

## HOUSING COUNSELING SESSION HIGHLIGHTS

At the 2014 Affordable Housing Conference, participants had a chance to learn directly from HUD and Florida Housing Finance Corporation (FHFC) officials about housing counseling and mortgage modification programs, as well as upcoming policy and program changes. Topics addressed included Florida's Hardest Hit Fund (HHF) programs, the Federal Housing Administration's (FHA's) upcoming Homeowners Armed With Knowledge (HAWK) program, and proposed requirements for certification of HUD Housing Counselors.

### HOUSING COUNSELORS CAUCUS

Over 84 conference participants—including housing counselors, lenders, and HUD and Florida Housing staff—attended the Monday caucus. FHFC staff reviewed progress on Florida's HHF program, which has served over 19,000 households at a cost of \$440 million. Florida Housing is currently focused on marketing Principal Reduction, working with HUD, Fannie Mae and Freddie Mac to identify targeted lists of homeowners most likely to be PR eligible. The data sharing agreements are being finalized and outreach through mailers will soon begin. FHFC staff also addressed the state's Foreclosure Counseling Program, which has served 1,238 homeowners since it started in 2013. \$1.1 million has been expended or is reserved, while almost \$9 million is still available.

It is still possible for interested agencies to sign on and participate by completing a Request for Qualifications.

Caucus participants discussed several technical and marketing issues, including protecting the privacy of client data, using social media for outreach, and undergoing reviews with HUD's updated 9910 form. Additionally, representatives from HUD and the Consumer Financial Protection Bureau (CFPB) had a dialogue with participants about upcoming policy changes in

their agencies, which were discussed in more detail in their Tuesday Workshops.

### COUNSELING: PREPARING BUYERS IN A DYNAMIC MARKET

Sarah Gerecke and Emelda Kennerly from HUD's Office of Housing Counseling discussed two hot topics: HAWK and HUD's proposed rule for housing counsel-

or certification. HAWK is a four-year pilot program that will provide pre-purchase, pre-closing, and post-closing counseling for eligible first-time homebuyers seeking FHA-insured mortgages. As an incentive for homebuyers to participate, HAWK will provide substantial reductions in the pricing of the up-front and annual FHA mortgage insurance. HAWK is designed not only to bring more underserved



From left to right: Michael Chaney, Sarah Gerecke, Emelda Kennerly, and FHC Board Vice Chair Aileen Pruitt

families into the homebuyer market, but also to improve the performance of FHA loans. The HAWK program was proposed in the Federal Register on May 13, 2014 and has not yet been finalized.

The speakers also discussed HUD's proposed rule to require certification of counseling agency employees participating in HUD's Housing Counseling programs. This topic had sparked considerable interest in the Monday caucus. The changes are required by the Dodd-Frank

Wall Street Reform and Consumer Protection Act of 2010, and HUD housing counseling agencies will need to comply within one year of the date that the final rule is published. Counselors seeking certification will be tested on the topics of financial management, property maintenance, homeownership and tenant responsibilities, fair housing, housing affordability, and avoidance of mortgage delinquency, default, and eviction.

Ms. Gerecke concluded the workshop with an inspiring story about a distressed homeowner served by the Housing & Education Alliance (HEA), a HUD-approved housing counseling agency in Tampa. She had lost her job and was caring for an ill relative. Her mortgage was in default, and she had spent \$10,000 on an attorney who ultimately did not resolve the issue. The mortgage servicer, meanwhile, had deemed her ineligible for loan modification assistance. When the homeowner approached HEA, the agency's first step was to determine that she did in fact qualify for the Home Affordable Modification Program (HAMP).

HEA had to be persistent with the servicer, which stated multiple times that it had not received the documents

that the agency had sent on the homeowner's behalf. The agency finally prevailed, helping the homeowner to reduce her mortgage principal by \$143,385 and her interest rate from 7.75% to 3.63%. Sadly, her ill relative passed away during this process. However, the homeowner was able to save her home and reduce her monthly payment (including principal, interest, taxes, and insurance) from \$824.98 to \$325.36.

#### CONSUMER FINANCIAL PROTECTION BUREAU: HELP FOR STRUGGLING BORROWERS

Lynn Drysdale conducted a workshop for CFPB's new loss mitigation rules at the 2014 Conference alongside Cathy Lesser Mansfield, a Policy Analyst with the Consumer Financial Protection Bureau. The workshop was attended by 51 participants, and provided a detailed overview of the information in Help for Struggling Borrowers, CFPB's guide to the new mortgage servicing and loss mitigation rules. On the next page, Drysdale explains the major provisions of the new rules and provides tips for applying them. [HNN](#)



Clockwise from left: Housing Counselors Caucus, Emelda Kennerly presenting, Lynn Drysdale