


Delivering Effective Housing Counseling

sponsored by
Florida Housing Finance Corporation's Catalyst Program
 Michael Chaney



Catalyst Training Schedule



The Coalition is Florida's affordable housing training and technical assistance provider.

* Florida Housing Coalition is commonly acknowledged as the foremost authority in Florida on affordable housing, community development and related issues, as a warehouse for information, a provider of training and technical assistance, and an advocate at the state and national levels for people in need of affordable housing.

www.flhousing.org



Introduction to 2016 Housing Counseling Funds for SHIP

- Source: Foreclosure Counseling Program (FCP)
- Amount Available: refer to Handout

FCP to SHIP recipients			\$ 3,000,000		
Local Government	County Total	County Share/ City Share	Local Government	County Total	County Share/ City Share
ALACHUA	36,795	18,324	FRANKLIN	10,000	10,000
Gainesville		18,471	GADSDEN	10,000	10,000
BAKER	10,000	10,000	GULCHRIST	10,000	10,000
BAY	25,145	19,945	ISLADES	10,000	10,000
Panama City		5,200	SULF	10,000	10,000
BRADFORD	10,000	10,000	HAMILTON	10,000	10,000
BREVARD	79,900	44,240	HARDEE	10,000	10,000
Cocoa		2,625	HENRY	10,000	10,000
Melbourne		11,322	HERNANDO	25,611	25,611
Palm Bay		35,285	HIGHLANDS	34,893	34,893
Titusville		6,448	HILLSBOROUGH	188,245	137,362
BROWARD	259,310	55,440	Tampa	50,883	50,883
			OSCEOLA		44,484
			Kissimmee		
			PALM BEACH		135,914
			Boca Raton		
			Boynton Beach		
			Delray Beach		
			West Palm Beach		
			PASCO		69,648
			PINELLAS		134,422


Your Goal for the Webinar: Decide Whether or Not to Request Funds

Allocation is not automatically disbursed:
 Complete certification by December 31
 If any other local government staff person signs, provide signed letter from chief elected official or City/County Manager designating person as authorized signatory.

Request _____ requests \$ _____
(local government)

Certification:
 I hereby certify that the funding disbursed for housing counseling will be used only for the stated purposes above and that all funding will be expended and reported as part of the 2016-2017 fiscal year annual report in accordance with program requirements.

Signature _____ Title _____




This funding may be used by local governments for:

First-time homebuyer counseling

- Offer classes and one-on-one counseling.
- Use for pre- and post-purchase activities.
- Many SHIP jurisdictions restrict assistance to first time homebuyers. Not intended to prevent counseling others who may not be first time homebuyers.

Foreclosure prevention counseling

- Classes and one-on-one counseling
- Communicate and Negotiate with lender
- Option: SHIP pays for mortgage arrears



This funding may be used by local governments for: (CONTINUED)

Financial management education:

- Including "Provide... skills and knowledge necessary to ameliorate the risk of re-default or avoid problems in the future."


Financial coaching:


- One-on-one assistance

Extended financial management:


- including post-modification assistance such as "engage with the lender or servicer to discuss specific issues related to the permanent modification."

--Quotes from *FCP Revised Procedures Feb 2015*



Funding is NOT for: 

- Training provided to rehabilitation recipients
- Rental Housing Counseling
- Down Payment Assistance
- Rehabilitation Assistance, etc.



2016 Housing Counseling Funds

Allocated in 2016, reported with 16/17


- 16/17 expenditure deadline: June 30, 2019

Added to your State Annual Distribution

- Comes with Administrative Budget (10% for most)

Total Revenue (Actual and/or Anticipated) for Local


Source of Funds	Amount
State Annual Distribution	\$350,000.00
Program Income (Interest)	\$1,445.99
Program Income (Payments)	\$27,423.15



FCP Funds do not impact the AHAC Report Exemption for SHIP Jurisdictions with \$350,000 or less

Total Revenue (Actual and/or Anticipated) for Local

Source of Funds	Amount
State Annual Distribution	\$350,000.00
Program Income (Interest)	\$1,445.99
Program Income (Payments)	\$27,423.15




Two Possible Approaches

Approach 1: **Replace** what SHIP is paying for

- Example: Pre-purchase homebuyer class
- Frees up SHIP to provide direct assistance

Approach 2: Provide **Additional** Counseling

- Examples: Post-purchase homeowner classes, one-on-one buyer counseling, financial coaching, or other new classes/counseling




Counseling to Support a Strategy vs. Stand Alone Counseling

Option 1 (Priority): **Support** a Strategy

- Homebuyer Strategy provides down payment and closing costs. *FCP pays for classes*
- Foreclosure Prevention Strategy pays off past due amounts. *FCP pays for counseling*

Option 2: **Stand Alone** Counseling

- Example: Offer community classes on Financial Management





Who May Provide the Housing Counseling Services?

HUD approved counseling agencies contracted by the local government


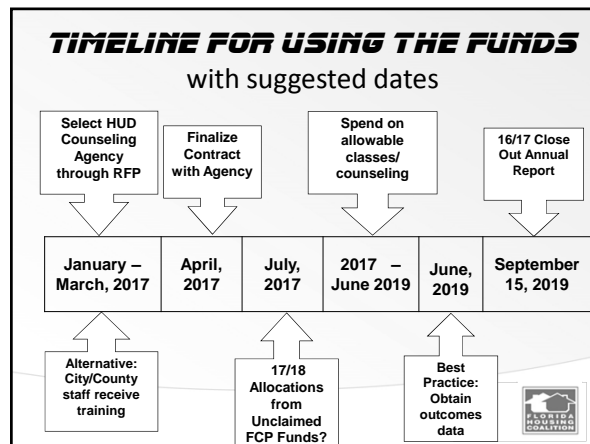
- Locate a list of Florida agencies: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=fl>

City or County staff with related training or certification

- Example: NeighborWorks certification for foreclosure prevention, homebuyer counseling

Questions
&
Answers

TIMELINE DETAIL



Create a RFP to select a counseling provider


- Follow local procurement process.
- Solicit HUD approved counseling agencies in your region.



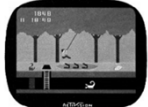
TIMELINE DETAIL

Include in the Contract with a counseling provider

- Scope of Services: specify number of classes and/or counseling sessions
- Funds are not regulated by the FCP program policies, but these are a good guideline:
 - \$150 for Intake
 - \$75 One-on-one Counseling sessions
 - \$150 per person for class
 - \$75 per person for online class




TIMELINE DETAIL



Pitfalls to avoid in spending & reporting

- Do not list Counseling as a strategy, like Rehab
- Do not leave FCP funds unspent.
- Ensure you spend an amount on Housing Counseling that at least equals FCP allocation
- Do not count Counseling Expenses as set-aside compliant. Do not include it as project delivery costs associated with a specific SHIP assistance recipient.





TIMELINE DETAIL

Collecting outcomes data for counseling activities



Only a best practice: Outcomes data is not required on the SHIP Annual Report.

- How many attended classes?
- How many received one on one counseling?
- How many went on to purchase?
- Track improvements in credit scores


POLL: Will you request your City or County's FCP Allocation?

- Yes
- No
- Undecided

FCP will affect set-asides calculations

- Housing counseling does not comply with any of the set-asides
- Plan to spend sufficient SHIP funds in compliance with set-asides
- Remember: Program income may be (but is not required to be) spent on set-aside compliant assistance




EXAMPLE of Set-Aside Compliance

\$650,000 SHIP Allocation
\$30,000 FCP Housing Counseling Allocation
\$680,000 TOTAL

\$510,000 = 75% for Construction/Rehab Set-Aside
\$68,000 = 10% Administration Budget
 \$578,000 TOTAL Expenses


\$680,000 minus \$578,000: \$102,000 of SHIP and FCP may be expended on Housing Counseling



Frequently Asked Questions


QUESTION: Are there any income compliance requirements? Must a certain portion of FCP funds be targeted to VLI or Low income?

- Counseling recipients need not be income verified or program eligible.
- The concept is to use funds to support SHIP strategies. Even stand-alone activities should focus on an audience that is predominantly moderate, low or very low income.



QUESTION: Do we need to amend our LHAP in order to receive these funds?

- A: Only amend LHAP to add a new strategy (such foreclosure prevention) that counseling will support.
- Otherwise, counseling activities are already listed in LHAP Section I:
 - "Support Services and Counseling: Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling,... Foreclosure Counseling...."



QUESTION: Will this be monitored?

- A: Yes, it's part of compliance monitoring
- Review of costs, procedures and curriculum.
- SHIP recipients that also received counseling should be notated in their file.
- Set a standard for classes and counseling sessions. Apply it consistently.

