

Kentucky Housing Corporation

HAF Counseling Manual

FY2016

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Definitions/Acronyms

Grant Performance Period: July 1, 2015-June 30, 2016

Group Education: Education is defined as formal classes, with established curriculum and instructional goals, provided in a group or classroom setting.

Housing Assistance Funds (HAF): Kentucky Housing Corporation (KHC) established the Housing Assistance Fund (HAF), a non-federal, non-state source funded from KHC's earnings, a portion of which is allocated to provide housing counseling services through a network of participating agencies.

Individual Counseling: Counseling is described as counselor-to-client assistance that addresses unique financial circumstances and housing issues, and focuses on overcoming specific obstacles to achieving a housing goal. These obstacles can include repairing credit; purchasing a home; locating cash for down payment; raising awareness about critical housing topics, such as predatory lending practices, fair lending, and fair housing requirements; finding units accessible to persons with disabilities; avoiding foreclosure; or resolving a financial crisis.

HUD: US Department of Housing and Urban Development, created in 1965 to create strong, sustainable, inclusive communities and quality, affordable homes for all.

Kentucky Housing Corporation (KHC): The state housing finance agency created by the 1972 General Assembly to provide affordable housing opportunities. As a self-supporting, public corporation, KHC offers lower-than-market rate home mortgages, housing production financing, homeownership education/counseling, rental assistance, housing rehabilitation, and supportive housing programs for special needs populations.

National Mortgage Settlement (NMS): Settlement reached between forty nine state attorneys general and the nation's five largest banks in February 2012. \$1.5 million was given to the Kentucky Homeownership Protection Center to fund its NMS Counseling Program, which pays partnering agencies to complete loss mitigation and transitional housing counseling to distressed Kentucky homeowners.

Non-Subgrantee Agencies (Nons): Agencies within KHC's counseling network that do not bill toward the KHC's HUD Housing Counseling Grant award. Nons are not required to utilize Home Counselor Online (HCO).

Participating Agencies: Agencies with KHC's network that have executed the HAF Grant Agreement and bill to the HAF for approved counseling services detailed in the Compensation Rates. Agency relationships are defined as subgrantee and non-subgrantee.

Subgrantee Agencies (Subs): Agencies within KHC's network who receive an allotment of funds through KHC's HUD Housing Counseling Grant award.

Unemployment Bridge Program (UBP): Kentucky's Unemployment Bridge Program, funded by US Treasury's Hardest Hit Funds®, provides direct mortgage assistance to Kentuckians who have been unemployed through no fault of their own.

Counseling/Education Topics under HAF

Individual Counseling	Group Education
Pre-Purchase Budget and Credit Section 8 to Homeownership Post-Purchase, Non-Default	2-hour classes: Budget and Credit Predatory Lending Post Purchase, Non-Default 6-8 hour classes: Financial Literacy <ul style="list-style-type: none"> • NeighborWorks Curriculum; or • Yes You Can Own a Home (KHC's Curriculum)
Any of the above services may be conducted in English, Spanish, or any other language suitable for the target audience. Agencies must ensure that the counselor and/or presiding instructor meets all minimum educational requirements. To be eligible for payment under HAF, the minimum class size for group education is five households.	

Compensation Rates

KHC will compensate participating agencies for qualified counseling/education activities with HAF at a flat rate basis detailed below. Agencies may not bill for the same client/service to multiple funding sources with one exception: HUD will allow agencies to bill to the HUD housing counseling grant only for the portion of the cost of service that was not covered by the non-HUD grant program. For example: HAF pays ABC Counseling Agency \$50 for a counseling session but ABC Counseling Agency documents the true cost of service is \$75. ABC Counseling Agency may now bill its HUD housing counseling grant for the remaining \$25.

Individual Counseling Compensation Rates:

- **Pre-Purchase**
- **Budget and Credit**
- **Section 8 to Homeownership**
- **Post-Purchase, non-default**

Will pay for a maximum of nine sessions each.

- \$60 for one-hour initial intake session
- \$50 per additional one-hour session (up to eight remaining)
- \$50 per additional one hour session (up to three)

Group Education Compensation Rates:

Two-hour classes (Budget and Credit, Predatory Lending, and Post Purchase *non-default*)

- \$25 per person for the first ten participants.
- \$10 per person for participants 11-20.
- Total compensation for each class based on attendance will be capped at \$350.
 - An additional \$50 will be added if class is in another language.

Six- to Eight-Hour classes (Financial Literacy *NeighborWorks Curriculum* or *Yes You Can Own a Home*)

- \$40 per person for the first ten participants.
- \$10 per person for participants 11-20.
- Total compensation for each class based on attendance will be capped at \$500.
 - An additional \$50 will be added if class is in another language.

Monthly Billing Process

Billing must be submitted to KHC for payment by the tenth of each month for the previous month’s counseling activity. Example: October 2012 counseling activity would be submitted, in its entirety, to KHC by November 10, 2012, to be considered for payment. Billing submission must consist of the following:

- Invoice coversheet.
- Client list.
- Supporting documentation for individual counseling activities.
- Supporting documentation for group education.
- On the quarter, add HUD Form-9902
- At final billing, add Final Report Template

Invoice Coversheet

Agencies must submit an invoice coversheet that fully details the total amount being invoiced for the HAF grant. The invoice should demonstrate the total billed for activities, and that total broken into individual counseling and group education.

AGENCY NAME
 1555 Client Way
 Frankfort, KY 40601
 Phone (502)555-5555 Fax (502)222-2222

INVOICE

INVOICE #[100]
 DATE: SEPTEMBER 5, 2014

TO:
 Counseling Dept/Shelbie Hillard
 Kentucky Housing Corporation
 1231 Louisville Road
 Frankfort, KY 40601
 (502) 564-7630

FOR: HAF FY15
 Billing Period: _____

DESCRIPTION	AMOUNT
One On One Counseling:	\$0.00
Group Counseling:	\$0.00
TOTAL	\$0.00

Client List

Agencies must submit a client list for all activity billed toward HAF each month. Client list should be in Microsoft Excel format provided by KHC and should be submitted electronically.

HAF Client List

Agency Name:	ABC Agency							
Period Covered:	July 1, 2013 - June 30, 2014							
Prepared By:	Angie Administrator							
Client/Group ID	Activity	Topic	Activity Description	Counselor	# Attendees	# of sessions billed	# sessions ytd	Amount Charged
12351	Counseling	Pre-Purchase	counseling session	Jaime W	1	2	4	\$100.00
56932	Education	Yes You Can!	6-8 hour class	Shelbie	20			\$500.00

Supporting Documentation for Individual Counseling Activities

For every individual housing counseling session billed to HAF, agencies must provide a completed funding report from their client management system (HCO required for KHC's Subgrantee Agencies). Funding reports should contain details of each client appointment, type of counseling provided, date and time of appointment, borrower signature or notation of phone counseling, etc.

Supporting Documentation for Group Education

Agencies billing to HAF for group education must provide the following supportive documentation for every group education service provided in the previous month:

- Sign-in sheets.
- Class agenda.
- Date, time, location, and instructor information.
- Evaluations.
- Demographic information of the attendees.

Please note: KHC has updated its Class Evaluation. It's available on the web at www.kyhousing.org, under Resources, Partners, Housing Counselors.

Quarterly Reporting of HAF Activity

Each quarter, agencies are required to submit Housing Counseling Agency Activity Reports (HUD form 9902) for all counseling activity, all funding sources. **PLEASE NOTE:** KHC will use the 9902 quarterly reports only to document the number of households served with KHC funds. KHC will not report these figures to HUD unless an agency is part of KHC's Subgrantee Network. Non-Subgrantee Agencies will report all counseling activity directly to HUD or directly to that agency's intermediary or parent organization.

Agency deadlines to submit to KHC are as follows:

July 1-September 30, 2015:	Due by October 10, 2015
October 1-December 31, 2015:	Due by January 10, 2016
January 1-March 31, 2016:	Due by April 10, 2016
April 1-June 31, 2016:	Due by July 10, 2016

**Housing Counseling
Agency
Activity Report**

**U.S. Department of Housing and Urban
Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0261
(Exp. 09/30/2012)

Read the instructions and Public Reporting Statement on the back of this form.

1. Counseling Agency Name		2. Reporting Period and Budget	
Agency Name		From:	
Agency ID:		To:	
Agency Type:		Date Submitted:	
Address:		Total Annual Housing Counseling Program Budget, All Sources:	
Parent Agency Name (if applicable)		\$	
Agency ID:		HUD-Funded Activity Ratio:	
Agency Type:			
		All Counseling and Education Activities	Counseling and Education Activities Attributed to HUD Housing Counseling Grant Funds
3. Ethnicity of Clients			
a.	Hispanic		
b.	Not Hispanic		
c.	Chose not to respond		
Section 3 Total:			0

All Counseling and Education Activities Column

Agencies will enter all housing counseling and education data for the reporting period, regardless of funding source.¹ Below is some guidance for some of KHC's other funding sources.

UBP

Individual counseling would be noted under Section 9-f: *Resolving or Preventing Mortgage Delinquency or Default*. Group Education would be noted under Section 8-h: *Completed Resolving or Preventing Mortgage Delinquency Workshop*.

NMS

NMS Loss Mitigation Counseling would be noted under Section 9-f: *Resolving or Preventing Mortgage Delinquency or Default*. Group Education would be noted under Section 8-h: *Completed Resolving or Preventing Mortgage Delinquency Workshop*.

NMS Transitional Counseling could be noted under Section 9-b: *Rental Topics* or Section 9-a: Homeless Assistance. Group Education could be counted as section 8-d: *Completed Homeless Prevention Workshop*, 9-e: *Completed Rental Workshop*, or 9-i: *Completed Other Workshop*.

HAF

Households who completed counseling and education under KHC's HAF Counseling Program will be noted in Sections 8 and 9 according to the type of counseling offered, which mirrors HUD program offerings. However, HAF activities would only be noted in the *All Counseling and Education Activities* column.

Tips/Instructions for HUD-9902

Because the 9902 is so important, it is imperative that each counseling agency submit the form in a timely, complete, and correct manner. Be sure to run *HUD Submission Alerts* before creating your HUD-9902 Report. This will ensure that each client is accounted for. All clients billed to KHC for HAF funds must be included.

In Section 10, Impact and Scope of One-on-One Counseling Services, agencies may (and probably should) have multiple outcomes. For example, nearly every client should have developed a sustainable budget with their counselor early on in counseling, in addition to other services (such as sharing Fair Housing information, receiving both education and counseling, etc).

Note: Married couples or persons who are mortgagors on the same note should be counted as one client.

Final Report Template

When agency submits its final bill for FY2016 HAF, it is required to submit a Final Report Template to close out the grant.

Agency's Name	
Counseling activity for entire grant period	Agency Response (# and names)
Were established goals met? Why or why not?	
How many households received individual counseling using Housing Assistance Funds?	
How many households received housing education using Housing Assistance Funds?	
How many HAF clients completed home purchases this grant year?	
What problems did the agency encounter during this grant performance period that negatively impacted outcomes:	
In what area(s) does the agency request additional guidance from KHC staff?	
Any unusual client needs or problems for which the agency provided counseling?	
Any recommendations to KHC to improve future funding rounds?	
Tell us your story	Agency Response

Monitoring Compliance with Grant Agreement

Each year, KHC's counseling team will conduct on-site monitoring visits to each participating agency. The following is a non-exhaustive list of items to be reviewed pertaining to the HAF grant agreement:

- A. Training attendance of staff.
- B. Quality and timeliness of billing submission.
- C. Number of clients served.
- D. Variety of counseling/education provided.
- E. Quality of customer service provided to clients.
- F. Counseling File Sample—see below for more information.
- G. Education File Sample—see below for more information.

Counseling Fileⁱⁱ

Note: *The information below is taken directly from the HUD manual 7610.1 Rev 5, a copy of which is provided as Appendix A. Any chapters or references mentioned are from the HUD manual, not KHC's manual.*

The housing counseling agency must maintain a separate confidential file documenting each unique, distinct provision of counseling services provided to a client, as described in §214.300 and Chapter 3.

The client file may be for an individual or household or for a group of clients with the same housing need, such as tenants of an apartment complex with the same complaint against their landlord. Files may be electronic or a combination of electronic and paper. The file must include the following items:

- A. **Required Data.** All required fields are listed on the Housing Counseling website.
- B. **File Number.** A file number for the unique counseling interaction.
- C. **Financial Analysis.** Evidence of analysis of client's unique financial and credit circumstances;
- D. **Activity Log.** A recording of the date, time, duration and description of each interaction or activity performed on behalf of, and by, the client;
- E. **Action Plan.** For all counseling, except for reverse mortgage counseling, the client file must include an action plan. The housing counselor prepares an individual housing counseling action plan. The plan clearly identifies the client need or problem and outlines what the agency and the client will do in order to meet the client's housing goal(s). A copy of the action plan must be given to the client and maintained in the client's file.
- F. **Follow-up.** A record of all follow-up communication with the client must be documented. This documentation should also include an account of all written and verbal attempts made to contact clients in order to conduct follow-up sessions.
- G. **Pertinent Documents.** Copies (electronic or paper) of pertinent records or correspondence received from the client or created on their behalf.
- H. **Disclosure.** A copy of the disclosure statement provided to each client in a face-to-face setting or a notation of the date that the disclosure statement was verbally provided during telephone counseling. The wording of the disclosure statement must be relevant to client. (See Chapter 6, Paragraph 6-1, Item G.)
- I. **Termination.** The housing counseling agency must document in the client's file when housing counseling services are terminated. The housing counselor must notate the client's file with the date and cause/explanation of termination. Client files must not remain open indefinitely. (See Chapter 3, Paragraph 3-5 (H) for additional information on client termination)
- J. **Results.** Documentation of the results of counseling.
- K. **Funding Source.** Document the funding source or sources, and amounts to which the counseling activity is attributed.
- L. **Fees.** If applicable, the amount paid through client fees and a copy of the receipt provided to the client. Additionally, document the amount and source of fees paid by other parties, for example lenders. The counseling file of each client charged fees must include documentation demonstrating that the cost did not create a financial hardship.
- M. **HUD Grant Activity.** An indication, if applicable, of the activity, and amount, that was partially or fully funded by a HUD housing counseling grant or sub-grant.
- N. **Discussion of Alternatives.** A list of any service providers, product vendors, products, features, services or properties about which information was discussed with the client. (See Chapter 6, Paragraph 6-1, Item H.)

- O. **Client Authorization.** Documentation indicating client authorization to order a credit report and/or to share information, for example with HUD or third parties, if applicable.
- P. **Miscellaneous.** Other information obtained during the intake and subsequent housing counseling sessions not mentioned above.
- Q. **Reverse Mortgage Counseling.** Additional documentation required for reverse mortgage client files:
 1. List of other people than the borrower(s) that attended the reverse mortgage counseling session and a description of their relationship to the client(s);
 2. Signed and dated HECM counseling certificate, if applicable;
 3. Power of Attorney or other documents relating to legal competency, if applicable;
 4. Total Annual Loan Cost Analysis;
 5. Amortization schedules for reverse mortgage loan options;
 6. Notation of any brochures or handouts on the reverse mortgage lending process/procedures/timelines, reverse mortgage lenders, and/or alternatives to a reverse mortgage provided to client.
 7. Documentation demonstrating that all required counseling content and information (see Chapter 4) was provided

Group Education Fileⁱⁱⁱ

Note: *The information below is taken directly from the HUD manual 7610.1 Rev 5, a copy of which is provided as Appendix A. Any chapters or references mentioned are from the HUD manual, not KHC's manual.*

The housing counseling agency must maintain a separate confidential file for each course provided. The file may be electronic or a combination of electronic and paper. The file must include the items identified below. An individual file does not need to be established for each education attendee. However, if a client has an existing individual file and attends a group workshop the client's participation in the workshop session must be documented in his/her individual file.

- A. **File Number.** A file number for the education/ workshop session
- B. **Data.** All required fields are listed on the Housing Counseling Website.
- C. **HUD Grant.** An indication of the activity and amount that was partially or fully funded by a HUD housing counseling grant or sub-grant, when applicable.
- D. **Course Description.** Course title, course outline or established curriculum; and instructional goals
- E. **Instructors.** Name of each housing counselor, instructor or presenter participating in the session.
- F. **Course Logistics.** Date, place and duration of each session.
- G. **Participant Information.** List of participating households and the race, ethnicity, and income data for each household
- H. **Disclosure.** The disclosure statement provided to each household that is relevant to the subject of the session (See Chapter 6, Paragraph 6-1, Item G.)
- I. **Fees.** If applicable, the amount paid through client fees and a copy of the receipt provided to the client.

ⁱ Form HUD 9902 (10/2006), page 5

ⁱⁱ HUD Manual 7610.1 Rev 5, Pages 47-49

ⁱⁱⁱ HUD Manual 7610.1 Rev 5, pages 47-49