

COUNSELING

Please note the following changes made to Section 7.6 and 7.8 of the UW Lending Guide.

Section 7.6 - Allowable & Prohibited Activities Prior to Counseling	
Existing Guideline	<p><u>Other Prohibited Counseling Practices</u></p> <p>Lenders may not:</p> <ul style="list-style-type: none"> Steer, direct, recommend, or otherwise encourage an applicant to seek the services of anyone counseling agency. Contact a counselor or counseling agency to refer a client; discuss a client’s personal information, including the timing or scheduling of counseling; or request information regarding the topics covered in a counseling session
Updated Guideline	<p><u>Other Prohibited Counseling Practices</u></p> <p>Per HUD guidelines, a lender and its originators cannot steer or direct a client to any specific counseling agency, whether it appears on the counseling agency list or not, using any method of communication.</p> <p>HUD considers "steering" to any act of referring, directing, recommending, or otherwise encouraging any individual to seek the services of any one Agency or HECM counselor.</p> <p>This includes:</p> <ul style="list-style-type: none"> Verbal <i>or written</i> direction informing a borrower of: <ul style="list-style-type: none"> Which agency or agencies allows certain payment types, such as payment at closing versus upfront payment; or Which agency or agencies provides the fastest turnaround times or weekend scheduling; or Which agency provides counseling in a specific language. Providing “additional lists” that are not included in the default Proposal and Application document packages - that are generated specific to the transaction and subject property zip code. <ul style="list-style-type: none"> Starring, circling, or otherwise emphasizing any particular agent on the counseling list. Including a certain agency or agencies brochure or other materials with the counseling list. <p>Additionally, a lender and its originators cannot contact a counselor or counseling agency to refer a client; discuss a client’s personal information, including the timing or scheduling of counseling; or request information regarding the topics covered in a counseling session.</p>

Please reach out to your Account Executive with any questions.

Section 7.8 – Counseling Agencies

<p>Existing Guideline</p>	<p>Lenders are required to provide every Borrower with a list of no fewer than 14 HUD-approved counseling agencies that can provide HECM counseling, 5 of which must be in the local area and/or state of the prospective borrower with at least one agency located within a reasonable driving distance for the purpose of face-to-face counseling.</p> <p>List of National Intermediaries (provides counseling nationwide):</p> <ul style="list-style-type: none"> • National Foundation for Credit Counseling (866) 698-6322 • Money Management International (877) 908-2227 • National Council on Aging (800) 510-0301 • Clear Point Financial Solutions (877) 877-1995 • Springboard (800) 947-3752 • Home Free (301) 891-8423 • Green path (888) 860-4167 • Neighborhood Reinvestment Corporation (888) 990-4326
<p>Updated Guideline</p>	<p>Lenders are required to provide every prospective Borrower with a list of the names, addresses, and telephone numbers of the Participating Agencies eligible to provide HECM counseling that includes:</p> <ul style="list-style-type: none"> • all HUD-approved intermediaries listed on the HUD Intermediaries providing HECM Origination Counseling Nationwide; • Participating Agencies that provide telephone counseling; and • at least five Participating Agencies located in the prospective Borrower’s state or locality, including at least one local agency within a reasonable driving distance of the prospective Borrower’s residence for face-to-face counseling. <p>The list of National Intermediaries is maintained by HUD via HUD Exchange - each LOS pulls directly from HUD to include the listed Intermediaries and the closest local based on the subject property zip code.</p> <p>https://www.hudexchange.info/programs/housing-counseling/hecm/origination/#hud-intermediaries-providing-hecm-counseling-nationwide</p> <p>Mutual’s approved Supplemental List of Participating Counseling Agencies will print along with the HUD approved counseling list in our proposal and application packages in the LOS.</p>

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