Hit Fund Elderly Mortgage Assistance Program (ELMORE). The program provides up to \$50,000 to eligible seniors with reverse mortgages who are behind on their property charges, where their arrears are satisfied and a year of future property charges are paid.

Last year, NFDM experienced significant pressure when HUD mortgagee letters were released, which limited a servicer's ability to put some of the more delinquent reverse mortgage borrowers on repayment programs. "We were faced with triple the number of seniors dealing with an imminent foreclosure sale in a matter of two to three months," said Heidi Hardy-Gorrow, Office Manager of NFDM's Tampa operation. "All of our counselors were leapfrogging the pending sale files over all the other applicants in their queue. The solution was to reassign our most experienced counselor, Jennifer Pascale, to handle a majority of these cases."

"Jennifer could not have directed her attention to the pending foreclosure sales if it were not for the rest of the NFDM staff." Hardy-Gorrow continued, "We operate as a team, so when one person has a particularly difficult case, like an imminent foreclosure sale, the rest of the counselors step up to keep all applicants moving forward to get the help they so desperately need."

AGING IN PLACE WITH DIGNITY & FINANCIAL SECURITY

Lowell, MA - [Homeowner Options for Massachusetts Elders \(H.O.M.E.\)](#) is a HUD-approved housing counseling agency dedicated to protecting the equity of low- and moderate-income elderly homeowners, so they can afford to 'age in place' with dignity and financial security. H.O.M.E.'s foundational core is its extensive in-home comprehensive professional counseling.

Since H.O.M.E. sells no financial products, nor receives any commission for referrals, the focus of a H.O.M.E. counselor is to fulfill its mission to conserve and protect elderly homeowner equity so the elder can extend their home tenure. As such, H.O.M.E. counselors provide assistance for elders through education, counseling, remainder of life planning, foreclosure prevention, consumer protection and securing low-cost or no-cost public and private benefits, as well as, alternative resources, such as fuel assistance and property tax relief.

A recent client of the H.O.M.E. program was a 73-year-old widow who owns a lakefront home in excellent condition. Her disabled son and grandson, who recently graduated from college and secured an excellent job, live in the home with her. She was referred to H.O.M.E. by her mortgage lender, a highly respected community institution in Ware, MA. Unfortunately, she had fallen several months behind on her mortgage.

There were several reasons that she found herself in this position. The foremost reason was that she had agreed to a 15-year mortgage when refinancing earlier. At that time, her employment provided sufficient income and reserves to easily make the payments. Further, she believed that she would save money by having a lower rate and paying it off sooner.

Unexpectedly, her mother became ill and she stepped in to provide physical and financial care until her mother passed. When the client lost her good-paying job, her pension and Social Security income proved to be insufficient to make the payments on the 15-year mortgage. She then exhausted her remaining assets (savings, etc.) in an attempt to stay current on her loan.



Through H.O.M.E., her potential solution is to refinance her 15-year loan to a 30-year loan with her grandson as a co-borrower. Her lender was initially taken aback by such a creative solution. However, the lender agreed to portfolio such a loan and season it for future placement in the secondary market. H.O.M.E realizes that it is very unusual for a grandchild to assist a grandparent financially in this manner, especially since today it is often the other way around.

The positive outcome only came about after a great deal of counseling with both the client and her grandson, particularly regarding long-term responsibilities and commitments. It was important that her grandson understood what he was signing onto and the effect it would have on any applications for credit that he might make in the future. He assured H.O.M.E. that he wanted to remain living in the home and would like to own it outright at some point. His job is secure and his income is such that he should soon qualify on his own for the full amount of a refinanced mortgage. With this alternative, the client will maintain her equity in the home and won't be disadvantaged should she need to apply for benefits.

Although this is an unusual and somewhat unique resolution to an often common problem, it demonstrates that "thinking outside the box" and considering all possible solutions may satisfy the interests of all parties. In this case, the lender avoided the cost of foreclosure and turned a non-performing loan into one that should be successful. Now, the client, her son and grandson can continue to live in a home that they all love and can do so affordably, which is H.O.M.E.'s goal for all of its clients.

TARGETED HOUSING COUNSELING FOR SENIORS

Delbarton, WV – The Housing Authority of Mingo County (HAMC) is a unique agency that has the ability to provide services to all individuals and families. Not only is it a HUD-approved housing counseling agency, it's an agency that provides housing assistance for homelessness, foreclosure, homeownership, rental, owner-occupied repairs, and supportive services. Being both a Housing Authority and a counseling agency gives HAMC an advantage to offer more services like special programs for seniors regarding housing and counseling assistance.

Many times, counseling with seniors is necessary because of the transition from employment to a retirement or fixed income. In these cases, a budget is the most important tool housing counselors provide to these clients. Giving them steps to monitor their spending habits and to stay within their budget is the second tool that is vital to seniors. This will be different for everyone so never be afraid to think outside the box and find things that will keep it simple. Once an individual or family is comfortable with their spending habits and budgeting, HAMC counselors can begin to identify what other needs clients may have. The Housing Authority has many types of programs to offer families.

For example, if an individual needs counseling for homelessness or foreclosure, HAMC works immediately to find a solution to get them housed. Once housed, HAMC can determine what caused them to be in that situation and provide financial counseling to assist them from repeating it in the future. This is a detailed one-on-one counseling program for financial fitness and supportive services. Each client is different and a program or work plan is created based on each individual's need. In many cases, HAMC has been able to assist seniors from being homeless to having affordable rental housing while maintaining good financial stability.

Another program that is offered to seniors is the Section 8 Homeownership Program. This program allows seniors or disabled individuals to complete financial fitness and begin credit repair.



In order to qualify for the Section 8 Homeownership Program, clients must be able to qualify for a loan in some cases through USDA Rural Development or the local State Housing Finance Agency (WV Housing Development Fund). This is a one-on-one counseling program that will allow individuals to access their credit report and begin the process of cleaning up negative credit lines.

Once credit has been cleaned, the individual is referred to the loan originator to apply for a mortgage. Not only does the individual receive assistance with a low-interest, affordable loan, the payments are subsidized with the Homeownership Voucher. This is HAMC's favorite program for seniors. If there is a housing authority nearby, all seniors and disabled persons could be eligible for this program.

These are only a few of the most popular counseling services HAMC provides to seniors. If HAMC housing counselors could give any advice from their experience, it would be to have patience and be a good listener because seniors have a lot to offer.

HAMC housing counselors treat seniors with respect and a helping hand because seniors laid the foundation and someday we all could need this assistance.

A PROGRAM MODEL FOR SUPPORTING HOUSING COUNSELORS IN THE CERTIFICATION PROCESS

Harrisburg, PA - Intermediaries and State Housing Finance Agencies are exploring ways to support the housing counselors in their networks as they complete the certification process. One program model for this process is by the [Pennsylvania Housing Finance Agency \(PHFA\)](#).

PHFA strongly supports the HUD-housing counselor certification and is determined to help its 73 housing counseling agencies (HCA's) through the certification process. To do this, PHFA has developed a unique program that will help defray the costs of the exam. PHFA recognizes there are two distinct costs associated with obtaining the certification:

1. the cost of the exam itself (\$60 or \$100, depending on where the exam is taken) and
2. the cost associated with the counselors' study time, when they are not available to counsel clients.

PHFA will reimburse these costs up to \$500 per counselor. This subsidy will apply whether the counselor passes the first time or takes it multiple times. However, the counselor must pass the exam before the HCA will receive reimbursement for their expenses.

The program works like this:

1. The cost of the exam is paid in advance.
2. The counselor passes the exam, and must stay with their current agency for at least six months after they receive their certification.
3. After six months, the HCA may submit an invoice for each counselor with appropriate documentation, including receipts for the exam(s), evidence that the counselor has passed the exam, and records of the time spent at work studying for the exam.
4. If a counselor leaves the agency before the end of the six months, neither that agency nor any agency that hires the counselor receives reimbursement.



To avoid a rush at the end of the 36 month period, PHFA is encouraging its counselors to take and pass the exam as soon as possible. PHFA suggests that agencies with one to six employees split their counselors in half, with half taking the exam the first year and half the second year.

For larger agencies, PHFA recommends they divide their counselors into three groups:

1. The first group taking the exam the first year,
2. The second group in the second year, and
3. The third group in the third year.

Terri Redmond, PHFA's manager of Counseling and Education who developed the program, hopes "that incentivizing the program will spur the agencies to move quickly to have their counselors certified."

Terri explains the development of the program: "This is a value-added service to our network. It's important that we support our counselors in achieving this certification. It's exciting to see how HUD has embraced education in the form of a counselor certification. Credentialing the industry will be very meaningful for consumers who want to use this service. Knowing they are going to have a HUD-certified housing counselor will give them confidence in the information they receive."

SUCCESS STORY

West Palm Beach, FL - Established by the city of West Palm Beach in 1938, the West Palm Beach Housing Authority (WPBHA) is a major provider of affordable housing in Palm Beach County. The WPBHA is a HUD-approved housing counseling agency, providing housing counseling to the community at large. Its mission is to provide safe, decent, and affordable housing to persons and families with limited financial resources and to provide residents with access to programs, which will assist them in making the transition to greater financial security.

WPBHA owns and manages 223 public housing units, 282 Rental Assistant Demonstration (RAD) units, and administers 3,344 Housing Choice Vouchers including 385 Veterans Affairs Supportive Housing (VASH) vouchers within Palm Beach County. The WPBHA also owns and manages 125 unassisted affordable housing units and 128 Low Income Housing Tax Credit (LIHTC) units. Currently under construction are 99 project based voucher units for seniors, 120 LIHTC family units and 125 project based voucher units with a preference for senior veterans.

SUCCESS STORY

Yesenia Martinez has a story she wants to share. She is from the Dominican Republic, a single mother of two girls, 12 and 13 years old. Yesenia reached out to WPBHA in 2005 and joined the Family Self-Sufficiency (FSS) Savings Program. At that time, she was unemployed and had just declared bankruptcy. In November 2005, she finally landed a position earning \$13/hr. and since then, has not stopped working.

WPBHA assisted Yesenia in opening an Individual Development Account (IDA). The agency provided extensive financial and budget counseling to Yesenia frequently touching base with her to ensure her financial goals were being met. When she was released from bankruptcy in 2008, her credit score went up to 700 and she began the home buying process. In 2009, she was approved to purchase a Habitat for Humanity home in Jupiter, Florida.



Yesenia Martinez

A year later, after fulfilling the 400 equity hours required for Habitat for Humanity home purchase, they built her house and she moved in her home in January 2010.

Through careful planning and long-term consistent housing counseling Yesenia received \$6,212 from her IDA savings account and \$22,481 from the FSS Savings Program. She moved on to the Section 8 Homeownership Program where she continued to receive Housing Assistance for her mortgage. In 2013, Yesenia got married to a baseball player from her country and exited from the Section 8 Homeownership Program. She is now self-sufficient and a proud grandmother. She still lives in the beautiful house she purchased, decorated by Breakers' Hotel and her Habitat home sponsor. Yesenia has three jobs and is a proud homeowner and workaholic!

The demand for affordable housing in Palm Beach County is vastly greater than the supply. The WPBHA currently has 5000 low-income households on its Housing Choice Voucher waiting list and over 4000 on its public housing waiting list. Most families will wait three or more years for assistance. The WPBHA is actively working to address local housing needs through its housing development initiatives, including the Pine Ridge Holistic Living Center, a designated Community Housing Development Organization (CHDO), as well as through ongoing efforts to maximize utilization of existing public housing and rental assistance resources.

IMPROVING THEIR QUALITY OF LIFE



Phoenix, AZ - [Trellis](#) is a HUD-approved housing counseling agency and NeighborWorks®America affiliate that is dedicated to the revitalization of Phoenix neighborhoods by providing lending, homeownership counseling and education, and real estate development programs and services to primarily low-to-moderate income families throughout Maricopa County, Arizona.

Trellis is also one of the few agencies in the valley that provide Home Equity Conversion Mortgage (HECM) counseling. In 2017, Trellis has already counseled over 225 HECM clients and the non-profit is well on its way to meeting its goal to counsel 500 new HECM clients this year.

Living at home can become difficult as clients age. Pinching pennies can lead to poor nutrition, health complications, or a serious accident that can put seniors in the nursing home. With ongoing health conditions and without extra help, older people often struggle with everyday needs.

In the past, when an older person had trouble living alone, their options were to move in with family or go to a nursing home. But for many elderly, this is no longer the case. Today, seniors can receive a wide range of support services in their home and community. Choosing to live in their home when they need extra help can be a big decision. They will need to balance health and safety issues with their desire for independence and a familiar setting.

Some seniors just want to improve their quality of life. For these homeowners, there is no real hardship but a feeling that the equity in their home is just sitting there doing nothing for them, so why not spend it.

Tapping the equity in their home can give them extra cash to help pay day-to-day expenses. It can be a very emotional decision to tap into home equity for those that see their home as a place to live and continue aging and not as a resource to pay for everyday expenses. Some also value leaving an inheritance for their children.

One of the advantages of a HECM is that the homeowner will never owe more than the value of the home if they sell the property to repay the loan, even if the value of the home declines. If the heirs choose to keep the home, they will need to pay off the full loan balance.

Homeowners will continue to own their homes and can never be forced to leave, as long as they maintain the home and pay property taxes and homeowners insurance.

One of the disadvantages of a HECM is the amount for closing costs that is rarely folded into the interest rate and can appear sizable. These costs (i.e., origination fee, mortgage insurance premium, appraisal and other upfront costs) can range from roughly \$6,000 for a \$100,000 home to over \$16,000 for a \$400,000 home. However, closing costs can be financed into the loan.

Trellis clients come in with many concerns, often feeling stressed, worried, fearful and confused about whether a HECM is the right choice for them. Trellis reverse mortgage counselors, have serious conversations with clients to ensure that they fully understand the ramifications of such a loan, how it will impact them and their family and what their responsibilities are as a homeowner with a HECM loan.

It also gives them the opportunity to ask questions and clarify any misconceptions they may have regarding a HECM. Trellis helps them explore and understand all of their options, so that clients walk away well-educated and ready to make an informed decision. They walk away feeling happy, relieved, relaxed, and ready to enjoy a new chapter in their lives or they can just relax and continue with their present lifestyle. Clients often state how much they appreciate the Trellis HECM counselors and are extremely pleased with the outcome of their counseling sessions.

INQUIRING MINDS WANT TO KNOW



On May 31, 2017, HUD published the [Federal Register notice](#) announcing August 1, 2017 as the start date for the HUD Certified Housing Counselor examination. This announcement has resulted in numerous questions regarding the certification examination, so the editors decided to highlight some frequently asked questions (FAQs) again. More information, including the complete set of FAQs on Housing Counselor Certification can be found on the [HUD Exchange Housing Counselor Certification Webpage](#).

Q: When will the HUD Certified Housing Counselor examination be available?

A: August 1, 2017

Q: Can I register now for the examination?

A: No. Registration for the examination will start August 1, 2017 at www.hudhousingcounselors.com. Housing Counselors are encouraged to create a user account for the website, which is now required to access the training materials and the practice examination when it becomes available.

Q: How much does it cost to take the Certification Exam?

A: The fee charged each time an individual takes the certification examination is based on the cost of administering the examination. At the time of publication of the Federal Register Notice published on May 31, 2017, the cost was \$60 for testing online at the examinee's location and \$100 at a proctoring site. Any changes to the cost of the certification examination will be published in the Federal Register.

Q: Please explain the "scaled" scoring process. What is one correct answer worth?

A: The examination score will be scaled based on a range from 200 to 800. This scaled scoring method is similar to the scoring process used on the Scholastic Assessment Tests (SAT) and ACT. The test will not have individual sections and cannot be divided into topic areas, nor taken by topic area. Many examination questions relate to multiple topics, which precludes dividing up the examination "by topic." Further, each examination goes through an industry standard certification review process and is considered as a whole, and scored as a whole. To pass the examination, the individual must achieve a scaled score of 500 or more. The scaled score does not represent the percentage of items correct, but is a numeric score for the overall examination.

Q: What will be the format of the examination?

A: The Housing Counselor Certification Examination has approximately 90 multiple-choice questions. The test is designed to be completed in two hours and accommodations will be made for those with disabilities. Guidance on requesting accommodations will be provided by the certification examination contractor.

Q: Will HUD offer the examination in both English and Spanish?

A: Yes. The Spanish version of the examination will also be available August 1, 2017.

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INQUIRING MINDS WANT TO KNOW



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

Q: How will the examination be administered?

A: The exam will be administered online by a proctor at an examinee's location or at a commercial proctoring site identified by HUD's contractor. The proctoring service will verify the identity of individuals taking the examination. Those choosing to take the examination online must have equipment available. Additional information on test locations and online proctoring will be available on [HUD's Housing Counselors Training and Testing for Certification website](#) and on the [HUD Exchange Housing Counseling website](#).

Q: If a counselor fails to pass the certification examination, how soon can he/she retake the exam?

A: HUD has made provisions for prompt counselor re-examination in the event the counselor fails the exam. However, testing schedules will depend on the availability of proctors. No restrictions or limitations will be placed on the number of times the examination can be taken or on the frequency of re-examination. Each time an individual retakes the certification examination a new fee must be paid.

Q: If a counselor fails to pass the certification examination, can they retake only those questions pertaining to topic areas that their scores were deficient in?

A: HUD has determined counselors will need to retake the entire examination because it cannot be divided into topic areas, nor taken by topic area. If an individual fails

the examination, the individual will be notified of general subject deficiencies and topic areas to help focus their studies in preparation for retesting. Results of individual examination questions will not be provided.

Q: How will the counselor be notified as to whether he/she has passed the exam?

A: Test takers will be notified by email whether they pass or fail the examination.

Q: What kind of feedback will a counselor receive if he/she doesn't pass the exam?

A: If a test taker does not pass the examination, the email notification will include feedback on the learning objectives that the test taker should review before retaking the examination.

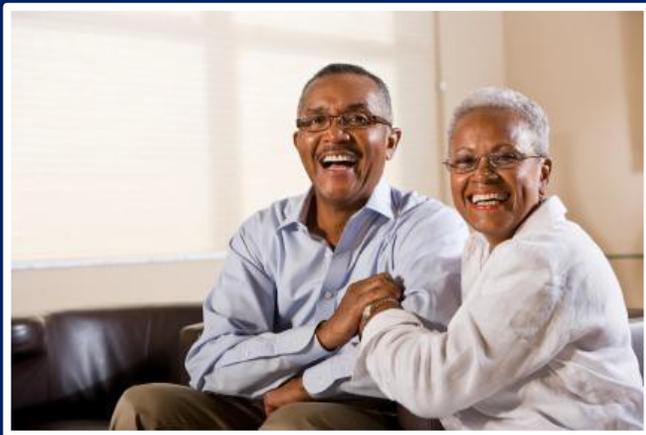
Q: Is there a limit on the number of times an individual can take the examination in order to pass?

A: No. There are no restrictions or limitations on the number of times the examination can be taken in order to pass, but a new examination fee must be paid each time the examination is taken.



SUCCESS STORY

A Client's Story: Addressing Delinquent Taxes and Insurance Payments



Sugar Land, TX - In 2011 in an attempt to stem the flow of reverse mortgage defaults caused by unpaid or delinquent property taxes and hazard insurance, HUD requested assistance from its network of housing counseling agencies. Money Management International (MMI) was one of those agencies asked to work with seniors to prevent loan defaults as a result of unpaid property taxes and hazard insurance. MMI set about training its team of reverse mortgage counselors for the unique task of working with seniors whose reverse mortgage experience was going down a less than pleasant path.

When Amanda Hunt* and her husband took out their reverse mortgage it was the perfect solution. Both retired, the reverse mortgage paid off their existing small mortgage loan balance and left them able to live comfortably. Years later, circumstances beyond anyone's control, resulted in the Hunt's HECM loan to be in default. Unfortunately, Amanda's situation is very common to what MMIs counselors hear during HECM counseling sessions. A typical client in this regard is a widowed, female, 75 years old, with approximately \$24,000 in annual income and in arrears on her property taxes and hazard insurance.

Counseling has been a mainstay of the HECM program almost from inception. In more recent years, changes to the HECM program including updated underwriting requirements, new principal limit factors, limits on the initial disbursement and implementation of the Benefits Check Up to determine

the financial condition of a HECM borrower, have improved the likelihood that the senior will be able to maintain his or her property taxes and insurance while the loan is in an active status.

Implementation of the lender required financial assessment in the fall of 2016 that looks closely at the HECM borrower's entire financial picture, should prove over time to decrease the rate of HECM loan defaults.

Today, part of that assessment results in the Life Expectancy Set Aside (LESA) requirement, which may be used to pay the future total or partial cost of property taxes and hazard insurance. It may be required by the lender or may be requested by the senior.

For Amanda and other seniors like her, the road to curing the default begins with counseling. During the counseling session, counselors determine the reason for default, complete a financial review, which includes a detailed budget to assess the client's ability to repay the default and pay those charges going forward. Using many of the same tools applied in preparation for a client who has scheduled a normal HECM session, counselors utilize Financial Interview Tool, Benefits Check-Up and other resources in the MMI arsenal.

These resources insure that seniors avail themselves of all programs that would assist them in reducing their monthly expenses and help to support the cost of their property taxes. In some cases, counseling and education are enough to help seniors follow a workable budget and move forward on their own. In many cases, after maximizing the income and reducing any household expenses, seniors need additional assistance in developing a repayment plan to address the delinquent property charges.

Happily, Amanda was able to bring her taxes and insurance current with help from her family and the changes she made using the education and resources she learned during her counseling sessions. While it's too new to know what the long-term impact of the HECM changes will be, early indications from MMI counselors are that implemented changes are supporting improvements in delinquency percentages.

**Name changed to protect the identity of the client.*

SUCCESS STORY

Step Forward Michigan Program Helps Seniors

Lansing, MI - [The Step Forward Michigan Program](#) was established to help people in Michigan who are having trouble keeping up with their mortgage payments. Last year, it was expanded to help Michigan seniors who have a reverse mortgage and have fallen behind on their property taxes or homeowner's insurance.

The program will pay loan providers for the money it has already paid on a borrower's behalf to get caught up on property taxes and/or property insurance premiums. Step Forward Michigan will also pay a borrower's current year's property tax bill if it is due. This program will pay up to \$30,000 for all of these.

Many seniors in Michigan also qualify for additional assistance like:

- [Supplemental Nutrition Assistance Program](#), which helps with food costs,
- [Medicare Savings Program](#), which pays the monthly Medicare Part B premium that is automatically deducted from most Social Security checks each month,
- [Low Income Help for Prescription Drug Coverage](#), which pays some or all of the Medicare Part D drug premiums and co-pays,
- [Michigan Homestead Property Tax Credit](#), which gives homeowners a state tax credit to help pay property taxes each year, and
- [Michigan Home Heating Credit](#), which is another state tax credit to provide extra income to help with the rising costs of heating one's home.

That is why nonprofits like Elder Law of Michigan's Housing Rights Center, the National Council on Aging and the Detroit Area Agency on Aging are partnering to help seniors understand the options and determine if they may qualify for any of these programs. ELM also helps seniors fill out the applications and gather the documents required to enroll.



Mrs. Cynthia Scales

Over the past year, ELM has worked with over 300 seniors in the Detroit area who are dealing with possible foreclosure on a reverse mortgage. With its free help, more than half of ELMs clients have qualified for the Step Forward Michigan Program, which allowed them to stay in their home.

The Step Forward Michigan program is considered a forgivable loan. That means if a senior stays in his or her home for five years, there is no loan repayment. If the senior has to move out of the home before then, the money owed will be considered a lien on the property and must be paid off when the home is sold.

After recently losing her husband of 60 years, Mrs. Cynthia Scales was faced with losing their home where they lived for the past 40 years. Here's part of a letter she wrote to ELM:

"As a senior citizen many people forget that we need more time and assistance. Change is hard for me. But staying in my home of 40 years is my dream. Your hard work and diligence has made that dream come true. I would have never been able to catch up on my past taxes. This is a second chance for an old lady that really needed it. There are not enough words to say thank you..."

HUD REPORT CALLS FOR GREATER ACTION TO REDUCE INJURIES TO SENIORS IN THE HOME

Washington, DC - Approximately one-third of adults age 65 years or older fall in their home, resulting in injury, long-term disability and premature institutionalization. By 2020, the Centers for Disease Control and Prevention estimates the cost related to these kinds of injuries to be nearly \$60 billion a year. In an effort to reduce and prevent falls and their associated costs, the U.S. Department of Housing and Urban Development (HUD) released a wide-ranging report recommending a more holistic approach to seniors aging-in-place and their health needs.

Released during National Healthy Homes Month, HUD's report, Overcoming Obstacles to Policies for Preventing Falls by the Elderly, recommends government and philanthropic organizations work together at every level to integrate fall prevention strategies and support efforts to aging-in-place, senior safety at home, and continuous care models.

"Active programs that coordinate senior care and implement fall prevention strategies can benefit seniors enormously," said Jon L. Gant, Director of the Office of Lead Hazard Control and Healthy Homes. "This report helps policy makers and program managers to identify the causes of problems they may encounter, as well as the resources and methods they can use to overcome them." Additionally, HUD's report contains a toolkit highlighting numerous funding sources and the rationale for outreach to non-traditional partners to improve delivery of services and care to seniors. The toolkit covers four key areas:

- Why senior falls prevention and coordinated care is an important issue for the nation and what some communities are doing to meet the needs of seniors;
- What partners and stakeholders should be engaged, what each can offer to this effort, and why a holistic approach may provide the best potential;
- What financial resources, from all levels of government to health insurers and philanthropies, may be available to help create and sustain effective policies and programs; and
- How to sustain policies and programs over the long-term.

To learn more, visit the website: www.hud.gov/healthyhomes.

(continued from pg. 1-Celebrating 50 Years of Senior Services)



"I intersperse the HECM counseling with other issues not typical to the protocol, to make the session more relevant and enjoyable. I find this also helps seniors comprehend better than just throwing out numbers, percentages and legalese," said Romano.

The division offers face-to-face, phone and in-home counseling but Romano says he likes the face-to-face best because there are very important decisions being made and phones lose the human factor. He acknowledges national agencies who do this counseling by phone in volume but says it can't replace being across a table engaging with people directly and in many cases fielding the client's anxiety and concerns firsthand.

HUD introducing Financial Assessment as part of the mandated counseling also has helped the division extract vital information from its residents. "One of the most disheartening things we hear are seniors telling us they never knew we were here," said Joewono. To remedy that situation, the DSS participated in on location visits to its 70 municipalities, a daunting but necessary effort. Furthermore, DSS launched an aggressive outreach program to incorporate technology in reaching tech savvy Baby Boomers who use computers and smart devices to communicate and gather information.

As a result, DSS established a [Facebook page](#) to broadcast timely and informative details. DSS also revitalized its newsletter in electronic and old fashioned print form to highlight seasonal activities, focus on particular senior stories and allow for feedback.

HECM: IS THERE A LACK OF INTEREST?



Rocky Hill, CT – Some may assume that many seniors would be interested in pursuing reverse mortgages, a loan product specifically designed for those who are 62 or older. But that has not quite happened. Some state housing finance agencies are offering their own reverse mortgage proprietary programs, such as the [Reverse Annuity Mortgage Program by the Connecticut Housing Finance Agency \(CHFA\)](#) in partnership with the Connecticut Department of Social Services.

The Connecticut program “provides monthly cash payments that can be used to cover a variety of services connected with long-term care needs that allow the homeowner or joint owner to remain in the home,” said Lisa C. Kidder, the housing finance agency’s director of communications. Applicants must be 70 or older and are pre-screened by the Connecticut Department of Aging to be sure they meet the criteria.

A lack of interest has kept the HECM product out of the offering lineup at some banks though. “This is not something that is popular with our client base,” said John M. Tolomer, president and CEO of a bank in White Plains. His bank is also absent from the traditional residential mortgage market. “We don’t have any plans to offer this in the foreseeable future.”

Many older Americans are not convinced that the product is safe. In May 2016, the [American College of Financial Services released the results of a reverse mortgage survey](#) of 1,000 people between the ages of 55 and 75 with at least \$100,000 in investable assets and \$100,000 in home equity. Only 14 percent of respondents said they considered pursuing this loan, while just one respondent reported to having a reverse mortgage.

When asked how the reverse mortgage worked, less than one-third of respondents could correctly answer the question. Rick Kalnins, reverse mortgage specialist in Middletown, Connecticut, acknowledged that the product’s image could benefit from better marketing. “We need to dispel that this is not a loan of last resort and that it can provide a viable financial solution,” he said.

From a lender’s perspective, reverse mortgages require much more planning ahead than the traditional home loan. Extensive financial counseling on the pros and cons of the loan are required for the borrower and, when applicable, that person’s family. On some occasions, the borrower’s financial planner and attorney are also involved.

“It takes a very, very long time period to get it done — about eight to 10 months,” said Brent Nyitray, director of capital markets for a Stamford-based lender, which does not offer this type of loan. “Most loan originators prefer not to do a reverse mortgage if they had the choice between that and a normal mortgage.”

Still, there are financial institutions that gladly provide this product. Brian L. Mahone, vice president and regional manager of a mortgage company said the reverse mortgage is “not a program for everyone,” although he said there were a number of inquiries being made on behalf of potential borrowers. “Most of my referrals come through attorneys for the people and from family members,” he said, adding that some older customers ask about the product with the branch tellers. “Our tellers are a little more intimate with our borrowers.”

Mahone said that one key selling point for the product involves the older homeowner’s ability to remain in their residence. “If you tell someone that they have to sell their home and move into a two-bedroom apartment, that is not going to appeal to a lot of people,” he said.

TOOLS AND RESOURCES



[HUD Home Equity Conversion Mortgage](#)

The only reverse mortgage insured by the U.S. Federal Government is called a Home Equity Conversion Mortgage or HECM, and is only available through an FHA approved lender.



[National Council on Aging](#)

Improving the health and economic security of older adults by providing community programs and services, online help, and advocacy.



[BenefitsCheckup.org](#)

A comprehensive, free online tool by the National Council on Aging that connects older adults with benefits they may qualify for.



[Office of Fair Housing and Equal Opportunity](#)

FHEO's mission is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities by leading the nation in the enforcement, administration, development, and public understanding of [federal fair housing policies and laws](#).



[The Home Equity and Retirement Income Planning Survey](#)

Survey results released by the [American College of Financial Services](#), the nation's largest non-profit educational institution devoted to financial services.



[Life Expectancy Set Aside \(LESA\)](#)

LESA is an amount withheld from the mortgage proceeds for the payment of property charges during the life of the Borrower.



[Financial Interview Tool](#)

Helps counselors check for budget shortfalls and identify other risks that could affect a client's ability to use a reverse mortgage to meet their personal goals.



[HUD Report Calls for Greater Action to Reduce Injuries to Seniors in the Home](#)

[Overcoming Obstacles to Policies for Preventing Falls by the Elderly](#), calls for greater action to reduce injuries to seniors in the home.

ON THE HORIZON



August 14-18, 2017	NeighborWorks Training Institute: Philadelphia
August 22, 2017	HUD-Sponsored FHA Servicing and Loss Mitigation Training
August 22, 2017	RCAC Training: Core Competencies for HUD Certification (NY)
August 22, 2017	RCAC Webinar: Expanding Services to Rural and/or Underserved Communities: A Series of 3 Webinars
August 29, 2017	RCAC Training: HUD Requirements for Housing Counselors (WA)
August 30, 2017	RCAC Training: Fair Lending and Loan Document Review

Visit the [Office of Housing Counseling](#) webpage to keep up-to-date on the latest training, events and webinars. If you missed a webinar, visit the [Webinar Archives](#) webpage to access previously recorded sessions.

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