

National Industry Standards for Homeownership Education and Counseling

GUIDELINES AND CODE OF ETHICS



Homeownership
Done Right.™



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Homeownership Done Right®

Introduction



As the link between sustainable homeownership and quality counseling and education becomes more and more clear, stakeholders across the housing industry agree that there is a vital need to ensure that consistently high-quality counseling and education become the norm across the nation. We call it “Homeownership Done Right®”—three simple words which are embodied in the National Industry Standards for Homeownership Education and Counseling. Simply put, 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. In practice, they provide a common industry roadmap for excellence that delivers confidence to homebuyers and which instills professionalism and credibility among and across the diverse stakeholders who are part of the homeownership experience.

Creating industry-wide standards for homeownership counseling and education is a basic idea, but one that has far-reaching benefits. By adopting the National Industry Standards, homeownership counseling organizations demonstrate their belief in the importance of maintaining a high level of expertise on the part of their counselors and educators and of ensuring that all clients receive consistent, quality service. Likewise, by supporting the Standards, Housing Finance Agencies, other government entities, regional and national lenders, mortgage insurers and GSEs demonstrate accountability and commitment towards providing the greatest chance for sustainable homeownership. In turn, consumers gain confidence knowing that organizations that adopt and follow the Standards can be counted on to provide reliable information and professional service that has the homebuyer’s

best interests in mind. Put it all together, and you get “Homeownership Done Right.®”

Encouraging Nationwide Quality

Organizations providing homeownership counseling and education services are encouraged to integrate the recommended benchmarks from the Standards into their everyday business operations and strive to exceed these benchmarks. The National Industry Standards for Homeownership Education and Counseling focus on a set of six core areas:

Competency, including strong knowledge of the homebuying process, money management and credit

Skills, including communication and listening skills, adult education and facilitation skills

Training, with recommendations for a minimum number of hours of training and certification

Operational Knowledge, regarding programs, fundraising and marketing

Code of Ethics and Conduct, which practitioners must sign and abide by

Performance Standards, including standards for delivery, curriculum, recordkeeping and reporting

Benefits of the Standards

The National Industry Standards for Homeownership Education and Counseling provide numerous benefits to a wide variety of housing industry stakeholders.

Benefits for Community Development Organizations

By adopting the National Industry Standards, organizations are better able to:

- Promote responsibility and sustainability for homeownership in the community
- Create consistencies in content delivered to clients across the nation

- Raise awareness for the organization and the homeownership counseling/education field
- Gain the public’s trust
- Provide guidance to practitioners to perform at the highest level of professionalism
- Promote sustainability for organizations that adopt the Standards by reassuring funders and fee-paying clients of the quality of services provided
- Allow consumers to identify organizations that adopt and follow the Standards to ensure they are receiving high-quality, ethical service
- Elevate the industry’s reputation for quality service delivery

Benefits for Practitioners

Achieving (or exceeding) the benchmarks established by the Standards helps homeownership professionals to:

- Increase their knowledge and skill-set to best serve their clients
- Earn the trust of their clients
- Distinguish themselves professionally
- Advance their career
- Enhance their credibility and image

Benefits for Partner Organizations

By endorsing and promoting the Standards, corporations and government entities:

- Take the lead in advocating for education and counseling as a critical part of the homeownership experience
- Demonstrate their commitment to best practices in achieving sustainable homeownership
- Show public support for homeownership educators and counselors

- Endorse a mechanism that will instill greater public trust in the market
- Raise the bar of excellence for organizations seeking funding opportunities

Benefits for Homebuyers and Homeowners

Homebuyers and current homeowners benefit by knowing that organizations that adopt and follow the Standards will:

- Provide a solid source of information to draw upon before and after the home purchase
- Make sure their counselors/educators serve clients with competence, fairness and respect
- Ensure that clients receive consistent and correct information
- Provide counselors/educators with the proper tools and training to support their work

Development of The National Industry Standards

Building on the effective practices found at every point of the homeownership experience, the National Industry Standards for Homeownership Education and Counseling were drawn from a variety of sources, including existing standards used by the U.S. Department of Housing and Urban Development (HUD) and local, regional and national housing counseling agencies. Input on the Standards was gathered by the National Industry Standards Committee and from a variety of housing industry partners.

Committee

Bank of America
 Chase
 Chrysalis Consulting Group, LLC
 Citi
 Citizens' Housing and Planning Association
 Consumer Financial Protection Bureau
 Fannie Mae
 Federal Reserve Board

Freddie Mac
 Homeownership Preservation Foundation
 The Housing Partnership Network
 Minnesota Homeownership Center
 National Association of REALTORS®
 National Coalition for Asian Pacific American Community Development
 National Community Reinvestment Coalition
 NeighborWorks® America
 Professional Realty Group
 Rural Community Assistance Corporation
 UnidosUS
 U.S. Department of Housing and Urban Development
 Wells Fargo

How To Use This Booklet

This booklet is designed to serve three purposes: (1) To provide comprehensive information about the National Industry Standards and the Code of Ethics and Conduct for professionals across the homeownership industry, (2) To be a call to action for organizations to adopt the National Industry Standards and (3) To serve as a reference guide for practitioners—homeownership educators and counselors, as well as other homeownership industry professionals—who will benefit from having the National Industry Standards guidelines and benchmarks and Code of Ethics and Conduct printed in one handy place.

Adopting The Standards

Many organizations that currently provide homeownership education and counseling will find that their programs meet or exceed the recommended benchmarks for industry standards and can readily adopt the National Industry Standards and National Industry Standards Code of Ethics and Conduct.

For more information and to adopt the Standards, turn to page 37 and log on to www.homeownershipstandards.org

Homeownership Education (Pre-Purchase and Post-Purchase)

Standards



Purpose of the Standards

To ensure consistency in the quality of homeownership education efforts nationwide, and adopt industry best practices.

In order to best serve clients, organizations providing homeownership education and individual homeownership educators agree to adopt the following:

Core Operating Standards

1. Competency: Possess a strong knowledge in the area of homeownership—specifically the homebuying process, budgeting, money management, credit, banking, mortgage financing, down payment assistance, insurance, community involvement, home maintenance, loss mitigation, foreclosure prevention, fair housing, delinquency intervention, refinancing, anti-fraud or anti-

predatory lending and relevant local, state and federal laws.

- **Recommended Benchmark:** Individuals new to the field of Homeownership Education should obtain appropriate orientation and introductory level training during the initial six months of employment.

2. Skills: Demonstrate an understanding of adult education techniques and training, cultural competency, facilitation skills and training methods, presentation skills, audio/visual techniques, planning and designing trainings, and participatory training techniques.

3. Training: As soon as possible, but within 18 months of being hired, homeownership educators will obtain minimum training as a homeownership educator equivalent to no less than 30 hours of facilitated instruction covering topics included

in Standards 1 and 2 above, utilizing a variety of methods which could include lecture, interactive, demonstration, on-line and case study.

4. Certification: A certification standard is critical to establishing professionalism and value to homeownership education. After completing minimum training, certification will require a homeownership educator to take and pass a comprehensive exam demonstrating at least 80% proficiency. The exam will test the skills and core competency areas identified in Standards 1 and 2 above, as well as the related content and activities identified in Exhibits A and B herein.

- **Recommended Benchmark:** Certification must be completed as soon as reasonably possible, but no later than 18 months from the start of employment.

5. Continuing Education: Complete a minimum of 10 hours of continuing education annually in subjects relative to the core content and delivery of homeownership education.

- **Recommended Benchmark:** Continuing education requirements for most certification programs will meet or exceed this standard.

6. Homeownership Program Operations: Implement effective program operations, including outreach and marketing, partnership building, fundraising, customer service, customer tracking, reporting, program evaluation and program design.

- **Recommended Benchmark:** These skills can be obtained through training and experience.

7. National Industry Standards Code of Ethics and Conduct Statement: Sign and adopt the written National Industry Standards Code of Ethics and Conduct that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. Delivery: Perform face-to-face group homeownership education to clients, utilizing a variety of interactive techniques.

- **Recommended Benchmark:**

Homeownership education occurs before a purchase contract is signed in pre-purchase education.

- **Recommended Benchmark:** Content, delivery and format of the training is tailored to meet the needs of the participants.

- **Recommended Benchmark:** Participants should be provided service in a timely manner, requisite with the service need. At a minimum, upon request participants should receive acknowledgement of inquiry within two business days of initial contact, and delivery of education within a two-week timeframe.

- **Recommended Benchmark:** Homeownership educators should use a training manual, and make materials available to attendees.

- **Recommended Benchmark:** A certificate of completion is provided to customers who successfully complete the training.

- **Recommended Benchmark:** Customer satisfaction surveys are used to evaluate the effectiveness of the homeownership education.

- **Recommended Benchmark:** Offer and encourage individual counseling in conjunction with the provision of all group education.

- **Recommended Benchmark:** A code of ethics is utilized for all volunteer trainers, coupled with an orientation regarding the mission, philosophy and delivery of the training

2. Curriculum: Utilize a comprehensive curriculum containing the following minimum core content:*

Pre-Purchase Education

- Assessing Readiness to Buy a Home
- Budgeting and Credit

- Financing a Home
- Selecting a Home
- Maintaining a Home and Finances

Post-Purchase Education (when offered)

- Community Involvement
- Budgeting for Homeownership
- Maintaining a Home and Home Improvement
- Financing and Sustaining Homeownership
- Avoiding Delinquency and Foreclosure
- **Recommended Benchmark:** There are a number of excellent consumer curricula that have been developed by various organizations, service providers, state collaboratives, etc, which may meet or exceed the standard for curriculum content. These curricula must contain the components mentioned above.
- **Recommended Benchmark:** Specialty topics, such as financial literacy, reverse mortgage lending, individual development accounts (IDAs) and foreclosure prevention, may also at times be delivered as group education. Use of nationally developed and utilized curriculum, and/or an equivalent is recommended. Homeownership educators should secure appropriate training in the appropriate specialty topic.

3. Expected Education Outcome: Upon completion of homeownership education, clients will be able to demonstrate an understanding of the following: preparing for homeownership, budgeting and credit management, financing a home, selecting a home, maintaining a home and finances* and avoiding delinquency and foreclosure.

- **Recommended Benchmark:** Optimally, the time allocated for comprehensive, effective delivery of pre-purchase curriculum to achieve a desired expected outcome and cover content adequately is eight hours of education. In some circumstances (e.g., based on pre-assessment of learners' needs) hours may vary, but in no case would less than four hours be sufficient.

4. Recordkeeping: Collect and maintain specific information from education clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.).

- **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, ethnicity (optional), household income, date and type of workshop attended, workshop format and length.
- **Recommended Benchmark:** Aggregate information for group education should be maintained including total number of persons served and other demographic information.
- **Recommended Benchmark:** Utilize a checklist to ensure files maintained are consistent and meet reporting standards and quality assurance.
- **Recommended Benchmark:** Files should be maintained in secured file cabinets in order to protect client privacy. Scanned documents or electronic files should maintain the highest level of client security.
- **Recommended Benchmark:** Files should be maintained for a minimum of three years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded.

5. Reporting: Utilize an electronic Client Management System (CMS) for collecting and reporting data.

- **Recommended Benchmark:** An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but *preferably* should be a software application compliant with HUD's CMS vendor list or equivalent. Visit www.hud.gov to view HUD's CMS vendor list.

6. Service Thresholds: Establish referral networks for individuals and families seeking services that the homeownership educator does not provide or possess sufficient competency to adequately and effectively deliver.

- **Recommended Benchmark:** Examples of such services may include: individual/personal counseling services, housing search assistance, legal aid, relocation assistance, etc.

Exhibit A Pre-Purchase Standard Homeownership Education Content

Key Topics	Client Outcome
Assessing Homeownership Readiness	
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
Budgeting and Credit	
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
Financing a Home	
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
What to do if the loan is denied	Address issue listed as the reason for loan denial
Closing process	Understand the loan closing process

Key Topics	Client Outcome
Shopping for a Home	
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	Understand the importance of a professional home inspection
Escrow and closing process	Understand the escrow and closing process
Maintaining a Home and Finances	
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

Exhibit B

Post-Purchase Standard Homeownership Education Content

Key Topics	Client Outcome
Budgeting for Homeownership	
Staying financially fit as a new homeowner	Review spending plan and revise with new expenses of mortgage payments, maintenance, reserves, utilities, homeowners association fees and investments
Budgeting	
Maintaining good credit	Understand the importance of maintaining good credit
Home equity: Your home as an asset	Calculate home equity, and understand how to manage it effectively
Retirement savings	Understand options and techniques for saving for retirement
Taxes: Property and income	Understand tax liabilities and ways to maximize deductions
Insurance: Mortgage, homeowners, auto, health and life	Understand different types of insurance and the importance of risk management
Maintaining and Improving Your Home	
Home maintenance and improvements	Develop plans for preventive maintenance, home repairs and replacements and/or home improvements as needed
Home safety	Create emergency plan
Energy conservation	Reduce energy usage to save money
Community Involvement	
Building community	Get involved in the community
Financing and Sustaining Homeownership	
Foreclosure prevention	Contact lender immediately if there are financial issues
Mortgage options: Refinancing, home equity loans and home improvement loans	Know your options: refinance, home-equity loans, home improvement loans
Recordkeeping	Create record-keeping system
Lending abuses	Avoid high-risk loans
Landlord issues	Attend landlord training classes

Homeownership Counseling



Purpose of the Standards

To ensure consistency in the quality of homeownership counseling efforts nationwide and adopt industry best practices.

In order to best serve clients, organizations providing homeownership counseling and individual homeownership counselors agree to adopt the following:

Core Operating Standards

1. Competency: Possess a strong knowledge in the area of homeownership—specifically the homebuying process, budgeting, money management, credit, banking, mortgage financing, down payment assistance, insurance, community involvement, home maintenance,

loss mitigation, foreclosure prevention, fair housing, delinquency intervention, refinancing, anti-fraud, anti-predatory lending and relevant local, state and federal laws.

● **Recommended Benchmark:** Individuals new to the field of Homeownership Counseling should obtain appropriate orientation and introductory level training during the initial six months of employment.

2. Skills: Exhibit professional communication and organization skill set, including listening skills, customer service, cultural competency and time management. Homeownership Counselors must demonstrate the skills necessary to obtain, review and analyze a tri-merged credit report, calculate income and debt and perform an affordability analysis. A full command of calculations for

mortgage financing, down payment assistance and subsidy programs is required.

3. Training: As soon as possible but within 18 months of being hired, homeownership counselors will obtain minimum training as a homeownership counselor equivalent to and no less than 30 hours of facilitated instruction covering topics included in Core Operating Standards 1 and 2 above, utilizing a variety of methods which could include lecture, interactive, demonstration, on-line and case study.

- **Recommended Benchmark:** Homeownership counselors providing specialty counseling such as reverse mortgage counseling, foreclosure prevention and delinquency counseling should seek the appropriate training to provide these services.

4. Certification: A certification standard is critical to establishing the professionalism and value of homeownership counseling. After completing minimum training, certification will require a homeownership counselor to take and pass a comprehensive exam demonstrating at least 80% proficiency. The exam will test skills and core competency areas included in Standards 1 and 2 above, as well as the related content and activities identified in Exhibit C herein.

- **Recommended Benchmark:** Certification must be completed as soon as reasonably possible, but no later than 18 months from the start of employment.

5. Continuing Education: Complete a minimum of 10 hours of continuing education annually in subjects relative to the core content and delivery of homeownership counseling.

- **Recommended Benchmark:** Continuing education requirements for most certification programs will meet or exceed this standard.

6. Homeownership Counseling Operations: Implement effective program operations of homeownership counseling techniques, including outreach and marketing, partnership building, fundraising, customer service, customer tracking, reporting, program evaluation and program design.

Counselors should have a working knowledge of each of these subject areas.

- **Recommended Benchmark:** These skills can be obtained through training and experience.

7. National Industry Standards Code of Ethics and Conduct: Sign and adopt the written National Industry Standards Code of Ethics and Conduct that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. Delivery: Perform individual, personalized homeownership counseling to clients.

- **Recommended Benchmark:** Pre-purchase counseling occurs before a purchase contract is signed.
- **Recommended Benchmark:** Content, delivery and format of the counseling is tailored to meet the needs of the client.
- **Recommended Benchmark:** Clients should be consulted in a timely manner, requisite with the service need. At a minimum, upon request clients should receive acknowledgement of inquiry within two business days of initial contact, with the intake appointment within a one-week timeframe.
- **Recommended Benchmark:** Homeownership Counselors must complete a formal intake, needs assessment and develop a written action plan.
- **Recommended Benchmark:** Active, open client files should be closely monitored, with timely follow-up in accordance with the stated action plan. When no contact from the client has taken place for six consecutive months, the file may be classified as inactive.

- **Recommended Benchmark:** Where appropriate, Homeownership Counselors should review and analyze client's credit report.

- **Recommended Benchmark:** Customer satisfaction surveys are used to evaluate the effectiveness of the counseling.

- **Recommended Benchmark:** Offer and encourage homeownership education in conjunction with the homeownership counseling services.

2. Expected Counseling Outcome: Upon completion of homeownership counseling, clients will be able to demonstrate an understanding of the following: preparing for homeownership, budgeting and credit management, financing a home, selecting a home, maintaining a home and finances, sustaining homeownership and avoiding delinquency and foreclosure.

- **Recommended Benchmark:** Comprehensive, effective delivery should be determined based upon the individual need of the client to reach the desired outcome. The minimum standard for delivery of individual counseling should be at least one session of at least 30-60 minutes.

3. Recordkeeping: Collect and maintain specific information from clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.).

- **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, ethnicity (optional), household income, date and type of workshop attended, workshop format and length.
- **Recommended Benchmark:** Aggregate information for clients should be maintained including total number of persons served and other demographic information.

- **Recommended Benchmark:** Utilize a checklist to ensure files maintained are consistent and meet reporting standards and quality assurance.

- **Recommended Benchmark:** Files should be maintained in secured file cabinets in order to protect client privacy. Scanned documents or electronic files should maintain the highest level of client security.

- **Recommended Benchmark:** Files should be maintained for a minimum of three years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded.

4. Reporting: Utilize an electronic Client Management System (CMS) for collecting and reporting data.

- **Recommended Benchmark:** An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but *preferably* should be a software application compliant with HUD's CMS vendor list or equivalent. Visit www.hud.gov to view HUD's CMS vendor list.

5. Service Thresholds: Establish referral networks for individuals and families seeking services that the homeownership counselor does not provide or possess sufficient competency to adequately and effectively deliver.

- **Recommended Benchmark:** Examples of such services may include: rental housing assistance, housing search assistance, legal aid, relocation assistance, etc.

Exhibit C

Minimum Standard Activities for Homeownership Counseling

Activities
Intake – gather baseline information from client
Conduct accurate needs assessment
Document the household income and expenses
Determine household debt level
Review client’s credit report(s)
Identify credit challenges
Determine and document household savings
Develop a household budget
Analyze budget and recommend modification
Conduct various calculations including affordability based on income and debt
Develop a written action plan
Provide client follow up
Make referrals for additional services needed by client
Provide client information on delinquency/foreclosure services or information on a referral for these services

Note: Specialty counseling services such as reverse mortgage counseling, foreclosure prevention and delinquency counseling should only be provided by counselors with the proper training and certification.

Foreclosure Intervention Specialty



Purpose of the Standards

To ensure consistency in the quality of foreclosure intervention counseling efforts nationwide, and adopt industry best practices.

In order to best serve clients, organizations providing homeownership counseling and individual homeownership counselors providing foreclosure intervention services agree to adopt the following:

Core Operating Standards

1. Competency: Possess a strong knowledge in the area of mortgage default and/or foreclosure intervention counseling, specifically relating to the current industry practices of loss mitigation to include loan repayment, forbearance, modification, refinance, loan assumption, short sale, deed-in-lieu,

community referrals and other remedies available to the homeowner to avoid foreclosure. The counselor should understand the structure of the primary and secondary markets, the collection and loss mitigation functions of those entities collecting mortgage payments, financial management and budgeting, and be familiar with state and federal regulations regarding the foreclosure process. The counselor should possess the skills to obtain pertinent client information, analyze financial and property data and draft a comprehensive written action plan (see Exhibit E) based on the client's goals outlining the recommendations for foreclosure avoidance or sale.

- **Recommended Benchmark:** Individuals new to the field of foreclosure intervention counseling should obtain appropriate orientation, introductory level training and

prerequisite curricula during the initial six months of employment.

- **Recommended Benchmark:** Those counselors new to foreclosure intervention and default counseling should (prior to seeing clients) be involved in an on-the-job training/coaching/mentoring program for at least 90 days.

2. Skills: Exhibit professional communication (written and verbal), organizational, listening, customer service, cultural competency and time management skills. Foreclosure Intervention Counselors must demonstrate a hands-on knowledge of the remedies available to the homeowner to avoid foreclosure including negotiation and critical thinking skills, and demonstrate an ability to provide timely crisis counseling to families in need.

3. Training: As soon as possible but no later than within 12 months of being hired, foreclosure intervention counselors will obtain minimum training equivalent to no less than 30 hours of facilitated instruction, utilizing a variety of methods including lecture, interactive, demonstration, on-line and case study.

- **Recommended Benchmark:** Those counselors new to foreclosure intervention and default counseling should (prior to seeing clients) be involved in an on-the-job training/coaching/mentoring program for at least 90 days. To best meet the client's needs in this highly specialized field, facilitated training in foreclosure intervention and default counseling should be completed within six months and no later than one year to obtain the competency and skills listed under the Core Operating Standards.

4. Certification: Certification is considered critical in the industry. Subsequent to the requisite training, a comprehensive exam consisting of approximately 100 questions must be administered with a demonstrated proficiency of 80% passing. The exam will cover foreclosure intervention counseling competency content meeting the standards listed under the Core Operating

Standards and demonstrated in the related activities identified in Exhibit D herein.

- **Recommended Benchmark:** Certification should be completed as soon as reasonably possible, but no later than within 18 months of employment.

5. Continuing Education: Complete a minimum of 10 hours of continuing education annually in subjects primarily related to the core content and delivery of foreclosure intervention and default counseling.

- **Recommended Benchmark:** Professional certification continuing education requirements may meet or exceed this standard.

6. Foreclosure Intervention Counseling

Operations: Implement effective program operations for foreclosure counseling including techniques, outreach and marketing of services available to the community, partnership building with private sector partners including servicers and lenders, fundraising, customer service, customer tracking, reporting, program evaluation and program design.

- **Recommended Benchmark:** These skills can be obtained through training and experience.

7. Code of Ethics and Conduct Statement:

Sign and adopt the written National Industry Standards Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. Delivery: Perform individual, personalized foreclosure intervention and default counseling to clients.

- **Recommended Benchmark:** Content, delivery and format of the counseling is tailored to meet the needs of the client.

Content and delivery should be done in a culturally competent manner and in the preferred language of the client. Use of a translator or referral to an agency that provides adequate service in the appropriate language is recommended.

- **Recommended Benchmark:** Clients should be counseled immediately (if possible) particularly when there is a high degree of certainty that foreclosure is imminent. At a minimum, upon request, clients should receive acknowledgement of inquiry within 48 hours of initial contact. When initial contact is made, clients should be assessed to determine the status of the client's mortgage and client urgency. Those clients that have a high degree of foreclosure risk should be prioritized for appointments.
- **Recommended Benchmark:** Foreclosure intervention counselors must complete appropriate intake of client information to make proper and timely recommendations to the client to assist in avoiding foreclosure. Counselors must provide a comprehensive written action plan (see Exhibit E) to the client summarizing a statement of the problem, steps to be taken by the client, steps to be taken by the counselor and the timeline necessary to accomplish these tasks.
- **Recommended Benchmark:** Foreclosure intervention counselors should always instruct the client of the importance of making and keeping contact with the lender. Where possible, the counselor should attempt to contact the lender on behalf of the client to assess status and to further inform the lender of the proposed recommendations as specified in the written action plan (see Exhibit E).
- **Recommended Benchmark:** Active, open client files should be closely monitored, with timely follow-up in accordance with the stated action plan. When no contact from the client has taken place for three consecutive months, the file may be classified as inactive.

- **Recommended Benchmark:** Where there is no mortgage delinquency, foreclosure intervention counselors should provide basic financial management or credit counseling and encourage further homeownership education as a deterrent to future mortgage default.

- **Recommended Benchmark:** Client satisfaction surveys are used to evaluate the effectiveness of the counseling.

2. Expected Counseling Outcome: Upon completion of foreclosure intervention counseling, clients will understand the various options available to assist them to avoid foreclosure, the need to keep constant communication with their lender and will have received a written action plan (see Exhibit E) outlining the necessary steps to achieve their desired objectives. After counseling, if the client determines that either they cannot afford to keep their home or no longer desire to keep their home, they will receive information relative to each of these options and how this action might result in civil and/or tax liability.

- **Recommended Benchmark:** Foreclosure intervention counselor should collect pertinent information as outlined in Exhibit D.

- **Recommended Benchmark:** Comprehensive, effective delivery should be determined based upon the individual needs of the client to reach their desired outcome. The minimum standard for delivery of individual foreclosure intervention counseling should be at least one session of at least 30-60 minutes, utilizing either face-to-face or telephone counseling.

3. Recordkeeping: Collect and maintain specific information from clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.)

- **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact information, services sought/provided,

household size, ethnicity (optional), and household income. Additional information to collect from the client is outlined in Exhibit D.

- **Recommended Benchmark:** Aggregate information for clients should be maintained including total number of persons served and other demographic information.
- **Recommended Benchmark:** A checklist should be utilized to ensure files are consistently maintained and meet reporting standards and quality assurance.
- **Recommended Benchmark:** Files should be maintained in secured file cabinets and/or electronically in a secure data system in order to protect client privacy.
- **Recommended Benchmark:** Files should be maintained for a minimum of three years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded or electronic copies should be deleted.

4. Reporting: Utilize an electronic Client Management System for collecting and reporting data.

- **Recommended Benchmark:** An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but *preferably* should be a software application compliant with HUD's CMS vendor list or equivalent. Visit www.hud.gov and refer to HUD's CMS vendor list.

5. Service Thresholds: Establish referral networks for individuals and families seeking services that the foreclosure intervention counselor does not provide or possess sufficient competency to adequately and effectively deliver.

- **Recommended Benchmark:** The Department of Housing and Urban Development (HUD) maintains a list of organizations and corresponding services (www.hud.gov). In addition, legal aid, tax professionals and other state or local agencies that may provide needed services aligned with foreclosure intervention including rescue funds should be sought.

Exhibit D

Minimum Standard Activities for Foreclosure Intervention and Default Counseling

Activities
Perform intake by gathering baseline information from client including: <ul style="list-style-type: none">a. Client's goals/intentb. Reason for delinquency or defaultc. Client's financial situation and possibility of workoutd. Client's loan typee. Home's value/conditionf. Credit reportg. Original loan documents, if availableh. Demographic information: contact information, household size, household income, ethnicity (optional), etc.
Assess client's mortgage, payment status and urgency in the delinquency and foreclosure process
Develop loss mitigation options
Communicate with the servicer*
Submit loss mitigation package to servicer*
Negotiate with junior lien holders and Homeowners Association*
Create written action plan for foreclosure avoidance or client's preference
Provide follow up to client
Provide client with contact information for additional community services that might be available

* When Applicable. Foreclosure Counseling can include a range of the activities depending on the client's financial situation and the severity of the mortgage delinquency. Specifically, activities 4, 5 and/or 6 vary and may not always be performed for a client.

Exhibit E

Foreclosure Intervention Counseling— Recommended Content for Written Action Plan

Recommended Features of the Action Plan
State briefly why the homeowner is delinquent or in danger of becoming delinquent, including the involuntary inability to pay, unexpected increase in expenses, decrease in income, loan reset and/or other factor.
Include an assessment of the property's condition and a discussion and calculation of equity, if any.
Include a financial assessment that leads to the recommendations for resolving the delinquency (assuming that the client wants to and can afford to keep the house). Otherwise, discuss foreclosure in general, sale of the property, deed in lieu, short sale and possible tax consequences and/or deficiency judgment issues.
State what steps the homeowner will take to resolve the delinquency and what steps the counselor will take to assist in this process.
Include other contact information for community referrals which may be able to assist the client.
Issue the Action Plan within 24 hours of counseling session (and immediately if face-to-face)

Financial Capability



Definition of Financial Capability

The purpose of financial capability programs is to help participants reach their financial goals and build their financial well-being. Financial capability is the capacity, based on knowledge, skills, and access to manage financial resources prudently and effectively.

The Bureau of Consumer Financial Protection (the Bureau) defines financial well-being as “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life,” as illustrated on page 22.¹

Efforts to improve financial capability, which should be based on evidence of effectiveness,

¹ For more information on this definition, see the Bureau’s (2015) publication, *Financial Well-Being: The Goal of Financial Education*, www.consumerfinance.gov/data-research/research-reports/financial-well-being/.

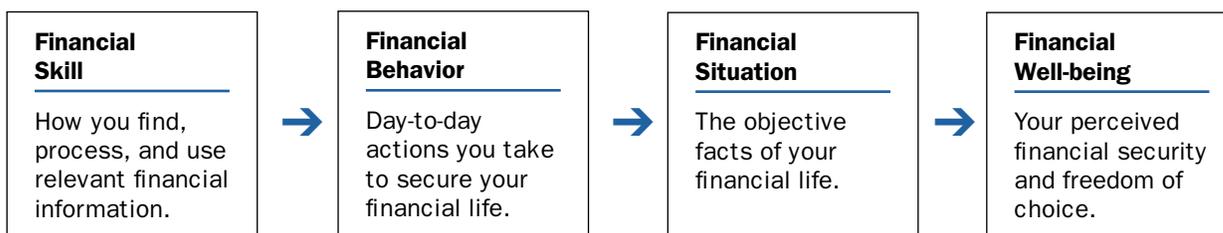
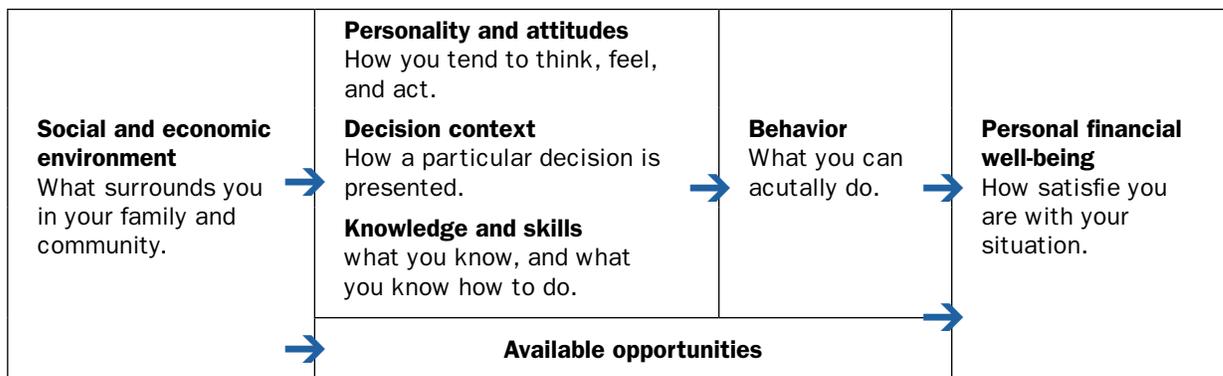
empower participants to make informed choices, plan and set goals, avoid pitfalls, know where to seek help, and take other actions to better their present and long-term financial well-being.²

Financial well-being is influenced by many factors, as is shown above in the diagrams from the Bureau, including such financial capability factors as financial knowledge, skills, and attitudes, which are strongly associated with financial behavior.³ The Bureau defines financial skill as “knowing how to find, process, and act on information.” A key attitude is self-efficacy, or having the confidence in one’s ability to reach financial goals.

² Executive Order creating President’s Advisory Council, Exec. Order No. 13646, 78 Fed. Reg. 39159 (January 29, 2010), https://www.whitehouse.gov/sites/default/files/2010/financialleo_rel.pdf.

³ For detailed findings, see the Bureau’s (2018) research brief conducted by Abt Associates, *Understanding the Pathways to Financial Well-Being: The Role of Financial Capability*, <https://www.consumerfinance.gov/data-research/research-reports/pathways-financial-well-being/>.

	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a shock
Freedom of Choice	Financial freedom to make choices and enjoy life	On track to meet your financial goals



Effective financial capability programs build financial skill and confidence. They intentionally influence and support participants in taking actions that improve their financial situations through the development of financial skills that include:

- Knowing how to look for information when there's a knowledge gap;
- Knowing where to find trusted information; and
- Knowing how to act on decisions and staying on track with financial goals.⁴

Such skills-building programs combine specific types of knowledge, tools, habits, decision-making support, attitudinal shifts, opportunities, and skills to help participants reach their financial goals and create real improvement in their financial well-being. In the interim, financial capability programs generate tangible outcomes for participants, such

⁴ See the Bureau's blog, "Facing a Money Decision...", <https://www.consumerfinance.gov/about-us/blog/facing-money-decision-check-whether-you-use-3-skills-stand-out-people-high-financial-well-being/>.

as increased emergency savings and/or improved credit scores.

Purpose of the Standards

The purpose of the standards is to ensure consistency of financial capability efforts nationwide and adopt industry best practices.

Financial capability efforts can include stand-alone programs that help participants improve their financial health and/or components of other programs that help participants reach specific financial goals, such as homeownership, foreclosure prevention, home maintenance or home rental.

At a high level, the primary types of financial capability programs include:

- 1. Financial Education:** teaching participants financial skills and knowledge through interactive workshop, online or one-on-one methods or static print/online materials.
- 2. Long-Term Engagement:** providing encouragement and support through an ongoing relation-

ship in a one-on-one setting to help participants practice and adhere to positive financial behaviors and reach financial goals.

- **Counseling** is a directive approach that is focused on problem resolution and follows a set process driven by the counselor.
- **Coaching** is a facilitative approach that is focused on participant-driven goals using a process that is driven by the participant.

3. Access to Financial Products and

Services: providing access to a variety of resources through referrals, distribution or direct provision.

Oftentimes, program types are combined. For a more detailed breakdown of different financial capability programs, see the Asset Funders Network's brief on Financial Coaching as an Asset Building Strategy.

These standards align with and build on the National Industry Standard for Homeownership Education and Counseling. They are tailored as a set of guidelines for delivering quality financial capability programs broadly and connected to homeownership services. Financial wellness and sustainable housing are inextricably linked, and financial capability providers create pathways for those crucial outcomes.

In order to best serve clients, organizations providing financial capability programs and individual financial capability practitioners (educators, coaches and/or counselors) agree to adopt the following:

Core Operating Standards

1. Competency: Possess a strong knowledge in the area of personal finance – specifically behaviors related to visioning/goal setting, maximizing income, spending, saving, borrowing and protecting, financial products and services, credit, investing and insurance.⁵

- **Recommended Benchmark:** Individuals new to the field of financial capability should obtain appropriate orientation and

introductory level training on the target audience, program goals and structure, and relevant personal finance topics during the initial six months of employment.

- All providers should have a basic knowledge of human financial behavior - common tendencies and biases – and how to facilitate behavior change.

2. Skills: Demonstrate knowledge and skills for delivering financial education and/or long-term engagement.

- **For financial education,** demonstrate an understanding of adult education techniques and training, cultural competency (understanding and appropriately responding to the unique variables of participants), facilitation skills and training methods, presentation skills, audio/visual/online technology, planning and designing trainings, participatory training techniques, and behavioral finance or behavior change in general.
- **For financial coaching/counseling,** exhibit solution-focused coaching skills (inquiry, active/reflective listening, facilitation, brainstorming options, and accountability) and professional communication and organizational skill set, including customer service, cultural competency, behavior change, and time management skills.
- **Financial capability coaches/counselors** must demonstrate the skills to conduct values-based goal setting, a financial analysis, including obtaining, reviewing and analyzing credit reports, calculating income and debt, and developing a spending plan. A full command of financial calculations is required, such for as cash flow analysis, net worth, SMART goals, and debt-to-income ratio.

3. Training: As soon as possible, but within 18 months of being hired, new financial capability practitioners will obtain minimum training as a financial capability practitioner equivalent to no less than 30 hours of facilitated instruction covering

⁵ As it relates to competency, the goal is for the practitioner to be able to impart knowledge about subject matter, rather than provide advice. This is particularly true for the subjects of financial products, insurance and investing.

topics included in Standards 1 and 2 above, utilizing a variety of methods which could include lecture, interactive, demonstration, on-line and case study.

- **Recommended Benchmark:** Individuals new to the field of financial capability demonstrate proficiency in financial capability content and delivery methods.

4. Certification: A certification standard is critical to establishing professionalism and value to financial capability. After completing minimum training, certification will require a financial capability practitioner to take and pass a comprehensive exam demonstrating at least 80% proficiency. If the practitioner has completed comparable training and/or holds equivalent certification (e.g., homeownership education or counseling), these can be substituted or a specific training and certification in financial capability, with proper demonstration.

The exam will test the skills and understanding of core competency areas identified in Standards 1 and 2 above, as well as the related content and activities identified in Exhibits A and B herein.

- **Recommended Benchmark:** Certification in financial capability must be completed as soon as possible, but no later than 18 months from the start of employment.

5. Continuing Education: Complete a minimum of 10 hours of eligible continuing education annually in subjects relative to the core content (see Exhibit A) and delivery of financial capability programs (e.g., adult education, group facilitation, coaching, behavior change).

6. Financial Capability Program Operations: Implement effective program operations, including:

- Outreach and marketing to attract participants to the program.
- Partnership building and fundraising for program administration and sustainability.
- Customer tracking through an online Client Management System (CMS) to see participants' progress over time and regularly follow up with participants.

- Internal and external reporting, program evaluation and outcomes measurement for data-informed strategies and to see the effectiveness and impact of services.

- Program design, technology and customer service for efficient and effective service delivery.

- **Recommended Benchmark:** Practitioners should have a working knowledge of these subject areas. These skills can be obtained through training and experience.

7. National Industry Standards Code of Ethics and Conduct Statement:

All practitioners and volunteers are to sign and adopt the written National Industry Standards Code of Ethics and Conduct that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. Delivery: Perform group financial education and individual, personalized financial counseling or coaching to clients using a variety of interactive techniques.

- **Recommended Benchmark:** Content, delivery and format of the training and counseling/coaching is tailored to meet the needs of the participants.

- **Recommended Benchmark:** Participants should be provided service in a timely manner, requisite of the service need. At minimum, upon request participants should receive acknowledgement of inquiry within two business days of initial contact, and delivery of service within a two-week framework. If crisis services are needed (such as eviction, wage garnishment, utility shutoff, etc.), service should be provided immediately, or as soon as possible.

- **Recommended Benchmark:** Financial capability practitioners should use a training manual, and make materials available to education attendees, and use a formal intake,

needs assessment and written action plan with counseling/coaching clients.

- **Recommended Benchmark:** A certificate of completion is provided to participants who successfully complete the training, and the organization retains a copy.
- **Recommended Benchmark:** A financial capability program should include education to transfer knowledge and personalized support to implement financial behaviors to reach financial goals. Client follow up and accountability are essential, whether it be through email, phone or text after training, coaching/counseling to check on action steps.
- **Recommended Benchmark:** Active, open client files for counseling/coaching clients should be closely monitored, with timely follow-up in accordance with the stated action plan. When no contact from the participant has taken place for 90 consecutive days, the file may be classified as inactive. Practitioners must follow up with participants within 60 days of no contact. Following two unsuccessful attempts to receive communication from the participants, the practitioner must send the participant a letter requesting the participant to make contact within 30 days. If at the end of the 90-day period there is still no communication from the participant, the participant would be considered inactive.
- **Recommended Benchmark:** Where appropriate, financial capability practitioners should review and analyze participant's credit report, spending plan, financial goals and other relevant financial information, if competent to do so, or a referral should be made.
- **Recommended Benchmark:** Customer satisfaction is measured through inquiry or a survey to evaluate how satisfied participants are with financial education and long-term engagement.
- **Recommended Benchmark:** A systematic way to assess and document impact for the

clients served is used by measuring financial well-being at the start and end of service delivery. Both the CFPB and the Center for Financial Security have developed scales, short sets of standardized outcome measures: <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/> and <https://fyi.uwex.edu/financialcoaching/measures/>.

- **Recommended Benchmark:** Individual counseling or coaching in conjunction with the provision of all group education is offered and encouraged.
- **Recommended Benchmark:** A code of ethics is utilized for all volunteer trainers, coupled with an orientation regarding the mission, philosophy and delivery of the training.

2. Curriculum: Utilize a comprehensive and interactive curriculum containing the following minimum core content:*

- Visioning/Goal Setting
- Maximizing Income
- Spending
- Saving
- Borrowing
- Protecting

* See detailed list of acceptable content and topics

- **Recommended Benchmark:** There are a number of excellent consumer curricula that have been developed by various organizations, service providers, etc., which may meet or exceed the standard for curriculum content. These curricula must contain the components mentioned above.
- **Recommended Benchmark:** When developing a curriculum, content and delivery should be tailored to the target audience and their goals.
- **Recommended Benchmark:** Specialty topics, such as investing, asset building,

individual development accounts (IDAs), financial planning and retirement may also at times be delivered as group education. Use of nationally developed and utilized curriculum, and/or an equivalent is recommended. Financial capability practitioners should secure appropriate training in the appropriate specialty topic.

- **Recommended Benchmark:** For specialty topics, financial capability practitioners are encouraged to bring in trusted professionals/experts.

3. Expected Program Outcomes: Upon completion of financial capability programs, clients will be able to demonstrate progress towards at least some of the following outcomes:

- Gaining and exercising financial knowledge
- Having financial self-efficacy (confidence)
- Assessing and managing appropriate financial products and services
- Setting financial goals and aligning financial behaviors and resources to reach goals
- Maximizing sources of income to cover monthly expenses and save for the future
- Tracking spending and making intentional spending decisions
- Planning ahead and saving for the future
- Selecting and using credit appropriately
- Having adequate asset and financial risk protection
- Having stronger awareness of their rights as a consumer and where to seek help when needed
- **Recommended Benchmark:** Optimally, financial capability efforts include a combination of financial education for knowledge transfer and ongoing financial coaching/counseling to support behavior change and help participants reach their goals. In most circumstances (e.g., based on pre-assessment of learners' needs), hours and length of the service period for the combination of

education and coaching/counseling may vary according to the clients' goals.

- **Recommended Benchmark:**

Comprehensive effective delivery should be determined based on the individual need of the client to reach the desired outcomes. The minimum standard for delivery of individual counseling or coaching should have an initial session of at least 60-90 minutes and ongoing sessions of an appropriate duration based on individual goals.

3. Recordkeeping: Collect, maintain and keep secure specific information from financial capability clients in accordance with all laws and governing organizations (e.g., intermediary).

- **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, race, ethnicity (optional), household income, date, and preferred language. Type of service provided, service format, and length also to be included.
- **Recommended Benchmark:** Baseline financial information (such as on debt, income, savings and credit or using one of financial capability scales referenced above) are gathered to enable the measurement of impact over time.
- **Recommended Benchmark:** Aggregate information (with no personal identifiable information) for financial capability activities should be maintained including total number of persons served and other demographic information for reporting purposes.
- **Recommended Benchmark:** Utilize a checklist to ensure files maintained are consistent and meet reporting standards and quality assurance.
- **Recommended Benchmark:** Files should be maintained in secured file cabinets in order to protect participant privacy for at least three years from the date of last participant contact.

Scanned documents or electronic files should maintain the highest level of security.

- **Recommended Benchmark:** Files should be maintained for a minimum of three years from date of last contact. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded and e-files destroyed so they cannot be recreated.
- **Recommended Benchmark:** Privacy policy, disclosure statement and authorization for data sharing should be completed and signed by the client and maintained in the client file.
- **Recommended Benchmark:** Measure impacts of financial capability programs appropriately and effectively, including goal attainment and financial health, as evidenced by improved credit score, increased savings, reduced debt, increased income, and increased confidence. The financial capability scales or other assessments on core financial outcomes can be used to track progress over time.

5. Reporting: Utilize an electronic Client Management System (CMS) for collecting and reporting data.

- **Recommended Benchmark:** An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but preferably should be a software application designed for financial capability programs.

6. Privacy and Confidentiality: Respect clients' right to privacy. Private information will not be requested from clients unless it is critical to providing services. Once private information is shared, privacy laws apply as well as client confidentiality.

- **Recommended Benchmark:** Confidential information will be disclosed only as specified by a valid written consent of client.

- **Recommended Benchmark:** Confidential information in any setting will not be discussed unless privacy can be ensured, or the participant authorizes the discussion of said information in the presence of others, such as relatives or individuals supporting the participant. Counselors, coaches, and educators will abide by privacy laws and keep information confidential and protected.
- **Recommended Benchmark:** Practitioners will review and explain the privacy policy to participants.
- **Recommended Benchmark:** Participants' information, including their identity, will not be disclosed when responding to requests from members of the media without the client's express consent.
- **Recommended Benchmark:** The confidentiality of clients' written and electronic records and other sensitive information will be protected. Clients' records shall be stored in a secure location and not made available to others who are not authorized to have access.
- **Recommended Benchmark:** Precautions (such as using case numbers instead of names) will be taken to ensure and maintain the confidentiality of information transmitted to other parties through the use of computers, electronic mail, facsimile machines, telephones and telephone answering machines, and other electronic or computer technology. Disclosure of identifying information will be avoided unless specifically permitted by client.
- **Recommended Benchmark:** Clients' records will be disposed of in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure.
- **Recommended Benchmark:** Homeownership educators and counselors will be familiar with relevant local, regional and national laws regarding privacy and confidentiality.

7. Service Thresholds: Establish referral networks for individuals and families seeking services that the financial capability practitioner does not provide or possess sufficient competency to adequately deliver.

● **Recommended Benchmark:** Examples of such services may include individual/personal counseling services, benefits screening, legal aid, financial products, fair housing, employment services, etc.

Exhibit F Standard Financial Education Content

Behavior	Visioning/ Goal setting	Maximizing Income	Spending	Saving	Borrowing	Protecting
Consumer Outcome¹	<ul style="list-style-type: none"> · Gaining and exercising financial knowledge · Having financial self-efficacy (confidence) · Selecting and managing appropriate financial products and services · Having stronger awareness of their rights as a consumer and where to seek help when needed · Managing financial resources and making financial decisions in line with financial well-being · Having written action plans 					
	Setting financial goals and aligning financial behaviors and resources to reach goals	Maximizing sources of income to cover monthly expenses and save for the future	Tracking spending and making intentional spending decisions	Planning ahead and saving for the future	Selecting and using credit appropriately	Having adequate asset and financial risk protection
Traditional Content	Goal setting	Money management	<ul style="list-style-type: none"> · Money management · Financial products and services (transaction accounts) · Credit (existing debt) 	<ul style="list-style-type: none"> · Saving · Goal setting · Money management · Financial products and services (deposit accounts) · Investing 	<ul style="list-style-type: none"> · Credit (new) · Financial products and services (credit) 	<ul style="list-style-type: none"> · Insurance · Credit (managing) · Financial products and services (managing) · Saving (emergency fund)
Key Points	<ul style="list-style-type: none"> · Values and views · Future orientation · Priorities · Motivation · Awareness of choices and decision-making (trade-offs) · Strengths and obstacles 	<ul style="list-style-type: none"> · Earnings · Public and private benefits · Taxes · Living within means · Work-life balance · Support services (transportation, childcare) · Self-Sufficiency Standard · Job training referrals · Investments 	<ul style="list-style-type: none"> · On-time payments · Debt reduction · Planning/budgeting · Transaction accounts · Living within means · Needs and wants · Impacts of decisions · Tracking · Comparison shopping · Advertising · Greening 	<ul style="list-style-type: none"> · Emergency fund · Financial goals · Savings accounts · Habit of saving · Planning ahead · Protection · Comparison shopping · Balance of risk and return · Assets and investments 	<ul style="list-style-type: none"> · Credit products · Spending · Reasons to borrow · Implications of borrowing · Reading the fine print · Comparison shopping · Balance of risk and return · Living within means · Qualifying for credit · Credit scores 	<ul style="list-style-type: none"> · Insurance · Emergency savings · Fraud and scams · Identity theft · Rebuilding credit · Minimizing exposure/risk and maximizing wellbeing · Reading the fine print · Managing assets and investments

¹ Center for Financial Services Innovation (CFSI), EARN and NeighborWorks America.

Exhibit G

Minimum Standard Activities for Financial Counseling/Coaching

In collaboration with the client

Activities
Perform intake – gather baseline information and all required forms and disclosures from client
Conduct accurate needs and financial assessment
Document the household income and expenses
Determine and document household savings and debt
Review client's credit report(s)
Discuss client's financial goal(s)
Develop a household budget
Develop a written action plan that meets the participant's needs
Establish client accountability
Provide client follow up and document outcomes
Make referrals for additional resources that might be beneficial to the client
Maintain files and close them according to the National Industry Standards, government contract requirements and/or organizational policies

Rental Housing Counseling



Purpose of the Standards

To ensure consistency in the quality of rental counseling and educational efforts nationwide and adopt industry best practices. NOTE: There are many varied and complex topics that may be covered by organizations providing rental counseling. This standard includes all of the current requirements by HUD for housing counseling certification. Some organizations may not be HUD approved. Therefore, the delivery and outcomes of rental counseling for their programs should be tailored to meet their individual needs.

In order to best serve clients, organizations providing rental counseling and individual counselors agree to adopt the following:

Core Operating Standards

- 1. Competency:** Possess a general knowledge of: local, state, and federal rental assistance program qualifications and requirements, financial management skills necessary to analyze the family budget and ascertain the maximum affordable rental expense, regulations in regards to tenant and landlord' rights and responsibilities, including consequences of breaking a lease, the eviction process, community referrals available for assistance with finding and securing rental housing, an awareness of the availability of rental housing in the appropriate geographical area where the client is interested in renting, and an overview of Fair Housing Law and Regulations.
- 2. Skills:** Exhibit professional communication and organization skill set, including listening skills, customer service, cultural competency and time

management. Rental Counselors must demonstrate the skills necessary to effectively provide an effective rental counseling session addressing all topics which are determined to be in immediate need for rental crisis counseling and long term need for successful and sustainable rental housing.

3. Training: As soon as possible but within 18 months of being hired,

Rental Counselors will obtain minimum training as a Rental Counselor equivalent to and no less than 30 hours of facilitated instruction covering topics included in Core Operating Standards 1 and 2 above, utilizing a variety of methods which could include lecture, interactive, demonstration, on-line and case study.

- **Recommended Benchmark:** Individuals new to the field of Rental Counseling should obtain appropriate orientation and introductory level training during the initial six months of employment.

4. Certification: A certification standard is critical to establishing the professionalism and value of rental counseling. After completing minimum training, certification will require a rental counselor to take and pass a comprehensive exam demonstrating at least 80% proficiency. The exam will test skills and core competency areas included in Standards 1 and 2 above, as well as the related content and activities identified in Exhibit C herein.

- **Recommended Benchmark:** Certification should be completed as soon as reasonably possible, but no later than within 18 months of employment.

5. Continuing Education: Complete a minimum of 10 hours of continuing education annually in subjects primarily related to the core content and delivery of rental counseling.

- **Recommended Benchmark:** Professional certification continuing education requirements may meet or exceed this standard.

6. Rental Counseling Operations: Implement effective program operations for rental counseling including techniques, outreach and marketing of

services available to the community, partnership building with private sector partners including tenant groups, public and private rental assistance organizations, legal services for renters, fundraising, reporting, program evaluation and program design.

- **Recommended Benchmark:** These skills can be obtained through training and experience.

7. Code of Ethics and Conduct Statement: Sign and adopt the written National Industry Standards Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. Delivery: Perform individual, face-to-face personalized rental counseling to clients which may include rental workshops or online sessions:

- **Recommended Benchmark:** Rental counseling should occur before the client pursues obtaining new or alternative rental housing, while experiencing a challenge within a current rental situation, and immediately if the client is facing eviction.

- **Recommended Benchmark:** Content, delivery and format of the counseling is tailored to meet the needs of the client.

- **Recommended Benchmark:** Clients should be consulted in a timely manner, requisite with the service need. At a minimum, upon request clients should receive acknowledgement of inquiry within two business days of initial contact, with the intake appointment within a one-week timeframe.

- **Recommended Benchmark:** Rental Counselors must complete a formal intake, needs assessment and develop a written action plan.

- **Recommended Benchmark:** Active open client files should be closely monitored, with

timely follow-up in accordance with the stated action plan. When no contact from the client has taken place for six consecutive months, the file may be classified as inactive.

- **Recommended Benchmark:** Where appropriate, Rental Counselors should review and analyze client's credit report.
- **Recommended Benchmark:** Customer satisfaction surveys, or other related methods, should be used to evaluate the effectiveness of the rental counseling.

2. Expected Counseling Outcome: Upon completion of rental counseling, clients will be able to demonstrate an understanding of the following: rental vs. buying, rental affordability and public assistance programs, how to find acceptable rental housing, understanding the terms of a rental agreement, rights and responsibilities of tenants and landlords, consequences of breaking a lease, the eviction process, and Fair Housing Law and Regulations.

NOTE: The expected outcomes should be related to the services provided by the agency. Agency management should specify acceptable outcomes to determine effectiveness of services offered. If an agency provides only eviction assistance counseling, for example, then the expected outcomes might be limited to the number of evictions avoided or the number of clients successfully transitioned.

- **Recommended Benchmark:** Comprehensive, effective delivery should be determined based upon the individual need of the client to reach the desired outcome. The minimum standard for delivery of individual counseling should be at least one session of at least 30-60 minutes.

3. Recordkeeping: Collect and maintain specific information from clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.).

- **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact

information, services sought/provided, household size, race and ethnicity (optional), and household income.

- **Recommended Benchmark:** Aggregate information for clients should be maintained including total number of persons served and other demographic information.
- **Recommended Benchmark:** Utilize a checklist to ensure files maintained are consistent and meet reporting standards and quality assurance.
- **Recommended Benchmark:** Files should be maintained in secured file cabinets in order to protect client privacy. Scanned documents or electronic files should maintain the highest level of client security.
- **Recommended Benchmark:** Files should be maintained for a minimum of three years. Longer file retention requirements may be required if the household has received affordable rental assistance through state or federal subsidy programs. At the time of disposal, files should be shredded.

4. Reporting: Utilize an electronic Client Management System (CMS) for collecting and reporting data.

- **Recommended Benchmark:** An electronic method in place for collecting and reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but preferably should be a software application compliant with HUD's CMS vendor list or equivalent. Visit www.hud.gov to view HUD's CMS vendor list.

5. Service Thresholds: Establish referral networks for individuals and families seeking services that the Rental Counselor does not provide or possess sufficient competency to adequately and effectively deliver.

- **Recommended Benchmark:** Examples of such services include homeownership centers, tenant networks, and legal aid.

Exhibit H

Minimum Standard Activities for Rental Counseling

NOTE: These Minimum Standard Activities are designed as a national framework and will be determined locally by the rental counseling activities provided by the organization. Minimum standard activities will be tailored to the unique circumstances of communities and the specific needs of the clients. Rental counseling agencies should design their programs in accordance with their local market needs, resources available to the agency, and an individual comprehensive housing counseling plan. Where appropriate, referrals and additional resources/materials should be used to satisfy the needs of the client.

Activities
Intake – gather baseline information from client Identify client’s goals and objectives
Document household income and expenses and develop a household budget
Make recommendations for debt management and savings plans
Determine maximum sustainable rent payment – 31% of gross monthly income is a national benchmark. Local markets will determine how each agency counsels around affordability factors.
Perform rent vs. buy analysis with a discussion of pros and cons of both Review local, state, and federal rental assistance programs if appropriate
Discuss availability of rental units with emphasis on location and transportation costs Explain Fair Housing Law and discrimination as it applies to rental housing
Explain the major parts of a lease and resultant liability for breaking a lease Review tenants and landlords rights and responsibilities
Discuss the need for rental insurance
Give an overview of the eviction process and how to successfully avoid eviction Refer to community groups that can assist in finding safe and secure rental housing
Develop a written action plan
Provide client follow-up and document outcomes File maintenance and closure

Code of Ethics and Conduct for Homeownership Professionals



The National Industry Standards Code of Ethics and Conduct for Homeownership Professionals* is a voluntary, self-governing standard for professional performance/conduct for homeownership counselors and educators that provide homeownership education and counseling services to consumers.

The Code of Ethics and Conduct for Homeownership Professionals offers a set of values and principles to guide conduct and decision-making in the homeownership education and counseling field. Homeownership professionals who adhere to the Code of Ethics and Conduct agree to provide quality education and counseling to clients.

How to Utilize the National Industry Standards Code of Ethics and Conduct:

Counselors and Educators: The National Industry Standards Code of Ethics and Conduct should be adopted by counselors and educators and adhered to in their daily business operations. For more information on how to demonstrate adoption of these documents, visit www.homeownershipstandards.org.

Organizations: Organizations providing homeownership education and/or counseling services are encouraged to adopt the Code of Ethics and Conduct and ensure compliance with these ethics by their counselors and educators.

1. Commitment to Clients

- The primary responsibility of homeownership educators and counselors is to provide high-quality education and counseling services to prospective and existing homeowners.

- Homeownership educators and counselors will act on behalf of a client and observe his/her best interests.

2. Client Decision-Making

- Homeownership educators/counselors will provide necessary tools, resources and information to assist their clients in making decisions about finances, home buying or homeownership based on the client's needs and preferences.
- In instances when clients experience literacy or language challenges, homeownership educators/counselors will take steps to ensure clients' comprehension. This shall include arranging for a qualified interpreter or translator or referring the client to a qualified language educator/counselor.

3. Competence

- Homeownership educators/counselors will provide services only within the boundaries of their education, training, certification or other relevant professional experience. Referrals will be provided to clients when essential services are beyond the scope of the individual or agency to provide.
- Homeownership educators/counselors shall be culturally competent in their service area and sensitive to cultural differences and needs.

4. Conflicts of Interest

- Homeownership educators/counselors will avoid actual and the appearance of conflicts of interest. They will inform clients when a real or potential conflict of interest arises and take all necessary steps to resolve the issue in a manner that makes the clients' interests primary and protects clients' interests. In some cases, protecting clients' interests may require termination of the professional relationship with proper referral of the client.
- Homeownership educators/counselors will not take unfair advantage of any professional relationship or exploit others to further their personal, religious, political or business interests.

- Any potential conflicts of interest (such as a counseling agency providing low-cost loans), will be disclosed to clients in a written disclosure document.

5. Privacy and Confidentiality

- Homeownership educators/counselors will respect clients' right to privacy. Private information will not be requested from clients unless it is critical to providing services. Once private information is shared, privacy laws apply as well as client confidentiality.
- Homeownership educators/counselors will disclose confidential information only as specified by a valid written consent of client.
- Homeownership educators/counselors will not discuss confidential information in any setting unless privacy can be ensured. Counselors and educators will abide by privacy laws and keep information confidential and protected.
- Homeownership educators/counselors will not disclose clients' information, including their identity, when responding to requests from members of the media without the client's express consent.
- Homeownership educators/counselors will protect the confidentiality of clients' written and electronic records and other sensitive information. Clients' records shall be stored in a secure location and not made available to others who are not authorized to have access.
- Homeownership educators/counselors will take precautions to ensure and maintain the confidentiality of information transmitted to other parties through the use of computers, electronic mail, facsimile machines, telephones and telephone answering machines, and other electronic or computer technology. Disclosure of identifying information will be avoided unless specifically permitted by client.
- Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure.

- Homeownership educators and counselors will be familiar with relevant local, regional and national laws regarding privacy and confidentiality.

6. Professional Behavior

- Homeownership educators/counselors will not practice, condone, facilitate, or collaborate with any form of discrimination on the basis of race, ethnicity, national origin, sex, sexual orientation, age, marital status, political belief, religion, or mental or physical disability.
- Homeownership educators/counselors will not use derogatory language in their written or verbal communications to or about clients. Accurate and respectful language will be used in all communications to and about clients.
- Homeownership educators/counselors will not participate in, condone, or be associated with dishonesty, fraud or deception.
- Homeownership educators/counselors will not permit their private conduct to interfere with their ability to fulfill their professional responsibilities.

7. Payment for Services

- When setting fees, homeownership educators/counselors will ensure that the fees are fair, reasonable and commensurate with the services performed. Clients will be informed of any applicable fees prior to the delivery of any services.
- Homeownership educators/counselors will not solicit a private fee or other personal remuneration for providing services to clients.

8. Discontinuation of Services

- Homeownership educators/counselors will close files and discontinue services to clients when such services are no longer required or no longer serve the clients' needs or interests.

9. Consultation

- Homeownership educators/counselors will seek the advice and counsel of more experienced colleagues whenever such consultation

is in the best interests of clients. Consultation will only be sought from colleagues who have demonstrated knowledge, expertise and competence related to the subject of the consultation.

- When consulting with colleagues about clients, homeownership educators/counselors will disclose the least amount of information necessary to achieve the purposes of the consultation.
- Client information will only be shared with other colleagues with the written consent of the client.

10. Referrals

- Homeownership educators/counselors will limit services to those within their training and expertise and refrain from giving legal, tax or accounting advice unless licensed to do so. Non-homeownership issues should be referred to other appropriate agencies to serve clients fully.
- Homeownership educators/counselors shall not give payment or receive payment from an outside source for a referral unless professional services of comparable value have been provided.

11. Integrity of the Homeownership Education and Counseling Profession

- Homeownership educators/counselors will work toward the maintenance and promotion of high standards of practice for the industry.
- Homeownership educators/counselors will uphold and advance the values, ethics, knowledge and mission of the profession. They will protect, enhance and improve the integrity of the profession through service development, partnerships and active participation in the industry.
- Homeownership educators/counselors will contribute time and professional expertise to activities that promote respect for the value, integrity and competence of their profession.

How to Adopt the National Industry Standards for Homeownership Education and Counseling

An organization can apply to adopt the National Industry Standards by following these simple steps:

- 1 Go online to www.HomeownershipStandards.org.
 - Click on the “Standards” tab on the left hand menu.
 - Download and read through the [National Industry Standards Guidelines](#) and [Code of Ethics and Conduct](#) for homeownership professionals.
 - Download the [Code of Ethics and Conduct](#) form. All staff members in your organization must read and sign the form, and copies should be kept on file in your office.
- 2 Click on “Sign Up” to begin the application process for your organization. Remember, the executive director or another staff member with the authority to adopt standards of practice must apply on behalf of your organization.
- 3 “Search” for your organization by city and state. Be sure to look for your organization in the generated organization list. If you do not find your organization, click on “Add New Organization.”
- 4 Once your organization has been added, [enter information about your organization](#) and give a point of contact. A temporary password will be emailed to the executive director and first point of contact.
- 5 Click on “Login” to log in to your organization’s account using your temporary password. You will be prompted to change your password and select a security question at first login.
- 6 Click on “Standards” to select the set of Standards your organization wishes to adopt. Remember, your agency must have at least one counselor/educator with valid qualified professional certification in the content area of each set of Standards your organization wishes to adopt.
- 7 Select the “Counselors/Educators” tab in the left hand menu. Please note that review of counselors/educators added under “Other Certifications” may take up to 30 days. Proof of professional certification can also be faxed to 202-376-7276.
- 8 Click on the “Assessment” tab on the left hand menu. The assessment includes questions regarding each set of Standards your organization has chosen to adopt. If your organization is adopting more than one set of Standards, you will be prompted to complete a separate assessment for each. As you complete each assessment, you will be notified if your responses have been approved.
- 9 Click on “My Organization” to view the status of the set of Standards your organization applied to adopt.
- 10 Lastly, be sure to click on the “Services and Other Info” and the “Points of Contact” tab to enter other necessary information.

If you have questions about the National Industry Standards, email us at web@HomeownershipStandards.org or call 866-472-9477.



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National Industry Standards Committee for the National Industry Standards for Homeownership Education and Counseling



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The National Industry Standards for Homeownership Education and Counseling

were developed in a collaborative effort by a diverse group of housing industry partners to meet the need for quality counseling and education services that strengthen long-term homeownership.

Bank of America
Chase
Chrysalis Consulting Group, LLC
Citi
Citizens' Housing and Planning Association
Consumer Financial Protection Bureau
Fannie Mae
Federal Reserve Board
Freddie Mac
Homeownership Preservation Foundation
The Housing Partnership Network
Minnesota Homeownership Center

National Association of REALTORS®
National Coalition for Asian Pacific American
Community Development
National Community Reinvestment Coalition
NeighborWorks® America
Professional Realty Group
Rural Community Assistance Corporation
UnidosUS
U.S. Department of Housing and Urban
Development
Wells Fargo

The National Industry Standards for Homeownership Education and Counseling Committee was convened by the NeighborWorks® Center for Homeownership Education and Counseling (NCHEC).

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Danielle Samalin, Housing Partnership Network, Co-Chair

Jayna Bower, NeighborWorks America, Senior Director – NCHEC

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