

New HUD Housing Counseling Certification Requirements

By: Michael Chaney, Technical Advisor, Florida Housing Coalition



HUD recently announced new rules requiring certification of counselors at HUD-approved housing counseling agencies. This move recognizes the important role housing counseling plays in many successful affordable housing initiatives. HUD's announcement is expected to have a significant impact on the housing counseling industry, since many of the organizations providing counseling are HUD approved housing counseling agencies.

HUD supports housing activities that offer assistance on a variety of housing topics. For example, many benefit from pre-purchase classes that inform buyers receiving down payment assistance. Others receive budget and credit counseling. In addition, renters occasionally need help with topics like renter's insurance coverages, lease details, and avoiding eviction. Another type of counseling is focused on general financial management, which is beneficial for renters, buyers and all households assisted by affordable housing.

The Florida Housing Coalition provides housing counseling training through Catalyst workshops and webinars, and most recently through funding from the National Association for Latino Community Asset Builders (NALCAB). The Coalition is currently helping a housing nonprofit establish housing counseling as an additional community service and apply to be a HUD approved housing counseling agency.

HUD-Approved Counseling Agencies

If your local government office or nonprofit agency provides any housing counseling, consider becoming a HUD-approved housing counseling agency (HCA). If your current housing assistance could be enhanced by counseling, contract with a HUD-approved HCA. Currently, there are more than 110 HUD-approved agencies in Florida. Even if an agency does not receive counseling funds from HUD—less than half of Florida's HUD-approved HCAs did during the last round of funding—the designation provides benefits. Beyond HUD, other organizations that fund counseling activities require participating agencies to be HUD-approved, including the Florida Housing Finance Corporation.

Obtaining HUD's designation involves submitting a detailed application and work plan, and only agencies that have been providing some type of counseling for a year may apply.

To apply, complete and submit all the required documentation for application outlined in HUD Form 9900. HUD has developed a helpful online tool which allows organizations to determine if they meet the basic requirements to apply to become a HUD-approved Housing Counseling Agency. This Housing Counseling Agency Eligibility Tool is available at <https://www.hudexchange.info/programs/housing-counseling/housing-counseling-agency-eligibility-tool/>

Counselor Certification

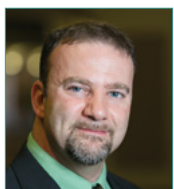
The requirement for counselor certification comes from the Dodd–Frank Wall Street Reform and Consumer Protection Act. It was a response to the housing crisis, as Congress recognized the importance of HUD-approved housing counseling services in helping struggling families. The Act directed HUD to develop a standard certification process to increase the competency of counselors in the full range of housing issues confronting consumers.

The details of certification have taken years to develop. In recent years, housing counselors have eagerly discussed the counselor certification process at the Counselors' Caucus at the Florida Housing Coalition's annual conference. This is the best attended of the conference caucuses, and the Coalition's training is informed by the feedback and insights from these counselors, who share their best practices for administering counseling programs.

In December 2016, HUD published rules requiring that housing counseling in connection with all HUD programs must be provided by HUD Certified Housing Counselors. Each HUD-approved housing counseling agency must employ at least one certified counselor to maintain its designation. The rule takes effect in August of 2020, three years after the certification exam first becomes available.

HUD has announced that starting this August, the HUD Certified Housing Counseling Examination will be available at a cost of \$60 if taken online at the examinee's location and \$100 at a proctored site. Counselors must demonstrate competency in each of the following areas of housing counseling: (1) financial management; (2) property maintenance; (3) responsibilities of homeownership and tenancy; (4) fair housing laws and requirements; (5) housing affordability; and (6) avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default.

In order to be certified, an individual must both pass a standardized written examination covering six major topic areas, and work for an agency approved to participate in HUD's housing counseling program. More information is at: www.hudhousingcounselors.com. On this website, counselors can set up user accounts to access training materials, track their progress with interactive online training modules, and gain access once the practice exam and certification exam become available. The website has an extensive study guide, which was updated in June. **HNN**



MICHAEL CHANEY

Michael Chaney is a Technical Advisor for the Florida Housing Coalition. Chaney's responsibilities include providing training and technical assistance through workshops and on-site visits. Chaney also provides telephone consultation on a variety of affordable housing topics, including: capacity building for housing nonprofits, financial tracking of housing funds, fair housing, compliance with housing program requirements (SHIP, HOME, CDBG), operational/administrative procedures, housing rehabilitation strategies, and energy efficiency topics. He has also served as an adjunct faculty member of the Housing Department at Florida State University.

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