



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

Special Attention of:

All HUD-Approved Housing Counseling Agencies
(including All Affiliates, Branches, and Sub-grantees)
All State and Local Units of Government
All Homeownership Center Directors
Directors, Office of Housing
Directors, Office of Single Family
Government Technical Representatives

Transmittal: Handbook 7610.1 REV-5

Issued: May 2010

1. This Transmits:

Revision 5 of Handbook 7610.1, Housing Counseling Program

2. Explanation of Changes:

This handbook has been updated entirely based on the Federal Register publication of the Housing Counseling Program Final Rule 24 CFR Part 214. Additionally, all policy changes related to housing counseling implemented through HUD Mortgage Letters, Departmental data collection requirements and other Federal regulations issued since the publication of 7610.1 Revision 4 have been incorporated into this handbook. Policy guidance provided in this handbook supersedes 7610.1 Revision 4.

3. Summary

This handbook specifies the most current legislative and programmatic requirements for the implementation of the Department's Housing Counseling Program. This document outlines requirements for program eligibility and approval, the delivery of comprehensive and HECM counseling services, program record keeping and reporting, performance monitoring, and the competitive funding and grant application process. This handbook offers policy guidance and procedures for HUD staff and program participants to assist both audiences with effective program oversight.

4. Highlights:

Highlighted below are a few of the significant changes that should be noted:

Chapter 1: This handbook introduces several new definitions such as: Affiliates, Sub-grantee, Client Management System, Education, Housing Counseling System, Marketing and Outreach, Participating

Agency, Person-In- Position of Trust, etc. This handbook also provides a revised definition of Counseling.

Chapter 3: Sections 3-2 of this handbook introduces Alternative Settings/Formats for providing counseling which includes telephonic or remote counseling systems designed using Skype technology.

Section 3.7 a newly drafted section offers specific guidance on Civil Rights and Fair Housing requirements as advised by OGC Fair Housing. Additional Civil Rights and Fair Housing provisions have been updated and incorporated throughout this handbook as well.

Chapter 4: Chapter 4 “Reverse Mortgage Housing Counseling” is new in its entirety. This chapter provides guidance on reverse mortgage counseling and HECM counseling requirements. This handbook also introduces the HECM Protocol (Appendix 4) as additional guidance for providing HECM counseling. As noted by this chapter all HECM Counselors must now be exam qualified.

Chapter 6: Section 6.2 of this handbook provides new guidance for Conflict of Interest requirements. Please make special note of agency disclosure requirements.

Section 6-5 of this handbook introduces new guidance that agencies may now be placed in an inactive status if they are temporarily unable to meet program requirements. Placement in an inactive status can be either voluntary or involuntary.

Chapter 7: Section 7-6 offers new detailed guidance for the charging of fees for counseling services and steps to assess if proposed fees impose a hardship for clients. Participating agencies must not charge fees for foreclosure/default counseling or counseling for homelessness services.

Chapter 8: New guidance in Chapter 8 eliminates the informal appeals process offered in 7610.1 Revision 4. Guidance in Chapter 8 of this handbook also changes the specified timeframe for submitting a request to appeal a termination decision issued by HUD. Under the new guidance, a request for an appeal must be received 30 days from the date of the termination letter issued by HUD.

In addition to the changes highlighted above, the Housing Counseling Program Handbook 7610.1 Revision 5 provides other changes and program updates. Please read this Handbook in its entirety to note all program policy changes and updates.

5. Filing Instructions:

Remove: Handbook 7610.1 REV-4 and CHG-2

Insert: Handbook 7610.1 REV-5

Assistant Secretary for Housing-
Federal Housing Commissioner