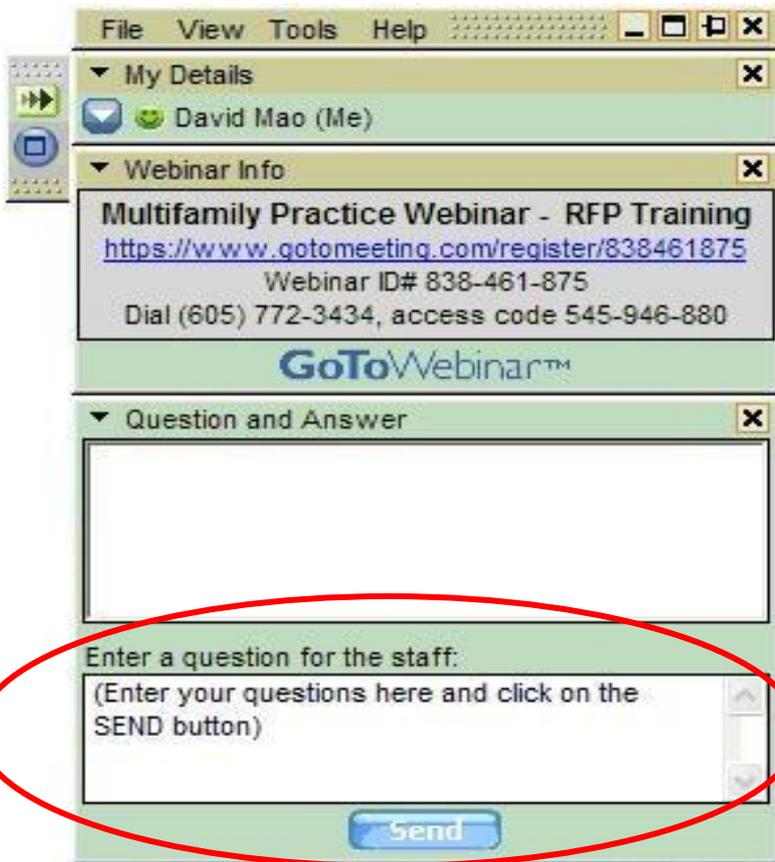




**National Foreclosure Mitigation  
Counseling (NFMC) Program  
Compliance Training Webinar  
August 8 & 9, 2011**



# Questions During Presentation



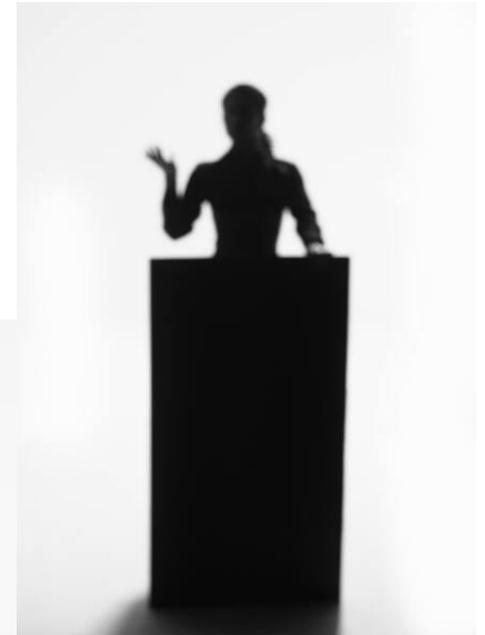
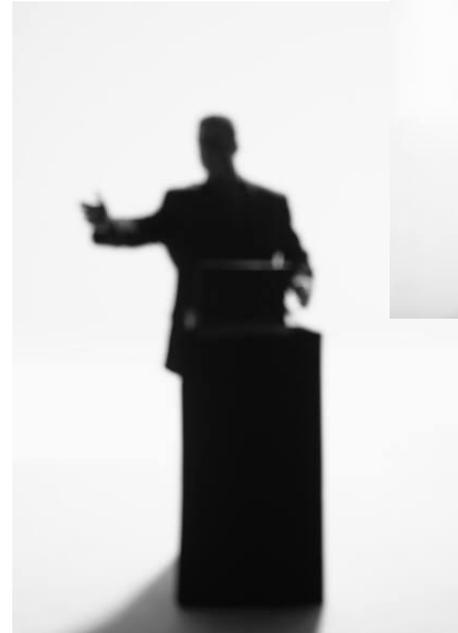
- We will batch online questions and answer them throughout the webinar
- A complete Q & A list will be posted to the Minnesota Housing website when training is completed
- All presentation materials from Minnesota Housing are posted on our website at:

[http://www.mnhousing.gov/resources/training/sf-assistance/MHFA\\_009091.aspx](http://www.mnhousing.gov/resources/training/sf-assistance/MHFA_009091.aspx)

# Today's Speakers

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- **Minnesota Housing**
  - » **Laurie Kramka**
  - » **Matt Dieveney**
  
- **Minnesota Home Ownership Center**
  - » **Debbie Wuerffel**





Minnesota Housing finances  
and advances affordable housing  
opportunities for low and moderate  
income Minnesotans to  
enhance quality of life and foster  
strong communities.

Photo by Scott Stierle

**Preserve** existing affordable housing.

Provide new **opportunities**  
for **affordable** housing.

Work to **prevent** and end homelessness.

Mitigate foreclosure **impact** through  
**prevention** and **remediation**.

**Build** our organizational capacity to **excel**  
and **achieve** our vision.

# NFMC Counseling Program

## Agenda

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- **NFMC Program Requirements**
  - » **NFMC Program Background**
  - » **Client File Requirements**
  - » **Other Program Requirements**

# NFMC Counseling Program

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# What Is The NFMC Program?

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- **National Foreclosure Mitigation Counseling Program**
  - » **Established and funded in response to the nationwide foreclosure crisis**
  - » **An appropriation by the US Congress to NeighborWorks® America (NeighborWorks®)**

# How Is NFMFC Funding Distributed?

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# NFMC Program Funds

## Awarded to Minnesota Housing

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Between  
Rounds  
1 and 5

• \$13,842,418.50

Round 5

• \$3,008,947.50

# NFMC Program Funds Received

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- **To Date**

- » **3<sup>rd</sup> highest level of NFMC Program funding among Housing Finance Agencies**

- **Round 5**

- » **4<sup>th</sup> highest level of Program funding in the Country**

- » **Within < \$200,000 of the Country's highest funding recipient (California HFA)**

# **NFMC Program Fund Received**

## **CONGRATULATIONS**

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- **Funding reflects NeighborWork's confidence in this Network's ability to deliver quality foreclosure prevention counseling services**
- **We plan to retain their confidence by also ensuring that our network meets all NFMC Program compliance requirements**

# NFMC Program Requirements

## Client File Requirements

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# NFMC Counseling Program

## Client File Requirements

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- **Client Intake**
- **Client Authorization / Disclosure Form**
- **Privacy Policy**
- **Client Budget & Verification**
- **Action Plan**
- **Written Documentation**
- **Close-Out Documentation**

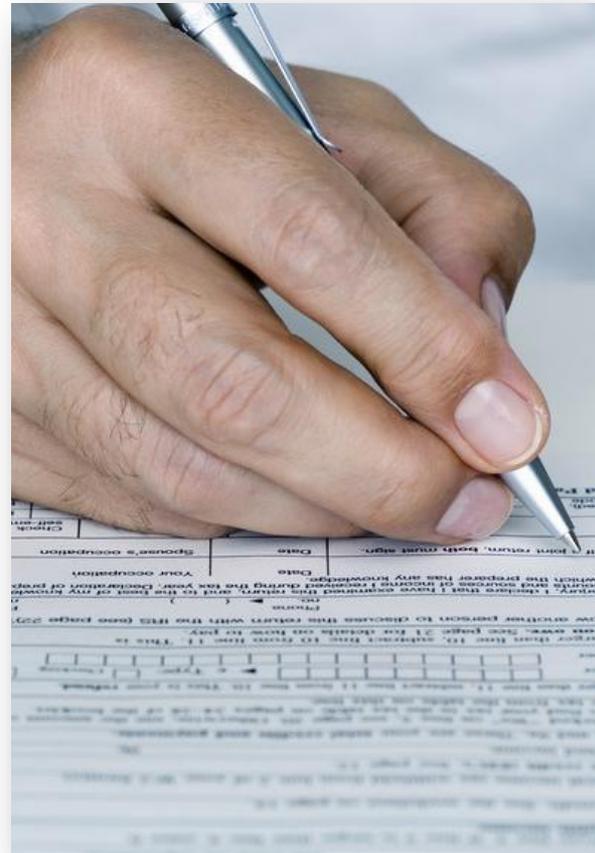


# NFMC Program Requirements

## Client Intake Form

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- **Please be sure to fully complete your intake form**
- **Whenever possible, and if applicable, obtain a copy of the original loan documents (note/mortgage)**



# NFMC Program Requirements

## Client Authorization / Disclosure Form

- **Collect a signed authorization form from the client or have other legally-permissible client authorization on record**
- **Form allows organizations to:**
  - » **Submit client-level information to data collection system**
  - » **Open files to be reviewed for program monitoring and compliance**
  - » **Conduct follow-up with client related to program evaluation**
- **Form discloses services provided and financial relationships with other industry partners**

# NFMC Program Requirements

## Privacy Policy

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- **Allow client access to your privacy policy statement**
- **Document client's receipt of the privacy statement**

# NFMC Program Requirements

## Authorization & Disclosure / Privacy Policy

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- **Use forms provided on Minnesota Housing's Website**
  - » **Face to face sessions**
    - **Clients sign**
  - » **Non-Face to face**
    - **Client authorizes verbally**
    - **Counselor signs**
- **See Procedural Manual for specific requirements**

# NFMC Program Requirements

## Authorization & Disclosure



National Foreclosure Mitigation Counseling Program

Foreclosure Mitigation Counseling Agreement /  
Disclosure Form

I understand that (name of counseling organization) provides foreclosure mitigation counseling after which I will receive a written Action Plan consisting of recommendations for handling my finances, possibly including referrals to other housing agencies as appropriate.

I understand that (name of counseling organization) receives Congressional funds through the National Foreclosure Mitigation Counseling (NFMC) program and it is required to share some of my personal information with NFMC, the Minnesota Housing Finance Agency, the Home Ownership Center or their agents and other entities as described and acknowledged in the "Combined Privacy Act Notice and Tennesen Warning," for the purposes of program monitoring, management, compliance, and evaluation.

I understand that a counselor may answer questions and provide information, but not give legal advice.

I understand that, in addition to foreclosure mitigation counseling, (name of organization), also provides the following types of services: \_\_\_\_\_

I understand that (name of organization) is required to fully disclose potential and actual conflicts of interest so that I am in a position to make fully informed decisions. I understand that (name of counseling organization) or one of its foreclosure mitigation counselors may have one of the following conflicts through referral or in fact:

- We hold or service a mortgage secured against your property and have a stake in the performance of the loan;
- We purchase, redevelop, and sell, for a fee, properties at risk of, or involved in foreclosure;
- We receive financial support from mortgage servicer or investor. Payment may be based on acceptance of a loss mitigation offer.
- Other: (Specify) \_\_\_\_\_

I understand that I may be referred to other services of the organization or another agency or agencies as appropriate that may be able to assist with particular concerns that have been identified. I understand that I am not obligated to use any of the services offered to me.

I acknowledge that I have received a copy of the Combined Privacy Act Notice and Tennesen Warning.

Please check here if you do not want to be contacted by NFMC for program evaluation purposes.

Client must sign if information was provided by face-to-face counseling session.

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

Verbal Authorization is permissible if information was provided to client by non face-to-face counseling session.

The undersigned verifies that the client was fully informed of the information contained herein and understood its nature. The client has given verbal authorization and acknowledgement.

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Counselor's Signature

\_\_\_\_\_  
Date

**NOTE TO COUNSELOR: EVEN IF INFORMATION WAS REVIEWED DURING A TELEPHONE COUNSELING SESSION, YOU MUST STILL MAIL A COPY OF THE "FORECLOSURE MITIGATION COUNSELING AGREEMENT" TO CLIENT.**

**If the client chooses not to sign this form or provide verbal authorization, the Counselor may not provide NFMC Counseling services.**



# NFMC Program Requirements



## National Foreclosure Mitigation Counseling Program Combined Privacy Act Notice And Tennessee Warning

We are committed to ensuring the privacy of individuals and/or families who have contacted us for assistance. We realize that the concerns you bring to us are highly personal in nature. We assure you that all information shared both orally and in writing will be managed within the limitations of law.

Please read carefully the disclosures and acknowledgements, below.

### Social Security Numbers

The Privacy Act of 1974 makes it unlawful for any Federal, State, or local government agency to deny your participation in this Foreclosure Mitigation Counseling program if you refuse to provide your social security number. If you do not voluntarily provide your social security number services to you may be more limited, but you will continue to be eligible to receive the services we can provide without a social security number.

### Other Private Data

Under Minnesota Statutes, your name and address are public data. All other data we may ask about you is private data on individuals. Except for your social security number, providing and agreeing to share your private data is mandatory for participation in this Foreclosure Mitigation Counseling Program under the terms of the federal grant from NeighborWorks that funds the program. If you do not agree to allow us to share the data with the entities identified below, we will not be able to provide foreclosure mitigation counseling.

We will share the data only with the following entities or their representatives for the purposes of program management, compliance monitoring, and program evaluation:

- Staff of this organization who need it to work on your case.
- NeighborWorks America, the entity mandated by Congress to account for how the program funds are used and determine the program's effectiveness, or its authorized representatives.
- The Minnesota Housing Finance Agency, the recipient of the grant for this program.
- The Minnesota Home Ownership Center, a contractor of the Minnesota Housing Finance Agency responsible for assisting program administration and reporting to NeighborWorks America.
- Any other entities properly authorized under law to view it.

If you agree to allow us to collect and share information as described above, please indicate your approval with your signature, below.

Client must sign if information was provided by face-to-face counseling session.

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

## Privacy Policy

Verbal Authorization – If information was provided to client by telephone counseling session.  
The undersigned verifies that verbal authorization for release of above confidential information has been given. The client was fully informed of the information contained herein and understood its nature and intended use of the released information.

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Counselor's Signature

\_\_\_\_\_  
Date

### Sharing Data with Creditors

Sharing some of your personal financial information with creditors may be necessary to effectively help you resolve your financial difficulties. If you agree that we may share private data, such as information on your total debt, income, living expenses and personal information concerning your financial circumstances with your creditors, program managers, and staff working on your case, please indicate your approval by signing below.

Written Authorization – If information was provided to client by in-person counseling session.

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

Verbal Authorization – If information was provided to client by telephone counseling session.  
The undersigned verifies that verbal authorization for release of above confidential information has been given. The client was fully informed of the information contained herein and understood its nature and intended use of the released information.

\_\_\_\_\_  
Client's Name

\_\_\_\_\_  
Counselor's Signature

\_\_\_\_\_  
Date

**NOTE TO COUNSELOR: EVEN IF INFORMATION WAS REVIEWED BY TELEPHONE COUNSELING SESSION, YOU MUST STILL MAIL THE "COMBINED PRIVACY ACT NOTICE AND TENNESSEN WARNING" TO CLIENT.**

# Client Budget / Budget Verification

## Level 1 - Budget Related Requirements

---

- **The Organization must develop a budget for the client based on client's ORAL representation of **all three** of the following:**
  - » **Expenses**
  - » **Debt**
  - » **Available Sources of Income**



# Client Budget / Budget Verification

## Level 2 - Budget Related Requirements

---

- Budget verification
- ➔ Counselor reviews and maintains **documented evidence** provided by the client to establish:
  - » True debt obligations
  - » Monthly expenses and spending patterns
  - » Available sources of income



# Client Budget / Budget Verification

## Budget Related Requirements

---

- **Budget Verification Includes Reviewing:**
  - » **Pay Stubs and other Income Statements**
  - » **Credit Report**
  - » **Monthly Bills**
  - » **Bank Statements**
  - » **Tax Returns**



**➔ A Credit Report alone is NEVER sufficient to verify the budget!**

# Client Budget / Budget Verification

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- **If information changes when budget is verified, update the budget page**



# NFMC Program Requirements

## National Standards – Action Plan Content

---

- ➔ • Use the Action Plan template form provided on Minnesota Housing's Website – **New Requirement that meets National Standards**
- The form must be complete to be accepted during compliance monitoring activities
- Issue within 24 hours of counseling appointment

# NFMC Program Requirements

## National Standards – Action Plan Content



### National Foreclosure Mitigation Counseling Program Action Plan

Organization Name \_\_\_\_\_

Plan Start Date \_\_\_\_\_

Homeowners(s) Name \_\_\_\_\_

Counselor Name \_\_\_\_\_

Reason(s) for actual, or potential, mortgage delinquency: \_\_\_\_\_

Homeowner's Assessment of Property Condition:  Excellent  Good  Fair  Poor

Est. Property Value \$ \_\_\_\_\_

Given the analysis of the homeowner's financial and overall situation, define the Goal and/or possible solutions:  
\_\_\_\_\_

Homeowner Action	Comments (documents needed, referral contact info, etc)	Due Date	Date Completed

# NFMC Counseling Program Documentation



# NFMC Program Requirements

## Documentation – Level 1

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- **Counselor determines and document client's eligibility status for:**

- » *Making Home Affordable Program* refinance or modification
- » FHA-HAMP partial claim and loan modification

**→ All client files include proof of assessment:**

- » **Complete *MHA Program* Eligibility Checklist found on Minnesota Housing's Website**
- » **Note ratio determinations, and how they were used in the counseling decision process**

# NFMC Program Requirements

## Documentation – Level 1



### National Foreclosure Mitigation Counseling Program MHA Program Eligibility Determination Checklist

Counseling Organization \_\_\_\_\_

Client First Name \_\_\_\_\_

Client Last Name \_\_\_\_\_

#### Modification

Home Affordable Modification Program (HAMP): NFMC Program Grantee must screen for eligibility by determining and documenting the following:	Yes	No
Was the mortgage loan a first lien mortgage loan originated on or before January 1, 2009?		
Has the mortgage been previously modified under HAMP?		
Is the mortgage loan delinquent or is default reasonably foreseeable?		
Is the property securing the mortgage loan vacant or condemned?		
Is the mortgage loan secured by a one- to four-unit property, one unit of which is the borrower's principal residence?		
Is the Client's current monthly housing payment ratio greater than 31%?	Enter housing payment ratio:	
Is the current unpaid principal balance of the mortgage less than \$729,750 for a one-unit property; \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property?		

#### Refinance

Home Affordable Refinance Program (HARP): NFMC Program Grantee must screen for eligibility by determining and documenting the following:	Yes	No
Is Client the owner of a one- to four-unit home? (required by NFMC, not HARP)		
Is the loan a first lien, conventional mortgage owned or guaranteed by Fannie Mae or Freddie Mac?		
Is Client current on their mortgage (hasn't been more than 30 days late on mortgage payment in last 12 months, or if the mortgage is less than 12 months old, the Client has no 30 day delinquencies)?		
Does the Client owe 125% or less of the house's current value on the first mortgage?	Enter loan-to-value ratio:	
Does the Client have income sufficient to support the new mortgage payments?		
Does the refinance improve the long-term affordability or stability of the loan?		

#### FHA Loans

For Clients with FHA loans, NFMC Program Grantee must screen for eligibility by determining and documenting the following:	Yes	No
Is Client the owner of a one- to four-unit home?		
Is Client less than 12 payments behind on their mortgage?		
Does the Client have income sufficient to support the new mortgage payments?		
With the modification, will the Client's front end DTI be more than 31% and their back end DTI be less than 55%?		
Is the Client eligible for the FHA Special Forbearance, or the FHA Loan Modification and Partial Claim?		

Potential eligibility for each Program is indicated if all shaded boxes are checked within their corresponding table.



# **NFMC Program Requirements**

## **Documentation of Steps Taken– Level 2**

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- **In counselor notes, record the date (or dates) counseling actions occurred**
- **Discuss the actions taken – such as:**
  - **Drafted/submitted Servicer Hardship Letter**
  - **Contacted servicer or lender**
  - **Completed/submitted forms to servicer**
  - **Completed/submitted application for local resources**
  - **Assisted in situation where client elects to pursue sale options**
- **Include in file copies of supporting documents**

# NFMC Program Requirements

## Close-Out Documentation – Level 2



**New Requirement: Use “Close Out Documentation Form” found on Minnesota Housing’s Website**

		<b>National Foreclosure Mitigation Counseling Program Close-Out Documentation</b>	
<b>Close-Out Documentation</b>			
To report a Level-2 client, NFMC requires close-out documentation and verification. Please enter the close-out date, check the box indicating client’s outcome, and check the box indicating the supporting close-out.			
Reason for Close-Out _____		Close-Out Date _____	
<input type="checkbox"/>	Bankruptcy		
<input type="checkbox"/>	Counseled & referred to another social service or emergency assistance agency		
<input type="checkbox"/>	Counseled and referred for legal assistance		
<input type="checkbox"/>	Executed a Deed-in-lieu		
<input type="checkbox"/>	Hardship letter that was sent to the servicer		
<input type="checkbox"/>	Inability to reach the client for 3 consecutive months		
<input type="checkbox"/>	Initiated forbearance agreement/payment plan		
<input type="checkbox"/>	Mortgage foreclosed		
<input type="checkbox"/>	Mortgage modified		
<input type="checkbox"/>	Mortgage refinanced		
<input type="checkbox"/>	Obtained partial claim loan from FHA lender		
<input type="checkbox"/>	Received rescue funds		
<input type="checkbox"/>	Short sale		
<input type="checkbox"/>	Sold property/chose alternative housing solution		
<input type="checkbox"/>	Other Specify:		
Close-Out Documentation placed in Client’s file			
<input type="checkbox"/>	Copy of Deed-in-lieu		
<input type="checkbox"/>	Copy of forbearance agreement/payment plan		
<input type="checkbox"/>	Copy of modified mortgage agreement		
<input type="checkbox"/>	Copy of official notice of bankruptcy		
<input type="checkbox"/>	Copy of official notice of short sale		
<input type="checkbox"/>	Copy of partial claim loan from FHA lender		
<input type="checkbox"/>	Copy of property sale notice/documentation of alternative housing solution		
<input type="checkbox"/>	Copy of refinanced mortgage agreement		
<input type="checkbox"/>	Copy of the hardship letter		
<input type="checkbox"/>	Documentation of mortgage foreclosure		
<input type="checkbox"/>	Documentation of referral for legal assistance		
<input type="checkbox"/>	Documentation of referral to another social service or emergency assistance agency		
<input type="checkbox"/>	Documentation that rescue funds were given to client		
<input type="checkbox"/>	Documentation that verifies the counselor attempted to reach the client for 3 consecutive months		
<input type="checkbox"/>	Other specify:		

# NFMC Program Requirements

## Close-Out Documentation – Level 2

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### Case Close-Out:

- » **Also place copies of supporting items in file that document the reported outcome(s)**
- » **For example, provide a copy of the Loan Modification client received**

# NFMC Program Requirements

## Level 4a and 4b Requirements

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- **Level 4a and 4b refers to the provision of counseling services to clients who have received trial loan modifications through the Making Home Affordable Program**



# NFMC Program Requirements

## Level 4a and 4b Requirements

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- The counseling process is well prescribed under the Making Home Affordable Program website

» [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov)

➔ In order to provide **LEVEL 4** counseling services, you need proof of **LEGITIMATE** referral from a Servicer



# NFMC Program Requirements

## Level 4a and 4b Budget Related Requirements

---

### **LEGITIMATE REFERRAL:**

- If there is no letter, or letter does not identify debt-to-income ratio, counselor must first try to confirm the reason for referral from the servicer **(DOCUMENT EFFORT TO CONFIRM THE REASON!)**
- If reason for referral cannot be obtained, the Counselor may calculate the ratio.
- Serve client **ONLY IF ratio is 55% OR GREATER**

# NFMC Program Requirements

## Written Documentation – Level 4a

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**To bill for Level 4a,  
Client File must include:**

Proof of  
**legitimate**  
referral

Authorization  
form

**VERIFIED**  
budget at  
intake

Action Plan

Date of  
follow-up  
meeting

# NFMC Program Requirements

## Written Documentation – Level 4b

---

**To bill for Level 4b,  
Client File must include:**

Verified  
budget at  
time of 2<sup>nd</sup>  
appointment

Documented  
DTI Ratio at  
time of 2<sup>nd</sup>  
appointment

Documentation  
of Client's ability  
to follow crisis  
budget and/or  
long-term budget  
and progress  
against the  
Action Plan  
developed during  
1<sup>st</sup> appointment

Documentation  
demonstrating  
that client's  
payment on  
modified loan  
is current

# NFMC Program Requirements

## Level 4b - Written Documentation Requirements

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National Foreclosure Mitigation  
Counseling Legal Assistance  
Program Procedural Manual

- **Refer to NFMC Procedural Manual for detailed instructions on all Level 4 sessions**

# NFMC Counseling Program

## NFMC Client File Requirements

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- When closing out a client file:
  - **ALWAYS** complete the file checklist found on Minnesota Housing's website
  - Only place checkmarks (in the checklist) next to completed items



# NFMC Counseling Program

## Client File Checklist



### National Foreclosure Mitigation Counseling Program

#### File Requirements by Counseling Level Documentation Checklist

Counseling Organization: \_\_\_\_\_

Client Name(s): \_\_\_\_\_

Counselor: \_\_\_\_\_ Counseling Level(s) Billed: \_\_\_\_\_

\_\_\_\_\_ Client was given opportunity to complete Client Satisfaction Survey (required at all billing levels: 1,2,4a,4b)

**To bill as a "Level One" counseling unit, NFMC client files MUST contain the following documents:**

\_\_\_\_\_ Intake Form

\_\_\_\_\_ **Signed** NFMC Foreclosure Mitigation Client Authorization Disclosure Form (Counseling Agreement) - *Must be signed by client if face-to-face counseling is performed. When phone counseling provided, counselor must sign form acknowledging client's verbal authorization.*

\_\_\_\_\_ **Signed** Combined Privacy Act Notice and Tennessean Warning  
*This must be signed by client if face-to-face counseling is performed. When phone counseling is provided, the counselor must sign the form.*

\_\_\_\_\_ *Making Homes Affordable (MHA) Program Eligibility Determination - Must complete the assessment by using the "NFMC Program Making Home Affordable Eligibility Determination Checklist". Include ratios, as appropriate.*

\_\_\_\_\_ Client Budget - Detailed listing of expenses, debts, and available sources of income (written verification of information not needed at this level)

\_\_\_\_\_ Written Action Plan (plus written documentation that Plan was given/sent to client)

**To bill as a "Level Two" counseling unit, NFMC client files must contain the following documents:**

\_\_\_\_\_ **Signed** NFMC Foreclosure Mitigation Counseling Client Authorization, i.e. Counseling Agreement (if not already in file)

\_\_\_\_\_ **Signed** Combined Privacy Act Notice and Tennessean Warning (if not already in file)

\_\_\_\_\_ Current Verified Budget (based on most current documentation obtained)

\_\_\_\_\_ Budget Verification Documentation - Includes but not limited to copies of bank statements, pay stubs, copies of monthly bills, credit report, etc. **Note: A credit report alone in the client file is unacceptable, except in the rare situation where other verifications are unobtainable. If budget verification documentation is unobtainable, the explanation must be documented in the counseling notes.**

\_\_\_\_\_ Written Action Plan (if not in file because client received Level 1 counseling elsewhere)

\_\_\_\_\_ Written Dated Documentation in Counseling Notes of Steps Taken Based on Action Plan (retain copies of any documentation evidencing steps taken, e.g., correspondences with servicer)

\_\_\_\_\_ Close-Out Documentation Form: Indicate close-out date, reason for close-out, and the supporting documentation (e.g., loan modification letter from servicer) verifying outcome that is retained in client file. If supporting documentation cannot be obtained, place an explanation note in client file.

**To bill as a "Level Four A" Counseling unit, NFMC client files must contain the following documents:**

\_\_\_\_\_ Proof of Legitimate Referral from Servicer stating client DTI is at or above 55%

\_\_\_\_\_ Authorization Form

\_\_\_\_\_ Verified Budget and supporting verification documents at Intake

\_\_\_\_\_ Documentation of DTI Ratio

\_\_\_\_\_ Action Plan

\_\_\_\_\_ Written Documentation of the Date of Follow-Up Meeting

**To bill as a "Level Four B" Counseling unit, NFMC client files must contain the following documents:**

\_\_\_\_\_ Verified Budget and supporting verification documents at time of second appointment

\_\_\_\_\_ Documentation of DTI Ratio at time of second appointment

\_\_\_\_\_ Documentation of Client's Ability to follow Crisis Budget and/or Long-Term Budget and progress against Action Plan developed during first visit

\_\_\_\_\_ Documentation showing the Client's payment is (or is not) current on modified loan

**Comments:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Date NFMC File Closed:** \_\_\_\_\_ **Date of NFMC File Compliance Review:** \_\_\_\_\_

**Signature of Counselor/Staff Member who reviewed file:** \_\_\_\_\_

Please refer to your NFMC Program Procedural Manual for detailed information.

# NFMC Counseling Program

## Other Major Program Requirements

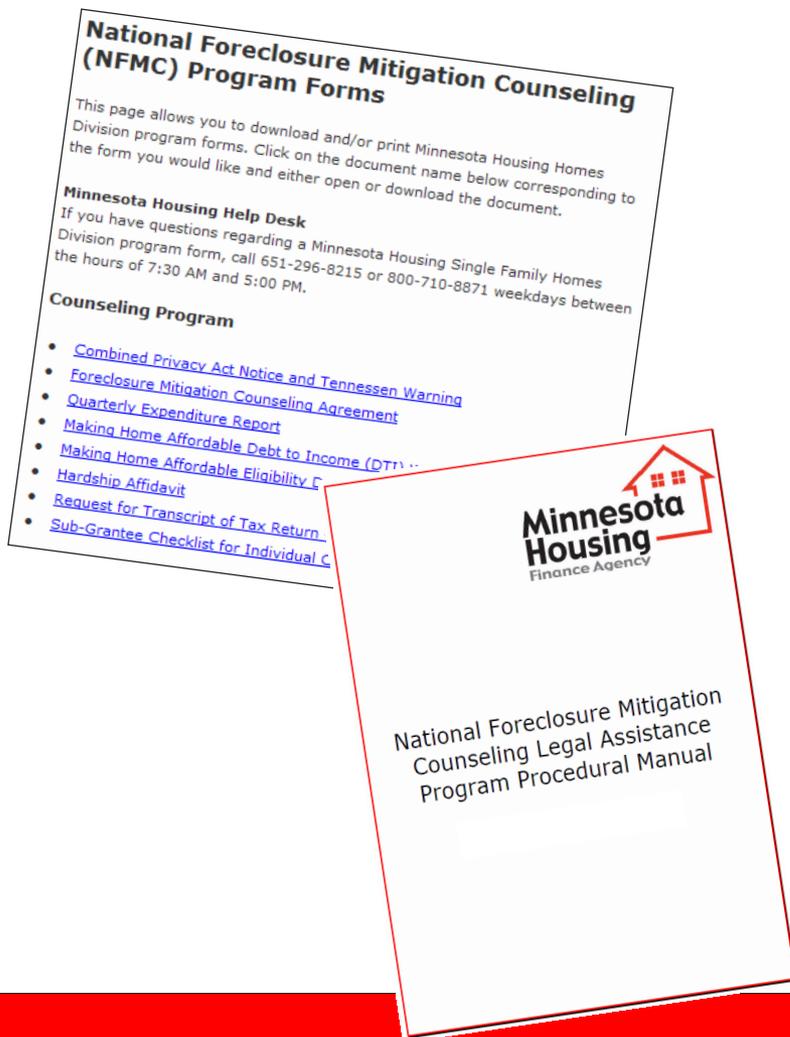
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# NFMC Counseling Program

## NFMC Round 5 Forms and Manual

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- **Use only NFMC Program forms with a date of August 1, 2011 – all others are outdated**
- **Reference the updated NFMC Program Manual – dated August, 2011 – on the Minnesota Housing Website**

# **NFMC Counseling Program**

## **Budgeting and Tracking - NFMC Funds**

---

- **Budget and track NFMC funds and expenditures separately from other agency funds**
- **Use NFMC Round 5 funds only to fund your Foreclosure Counseling Program and related expenses**
- **Interest earned on NFMC funds –document use in Foreclosure Counseling Programs**
- **Be prepared to provide documentation of NFMC Program- related expenditures**

# NFMC Counseling Program

## Budgeting and Tracking - NFMC Funds



### National Foreclosure Mitigation Counseling Program Quarterly Expenditure Report

Organization Name \_\_\_\_\_

Round \_\_\_\_\_

Date \_\_\_\_\_

Quarter Ending  March 31  June 30  September 30  December 31

REVENUE	Number of Counseling Units	Value per Unit	Amount Earned this Quarter	Amount Earned to Date in Grant Period
Level 1 Units Downloaded this Quarter		\$ 150.00	\$	\$
Level 2 Units Downloaded this Quarter		\$ 300.00	\$	\$
Level 4a Units Downloaded this Quarter		\$ 300.00	\$	\$
Level 4b Units Downloaded this Quarter		\$ 150.00	\$	\$

**Total Earned Revenue** \$ \_\_\_\_\_ \$ \_\_\_\_\_  
This Quarter Grant Total

**Program Related Support Funds Revenue** (Grant Funds Received) \$ \_\_\_\_\_ \$ \_\_\_\_\_  
This Quarter Grant Total

**Interest Earnings** \$ \_\_\_\_\_ \$ \_\_\_\_\_  
This Quarter Grant Total

**Total Revenue** \$ \_\_\_\_\_ \$ \_\_\_\_\_  
This Quarter Grant Total



# NFMC Counseling Program

## Program Related Support Funds (PRS)

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- **Budget and track NFMC PRS funds separately from NFMC Counseling funds**
- **PRS funds are NOT administrative dollars**
- **PRS Funds are intended to support DIRECT costs associated with increased efficiency and effectiveness in counseling**

# **NFMC Counseling Program**

## **Program Related Support Funds (PRS)**

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- **Examples of eligible uses of PRS funds include:**
  - » **Outreach to delinquent Clients**
  - » **Implementing the Center's Triage System**
  - » **Hiring, orienting and training new Counselors**
  - » **Leasing or purchasing equipment and software for counselors**
  - » **Collecting data and preparing reports**
- **See NFMC Procedural Manual for more detail**

# NFMC Counseling Program

## OMB Circulars

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- **Single Audit Requirements: OMB Circular A-133:** pertains to agencies spending > \$500,000 in federal awards during fiscal year (not just NFMC)
- **Consistent Administration of Grants: OMB Circular A-110** for non-profits; **OMB Circular A-102** for governmental entities
- **Cost principles for Grants: OMB Circular A-122** for non-profits; **OMB Circular A-87** for governmental entities

# **NFMC Counseling Program**

## **Protection & Disposal – Client's Information**

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**Memo Dated August 2, 2010**

- **National Industry Standards**
  - » **Files in secured file cabinets and/or electronically in secure data system**
  - » **File disposed via shredding – electronic copies deleted**
  
- **HUD Housing Counseling Standards**
  - » **24 CFR Part 214. Recordkeeping, reporting, and client information requirements**

# **NFMC Counseling Program**

## **Protection & Disposal – Client's Information**

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- **Gramm-Leach-Bliley Act**
  - » **Safeguard Rule (16 CFR Part 314)**
    - **Develop written security plan describing program to protect client information**
  - » **Disposal Rule (16 CFR part 682)**
    - **Requires disposal practices to prevent unauthorized access to client information**
- **MN Government Data Practices Act**
  - » **Chapter 13 – Minnesota Statutes**

# NFMC Counseling Program

## Protection & Disposal – Client's Information

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- **Gramm-Leach-Bliley Act - Safeguard Rule (16 CFR Part 314) – Written Security Plan**
  - » **One or more employee designated to coordinate information security program**
  - » **Identifies and assesses the risks to customer information in each relevant area of the company's operation, and evaluates the effectiveness of the current safeguards for controlling these risks**
  - » **Designs and implements a safeguards program, and regularly monitors and tests it**

# NFMC Counseling Program

## Protection & Disposal – Client's Information

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- **Gramm-Leach-Bliley Act - Safeguard Rule (16 CFR Part 314) – Written Security Plan, Cont...**
  - » **Includes mechanism for selecting service providers that can maintain appropriate safeguards, making sure contract requires them to maintain safeguards, and oversee their handling of customer information**
  - » **Includes provisions for evaluating and adjusting the program in light of relevant circumstances, including changes in the firm's business or operations, or the results of security testing and monitoring**

# NFMC Counseling Program

## National Industry Standards

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- **On the Job Training Program – New Counselors**
  - » **Agencies must have a **Written** 90 day On-The-Job Training / Coaching / Mentoring Program for new Foreclosure Prevention Counselors**
- **Client Satisfaction Survey**
  - » **Agencies must complete client satisfaction surveys of all NFMC households**
  - » **Agencies must be able to demonstrate their process and survey tool used for surveying households**

# NFMC Counseling Program

## HUD Housing Counseling Standards

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- **Know the HUD's Housing Counseling Standards**
  - » **24 CFR Part 214 Housing Counseling Program**
    - **Final Rule -§214.103**
- **NFMC Grant Agreement certifies that you meet or exceed these requirements**

# **NFMC Counseling Program**

## **Record Retention Policy**

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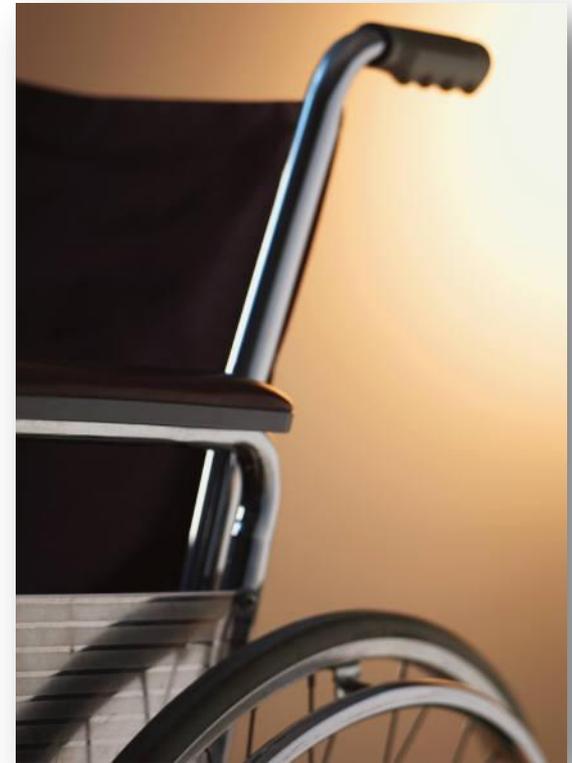
- **Retain all records pertinent to the NFMC Program for a period of six (6) years.**
- **If litigation, claim or audit started before expiration of the six (6) year period, retain applicable records until resolved and final action taken.**
- **Retain records for real property and equipment acquired with the NFMC Grant funds three (3) years after final disposition.**
- **Reflect requirement in Record Retention Policy**

# **NFMC Counseling Program**

## **Accomodations for Persons with Disabilities**

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- **The facilities in which you provide in-person counseling services must be accessible to persons with disabilities.**
- **Applicable requirements found in NFMC Program Grant Agreement and in HUD's Housing Counseling Program Final Rule 24 CFR Part 214**
- **Be prepared to demonstrate accessibility for compliance monitoring purposes**



# **NFMC Counseling Program**

## **Availability of Translation Services**

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- **If you do not offer translation services, you must provide an MOU or other written documentation to Minnesota Housing detailing a relationship with a translation agency**
- **Refer client to another Minnesota Home Ownership Center (MNHOC) Network Agency for these services when possible**
- **Translation services are an eligible use of PRS funds**

# NFMC Counseling Program

## Oversight Plan

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- **Minnesota Housing was required under NFMC Round 5 to submit a Plan to NeighborWorks for overseeing sub-grantees**
- **Sub-grantees must submit to Minnesota Housing a plan for overseeing NFMC-funded activities and staff members**

# **NFMC Counseling Program**

## **Narrative Reports**

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- **Narrative Reports are now due to the Center on a quarterly basis (instead of monthly)**
- **Due on or before the fifth (5<sup>th</sup>) day of the month following the quarter end**
- **If the 5<sup>th</sup> falls on a Sat/Sun submit report on the following Monday**
- **Visit HOC's website for current narrative report document**

# **NFMC Counseling Program**

## **Program Resources**

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- **Minnesota Housing and Minnesota Home Ownership Center**
- **NFMC Round 5 Program Procedural Manual**
- **NFMC Round 5 Final Funding Announcement**
- **National Industry Standards for Foreclosure Prevention Counseling**
- **HUD Housing Counseling Standards**
- **NFMC Round 5 Grant Agreement**

# NFMC Counseling Program

## Q & A

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