

# HOUSING COUNSELING: Emerging Issues Resulting from COVID

Sponsored by the Florida Housing Finance  
Corporation's Catalyst Program

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# Catalyst Training Schedule



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

The Florida Housing Coalition is commonly acknowledged as the foremost authority in Florida on affordable housing, community development and related issues, as a clearinghouse 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](http://www.flhousing.org)

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# Our Thanks to the Florida Housing Catalyst Program



**AFFORDABLE HOUSING CATALYST PROGRAM**

**Sponsored by the Florida Housing  
Finance Corporation**



we make housing affordable™

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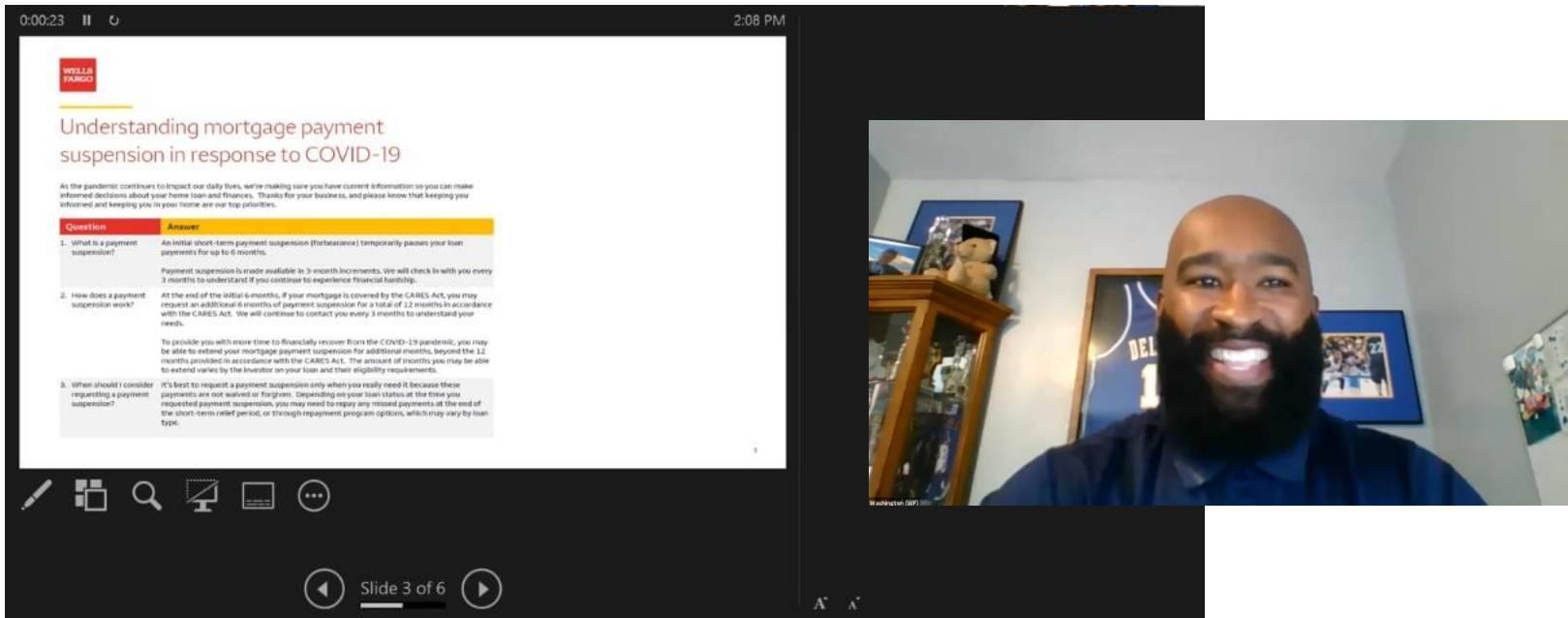
# Two Audiences for Today's Webinar

- **SHIP staff learning about counseling**
- **Counseling agencies learning about SHIP**

# Emerging COVID Issues for Homeownership

- Homeowners need help avoiding foreclosure as they face pandemic-related hardships.
- Home buyers need help navigating a hot housing market

# Emerging COVID Issues discussed at FHC Conference



The screenshot shows a video conference interface. On the left, a presentation slide from Wells Fargo is displayed. The slide title is "Understanding mortgage payment suspension in response to COVID-19". It includes a table with questions and answers regarding mortgage payment suspension. On the right, a video feed shows a man with a beard and a blue shirt, identified as Rulon Washington, smiling. The background of the video feed shows a room with a bookshelf and framed pictures.

0:00:23 2:08 PM

**WELLS FARGO**

## Understanding mortgage payment suspension in response to COVID-19

As the pandemic continues to impact our daily lives, we're making sure you have current information so you can make informed decisions about your home loan and finances. Thanks for your business, and please know that keeping you informed and keeping you in your home are our top priorities.

Question	Answer
1. What is a payment suspension?	An initial short-term payment suspension (forbearance) temporarily pauses your loan payments for up to 6 months.  Payment suspension is made available in 3-month increments. We will check in with you every 3 months to understand if you continue to experience financial hardship.
2. How does a payment suspension work?	At the end of the initial 6 months, if your mortgage is covered by the CARES Act, you may request an additional 6 months of payment suspension for a total of 12 months in accordance with the CARES Act. We will continue to contact you every 3 months to understand your needs.  To provide you with more time to financially recover from the COVID-19 pandemic, you may be able to extend your mortgage payment suspension for additional months, beyond the 12 months provided in accordance with the CARES Act. The amount of months you may be able to extend varies by the lender on your loan and their eligibility requirements.
3. When should I consider requesting a payment suspension?	It's best to request a payment suspension only when you really need it because these payments are not waived or forgiven. Depending on your loan status at the time you requested payment suspension, you may need to repay any missed payments at the end of the short-term relief period, or through repayment program options, which vary by loan type.

Slide 3 of 6

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**Rulon Washington from Wells Fargo discussed forbearance at Housing Counselors Forum, August 31 2021**

# Understanding mortgage payment suspension in response to COVID-19

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# After mortgage payment suspension

We understand that COVID-19 continues to cause unpredictable hardships. And while we know you want to get back on your feet as quickly as possible, we realize you may not yet be able to repay your suspended mortgage payments in a lump sum or as part of a repayment plan that increases your monthly payments for a period of time.

Once your payment suspension is over, your options may include:

- **Repayment plan** — The amount due from the missed payments is divided into manageable amounts and spread out over time. This would increase your regular mortgage payments for a while, but would bring the mortgage up to date.
- **Payment deferral** — The amount of missed principal & interest payments is added to the end of your loan term. Depending on the investor of your loan and if the loan has an escrow account, you may also be eligible for a deferral of the taxes and insurance portion of your missed payments.
- **Loan modification** — Changes certain terms of your loan — such as the interest rate or the time allowed for repayment — to make payments more manageable. This program is intended for those experiencing long-term financial hardships.

**Note:** These missed payments would be due all at once when you pay off your mortgage, refinance, or no longer own the home.

To learn more, please visit <http://wellsfargo.com/repaymentdetails>.



## Assistance Available

If you don't think that you will be able to resume your mortgage payments at the end of the payment suspension period, contact Wells Fargo right away, before the end of your payment suspension period. We may be able to discuss longer-term help.

## Contact us

Call us at 1-800-219-9739

You can also connect via our online banking site ([wellsfargo.com](http://wellsfargo.com)):

- Log on (or sign up)
- Select the payment assistance banner at the top of your Account Summary.



# EMERGING ISSUES RESULTING FROM COVID

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# “NEW” Normal = “NEW” Needs

## HOMEOWNERS FACING DEFAULT & DELINQUENCY:

- ❑ Clear, Easy-to-Understand, Relevant Information and Resources
- ❑ **PROACTIVE** Homeowners:
  - ❑ “Next Step” Amidst National Uncertainty
- ❑ **REACTIVE** Homeowners:
  - ❑ “Wait and See” Attitude





**“There are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns – the ones we don’t know we don’t know.”**  
**-Donald Rumsfeld**

## **RENTERS FACING EVICTION & HOMELESSNESS**

- ☐ **Clear, Easy-to-Understand, Relevant Information and Resources**
- ☐ **Unfamiliarity with Documentation Requests**
- ☐ **Typically, Less Organized than Homeowners**
- ☐ **Missed Opportunities to Incorporate HUD-Approved Housing Counseling Agencies & HUD-Certified Housing Counselors**

# CONNECTING THE DOTS *QUICKLY*

- ✓ *HOW DO WE TRANSITION TO REMOTE & ONLINE SERVICES?*
- ✓ *HOW WILL HOMEOWNERS & RENTERS RESPOND TO NEW DELIVERY METHODS?*
- ✓ *HOW DO WE STAY ENGAGED AND CONNECTED WITH THE COMMUNITY WHILE SOCIAL & PHYSICAL DISTANCING?*

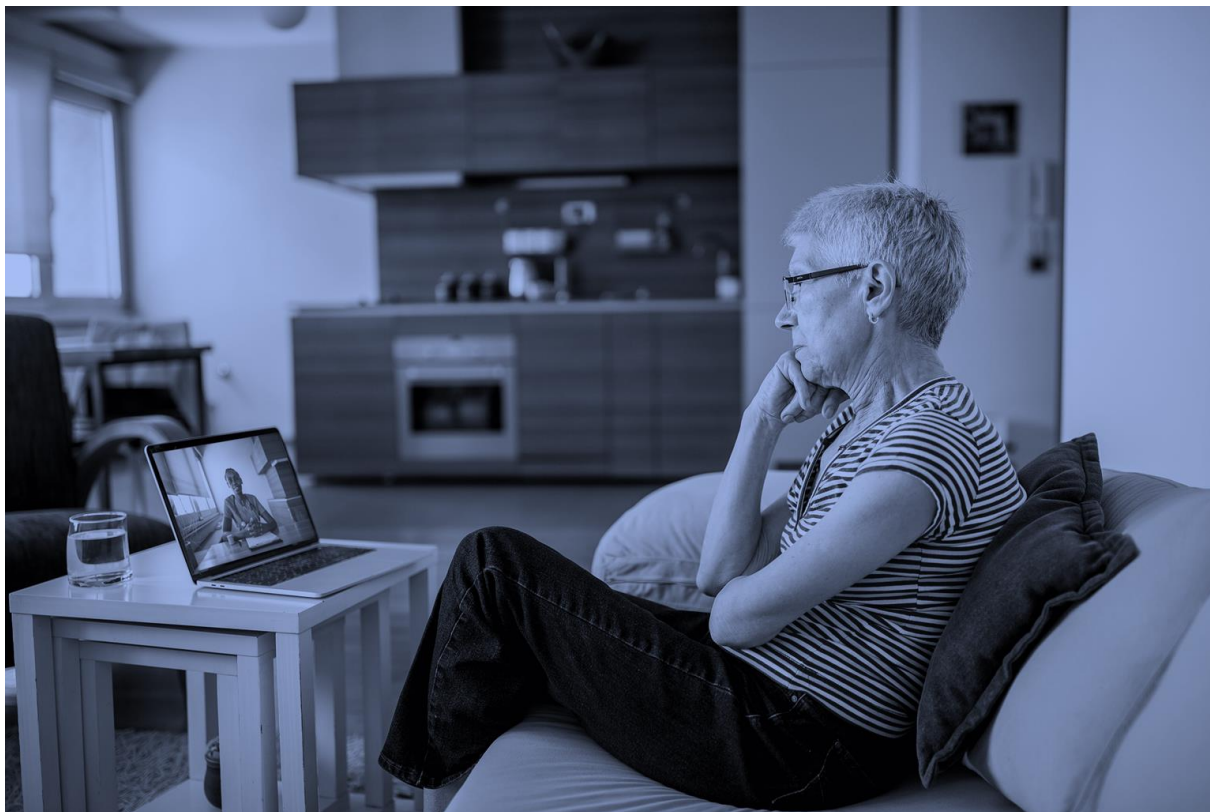


# From “Brick & Mortar” Agency Office to “Click & Mortar” Virtual/Remote Offices

## TECHNOLOGY & HARDWARE:

- Desktop Computers to Laptop Computers
- Desktop Telephones to Laptop & Mobile Applications
- Desktop Multifunction Copiers
- ShareFile by Citrix for secure cloud-based storage, virtual data rooms, and client portals





## Service Delivery Methods for Counseling Appointments

### VIRTUAL APPOINTMENTS:

- Zoom
- Learning curve for Clients



# Written & Adobe PDF-Fillable Applications to Electronic Applications



ADOBE Applications &  
DOCUSIGN for  
Electronic Signatures

DOCUSIGN for  
Application Creation &  
Signatures

Accessibility & “Ease of  
Use”

## HELP CDC @ HOLDEN HEIGHTS CC



## HELP CDC @ HAL P. MARSTON CC



## Community Engagement to Community Outreach

- Contract with Orange County Community Centers
  - Centers typically located in communities with very low- and low-income residents
  - Centers CLOSED
  - Residents have challenges with technology
- Community Outreach through Social Media & Email Marketing Campaigns





# Program Development

- Agency and Program-Specific Services Assessment
- Tracking Remote Work for Housing Counselors



# DAILY DETAIL



## H.E.L.P. COMMUNITY DEVELOPMENT CORP.

START DATE	END DATE
------------	----------

Employee Name:

Pay Period 1:

Employee ID:

Pay Period 2:

### PP DAY 1

ADMINISTRATIVE TASKS	CLIENT ID#	CLIENT LAST NAME	PARTNER OR AFFILIATE	LENDER	HUD SERVICE TYPE	HC CODE	CMAX SUBJECT	CMAX ACTION	PERSONNEL ACTIVITY DETAILS	DURATION (MINS)	IMPACT & SCOPE	ADMINISTRATIVE T
CASE MANAGEMENT REVIEW			HARRY BING		HOME PURCHASE (LONG TERM +1YR)	0002_PREPURCHASE_CLIENT CASE MGMT	AUDIT	AUDIT	FILE REVIEW	85	RECEIVED ONE/ONE COUNSELING THAT ALSO RECEIVED GROUP EDUCATION SERVICES	

# DETAIL TOTALS




Employee Name:  Pay Period 1:

Employee ID:  Pay Period 2:

Activity/Work Performed	Activity Code	Month Totals										
			PP1 DAY 1	PP1 DAY 2	PP1 DAY 3	PP1 DAY 4	PP1 DAY 5	PP1 DAY 6	PP1 DAY 7	PP1 DAY 8	PP1 DAY 9	PP1 DAY 10
ONE-ON-ONE COUNSELING	HC0001											
	0001_PREPURCHASE	0	0	0	0	0	0	0	0	0	0	0
		0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00
	0001_MORTG DEL/DEF	0	0	0	0	0	0	0	0	0	0	0
CLIENT CASE MANAGEMENT	HC0002											
	0002_PREPURCHASE	85	85	0	0	0	0	0	0	0	0	0
		1:25:00	1:25:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00
	0002_MORTG DEL/DEF	0	0	0	0	0	0	0	0	0	0	0
		0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00
	HC0003											

# EMPLOYEE TIME SHEET



														
Employee Name:														
Position:		Client Service Representative												
Pay Period:		FROM: 7/18/2021										TO:		
PART 1 OF 2	HUD CHC FY 20-21	DAY OF PAY PERIOD	PP1 D1	PP1 D2	PP1 D3	PP1 D4	PP1 D5	PP1 D6	PP1 D7	WKLY TOTAL	PP1 D8	PP1 D9	PP1 D10	PP1 D11
ACTIVITY/WORK PERFORMED	ACTIVITY CODE	ENTER DATE ->	18	19	20	21	22	23	24		25	26	27	
HUD - PRE-PURCHASE (ONE-ON-ONE) COUNSELING	HC0001													
HUD - MORTGAGE DELINQUENCY/DEFAULT (ONE-ON-ONE) COUNSELING	HC0001													
HUD - PRE-PURCHASE CLIENT CASE MANAGEMENT	HC0002		1:25:00							1:25:00				
HUD - MORTGAGE DELINQUENCY/DEFAULT CLIENT CASE MANAGEMENT	HC0002													

[DAILY DETAIL for 2 PAY PERIODS](#)
[DETAIL TOTALS](#)
[EMPLOYEE TIME SHEET PP1](#)
[EMPLOYEE TIME SHEET PP2](#)
[INFO SHEET](#)
[DAILY TALLY FOR ALL](#)

Calculation Mode: Automatic    Workbook Statistics    Give Feedback to Microsoft    90%

# DATA SHEET (CMAX Options)



	A	B	C	D	E	F	
1	HUD SERVICE TYPE	CMAX SUBJECT	CMAX ACTION	PERSONNEL ACTIVITY DETAILS	DURATION (MINS)	IMPACT & SCOPE	
2	PROSPECT	APPT	AUDIT	APPT PREP	0	RECEIVED ONE/ONE COUNSELING THAT ALSO RECEIVED GROUP EDUCATION SERVICES	0001_PREPURCH
3	HOME PURCHASE (LONG TERM +1YR)	AUDIT	CASE MGMT	APPT CLOSE OUT	5	UTILITY ASSISTANCE_GAINED ACCESS TO RESOURCES TO HELP THEM IMPROVE THEIR HOUSING SITUATION	0002_PREPURCH
4	HOME PURCHASE (MID TERM 7-12 MOS)	CLASS	PHONE	BUDGET	10	RECEIVED INFORMATION ON FAIR HOUSING, FAIR LENDING AND/OR ACCESSIBILT RIGHTS	0003_PREPURCH
5	HOME PURCHASE (SHORT TERM -6 MOS)	CLOSING	WALK-IN	CALL	15	LEGAL SERVICES_GAINED ACCESS TO NON-HOUSING RESOURCES	0004_PREPURCH
6	MORTGAGE DEFAULT/EARLY DELINQUENCY	DEACTIVATE	N/A	CLOSING	20	OTHER ASSISTANCE_GAINED ACCESS TO RESOURCES TO HELP THEM IMPROVE THEIR HOUSING SITUATION	0005_PREPURCH
7	EDUCATION	FINANCIAL CAPABILITIES		DEACTIVATE	25	INCREASED SAVINGS_IMPROVED THEIR FINANCIAL CAPACITY	0006_FOR PREPI
8	HOMEOWNER SERVICES	INTAKE		EMAIL	30	COUNSELOR DEVELOPED A SUSTAINABLE HOUSEHOLD BUDGET THROUGH PROVISIONS OF FINANCIAL MANAGEMNT AND/OR BUDGET SERVICES	0006_FOR PREPI
9	RENTAL COUNSELING	MISC		FILE REVIEW	35	INCREASED DISCRETIONARY INCOME_IMPROVED THEIR FINANCIAL CAPACITY	0001_MORTG D
10	SEEKING SHELTER OR HOMELESS SERVICES	WORK PLAN		INTAKE	40	DECREASED DEBT LOAD_IMPROVED THEIR FINANCIAL CAPACITY	0002_MORTG D
11	N/A	N/A		LETTER	45	SOCIAL SERVICE PROGRAMS_GAINED ACCESS TO NON-HOUSING RESOURCES	0003_MORTG D
12				MISC	50	INCREASED CREDIT SCORES_IMPROVED THEIR FINANCIAL CAPACITY	0004_MORTG D
13				TEXT	55	HOMELESS OR POTENTIALLY HOMELESS HOUSEHOLDS THAT OBTAINED TEMP OR PERM HOUSING	0005_MORTG D

[DAILY DETAIL for 2 PAY PERIODS](#)
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[INFO SHEET](#)
[DAILY TALLY FOR ALL](#)

Calculation Mode: Automatic    Workbook Statistics

Give Feedback to Microsoft

100% +

THANK YOU!



# Housing Education and Counseling





## Benefits of Pre-Purchase Counseling

**There is evidence that pre-purchase counseling reduces the rate of first-time buyer delinquency by **29%**.**

SOURCE: Peter Zorn analysis of 38,000 Freddie Mac mortgages, 2000 to 2008.

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# Pre-Purchase Counseling Works

**What is the dollar benefit of this delinquency rate reduction?**

**\$400 per loan**

**\$800 per loan**

**\$1000 per loan**

# Dollar benefit of Delinquency Rate Reduction

**Answer:** Estimated dollar benefit of  
this reduction is **\$1,000** per loan.

SOURCE: Peter Zorn analysis of 38,000 Freddie Mac mortgages, 2000 to 2008.



# Who Provides Housing Counseling?

- Nonprofits
- Some local governments
- County Extension Office
- Some are HUD Approved Counseling Agencies

# Criteria for HUD's Approval of a Housing Counseling Agency

## HANDOUT: Application for Counseling Agency

- Nonprofit Status or Local Government
- Background Checks of staff and board
- Experience: providing housing counseling for at least one year
- Community Base: at least one year of service in the geographical area
- Counseling Resources: funding, staff, language skills

# Benefits of being a HUD Approved Counseling Agency

- **Quality Control**
- **Funding**
- **Counselors discuss benefits**

<https://vimeo.com/255454825>



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## SparkleBox

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# **Certification of Individual HUD Counselors**

- **Required since 2016 by Dodd-Frank Act**
- **All services of a HUD-Approved HCA must be provided by Certified Counselors**

# 6 Topics on the Exam

## Financial Management

- 1.1 Budget
- 1.2 Credit
- 1.3 Managing Assets
- 1.4 Protecting Assets

## Housing Affordability

- 2.1 Renting vs. Buying
- 2.2 Affordable Housing Options

## Fair Housing

- 3.1 History and Overview
- 3.2 Violations and Complaints

## Homeownership

- 4.1 Pre-purchase
- 4.2 Post-purchase

## Avoiding Foreclosure

- 5.1 Avoidance Strategies and Industry Practices
- 5.2 Retention Options
- 5.3 Disposition Options

## Tenancy

- 6.1 Obtaining and Maintaining Tenancy
- 6.2 Eviction



# Questions & Answers

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# How is Counseling Paid For?

- Lenders
- Foundations
- CDBG
- HUD Counseling NOFA
- SHIP

# SHIP Pays for Housing Counseling

- May pay with SHIP Program Funds—not Administrative Budget—when contracting for counseling services
- Upper limit for SHIP-funded Counseling dictated by set aside compliance
- Counseling does not comply with set-asides

# SHIP may partner with Counseling Agency

- Agency offers services that city/county staff cannot
- SHIP pays a service delivery fee
  - If an agency takes applications and determines income eligibility (admin activities), part of the service delivery fee is paid from Admin
  - Part of fee is for counseling services, for which program funds can pay

# Counseling Agency Partnership CASE STUDY

## Tampa Bay CDC

- Long history of counseling contracts with SHIP offices
- Tasks involved: buyer classes, one-on-one counseling, post purchase class
- Consider all costs of a class: preparation, cost of materials and room, enter data into reports, do billing, follow up

# Counseling Agency Partnership

## ANOTHER CASE STUDY

- Before, agency received funding from Lenders
- Next: contracted with SHIP Office for classes and 1 on 1 counseling
  - \$1000 for each 8-hour class
  - \$375 for 3 counseling sessions and 2 follow ups
  - Reporting required

# Reporting Counseling Expenses

## Report on Form 1

- One on one counseling
- Cost of Classes

## Track Class Data

- Number of SHIP Buyers taught
- Total Number of Attendees

Form 1   Form 2   Form 3   Form 4   Form 5

### SHIP Distribution Summary ? Rule Update!

#### Homeownership

Code(s)	Strategies	Expended Amount	Units	Encur Amou
1	Down Payment Assistance	166,719.45	18	
3	Owner Occupied Rehab	269,440.40	21	
11	Special Needs	70,000.00	28	
Homeownership Totals:		506,159.85	67	

#### Rentals

Code(s)	Strategies	Expended Amount	Units	Encur Amou
13	Rental Deposit Program	106,866.26	123	
Rental Totals:		106,866.26	123	

SubTotals: 613,026.11 190

#### Additional Use of Funds

Use	Expended	E
Administrative	30,616.30	
Homeownership Counseling		
Admin From Program Income	483.09	
Admin From Disaster Funds		

# Types of Housing Counseling



- Pre-Purchase
- Post-Purchase
- Foreclosure prevention
- Rental housing counseling
- Homeless 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

# Topics for Pre-Purchase Education

Key Topics	Client Outcome
<b>Assessing Homeownership Readiness</b>	
Pros and cons of homeownership	Understand the benefits and responsibilities of homeownership
Overview of the home purchase process	Conduct self-assessment of homeownership readiness
Housing affordability	Calculate housing affordability
4 C's of credit	Understand how lenders determine mortgage readiness

Source: National Industry Standards for Homeownership Education & Counseling

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# Standards for Education

Key Topics	Client Outcome
<b>Budgeting and Credit</b>	
Importance of goal setting	Set financial goals
Tracking expenses	Develop system to track expenses
Setting up a spending plan	Create a realistic spending plan
Budgeting and saving tips	Identify ways to reduce expenses and increase savings
Importance of good credit	Understand the importance of good credit
Understanding credit and how to protect credit ratings	
Credit bureaus, reports and scores	Order credit reports and credit scores
How to fix credit problems	Improve credit rating
Debt management tips	Reduce debt

# Standards for Education

Key Topics	Client Outcome
<b>Financing a Home</b>	
How a lender decides whether or not to lend	Understand how lenders make loan decisions
Housing affordability and qualification	Calculate housing affordability
Sources for mortgage loans	Understand where to obtain a mortgage loan
Predatory loans and how to avoid them	Avoid high-risk loans
Types of mortgage loans	Choose appropriate loan product and source
Special financing products	Understand resources available to assist with home purchase
Steps in the mortgage loan process	Understand the loan process
Loan application and approval process	
Common lending documents	Assemble documents needed for loan application

# Standards for Education

Key Topics	Client Outcome
<b>Shopping for a Home</b>	
The homebuying team	Understand the professionals involved in the homebuying process
Real estate professionals	Understand the different types of real estate professionals
Types of homes and ownership	Understand housing and titling options
How to select a home and neighborhood	Determine housing wants versus needs
How to make an offer	Understand the home purchase process
Negotiating tips	
The purchase contract	
Inspections	
Escrow and closing process	Understand the escrow and closing process

# Standards for Education

Key Topics	Client Outcome
<b>Maintaining a Home and Finances</b>	
How to maintain and protect a home after moving in	Understand costs associated with homeownership, including taxes, insurance, maintenance, etc.
Home safety and security	Create emergency plan
Energy efficiency	Reduce energy usage
Preventive maintenance	Create plan for routine maintenance
Home repairs and improvements	Understand the difference between repairs and improvements
Working with a contractor	Understand how to work with a contractor
Community involvement	Get involved in the community
Record keeping	Set up a record-keeping system
Taxes	Understand tax issues associated with homeownership
Insurance	Understand different insurance policies associated with homeownership
What to do if you can't make a payment	Contact lender immediately if there are financial issues
Predatory lending and other financial pitfalls	Avoid high-risk loans

# Foreclosure Prevention

**SHIP Counseling:** Classes and one-on-one counseling. Communicate and Negotiate with lender

## **SHIP Foreclosure Prevention Strategy:**

- Pays past due amounts:
  - Delinquent mortgage payments (principal, interest, taxes and insurance),
  - Attorney's fees,
  - Late fees and other customary fees

# SHIP helps Homeowners with Hardships

- Recovered from temporary hardship
- Can maintain housing payments
- Sample Text
  - “There must be a reasonable prospect that the applicant will be able to resume full mortgage payments to the primary lender.”
  - “The applicant must show their ability to continue to maintain their mortgage payments after assistance is given.”

# Questions & Answers



**Please complete Evaluation**