

# Counseling



# Lender's Review of Counseling Requirements

- ML 2009-47: Verify the borrower was provided with the required list of HUD-approved counselors that includes no fewer than **9** HUD-approved counseling agencies, with
  - **5** agencies in the local area and/or state of the prospective borrower
  - at least **1** of the local agencies located within a reasonable driving distance for the purpose of face-to-face counseling,  
**AND**
  - the **4** national intermediaries that provide telephone counseling:
    - National Foundation for Credit Counseling (NFCC) – 1-866-698-6322
    - Money Management International (MMI) – 1-877-908-2227
    - National Council on Aging (NCOA) – 1-800-510-0301, and
    - Consumer Credit Counseling Service of Atlanta (CCCS of Atlanta) – 1-800-251-2227.

*Note: AARP is no longer a HUD-approved housing counseling intermediary*

- Lenders can obtain a list of these counseling agencies from the HECM Counselor Roster beginning October 2, 2009. **Only agencies that appear on the HECM Counselor Roster may be included on the list given to prospective borrowers.**
- Were any third party fees ordered prior to the latest signature date on the counseling cert i.e. Case Number Assignment, Appraisal, Credit Report, Flood Cert and any other third party fee that would be applicable to transaction?

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- Verify all required parties were counseled
  - Is the Counseling Certificate signed and dated by all required parties?
- Is the subject address correct on the certificate?
- Is the Certificate Number provided on the certificate?
  - TIN number prior to October 2, 2009
- Verify the Counseling Certificate has not expired.
  - Can be no older than 180 days at the time of application
- Is the counseling method indicated?
  - Face-to-face or via Phone

# Underwriter Conditions for Non-Compliance

- Underwriter must condition accordingly
- Broker/Seller to provide explanation of non-compliance for third party fees ordered prior to the latest signature date on the counseling certificate.
- If out of compliance, no fees are allowed to be charged to borrower.
- If items were paid upfront/outside of closing and are out of compliance, proof of refund to the borrower is required.

# No Processing Allowed Before Counseling

## Yes

Discuss loan  
Take application  
Review application  
documents for  
accuracy

## No

Appraisal  
Appraisal check  
Inspections  
Credit Report  
Case Number

## Exception

Title Report

- Can be ordered prior to counseling
- If borrower cancels, no charge to borrower