Building Capacity:
How to Run an Efficient, Sustainable Program

Program capacity building tools and information for HUD approved housing counseling agencies.

Topics Covered Today:
- HUD/OHC’s Guidance on Online Education
- HUD/OHC’s Guidance on Fee for Service
- Housing Counseling Program Support Tools
- Online Education Products
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Your Presenter
Building Counseling Capacity

- HUD/OHC’s Guidance on Online Education
- HUD/OHC’s Guidance on Fee for Service
- Program Support Tools for Efficiency
  - HUD Model Funding Agreement
  - Counseling Delivery Program Efficiencies
  - National Industry Standards
- Online Education Products
  - eHome America
  - Framework
HUD/OHC’s Guidance
Delivery of Housing Counseling Services

HUD Housing Counseling Handbook -7610.1 rev. 5
Chapter 3. Delivery of Housing Counseling Services

3-1 Basic Requirements.

B. Education

C. Setting/Format

D. Geographic Scope
HUD/OHC’s Guidance
Delivery of Housing Counseling Services

HUD Housing Counseling Handbook -7610.1 rev. 5
Chapter 3. Delivery of Housing Counseling Services

3-1 Basic Requirements.

B. Education:
If Group Ed. offered, 1:1 must be available on same topics

C. Setting/Format:
Mutually acceptable alternative location
Can Be Telephonic
Can be remote using Skype, Video, Internet

D. Geographic Scope:
Regardless of setting or format – limited to approved work plan are i.e. only offer telephone counseling to clients in approved geographic area.
HUD Housing Counseling Handbook – 7610.1 rev 5
Chapter 7. Funding

7-1 HUD Housing Counseling Grants.

D. HUD Approval or Program Participation Does NOT Guarantee Funding from HUD

E. Agency Program Funds – must maintain funding and serve 30 clients annually (whether or not the agency receives HUD funding)
7-4 Alternative Funding Sources

HUD recommends seeking and securing funding from various other potential funding sources that may include:

- Local
- State Governments
- Private Foundations
- Lending Organizations
- Real Estate Organizations
- Individual Donations

Must assure compliance with described conflicts of interest – See Chapter 6 of the HUD Housing Counseling Handbook – 7610.1 and 24 CFR 214.303e
In light of the alternatives, funding for housing counseling activities originates from three main sources:

- Federal Government
- Private sector institutions
- Clients
Federal Government Funding Opportunities

- HUD Notice of Funding Availability
- National Foreclosure Mitigation Counseling (NFMC)
- State and County CDBG and HOME Investment Partnership Program
Private Sector Funding Opportunities

- Financial institution foundations or charitable giving grants
- Large regional employers
- Real Estate organizations
- Insurance institution foundations or charitable giving grants
- Funding derived from civil litigation settlements
Value Proposition with Lenders

- Quality pre-purchase counseling provides mortgage lenders with educated and confident customers, which can make the mortgage loan application process proceed more smoothly, with fewer surprises and a higher chance for high performance across the life of the mortgage loan.

- The investment into pre-purchase housing counseling is likely to return a greater profit margin than those who choose to not promote and invest into pre-purchase counseling.
7-5 Lender Funded Counseling Services

With the exception of reverse mortgage counseling...

- Lenders may pay agencies for counseling services, through a lump sum or on a case-by-case basis
- RESPA Requirements Apply
- Must Disclose to the Client
- Must assure Client - No Conflicts of Interest
- Relationship with a particular lender - HUD requires that you enter into a Memorandum of Understanding, signed by both parties, to formalize your relationship.
HUD/OHC Guidance on Client Paid Fee-Based Service

HUD Housing Counseling Handbook Chapter 7. Funding – 7610.1 rev 5

7-6 Fees for Housing Counseling Services and Related Services

If an agency chooses to charge Clients fees, the agency must conform to the following guidelines:

- Provide counseling without charge to persons who cannot afford the fees.
- Fees must be commensurate with the level of services provided, and be reasonable and customary for the area.
- Agencies may not impose fees upon clients for the same portion of or for an entire service that is already funded with HUD grant funds.
- The agency must disclose all fees that will or may be charged to the client, prior to the beginning of counseling services.
HUD/OHC Guidance on Fees for Housing Counseling Services

Fees must not be charged for education or counseling provided in the following services areas:

- Mortgage Delinquency
- Default
- Homelessness

Only the portion of the counseling or education session not covered by fees can be charged to the HUD Housing Counseling NOFA grant if fees charged to the client do not cover the full cost of the session. Clients cannot be charged for the initial client intake.
Once a HCA has decided to enter into a relationship with a particular entity, they must formalize the relationship (MOU):

- Homeownership Counseling
- Pre-purchase Counseling
- Down Payment Assistance Counseling
HUD/OHC’s Model Funding Agreements and Fee Structures

Lender Funding Agreement Components

- Roles and Responsibilities
- Statement of Work
- Compensation
- Payment Methods

Example:
Appendix A: Model Funding Agreement
A model that agencies can use as a basis to tailor a funding agreement that meets their needs.
Counseling Program Efficiencies

Consider these elements contributing to housing counseling program effectiveness, efficiency and outcomes:

- Strong Organizational Management
- Counseling Supports and Improvements
- Delivery Options
- Marketing and Outreach
Strong Organizational Management

- Strong organizational leadership
- Up to date, well-defined policies and procedures
- Organized, standardized and documented client files
- Strong communication channels between management and staff
- Appropriate levels of staffing and funding
- Evaluation tools and methods implemented
Counseling Supports and Improvements

- Adequate/appropriate caseload assignments
- Appointment time management
- Integrated data entry – reduce double entry
- Private and safe counseling space
- Shared calendar for scheduling
- Useful handouts for homeowners
- Processes and templates
- Peer and outside support
- Strong referral network
- Use of client management system (CMS)
Delivery Options

- Comprehensive (Online) Intake Process
- Comprehensive 1:1 Counseling, Pre & Post-Purchase Education
- Client facing online scheduling for services
- Online client information and resources
- Online fillable intake forms
- Telephone/Online/Internet Counseling
Marketing and Outreach - Best Practice Profile

Primary Goals
Increase Awareness

Delivery Design
Budget and Marketing Plan Target Markets/Timelines
Tap Former Agency Clients

Process
Develop Goal and Outcomes
ID Target and Tangential Markets
Research
Develop Messages
Create Assessment Process
Assess Marketing Impact

Common Outcomes
Target Audience Reached
New Partnerships
Marketing Adjusted by Assessment

Lessons Learned
Traditional Not Always Best
$ Spent Does Not = Responses
National Industry Standards

The National Industry Standards are a set of training and performance benchmarks designed to promote increased quality and reliability in the delivery of homeownership education and counseling programs.

www.homeownershipstandards.org
Now Let’s Hear From our Guests....
Housing Counseling Capacity Building Toolkit

- Housing Counseling Capacity Building
- HUD Office of Housing Counseling
- Housing Counseling Capacity Building Toolkit
- Establishing a Non-Profit Entity
- Overview of Performance Reporting
- Client Action Plan - Required Elements and Best Practices
- Agency Disclosure Forms - Required Elements and Best Practices
- Model Personal Information and Data Release Forms
- HUD 101 Orientation Guide for New HCAs
- Best Practices for Expanding Housing Counseling Services
- Model Funding Agreements and Fee Structures
- Model Funding Processes that Comply with OMB Circular A-110
- Model Personnel Activity Reports (PAR) That Comply With OMB-Circular A-122
- Model Compliance Monitoring Procedures that Comply with OMB Circular A-133
- Developing a Housing Counseling Agency Workplan