



U.S. Department of Housing and Urban Development

Office of Housing Counseling

HUD 101: Orientation Guide for New HCAs

Table of Contents

INTRODUCTION.....	1
1. HUD AGENCY STRUCTURE AND ORGANIZATION.....	2
Who's Who at HUD	2
Office of Housing Counseling	2
Office of Inspector General	3
Regional Homeownership Centers (HOCs) and Field Offices.....	3
Locating a HUD HOC	4
Locating a HUD Field Office	4
2. HUD'S HOUSING COUNSELORS WEB PORTAL AS A RESOURCE	5
Federal Housing Administration (FHA)	5
HUDClips	6
Buying A Home	6
Fair Housing / Equal Opportunity	6
Avoiding Foreclosure	6
Rental Assistance	6
Prevent Loan Scams.....	6
HUD USER Site	6
3. TRAINING OPPORTUNITIES THROUGH HUD	7
Webcasts	7
Webinars	7
Place Based Trainings (PBTs).....	7
4. HOUSING COUNSELING HANDBOOK.....	8
Delivery of Housing Counseling Services	8
Record Keeping Requirements	8
Reporting Requirements	8
Using HUD Systems	8
Operational Requirements	9
5. HUD PERFORMANCE REVIEW	10
6. HUD CORRESPONDENCE	11
FHA Single Family Housing Email List	11
HUD News Alerts	11
Federal Register.....	11
Mortgagee letters	11
Office of Management and Budget (OMB) Circulars	11
Broadcast Emails to Housing Counselors (Archive)	12
7. FUNDING.....	13
Funding as a Sub-grantee	15
8. ACCEPTABLE PROGRAM FEES	16
Client-Paid Fees.....	16
Lender or Third Party Fees	16
Alternative Funding Sources	16

9.	GRANT WRITING TIPS	17
10.	FAQS	18
APPENDIX		20
	Useful Web Links and Email Addresses	20

Introduction

The U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA) operate mortgage, grant, assistance, and regulatory programs that serve millions of Americans throughout the United States. HUD's Housing Counseling Program currently operates through a nationwide network of over 2,600 HUD-approved housing counseling agencies (HCAs) located in urban, suburban, and rural communities in all 50 states.

Newly approved HCAs must quickly become familiarized with the program's resources and regulations. This orientation guide is designed to help HCAs understand HUD's organizational structure, resources, and program guidelines related to the Housing Counseling Program. While HUD's website publications and HUD-HCA grant agreements remain the primary sources of information guiding new HCAs in the counseling program, this guide is a supplemental reference designed to help HCAs quickly learn the ins and outs of being a successful HUD-approved counseling agency. This guide contains hyperlinks to various websites embedded in the section titles for quick reference.

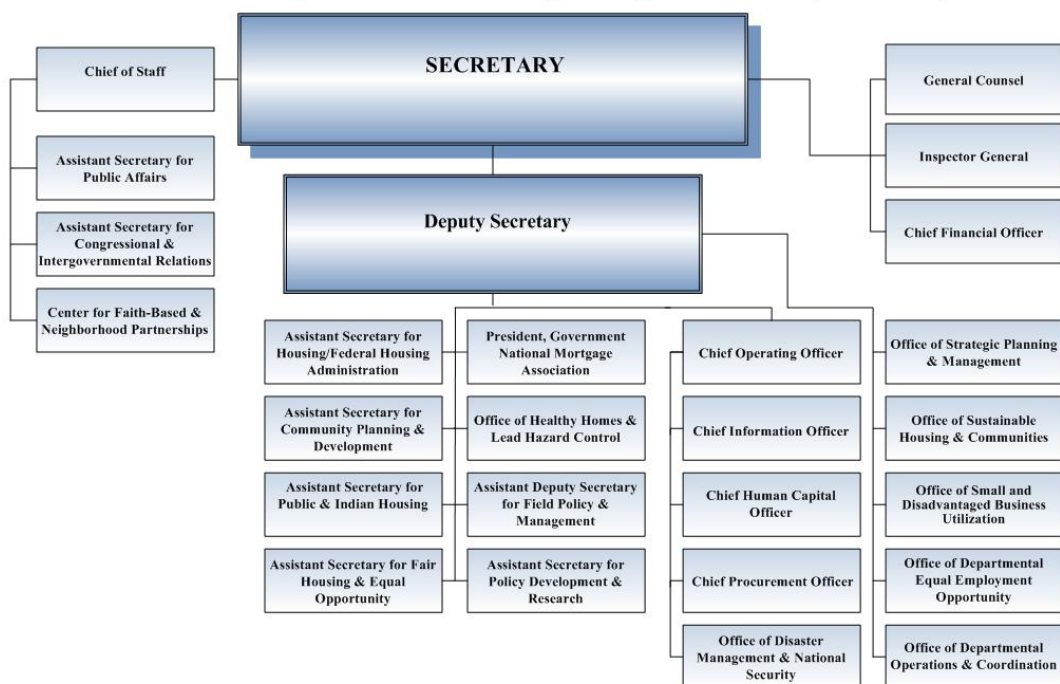
1. HUD Agency Structure and Organization

Some HCAs new to HUD's Housing Counseling Program do not have prior experience administering a federal government program. In fact, some agencies successfully apply for HUD approval and funding and shortly thereafter must "hit the ground running" without knowing "who's who" at HUD. Becoming familiar with HUD's organizational structure and understanding the functions of HUD's Washington, D.C. and nationwide field offices will greatly help new HCAs orient themselves to the Housing Counseling Program.

Who's Who at HUD

HUD is managed by a cabinet-level Secretary appointed by the President and confirmed by the Senate. As shown in the chart below, HUD's Secretary is supported by a deputy secretary and assistant secretaries for various HUD programs and functions.

HUD's Organization and Reporting Structure (FY 2011)



Office of Housing Counseling

In 2010, the Dodd–Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) established the Office of Housing Counseling (OHC). The Assistant Secretary for Housing/FHA administers the Housing Counseling Program through the OHC, and the Deputy Assistant Secretary for Single Family housing is the official responsible for carrying out the program.¹ The purpose of the OHC is to develop programs and activities for homeownership counseling, rental housing counseling, and developing

¹ See HUD Handbook 7610.1 rev 5, Chapter 1.3.a, "HUD Responsibility for Housing Counseling Program Administration."

campaigns to promote housing counseling. In general, the OHC and its Director are responsible for housing-counseling related research and policy development, grant administration, and public outreach. OHC is also responsible for establishing, coordinating, and administering all regulations, requirements, standards, and performance measures corresponding to HUD's Housing Counseling Program.

Specifically, the OHC:

- ✓ Provides grants
- ✓ Organizes National Public Service Multimedia campaigns
- ✓ Conducts Foreclosure Rescue Education Programs
- ✓ Establishes a Default and Foreclosure Database
- ✓ Produces a Mortgage Information Booklet
- ✓ Publishes informational materials related to Home Inspection Counseling
- ✓ Participates in warnings to homeowners concerning foreclosure rescue scams

Office of Inspector General

HCAs new to HUD's Housing Counseling Program should also become familiar with HUD's Office of Inspector General (OIG). The OIG's role is crucial to the success of HUD's Housing Counseling Program, as the OIG routinely audits selected HCAs receiving program funds for program compliance, and submits its findings to the HUD Secretary. HCA program managers are strongly encouraged to visit the OIG's site and review HCA agency audits to understand which materials are subject to OIG audits (i.e. housing counseling client files), which deficiencies OIG auditors routinely find, and the types of corrections they recommend.

In general the OIG's role is to:

- ✓ Promote efficiency and effectiveness in programs and operations
- ✓ Detect and deter fraud and abuse
- ✓ Investigate allegations of misconduct by HUD employees
- ✓ Review and make recommendations regarding existing and proposed legislation and regulations affecting HUD

Regional Homeownership Centers (HOCs) and Field Offices

Outside HUD's Washington, D.C. headquarters, HUD's Housing Counseling Program is supported by four Regional Homeownership Centers (HOCs) and 81 Field Offices located throughout the country. HOCs insure single-family FHA mortgages, oversee HUD home sales, and administer the Housing Counseling Program and its funding process. HUD's Field Offices, or local offices, also help administer the Housing Counseling Program. Specifically, HOCs and field offices:

- ✓ Evaluate grant applications
- ✓ Monitor the performance of participating agencies
- ✓ Develop and implement program policy and procedures
- ✓ Provide technical assistance and training on HUD's Housing Counseling Program

Locating a HUD HOC

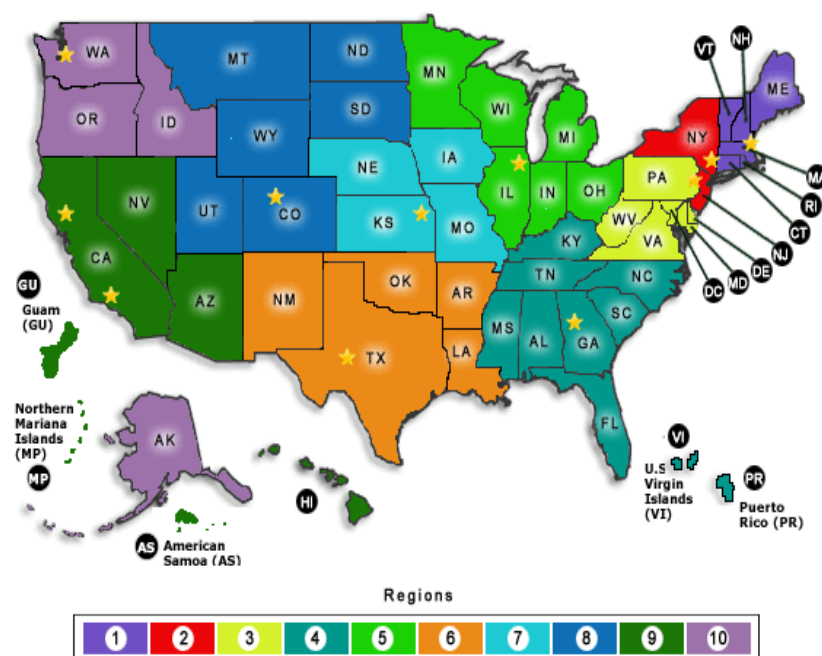
HUD's four HOCs are located in the states below. HCAs can find their regional HOC by visiting the HUD website linked in the section heading on the previous page.

- Atlanta, Georgia
- Santa Ana, California
- Philadelphia, Pennsylvania
- Denver, Colorado

It is also important to note that HOC and Field Office staff include Government Technical Representatives, or GTRs. HUD-approved HCAs work closely with their GTRs on matters involving technical assistance, grant reporting, funding issues, and program administration. HCAs interact mostly with their assigned GTR and their nearest physical office, which may be a HOC or Field Office.

Locating a HUD Field Office

HUD has several Field Offices divided among ten regions across the country. Using the link in the section heading, HCAs can locate their respective Field Office.



- Region 1:** Connecticut, Vermont, Massachusetts, Maine, New Hampshire, Rhode Island;
- Region 2:** New York, New Jersey;
- Region 3:** Pennsylvania, Virginia, West Virginia, Maryland, Delaware, Washington, D.C.;
- Region 4:** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, U.S. Virgin Islands;
- Region 5:** Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin;
- Region 6:** Arkansas, Louisiana, New Mexico, Oklahoma, Texas;
- Region 7:** Kansas, Iowa, Missouri, Nebraska;
- Region 8:** Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming;
- Region 9:** California, Arizona, Hawaii, Nevada;
- Region 10:** Washington, Alaska, Idaho, Oregon.

2. HUD's Housing Counselors Web Portal as a Resource

In addition to HUD's home page (www.hud.gov), HUD's web portal for housing counselors is a valuable HCA resource. The portal provides HCAs a vast amount of information including program bulletins, Notice of Funding Availability (NOFA) announcements, handbooks, FAQs, webcasts, and forms.

TIP Bookmark HUD's Housing Counselors web page and visit the page regularly to keep abreast of any new notices, announcements, or other information about housing counseling.

portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/hcc_home

TUESDAY, MAY 01, 2012

HUD.GOV
U.S. Department of Housing and Urban Development
Secretary Shaun Donovan

Connect with HUD
Audiences Información en Español
Site Map A-Z Index Text A A A Search

HOME PRESS ROOM MULTIMEDIA STATE INFO PROGRAM OFFICES TOPIC AREAS ABOUT HUD RESOURCES CONTACT US

Housing Home | About Us | Single Family | Healthcare Programs | Multifamily | Online Systems | Audiences

HUD > Program Offices > Housing > Single Family > Housing Counselors > HUD Housing Counselors

Housing Counselors

The information on this page is provided for HUD housing counselors & their clients.

NEW RESOURCE for HECM COUNSELORS
NeighborWorks America has completed the redesign of the HECM Counselor Resources website (www.hecmcounselors.org), incorporating content and features for both Active and Prospective HUD HECM Counselors and information for HECM consumers. [read more.](#)

HUD ANNOUNCES MORE THAN \$42 MILLION IN COUNSELING GRANTS TO HELP FAMILIES FIND AND KEEP HOUSING
As part of its continuing effort to help families find decent housing and to prevent future foreclosures, the U.S. Department of Housing and Urban Development (HUD) today announced more than \$42 million in housing counseling grants to 468 national, regional and local organizations. As a result of this funding, hundreds of thousands of households will have a greater opportunity to find housing or keep their current homes Read the entire press release [online.](#)

Print Friendly Version SHARE

Search

Search for a Housing Counselor

What's New

- Guidelines for HECM Loss Mitigation
- Emergency Homeowners' Loan Program- Substantially Similar State Programs Notice
- HOPE Loan Portal
- HECM Protocol Training Presentation.ppt and audio
- Housing Counseling Prog Handbook 7610.1 Rev-5

TIP Use the “search” field in HUD website’s header to easily locate information that may not be immediately found on the home page or Housing Counselors portal.

There are several other web pages that HCAs should visit within the HUD website, as follows.

Federal Housing Administration (FHA)

The FHA provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. The FHA website provides several links to its single family and multifamily mortgage products, links to FHA underwriting guidelines, and FHA-approved lenders. The page also contains a useful series of links with content tailored to common HCA client concerns, such as “I Want to Buy a Home,” “I Want to Avoid Foreclosure,” and “I Want to Talk to a Housing Counselor.”

HUDClips

This web page provides HUD forms, the Housing Counseling Handbook, Office of Management and Budget (OMB) circulars, and the Code of Federal Regulations that govern the Housing Counseling Program.

Buying A Home

This web page presents a nine-step process for families interested in buying a home. These families are also referred to HUD-approved HCAs for further assistance. HCAs should familiarize themselves with this page's content.

Fair Housing / Equal Opportunity

The Office of Fair Housing and Equal Opportunity (FHEO) works to ensure families have equal access and opportunity to housing free of discrimination. FHEO also maintains a discrimination hotline, a fair housing complaint email address, and regularly posts fair housing training announcements.

Avoiding Foreclosure

This web page provides homeowners at risk of foreclosure a summary of foreclosure prevention options and lists foreclosure prevention programs made available through HUD, FHA, and the U.S. Treasury.

Rental Assistance

This resource provides information about HUD's rental assistance programs and information about tenant's rights.

Prevent Loan Scams

Over the past several years, loan scams targeting struggling homeowners flourished throughout the nation. HUD and its industry partners developed a suite of educational materials, videos, and public service announcements to raise awareness and protect consumers. Homeowners can also report scams on this web page.

HUD USER Site

Managed by HUD's Office of Policy Development and Research (PD&R), HUD USER hosts research publications and data sets focused on U.S. housing trends, sustainable communities, community development, and more.

3. Training Opportunities through HUD

Obtaining industry training is a standard practice for housing counselors. The National Industry Standards for Homeownership Education and Counseling recommend that new HCA counselors obtain appropriate orientation and introductory level training during their initial six months of employment to achieve core competency standards. Furthermore, under the Dodd-Frank Act, HUD will require counselors to obtain certification. Currently, HUD is developing individual counselor certification requirements and will provide details about counselor certification at a later date.

Webcasts

HUD records and produces webcasts of many events, press conferences, ceremonies, market reports, and even application reviews. These webcasts are archived and listed by date on this page. Users can also view webcasts and more HUD-related videos on the [HUD YouTube Channel](#).

Webinars

Many HUD HOCs produce webinars addressing housing counseling program requirements, changes, and updates. HUD archives these webinars with accompanying course material and questions raised during the initial broadcast.

Place Based Trainings (PBTs)

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

Some organizations providing PBTs are:

✓ **[NHN Learning Alliance](#)**

The National Council of La Raza (NCLR) Homeownership Network Learning Alliance (NHNLA) offers HUD-approved training and certification programs for housing counselors. NHNLA provides certifications for both housing counselors and housing counseling managers.

✓ **[NeighborWorks America](#)**

NeighborWorks America (NW) operates the NeighborWorks Center for Homeownership Education and Counseling (NCHEC). NW provides nationwide PBT, as well as online housing counseling training courses and certificates.

✓ **[National Community Reinvestment Coalition Training Academy](#)**

NCRC's National Training Academy offers PBT and online training and technical assistance programs for housing counselors.

✓ **[HUD EClass](#)**

The HUD National Servicing Center offers online loss mitigation and servicing system training. These classes are free, but require user login and registration.

✓ **HUD Homeownership Center Sponsored Trainings**

Each HOC occasionally provides local training opportunities for HCAs within their region. HCAs can use this web page to lookup their respective HOC office and inquire about future training opportunities.

4. Housing Counseling Handbook

The HUD Housing Counseling Handbook (Handbook) provides extensive guidance for HUD staff and program participants regarding the successful administration of the HUD Housing Counseling Program. The Handbook addresses topics such as program eligibility and requirements, the delivery of comprehensive and Home Equity Conversion Mortgage (HECM) counseling services, program recordkeeping and reporting, performance monitoring, and the grant application process. It offers policy guidance and procedures for HUD staff and participating HCAs. The following sections provide an overview of the Handbook's core topics.

Delivery of Housing Counseling Services

This section outlines the basic requirements for becoming a HUD-approved HCA as provided under 24 CFR 214 and other applicable laws. A participating HCA's failure to remain in compliance with these basic requirements could result in consequences which may include, but are not limited to; termination of agency's HUD approval or participating status, placement in inactive status, suspension of payment drawdown access, forfeiture of remaining grant funds, and denial of access to HUD housing counseling training resources.

Record Keeping Requirements

The Handbook describes the recordkeeping requirements of all HUD-approved HCAs. HCA staff should review this section in detail, particularly those staff members responsible for managing files, upholding record retention policies, and preparing for agency audits.

Reporting Requirements

HUD's reporting requirements specify the manner in which client data should be collected, maintained, secured, and reported to HUD.

Using HUD Systems

HCAs use two important systems to interact with HUD. These systems are summarized below.

✓ **Housing Counseling System**

The Housing Counseling System (HCS) is HUD's data management system for HCAs. The HCS is a secure site that allows HCAs to login and submit information to HUD. It also provides a window into an agency's report submission status after a report has been transmitted through an agency's client management system (CMS). HCAs are required to "validate" (or verify) program, counselor, and agency information on a quarterly basis in the HCS. Up-to-date HCA information is critical as HUD uses HCS

data to update its HCA contact information on www.HUD.gov . Without proper contact information, an HCA may not receive HUD's updates, potential client referrals, or other opportunities.

Line of Credit Control System (LOCCS)

LOCCS is the grant disbursement system for local HCAs. Each year, LOCCS disburses over \$20 billion to thousands of federal grantees and other HUD business partners.

The purpose of LOCCS is to allow housing counseling agencies to draw down approved funds and for HUD to monitor grantees' obligation and expenditure progress against funds disbursed by HUD.

Operational Requirements

The Handbook provides clear direction on HCA operational requirements. HCAs adhering to these requirements will likely remain in good standing with HUD. However, the Handbook does not necessarily address operational "best practices" concerning issues such as staff management techniques, foreclosure prevention practices, or fundraising strategies. If you are unclear about a Handbook requirement, contact your GTR for guidance.

5. HUD Performance Review

HUD GTRs evaluate every approved HCA through biannual or triennial performance reviews. GTRs conduct these reviews onsite or remotely. During a typical review, GTRs evaluate an HCA's housing counseling practices, activities, and program documents. GTRs also review client files to ensure compliance with the Handbook and the Code of Federal Regulations. A reviewer notes both positive comments about an HCA's performance and HCA actions deemed non-compliant. A reviewer may also provide suggestions to improve performance.

If an HCA is found to be out of compliance with a specific requirement during a performance review, the reviewer records a "finding" against the HCA. Findings could result in a modified approval status contingent on an agency's ability to resolve the finding. Alternately, a finding could result in termination of HUD approval and funding.

6. HUD Correspondence

HUD uses emails, news alerts, and publications to communicate with its participating HCAs. These methods are listed below.

IMPORTANT: HUD uses HCS data to update its HCA contact information on www.HUD.gov. Without proper contact information an HCA may not receive HUD's updates, potential client referrals, or other opportunities.

FHA Single Family Housing Email List

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ref/hsgregst

This email listserv is intended for housing industry professionals interested in updates regarding HUD mortgagee letters, notices, guidebooks, and FHA training opportunities. Counselors can register to receive these email updates automatically.

HUD News Alerts

<http://portal.hud.gov/hudportal/HUD?src=/subscribe/signup&listname=HUD%20News&list=HUD-NEWS-L>

HUD's news alerts distribute press releases and other communication to members of the media and the public. This is a great source for information regarding HUD's newest initiatives, grant opportunities, and HUD events.

Federal Register

<http://www.archives.gov/federal-register/index.html>

The Federal Register provides access to the official text of Federal Laws, Presidential documents, Administrative Regulations; and Notices and Descriptions of Federal Organizations, Programs and Activities.

Mortgagee letters

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

Mortgagee letters are issued by the FHA and released by HUD. These letters disseminate information regarding FHA operations, procedures, and policies regarding mortgage insurance and underwriting requirements. While not every mortgagee letter applies to HCA operations, HCAs should keep up to date on mortgagee letters.

NOFA

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail

Notice of Funding Availability (NOFA) publications provide information regarding HUD's grant opportunities. HCAs should regularly visit this web page to stay informed about grant opportunities as they become available.

Office of Management and Budget (OMB) Circulars

http://www.whitehouse.gov/omb/circulars_default

OMB Circulars provide instructions to federal agencies concerning topics including, but not limited to, accounting procedures, financial auditing, and grant management. These instructions are designed to ensure that federal government dollars are properly spent. As recipients of federal funding, HUD-funded HCAs should review and reference at least two OMB circulars: A-122, "Cost Principles for Nonprofit Organizations," and A-133, "Audits of States, Local Governments, and Nonprofit Organizations." These circulars and others can be retrieved on the White House website linked in the header above.

Broadcast Emails to Housing Counselors (Archive)

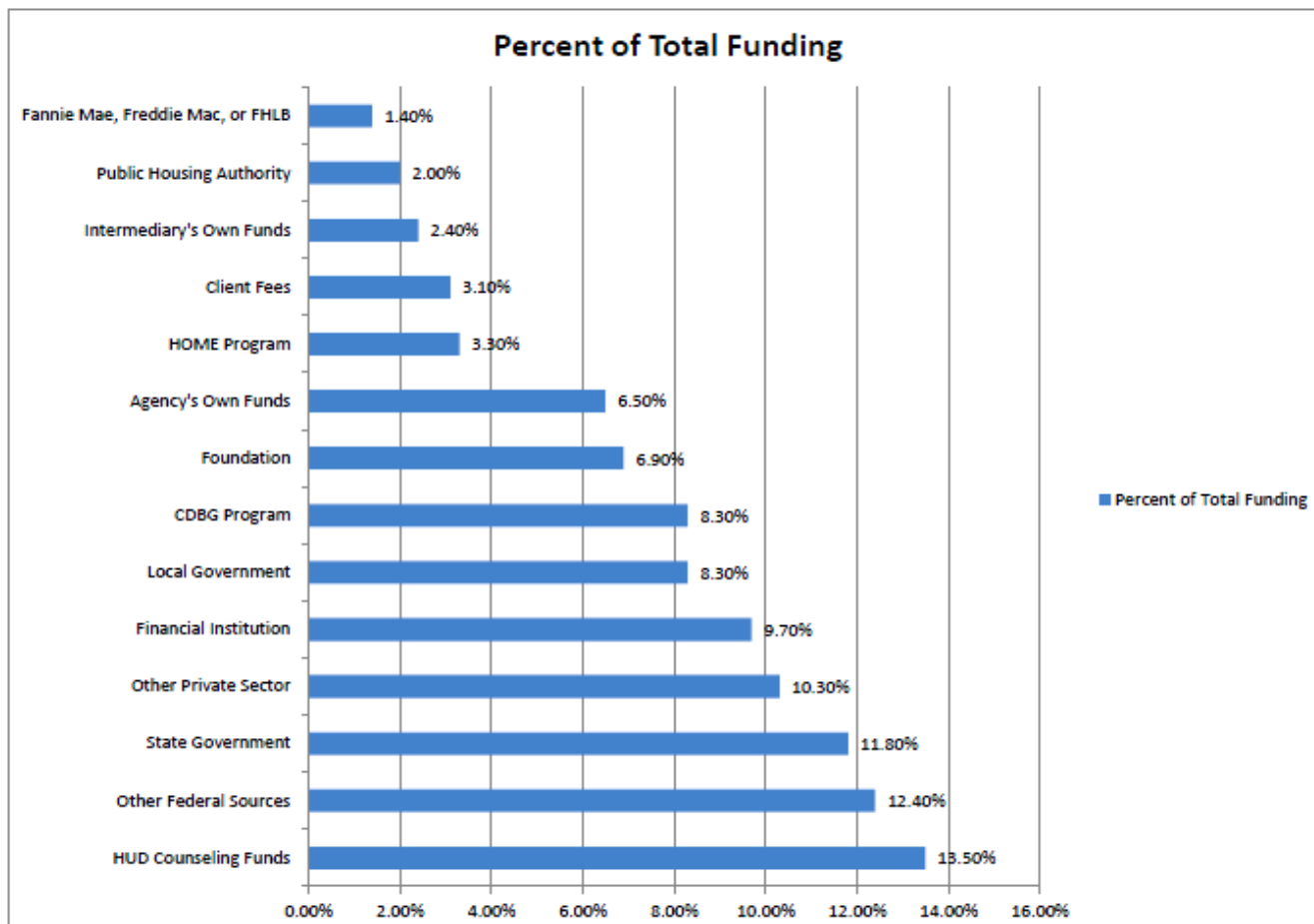
<http://www.hud.gov/offices/hsg/sfh/hcc/msgs/index.cfm>

This allows newly approved agencies to get an update on guidelines/clarification recently announced by HUD-Program Support Division that may not be outlined in the Handbook, Regulations, or Mortgage Letters.

7. Funding

The nonprofit housing counseling industry is funded by a variety of public and private sources. As Figure 1 shows, the industry is largely government-funded, with federal funding sources topping the list. However, many other entities support housing counseling. These groups include financial institutions, foundations, and government-sponsored enterprises Fannie Mae and Freddie Mac.

Figure 1. HCA funding sources. ABT Associates, "The State of the Housing Counseling Industry," 2008.



The following list identifies the most common HCA funding sources and provides information about applying to these sources for housing counseling funding.

✓ [HUD Housing Counseling NOFA General Section to HUD's FY2012 NOFAs](#)

HUD releases a General Section of the fiscal year's NOFA (General NOFA) prior to any program-specific NOFA (Program NOFA), such as the Housing Counseling Program NOFA.² The General Section contains HUD's strategic goals, policy priorities, and a

² For tips regarding grant writing, and information regarding how to respond to the NOFA, refer to the Grant Writing Tips Section of this guide.

general schedule for the upcoming year's program NOFAs. The basic structure of a HUD NOFA contains eight parts.

1. **Funding Opportunity Description:** HUD provides annual funding opportunities aligned with the agency's strategic goals and policy priorities. The General NOFA lists HUD's strategic goals and identifies the policy priorities associated with the program being funded. Each HCA's grant application must state which policy priorities will be addressed through the HCA's planned housing counseling services.
2. **Award Information:** All HUD funding opportunities and award information will be public.
3. **Eligibility Information:** The Program NOFA identifies eligible applicants and activities, lists program requirements, and contains information about the grantee selection process.
4. **Application and Submission Information.** As part of the grant application process, potential grantees are instructed to register and submit grant requests using www.grants.gov. This section also includes instructions for technical assistance.
5. **Application Review Information.** The Program NOFA has a set number of grant application rating factors with corresponding point values. This scoring system is used to rank applications for funding. The Program NOFA specifies the types of details and information sought for each rating factor.
6. **Award Administration Information:** The Program NOFA provides instructions for any adjustments made to the amount awarded (versus the amount requested), and also specifies grant reporting methods.
7. **Agency Contacts:** Applicants with grant application questions may contact HUD using the contacts provided in this section of the NOFA.
8. **Other Information:** Additional grant-related information not addressed in the NOFA sections listed above is provided in this section. Applicants may find information on related laws, executive orders, and program disclosure information.

✓ Community Development Block Grants

HUD provides Community Development Block Grant (CDBG) funds to local and state governments. These entities use CDBG funds to address community needs through initiatives that promote affordable housing, job creation, and community development. HCAs can apply for CDBG funds to support homeownership education and foreclosure prevention services targeting low and moderate-income households within the community.

✓ National Foreclosure Mitigation Counseling (NFMC) Grant

In recent years, Congress appointed NeighborWorks America (NW) to distribute millions of grant dollars supporting foreclosure prevention counseling and counselor training to HCAs across the country. Eligible HCAs can apply directly to NW for funding, or apply as sub-grantees through eligible organizations (such as national HUD-approved housing counseling intermediaries). To date, NW has distributed the NFMC grant to over 1,700 HCAs, state housing finance agencies, and HUD-approved housing counseling intermediaries.

✓ **State Government**

State governments have historically provided fiscal support for affordable housing programs and services. HCAs should develop a working relationship with state housing agencies to determine if their state offers funding support for housing counseling activities.

✓ **Financial Institutions and Foundations**

Financial institutions and foundations provide significant fiscal support to HCAs. Many of these companies and institutions have community development offices designated to provide grants or in-kind support to nonprofit agencies serving communities with financial education, homeownership education, and foreclosure prevention counseling programs. HCAs can easily search for grant opportunities through these entities online.

Funding as a Sub-grantee

More and more funding opportunities are becoming available to HCAs if the agency is a sub-grantee of a larger organization or network. As a sub-grantee, an HCA will not communicate directly with the funding entity. They will communicate with an organization that functions as a clearinghouse for funding. Typically the pass-through organization has created a network of multiple sub-grantees. In this networked funding structure, the pass-through organization (or applicant) is responsible for the network's collective grant application, funding distribution, and grant reporting.

8. Acceptable Program Fees

Successful housing counseling programs often require diverse funding sources. Diversified agency funding can help HCAs leverage federal grant dollars and can also protect against fluctuations in funding levels. In addition to HUD grant and donor support, HCAs may collect two types of fees as specified below.

Client-Paid Fees

One funding source available to HCAs is fee-generated funds. Some HCAs are cautious about creating or relying on client-paid fee revenue, given that most HCAs serve low and moderate-income populations often free of charge. However, fee-generated funds are not prohibited from the HUD Housing Counseling Program. Fees paid by clients must be handled with extreme care to not run afoul of HUD guidelines. HCAs may charge reasonable and customary fees for housing education and housing counseling services as long as the cost does not create a financial hardship for the client. However, HCAs are prohibited from charging client fees for foreclosure prevention counseling.

Lender or Third Party Fees

With some restrictions, HCAs may receive fees from lenders while providing counseling services. Except for reverse mortgage counseling services, lenders may pay agencies for counseling services through a lump sum or on a case-by-case basis, provided the level of payment does not exceed a level that is commensurate with the services provided, is reasonable and customary for the area, and does not violate requirements under the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq). Additionally, fees paid by third parties need to be monitored to ensure no undue influence is caused by the presence of third party-generated revenues. Developing and adhering to strong accounting practices, client fee collection policies, and conflict of interest policies will help make these revenue sources thrive.

Alternative Funding Sources

HUD strongly suggests that participating HCAs seek and secure funding from other sources such as local and state governments, private foundations, lending or real estate organizations, and individual donations. Agencies must also assure that such arrangements do not violate provisions regarding conflicts of interest described in 24 CFR 214.303 (e) and in Chapter 6 of the HUD Housing Counseling Handbook.

9. Grant Writing Tips

HCA's new to HUD's Housing Counseling Program often dedicate significant staff time towards writing grant applications. Alternately, some agencies outsource grant writing to contracted professionals. In either case, HCA's should be aware of the key elements comprising successful grant applications. The following four tips will help HCA's prepare thorough grant applications appropriate for HUD grants and other grant opportunities.

1. Grant proposals should be written for programs; programs should not be written for grants.

Grants should not be applied for simply because they are available. Instead, grants should be sought because the revenue or relationship established by the grant will further the mission of the HCA. Unless endorsed by HCA staff and board members, an agency's mission should rarely be changed to fit a funder's grant requirements.

2. Get to know the Grantor.

HCA's should learn as much about potential grantors prior to submitting a grant application. The more information known about a grantor, the more likely a grantee will be able to determine whether a good fit exists between the two entities. Researching a grantor is more complex than simply understanding the mission and purpose of the grant opportunity. It is important to understand why the grantor has chosen to fund this particular program and understand what programs or organizations the grantor has funded previously. If an HCA is applying to a local bank for funding, it is important to know if the local bank has funded housing counseling programs in the past. If a grantor has never funded housing counseling previously, this should inform the level of detail within the submitted grant proposal. If a funder is currently funding several agencies with similar or competing programs, it is critical to understand what differentiates one grant proposal from others being submitted.

3. Read, re-read, and fully understand HUD Housing Counseling Grant guidelines and requirements.

HUD publishes grant requirements through a series of notices. These notices are designed to provide the applicant with as much information and guidance as possible. Prior to responding to any grant proposal it is critical to understand not only the grant requirements, but also the manner, method, and style of the required response. In some cases, the grant requirements dictate the font size, the page margins, and other stylistic elements which can cause a grant proposal to be disqualified simply on stylistic merits alone. Exceptions are rarely made for disqualified applications. Most granting entities will eliminate applications that do not meet basic requirements in order to reduce the total pool of applicants to a more manageable size. Every grantor has unique requirements; follow them carefully.

4. Quality data is critical to successful grant proposal.

Every proposal should explicitly state how a particular grant award will enable the HCA to resolve their clients' housing needs or meet their housing goals. One of the most effective ways to emphasize how a grant award will meet a community's housing needs is through the effective use of data and statistics. HCA's should regularly collect accurate program data, analyze trends within their datasets, and integrate relevant statistics in their grant applications.

10. FAQs

This section provides answers to six commonly asked questions posed by participating HCAs and HCAs seeking HUD approval and funding.

1. How can I become a HUD grantee?

HUD's "[Grants](#)" page offers a wide array of information about HUD's grant programs and funding opportunities. Awarded grants are also announced on the same web page. HUD also has a "[one-stop](#)" page for HUD grantees that provides additional information about HUD, its programs, and its requirements. HCAs may want to bookmark both of these pages for future use.

Competition for HUD grants is very strong. There is more demand for HUD funding than there are funds available. As a rule, successful applications must be accompanied by a demonstrable record of achievement and success in an HCA's chosen fields of expertise. Often, organizations must compete in two or three annual grant competitions before they receive a HUD award.

2. How can I change my information and status as an HCA?

There is a new automated system for changing HCA and HECM Counselor information. HCAs should contact their respective [Homeownership Center](#) for updates to agency profile data in HUD's Housing Counseling System (HCS).

3. Where can I get Mortgagee Letters, Handbooks, and Forms?

All mortgagee letters, handbooks and forms are available at:

<http://www.hud.gov/offices/adm/hudclips/index.cfm>

HCAs can order paper copies of any of these by submitting an online request under the heading "Ordering hard copy of handbooks and guidebooks" in the "Need Assistance" section of HUDCLIPS. Alternately, HCAs can call (800) 767-7468 to place an order.

Go to: <http://www.hud.gov/offices/adm/dds/index.cfm> to order hard copies of handbooks from HUD's Direct Distribution System.

4. Should I contact our agency's GTR if a client has a problem that needs to be escalated to FHA?

No. A GTR's role is to provide technical assistance and guidance with regard to an HCA's compliance with HUD program guidelines.

To escalate or find information related to a client issue, an agency should contact the [FHA Resource Center](#):

- ✓ **Search:** www.hud.gov/answers, find answers 24/7.
- ✓ **Email:** answers@hud.gov, Open 24/7. The Resource Center accepts emails with attachments.
- ✓ **Phone:** Monday-Friday, 8 a.m. to 8 p.m. ET, Tollfree: (800) CALL-FHA or (800) 225-5342. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.

5. What can our agency do to prepare for our HUD performance review?

HCAAs should always operate within the guidelines of the HUD Housing Counseling Program set forth in the HUD Housing Counseling Handbook and the Code of Federal Regulations. Additionally, HCAAs can prepare by familiarizing themselves with a set of questions the reviewer will use during the review process listed in the following document: [HUD Performance Review Document](#).

6. Does our agency need to regularly communicate with HUD if we are not receiving funding from HUD through the Housing Counseling Program NOFA?

Every HUD-approved HCA should regularly communicate with their assigned GTR. In addition to this regular communication, it is critical to comply with Validation requirements through HCS as well as submit required form HUD-9902 reports to HUD. This practice of regular communication will ensure HUD receives its participating HCAAs' updated information, and will also foster a strong working relationship between HCAAs and their respective GTRs.

Appendix

This appendix is provided strictly as a reference guide necessary for any start-up nonprofit HUD-approved housing counseling agency. The use of these documents may involve certain legal consequences which may only be properly vetted by an attorney licensed to practice law within the state(s) in which you operate. These are legal documents with tax and legal consequences and may not be used without adequate review by a licensed attorney.

Useful Web Links and Email Addresses

answers@hud.gov

[CDBG](#)

[Executive Orders](#)

[Federal Register](#)

[FHA Direct Distribution Resource Center](#)

[FHA Resource Center](#)

[Homeownership Center](#)

[Housing Counseling Handbook](#)

[Housing Counseling System](#)

<http://www.hud.gov/offices/adm/hudclips/index.cfm>

[HUD EClass](#)

[HUD Homeownership Center Sponsored Trainings](#)

[HUD Housing Counseling NOFA General Section to HUD's FY2012 NOFA's](#)

[HUD News Alerts](#)

[HUD Performance Review Document](#)

[Mortgagee letters](#)

[National Community Reinvestment Coalition Training Academy](#)

[NeighborWorks America](#)

[NFMCC](#)

[NOFA](#)

[OMB Circulars](#)

[Registration Email for List Serv](#)

[Single Family Housing Email List](#)

www.hud.gov/answers