

Highlights of HUD's Housing Counseling Certification [Final Rule](#)

The final rule implements the statutory requirement that, for an organization to be approved by HUD to participate in HUD's Housing Counseling Program, all counselors employed by the organization that provide homeownership counseling and rental housing counseling must pass the certification examination and become a HUD certified housing counselor within 36 months of HUD's announcement of the availability of the examination.

Additional information will be available on HUD's Office of Housing Counseling Web site, www.hudhousingcounselors.com, in the [FAQ's](#), and also at www.hud.gov/housingcounseling.

I. Implement by January 13, 2017:

- **Requirement for Agencies that Provide Homeownership Counseling:** all agencies approved to participate in HUD's housing counseling program that provide "homeownership counseling" shall address the entire process of homeownership as outlined in the Final Rule.
 - The entire process of homeownership includes the decision to purchase a home, the selection and purchase of a home, issues arising during or affecting the period of ownership of a home (including refinancing, default, and foreclosure, and other financial decisions), and the sale or other disposition of a home
 - The definition of rental housing counseling is amended from the proposed rule by including a list of items (decision to rent, responsibilities of tenancy, affordability of renting, and eviction prevention)
- **Requirement related to Distribution of Home Inspection Materials:** as part of the homeownership counseling process, participating agencies shall provide clients with such materials as HUD may require regarding the availability and importance of obtaining an independent home inspection.
- **Agencies found to have Misused Housing Counseling Program Grant funds:** this final rule requires an agency participating in HUD's housing counseling program that has been found to have misused Housing Counseling Program grant funds in a way that constitutes a material violation to reimburse HUD for such misused amounts, return any unused or unobligated grant funds, and will be prohibited from receiving housing counseling grant funds in the future.
- **Prohibition against Distribution of Funds to Organizations Convicted of Violating Election Laws:** prohibits the distribution of Comprehensive Housing Counseling or Housing Counseling Training grant funds to any agency participating in HUD's housing counseling program that has been convicted of a violation under Federal law relating to an election for Federal office, or any agency participating in HUD's housing counseling

program that employs an individual who has been convicted for a violation under Federal law relating to an election of a Federal office.

II. Housing Counseling Agency (HCA) Implications:

- **Timeframe for compliance:** within 36 months of the date that HUD begins administering the certification examination, entities that offer housing counseling covered by this rule will have to either become HUD-approved housing counseling agencies that employ HUD certified housing counselors, create partnerships with HCAs using certified housing counselors to deliver housing counseling services on their behalf, stop providing housing counseling services, or otherwise modify their program to comply with this rule.
- **Loss of certified counselor:** if an agency loses the required number of certified counselors, HUD will allow the agency to be placed in inactive status, consistent with § 214.200, for a period of up to 6 months or such longer time as may be approved by HUD, to allow the agency to hire a certified housing counselor.
- **Certification applicability:** if a HUD certified housing counselor leaves the HCA, the individual will no longer be deemed “Certified,” until the individual once again works for an HCA. HCAs will be responsible for reporting to HUD when counselors have left their employment and when new counselors are hired.

III. Costs:

- **The cost will be the responsibility of the individual housing counselor:** however, agencies are allowed to compensate or take on the cost for the individual.
- **Examination fees:** the examination is anticipated to cost \$100 for online testing at the examinee's location and \$140 for an on-site proctoring center examination, and an estimated average cost of \$120 per housing counselor to take the certification examination
- **Calculating cost of studying:** for those that use HUD's free training materials, the time it takes to review the material will be approximately 11 hours, which is \$396 of lost wages based on the average wage of a housing counselor.

IV. NOT defined as housing counseling, so no need for certification:

- **Services outside the scope:** services that provide housing information, or placement or referral services, (for example, mobility-related services for the Housing Choice Voucher (HCV) program), do not constitute housing counseling and would not

necessitate an individual providing these services to become a HUD certified housing counselor working for an HCA under this rule.

- **Administrative roles:** routine administrative activities (e.g., program eligibility determinations, intake, case management, property management, payment of rental assistance on behalf of a client, and the collection of rent or loans) have never been categorized as housing counseling.
- **Case management programs:** Holistic case management for persons with special needs, for persons undergoing relocation in the course of a HUD program (including relocation and other advisory services provided pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and other Federal laws), or for social services programs that also provide housing services as incidental to a larger case management program, are not housing counseling.
- **Fair Housing:** fair housing advice and advocacy offered in isolation from housing counseling as defined in § 5.100 (i.e., without providing for an intake); financial and housing affordability analysis; an action plan to address other housing needs or goals; and follow-up.

V. Who needs to be certified?

- **Half the counseling staff:** at least half the agency's counselors must have at least 6 months of experience from significantly comparable work to the job that the counselor will be performing.
- **HUD programs:** individuals that provide “housing counseling” services to consumers under HUD programs, including Home Equity Conversion Mortgage (HECM) counselors.
- **All types of HUD-approved housing counseling organizations:** applies to all HCAs, whether grantees or nongrantees, and whether directly approved by HUD or participating in HUD's Housing Counseling Program as an affiliate or branch of an intermediary, multi-state organization, or state housing financing agency.
- **Group Education oversight:** while not all group education presenters are required to be certified, all group education offered by an HCA as part of its Housing Counseling Program must be overseen by a HUD certified housing counselor.
- **Type of staff:** include paid workers or volunteers that provide housing counseling on a full or part time basis

VI. Certification Exam Details:

- **Tested areas include:** (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.
- **Bixal** was selected to administer the Housing Counseling Certification Examination.
- **Update on exam availability:** a Federal Register notice will be issued announcing when the certification examination will be available and at that time individuals interested in becoming HUD certified housing counselors can register for the examination.
- **Examination administration:** the examination will be made available through video conferencing at an examinee's location or at a commercial proctoring site identified by HUD's contractor.
- **Structure and details of examination:**
 - approximately 90 multiple-choice questions
 - designed to be completed in two hours
 - Proctored live or via webcam
 - not divided into separate sections, so all six sections will be mixed in
- **Scoring:** score will be scaled based on a range from 200 to 800, with 500 as the passing score.
- **Feedback for retaking examination:** if a test taker does not pass the examination, the email notification will include feedback on the learning objectives that the test taker should review before retaking the examination.
- **Number of retakes allowed:** no restrictions or limitations will be placed on the number of times the examination can be taken or on the frequency of re-examination.
- **Study Guide:** HUD will offer the study guide and the Housing Counselor Certification Examination in both English and Spanish.
- **Continuing education:** there are no continuing education or recertification requirements.