



Procedures

Florida Housing Finance Corporation

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Foreclosure Counseling Program Overview

On January 17, 2013, the Legislative Budget Commission approved a \$10 million allocation of National Mortgage Settlement funds to provide foreclosure counseling services administered by the Florida Housing Finance Corporation. This funding allows Florida Housing to help homeowners avoid foreclosure and provide at-risk homeowners with financial management education to help them better manage money and resolve credit problems to become more financially stable.

Staff proposes to meet these objectives by providing funding on a fee-for-service basis to HUD approved housing counseling agencies (HCAs) to provide foreclosure counseling services and more extensive financial management education at no charge to at-risk homeowners. The program will augment counseling provided through the National Foreclosure Mitigation Counseling (NFMC) Program and other counseling programs.

Staff estimates that the Foreclosure Counseling Program (FCP) will serve a minimum of 10,500 homeowners by enhancing basic services provided by other foreclosure counseling programs. The objective of FCP is to more fully support homeowners during and after delinquency resolution negotiations. The timing and flow of services to homeowners from intake through a successful loan modification is anticipated to be approximately two years, depending on how quickly the lender responds to a homeowner's request for loan modification.

HCAs will develop a customized action plan for each client that is revised as circumstances change, and will assist them with lender, loan servicer and other contacts throughout the process. The goal is to provide families with the support to follow an action plan and budget throughout the modification or foreclosure process, even after delinquency resolution is obtained. In addition to an action plan for their situation, many families also need financial management education to ensure that these situations are less likely to occur in the future.

Florida Housing may use up to 7.5 percent of the total funding for administrative costs, including training and technical assistance, compliance, quality assurance monitoring and data reporting functions. This includes costs related to contracting for some services.

The current implementation timeline is for HCAs to begin offering services to at-risk homeowners in July 2013 with a three to four year performance period. The key steps of the program are outlined below.

Summary of Key Steps

Florida Housing is responsible for administering this program, but may implement counseling, training, technical assistance and compliance monitoring through contracts with third-party providers.

Housing Counseling Agency Services: Staff received authority from the Florida Housing Board to contract with HCAs to provide foreclosure counseling and financial management education directly to clients at risk of foreclosure. Only nonprofit HCAs approved by HUD are eligible to participate.

- 1. Training and Monitoring Services.** In April 2013, the Board approved staff to contract with an experienced provider of technical assistance and training on foreclosure counseling to ensure that HCAs and their staffs are knowledgeable about the particulars of the FCP, including reporting requirements and expectations, as well as how to provide high quality foreclosure counseling services to clients. Florida Housing can use third party servicers currently under contract to provide compliance monitoring services.

2. **Data Reporting System to Monitor Program Success and Manage Reporting and Reimbursement for Services.** Florida Housing has contracted to develop software to collect data on clients served and produce reports to monitor the outcomes of the program and provide a way for the HCAs to regularly report client information and services provided for reimbursement purposes.
3. **HCA Training.** Along with Florida Housing, the training provider will provide an initial training that all HCAs participating in this program are required to attend. All participating HCAs and their staff working under this program are required to receive training on program objectives, specific services and reporting outcomes, procedures for reimbursement of services, monthly data reporting, technical assistance opportunities, compliance monitoring and quality assurance requirements. Additional training and technical assistance will be available to HCA staff through webinars and online learning modules.
4. **Foreclosure Counseling and Financial Management Education Services to Homeowners Statewide.** Based on the funding allocation methodology, funding for all counseling/education services initially provided under this program will be proportionally reserved for clients in each county. HCAs may rely on funding availability when planning and coordinating service provision. Florida Housing will evaluate program expenditures and, as necessary, propose revisions to the allocation methodology to ensure that program funds continue to flow expediently throughout the state.
5. **Ongoing Program Activities.** HCAs will provide foreclosure counseling and financial management education to clients and provide Florida Housing with client data, information regarding services rendered and client status each month, as specified by contract, in order to be reimbursed. Florida Housing, or its representative will monitor counseling for quality assurance and, as needed, provide technical assistance for HCAs; monitor billing and any eligibility requirements for participating HCAs; and monitor for possible fraud.
6. **Evaluating Program Success and Providing Regular Progress Reports.** Florida Housing will employ program performance measures that address program outcomes, including successful client financial management education training and clients that successfully avoided foreclosure. Florida Housing expects to provide regular progress reports to the Board, Governor, Legislature and Attorney General on this program.

Scope of Services

The following counseling milestones will be used to determine a client's progress throughout the program and represent points at which an HCA can submit invoices to Florida Housing to be reimbursed for services provided to the client. Florida Housing will determine if the activity reported meets the milestone and is eligible for reimbursement. The scope of services to clients is summarized below, along with payments associated with each billing milestone.

1. **Intake Services (\$150).** An intake session with a client includes client intake, data and document collection, identifying the client's goal(s), documentation of a client's income and expenses, determination of delinquency status, evaluation of affordability options, determination of the best course of action for the client, preparation of an action plan and a budget, and initiation of delinquency resolution negotiations with the lender. FCP requires that a credit score be provided as part of the intake and file closeout process. The

HCA may pull a credit report or require the client to provide one. The HCA can absorb the cost of credit reports or pass the cost along to clients. Additionally, as part of the intake process, the client must receive the following documents: Privacy Policy (attached); FCP Authorization (attached) and Disclosure Form (attached). These documents must be signed by the client and included in the client's file.

- 2. Financial Management Education (\$75).** Financial Management Education training will provide clients with the skills and knowledge necessary to ameliorate the risk of re-default or avoid problems in the future. This service will be provided by HCAs and may be provided in one-on-one sessions or in a group setting and may include in-person training and/or virtual training. The minimum time for financial management education is 4 hours.
- 3. Counseling Services (\$600 maximum).** As part of each counseling session, the HCA will review the action plan and budget with the client. If any changes are necessary to either document, an updated version must be signed by both Counselor and client and placed in the client's file.
 - a. Counseling Sessions 1 - 4.** Counseling sessions will include assisting a client with implementation of the action plan and budget created during intake. The HCA will provide ongoing support through the process of pursuing a loan modification or other resolution as a client resolves financial issues and negotiates with their lender.
 - b. Trial/Permanent Loan Modification.** Once a client has received approval for a trial or permanent loan modification, the HCA may review the client's financial status, review and/or revise the action plan and budget as needed, and provide counseling related to staying current on mortgage payments and budget.
 - c. Alternative Housing Outcome/Transition.** If a client is denied a loan modification or is unsuccessful in maintaining the payments in a trial loan modification or the client refuses to accept the modification plan offered by the lender or servicer (i.e., circumstances are such that the client will not be able to remain in their home), the HCA will assist the client in developing a plan to avoid homelessness and transition to new housing. The plan will include methods for transferring ownership of the client's home - e.g., short sale, foreclosure, deed in lieu, any additional resources or services that may be available to the client, a timeline for transition, review and revision of action plan and any final review/revision of the client's budget.
- 4. File Close-Out - Ongoing File Maintenance, Document Management, Compliance Management and Reporting (\$75).** HCAs will maintain client files for three years past the date of resolution. This will include documentation on income, mortgage and other sensitive documents and will be required to be maintained in a secure manner. Each HCA shall be required to provide information, data and documentation required by Florida Housing or our monitoring agent when evaluating compliance with program requirements.

Housing Counseling Agency (HCA) Requirements

All HCAs participating in the FCP will be required to meet all of the following standards:

- 1. Experience:** All counseling agencies must have a minimum of two years of experience in the delivery of foreclosure intervention and delinquency resolution services. Counselors working at these agencies will be required to be certified through training and have experience working in existing foreclosure counseling programs. A compliance monitor or technical assistance provider may be assigned to the HCA by Florida Housing at any time during the contract period to evaluate experience and capacity levels and submit written recommendations and observations.
- 2. Facilities:** Any premises used for individual or group counseling services must be clean, safe and accessible to all persons, including persons with disabilities. The HCA must have facilities available to provide private counseling sessions which may be offsite if necessary.
- 3. Outreach and Marketing:** The HCA must make reasonable efforts to reach clients who need services. This may be done in a variety of ways: advertising, contact with social agencies and partnering with other entities in the HCAs service area. The HCA should implement an outreach and marketing plan where possible. The HCA must make sure that any information disseminated in any format is not false or misleading.
- 4. Recordkeeping:** The HCA must use a method of managing client information which provides the required data elements in an electronic format that is acceptable to Florida Housing.
- 5. File Contents:** The HCA shall maintain Client files containing all required documentation sufficient to verify a client's eligibility (or ineligibility) for program services and a record of compensation paid to the HCA for services rendered in connection with the FCP contract.
- 6. File Retention:** Files must be maintained in a manner which safeguards the privacy of the client's information. Paper documentation must be kept in secured file cabinets. Scanned or electronically stored documents must be safeguarded in a fashion that securely maintains client privacy. Files must be retained for a minimum of three (3) years from the outcome date or longer if there is an audit, investigation or litigation in progress. It is the HCA's responsibility to determine the proper retention period. When files are disposed, paper files may be shredded, incinerated or buried in a public landfill, in accordance with State records retention laws and rules.
- 7. Access to FCP Files:** The HCA and its employees shall allow Florida Housing, or its agent(s) and compliance monitor(s) physical access to the files and records maintained by the HCA.
- 8. Compliance with Florida's Public Records Law:** Any file, report, record, document, paper, letter, or other material received, generated, maintained or sent by the HCA in connection with the FCP is subject to the provisions of Florida's Public Records Law, Section 112.01-.19, Florida Statutes.
- 9. Client Privacy:** The HCA shall maintain all documents and information received or generated in connection with any client in a manner which safeguards the privacy of the client's Personally

Identifiable Information (PII). PII means information that can be used to uniquely identify, contact, or locate a client or can be used with other sources to uniquely identify a client. PII includes client names, addresses, telephone numbers, e-mail addresses, Uniform Resource Locator (URL) information regarding social networking accounts or any other Internet media, photographs or other visual depictions, audio recordings, and any other information that could be used by any means to identify, contact or locate a client.

- 10. Use of Applicant Information:** The HCA shall refrain from using any client information obtained in the course of providing FCP services for any purpose not specifically authorized by FCP without first obtaining the express written consent of the client and Florida Housing.
- 11. National Industry Standards:** The HCA must adopt The National Industry Standards for Homeownership Education and Counseling.
- 12. Certification:** All counselors and applicable administrators must be trained to provide services under this contract and certified in Foreclosure Intervention and Default courses by NeighborWorks America, the National Council of LaRaza, National Foundation of Credit, Florida Specific Certification or other approved certification provider and must update these certifications every three years. New or existing staff who will provide foreclosure counseling must be certified within 18 months of hire or reassignment.
- 13. Compliance with State and Federal Laws:** The HCA and its staff must be in compliance with all applicable laws of Florida.
- 14. Other Languages:** The HCA must either have counselors fluent in the language that clients speak or provide interpretation services to ensure non-English speaking clients can obtain foreclosure counseling.
- 15. Anti-Discrimination:** The HCA will not permit discrimination against clients on the basis of gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability.
- 16. Compliance:** The HCA will comply with quality control, compliance and evaluation of activities performed pursuant to the Contract.
- 17. Conflict of Interest:** The HCA must certify that the staff and volunteers who will provide foreclosure counseling have no conflict(s) of interest due to relationships with servicers, real estate agencies, mortgage lenders, family members and/or other entities that may stand to benefit from particular outcomes.
- 18. Compensation:** The HCA will not be permitted to charge clients for any services provided through the FCP. All compensation will be disbursed by Florida Housing from FCP funding.
- 19. Nonprofit Status:** The HCA must function as a nonprofit organization. The HCA must submit evidence of nonprofit status as demonstrated by Section 501(c) of the Internal Revenue Code.

- 20. Compliance with Fair Housing and Civil Rights Laws:** The HCA must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105 (a).
- 21. Affirmatively Furthering Fair Housing:** The HCA must affirmatively further fair housing for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability and familial status. HCAs are expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice.
- 22. Ineligible FCP Participants:** The HCA, including any of the HCA’s directors, partners, officers, principals, or employees must not be:
- a. Suspended, debarred, or otherwise restricted under any local, state or federal regulations;
 - b. Indicted for, or convicted of, a criminal offense that reflects upon the responsibility, integrity or ability of the HCA to participate in housing counseling activities; or
 - c. Subject to unresolved findings because of U.S. HUD or other government audits or investigations.
- 23. Alternative Formats:** The HCA must be prepared to provide vital documents and information in alternative formats for persons with disabilities or make alternate accommodations for persons with disabilities.
- 24. Knowledge of Existing Resolution Strategies, Specifics of Working within Florida’s Judicial Foreclosure System, and Local Housing Market:** The HCA’s housing counseling staff must possess a working knowledge of strategies and available programs within Florida.
- 25. Community Resources:** The HCA must demonstrate that it has established working relationships with private and public community resources to which it can refer clients who need help the HCA cannot offer.

Counseling Event Procedures

File Documentation: At upload, all required documents for the billing milestone being uploaded must be in the client’s file. Uploaded clients may be selected as part of a random review of files from the HCA. If documents are missing, the milestone will be rejected and the file may have to be withdrawn which will delay HCA payment for other files. If it is determined that the HCA billed for a milestone for which there is not supporting documentation in the file, the HCA may be required to return funds for that milestone.

Intake Services: An intake session with a client includes, but is not limited to, FCP eligibility determination, intake data and document collection, identifying the client’s goal(s), verification of a client’s income and financial information, determination of delinquency status, evaluation of affordability options, determination of the best course of action for the client, preparation of an action plan and a budget, and initiation of delinquency resolution negotiations with the lender. As part of the intake process, the client must receive the following documents: Privacy Policy (attached); FCP Authorization (attached) and Disclosure Form (attached). These documents must be signed by the client and available in the client’s file.

Intake information must be collected and uploaded for all FCP clients. If intake services have been provided under another counseling program and the HCA has been previously compensated for providing the services by

HUD, NFMC or other counseling funding, the client’s intake information should be uploaded using the billing milestone “Upload Intake – Previously Paid” and the HCA will not be reimbursed for the intake. If the client’s previously collected intake information is more than six months old, or if circumstances have changed and new information is required, the HCA can bill FCP for intake services, but new intake requirements must be documented in the file. If the HCA engaged the client under another program where intake is not part of the process such as HHF, Fannie Mae or Freddie Mac, the HCA may be reimbursed by FCP for intake services.

INTAKE SERVICES - \$150 Reimbursement

TASK	FILE DOCUMENTATION	DESCRIPTION
FCP Program Eligibility Determination	Proof of primary residence and proof of ownership	Verify that client is eligible for FCP and has not been funded under another program for intake services FCP clients may be NFMC clients that qualify for additional counseling through FCP; new clients responding to HCA outreach efforts; or HHF clients.
Determine proof of client’s ownership of home	Copy of Mortgage; or Copy of Mortgage Statement; or Property Appraiser tax information showing client as owner	Verify that the client owns the home at risk of foreclosure and the home is the client’s primary residence.
Receive Authorization from client to share client data with Florida Housing	Signed FCP Authorization Form	Signed by the client at the time of FCP intake. Allows the HCA to submit client-level information to Florida Housing for the FCP grant; Allows Florida Housing to review client files for program monitoring and compliance purposes; and provides the option of Florida Housing conducting follow-up with the client related to program evaluation if the client chooses to participate. An existing HCA Authorization Form which incorporates FCP language will be accepted, but Florida Housing recommends using the FCP Authorization Form.
Disclose services provided by HCA and any financial relationships between HCA and partners	Signed Disclosure Form	Signed by the client and explicitly describes the various types of services provided, and any financial relationships between the HCA and any other industry partners. Disclosure must state clearly that the client is not obligated to receive any other services offered by the HCA or its industry partners.
Detail how the HCA will protect and maintain client’s records	Signed Privacy Policy	Signed by the client at the time of counseling detailing how the client’s records will be maintained and protected. A copy of the Privacy Policy must be given to the client and the client must be allowed access to the HCA’s privacy policy statement.
Collect client intake data to submit to FCP	Intake Documentation: This requirement may be satisfied using the standard “Request for Mortgage Assistance (RMA), or other form provided all data elements necessary for FCP are captured.	The intake process should, at a minimum, document and collect the following information: <ul style="list-style-type: none"> • Client name, address and phone number • Client’s income and expenses • Basic demographic information • Lender and loan information • Reason for delinquency A detailed list of data requirements for each milestone is attached
Assist client in developing a budget	Required: Copy of dated budget which reflects the date of contact with the client.	A budget must be developed for the client based on client’s oral representation of their expenses, debts, and available sources of income. If the client is not prepared with documentation at intake, the documents the client is

	Recommended: Proof of Income – most recent paystubs, tax returns, SSI Award letter, bank statements, etc. Proof of Expenses – credit report or copies of bills.	required to provide must be listed on the Action Plan and must be included as documentation for the next counseling event.
Assist client in developing an Action Plan	Action Plan signed and dated by the client	An Action Plan must be developed for the client which, at a minimum, includes the following items: <ul style="list-style-type: none"> • Loss mitigation options and action strategies for resolution recommended to the client; • Steps the client will take including timeframe for completion; • Steps the counselor will take; and • Other appropriate contact information for community referrals The Action Plan must be provided to the client within 24 hours of the initial counseling event. FCP recommends using the FCP or NFMFC Action Plan template for FCP clients (attached).
Pull client's credit report	Copy of credit report or documentation that no credit score is available	Use client's credit report to verify housing payment, expenses and delinquency status. Provide credit score to FCP as part of intake upload.
RECOMMENDED: Schedule client for financial management education	Client participation in financial management education – program certification	When required, enroll client in financial management education to increase likelihood of success in any resolution effort.

Financial Management Education: Financial management education training will provide clients with the skills and knowledge necessary to ameliorate the risk of re-default or avoid problems in the future. This service will be provided by HCAs and may be provided in one-on-one sessions or in a group setting and may include in-person training and/or virtual training. FCP requires a training certificate of completion be documented in the client file. The recommended time for financial management education is 4 hours. The following curriculums are currently approved for use with the FCP:

- Home Ownership Reality Game
- Money Smart – FDIC
- Money Wise – Capital One and Consumer Action
- CreditSmart – Freddie Mac
- Mind Your Finances
- Money in Motion
- FIT Academy
- eHomeMoney
- Taking Control of Your Money and Understanding Your Credit
- Debt, Money and Credit Concepts
- Meeting the Challenge: Budget and Credit

Any other financial management education curriculum must be reviewed and approved by FCP staff.

FINANCIAL MANAGEMENT EDUCATION – \$75 Reimbursement

TASK	FILE DOCUMENTATION	DESCRIPTION
Provide Financial Management Education to the client	Copy of training certificate Name of educational tool used Number of hours of educational training	The training program should assist the client in making changes in how they manage their finances to better deal with their overall well-being. One goal of the FCP is for

	Mode of education (one on one, group, online)	clients to increase their habit of saving and to reduce their non-mortgage debt.
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Counseling Services: As part of each counseling session, the HCA will review the action plan and budget with the client and if appropriate, facilitate communication with the Servicer/Lender. If any changes are necessary to the budget or action plan, an updated version must be signed by both the counselor and the client and a copy placed in the client’s file. If no changes are necessary to either document, the HCA should update the client file accordingly. The number of counseling sessions will be determined on a client-by-client basis, but is expected to range from 5 to 8 events and may extend into the modification or alternative housing resolution period.

Counseling Sessions 1 - 4. After the intake session, the HCA will be required to periodically update the client’s information, review the client’s budget and determine the client’s progress towards foreclosure prevention. Counseling sessions will include income documentation budget update, loan documentation and status re-verification, and assisting a client with implementation of the action plan and budget created during intake. The HCA will provide ongoing support through the process of pursuing a loan modification or other resolution as the client resolves financial issues and negotiates with their Lender or Servicer.

COUNSELING SESSIONS 1-4 - \$75 Reimbursement for Each Session

TASK	FILE DOCUMENTATION	DESCRIPTION
Budget Verification, Update, or Revision	Copy of dated budget which reflects the date of contact with the client. Copies of Proof of Income – most recent paystubs, tax returns, SSI Award letter, bank statements, etc. Copies of Proof of Expenses – credit report or copies of bills. Documentation supporting any changes to the budget	During the first counseling session, verify the client’s income and expenses. If the client did not provide income and expense documentation at intake, it must be provided for this counseling event. Review and, if the client’s income and/or expenses have changed, update budget at following sessions providing documentation for changes. Request CURRENT copies of documentation (most recent or within 3 months of the counseling session)
Review or Revision of Action Plan	Copy of Updated Action Plan signed and dated by client Applications for refinancing or resolution programs Applications for local resources Applications for legal assistance or credit counseling	Review and discuss client and counselor progress on Action Plan strategies and steps. FCP recommends updating the Action Plan with completion dates as steps are accomplished. Counselor notes alone are NOT enough to satisfy this requirement.
Servicer/Lender Contact	Correspondence to/from the Servicer/Lender	Assist client in communicating with Servicer or Lender regarding status of retaining home or alternative housing solution.

Trial/Permanent Loan Modification: Once a client has received approval for a trial or permanent loan modification, the HCA must review the client’s financial status, review and/or revise the action plan and budget to reflect a new housing payment or other changes to the client’s income and expenses, and provide counseling related to staying current on mortgage payments and budget. The client’s new housing payment must be documented in the file and provided as part of these billing milestones.

1. **Trial Modification:** If a client is approved for a trial modification, the HCA will continue to provide counseling services with the goal of transitioning the client into a permanent modification. In addition to the services provided in General Counseling Sessions 1 - 4, the HCA may be required to engage with the lender/servicer to discuss specific issues related to the trial modification.
2. **Permanent Modification:** If a client is approved for a permanent modification, the HCA will continue to provide counseling services as needed. In addition to counseling, the HCA may be required to engage with the lender or servicer to discuss specific issues related to the permanent modification. All interaction with the lender or servicer should be documented in the counselor notes or narrative.

TRIAL OR PERMANENT LOAN MODIFICATION - \$75 Reimbursement Each of Two Sessions

TASK	FILE DOCUMENTATION	DESCRIPTION
Budget Verification, Update, or Revision	Copy of dated budget which reflects the date of contact with the client. Copies of Proof of Income – paystubs, tax returns, SSI Award letter, bank statements, etc. Copies of Proof of Expenses – credit report or copies of bills. Documentation supporting any changes to the budget	The client’s income and expenses at the time of counseling session must be verified and, if necessary, updated. Documentation of client’s ability to maintain budget requirements and make timely required payments. Request CURRENT copies of documentation (most recent or within 3 months of the counseling session)
Review/Revision of Action Plan	Counselor notes or narrative Copy of Updated Action Plan signed by client	Documentation of client’s efforts and ability to achieve Action Plan goals identified earlier. Ensure that the client is making timely payments on their modified loan. Must include documentation that a follow-up meeting was scheduled or the proposed date of when the next appointment will be scheduled
Servicer/Lender Contact	Correspondence to/from the Servicer/Lender Copy of Trial or Permanent Loan Modification Agreement	Assist client in communicating with Servicer or Lender regarding status of loan modification. Document in Counselor notes that the Loan Modification Agreement was discussed with client. A copy of both Loan Modification Agreements (Trial and Permanent) must be included in the file.
Document client’s new housing payment	Proof of the client’s new housing payment	FCP needs to compare the client’s new housing payment to the old payment to determine whether the new payment is an improvement as an outcome measure of the program.

Alternative Housing Outcome/Transition: If a client is denied a loan modification; is unsuccessful in maintaining the payments in a trial loan modification; or refuses to accept the modification plan offered by the lender or servicer (i.e., circumstances are such that the client will not be able to remain in their home), the HCA will assist the client in developing a plan to avoid homelessness and transition to new housing. The plan will include methods for transferring ownership of the client’s home - e.g., short sale, foreclosure, deed in lieu, any additional resources or services that may be available to the client, a timeline for transition, review and revision

of action plan and review/revision of the client’s budget. The client’s new housing payment and any change in credit score must be documented in the file and provided as part of these billing milestones.

ALTERNATIVE HOUSING OUTCOME/TRANSITION - \$75 Reimbursement for Each of Two Sessions

TASK	FILE DOCUMENTATION	DESCRIPTION – ALTERNATIVE HOUSING OUTCOME
Budget Verification	Copies of supporting budget documents: INCOME: Copies of Paystubs; Tax Returns; or Bank Statements EXPENSES: Credit Report; or Copies of Bills	The client’s current (within 3 months) income and expenses at the time of counseling session must be verified. Documentation of client’s ability to maintain budget requirements and make timely required payments.
Budget Update	Copy of budget signed by client Copies of supporting documentation explaining budget changes	The client’s budget must be revised to incorporate the modified housing payment and any other changes necessary.
Review/Revision of Action Plan	Counselor notes or narrative Copy of Updated Action Plan signed by client	Documentation of client’s efforts and ability to achieve Action Plan goals identified earlier.
Discuss Options	Document file with reasons client does not qualify for a loan modification or reasons why the client desires to transition to a different living situation.	Options for Alternative Housing Outcome include: <ul style="list-style-type: none"> • Appeal loan modification denial • Traditional sale • Short Sale • Deed-in-Lieu of Foreclosure • Bankruptcy • Foreclosure
Provide Signed Disclosure of Options	Copy of Alternative Housing Options Disclosure signed and dated by client.	Alternative housing options must be discussed with the client and a form (attached) must be given to the client and a copy signed and dated by the client must be placed in the file. Additional documentation must be included in counselor notes to file.
Referral to Service Agencies	Copy of referral list, some of which should be local or community-based.	Provide referrals to other local resources that may be able to assist the client with transition.
TASK	FILE DOCUMENTATION	DESCRIPTION – ALTERNATIVE HOUSING TRANSITION
Implementing Housing Transition	Relocation Checklist	Assist with locating alternative housing (i.e. socialserve.com) Develop action plan for rebuilding credit and finances Provide Relocation Checklist
Document new housing payment	Copy of rental lease agreement	Document client’s new housing payment based on changed circumstances.

File Suspension: The HCA may suspend a client’s file while waiting on documentation or responses to requests for information. A file should only be suspended with the assumption that the client intends to continue counseling.

Client Termination: If a client fails to meet goals and requirements set forth by FCP or the HCA, but has not yet received financial management education or additional counseling (i.e. does not qualify for file closeout

reimbursement), counseling for that client may be terminated after 90 days of inactivity. If this occurs, the client shall be notified in writing. The notification shall include:

- a. Date of official termination of client from program.
- b. Reasons for closing the client’s case:
 - i. Refusal by client to provide required documentation as requested by the HCA
 - ii. Loss of home prior to alternative housing solution counseling (foreclosure, deed in lieu, short sale)
 - iii. client voluntarily withdrew from counseling
- c. Procedure for appealing decision.
- d. Procedure for re-opening file.

File Closeout - Ongoing File Maintenance and Compliance: HCAs will maintain client files for three years past the date of resolution. This will include retention of income, mortgage and other sensitive documents which will be required to be maintained in a secure manner. Each HCA shall be required to provide information, data and documentation required by Florida Housing or our monitoring agent when evaluating compliance with program requirements. These reports will include information such as the number of clients served, types of services provided, demographic data on clients and client outcomes. This information will be collected by Florida Housing as part of FCP billing procedures.

FILE CLOSEOUT - \$75 Reimbursement

TASK	FILE DOCUMENTATION	DESCRIPTION
Collect new credit score and input closeout data	Credit Report	A new credit score is required as part of File Closeout to measure improvement based on education and counseling. <ul style="list-style-type: none"> • Loan type and loan balance • Monthly housing payment, MIP/PMI, HOA dues • 2nd mortgage loan/line of credit, non-mortgage debt • Savings amount, loan modification default reason, loan status, loss mitigation type • FCP Client Status, FCP Client Status Date
Provide counseling outcome	Notes to file documenting outcome	Outcomes may include: Permanent Modification with change in rates, terms, etc.; Short Sale; Deed in Lieu of Foreclosure; Foreclosure; and Withdrawal from Program

NON-RESPONSIVE CLIENT FILE CLOSEOUT - \$75 Reimbursement

File closeout can occur after 90 days of no contact with the client if the client has received intake, financial management education and counseling services.

TASK	FILE DOCUMENTATION	DESCRIPTION
Conduct a verbal follow-up session	Counselor notes to file documenting reasonable efforts and mode of communication attempts.	The counselor should make reasonable efforts to conduct a verbal follow-up session (in person or via phone) with the client. If unsuccessful after two attempts, the Counselor must write a letter to the client.
Write a letter or email to the client documenting efforts to communicate	Letter or email to client	The letter must describe efforts to communicate and inform the client that there is a need for follow-up communication. The letter or email must request that the client contact the HCA no later than 30 days from the date of the letter or email. Issuing surveys to assess housing outcomes does not fully client follow-up requirement.

FCP Portal Procedures

Florida Housing has created a portal for the Foreclosure Counseling Program (www.floridafcp.org). Information about the program is available there and all client information for reporting and billing purposes must be submitted through the FCP portal. Florida Housing is responsible for creating and administering accounts for each HCA. The HCA primary contact is responsible for adding more users to the HCA account. The contact person for FCP portal questions and assistance is Nicole Everett, Nicole.everett@floridahousing.org, (850) 488-4197.

There is also a link to a training and technical assistance “eLearning Portal” (<http://training.flcounselors.org/FloridaHousingCounselorNetwork/login.jsp>) managed by Florida Housing’s technical assistance provider for the purposes of providing additional training and technical assistance resources. After selecting the eLearning Portal, click “Create Account” to establish a user ID and Password. For assistance with the eLearning portal, contact Cora Fulmore at cfulmore@flcounselors.org.

- 1. HCA ID Number:** Each HCA under contract with Florida Housing to provide FCP services has a unique HCA ID in the following format “FCP###” which must be associated with each client record.
- 2. Client ID Number:** Client IDs are designated by the HCA. Florida Housing does not require a specific format and recommends that each HCA use the client ID generated by their Client Management System (CMS), but the client ID should be unique to the client and remain the same throughout the counseling process. The client ID cannot be used to determine whether a client has already been uploaded by another HCA.
- 3. Data Upload:** A Microsoft Excel template to enter and upload data is available to download from the FCP website. The template is available in two formats – XLS and XLSM. Both templates include a macro for hand keyed data entry, but the XLSM template opens directly to the macro and should not be used with versions of Excel that are older than 2010. Each record can be hand keyed through the macro, or multiple records can be cut and pasted from other Excel documents, i.e. CMS downloads. Neither Home Counselor Online (HCO) nor Counselor Max (CMax) communicate with the FCP Portal or collect all data points for FCP so hand keying will be necessary if information is downloaded from either of these CMSs. The data elements must be in the correct order for the template to upload successfully. It is recommended that date be included in the name of the upload for convenience.
- 4. Accessing/Modifying Data that has been uploaded to the FCP Portal:** HCAs have the ability to search FCP data for clients to see what information has been uploaded, and the ability to edit or update inaccurate data and change milestones, before the record is approved for reimbursement by Florida Housing. Clients can be searched by first name, last name or client ID.
- 5. Data Elements.** Specific data elements are required to be captured at intake and subsequent counseling sessions by the HCA related to the client and the client’s loan. These elements will be used to determine eligibility and to track program success. A copy of the required data elements for each billing milestone is attached.
- 6. Counseling/Billing Milestones.** Counseling milestones will be used to determine a client’s progress through FCP as well as representing the points at which an HCA can submit invoices for payment for the client. Florida Housing will determine if the activity being reported meets the milestone and make the payment on a monthly basis.

Funding Available to HCAs

The funding for the FCP is allocated by county with an additional amount being maintained in a statewide “pool” to be used once the initial allocation for clients in a county has been exhausted. Florida Housing reserves the right to change or re-allocate funding between counties or place funding from county allocations into the state pool at any time with a 30 day notification to the HCAs.

1. When an applicant is determined to be eligible to receive counseling that will be paid for by FCP, the HCA will enter the client’s data into the system established by Florida Housing for administration of the FCP. This information will include the client’s county of residence.
2. When that entry is saved into the system, the maximum allowable amount of counseling funds for an individual client (\$900) will be automatically reserved and deducted from the county allocation.
3. Funds for each client will be reserved from the time of entry into the FCP portal.
4. If an HCA determines at any time during the counseling process that a client is no longer eligible to receive counseling under FCP, any amount of funds reserved for that client that have not been expended will be de-obligated as described above.

Billing and Reimbursement Procedures

1. HCAs will be reimbursed on a monthly basis for services provided and approved by Florida Housing as eligible under FCP.
2. Data elements will be submitted by template upload to produce the HCA invoice. HCAs may upload data as frequently as convenient, but Florida Housing will only reimburse monthly.
3. Data will be reviewed and verified by Florida Housing for accuracy, eligibility and completeness before processing for payment.
4. Invoices submitted by the 15th day of the month will be processed no later than the last of the month.
5. Costs determined to be ineligible by Florida Housing will be withheld from the total invoice amount reimbursed to the HCA.
6. Payments made on a previous invoice that are determined to be ineligible by Florida Housing or its’ agent will be deducted from the next payment made after determination of ineligibility.
7. Any ineligible invoice costs later determined to be eligible will be paid on the next scheduled payment. No additional payment will be made to correct the situation.
8. All payments to HCAs will be made electronically through a wire or Automated Clearinghouse (ACH) payment to an account established by the HCA. Each HCA must fill out and submit to Florida Housing an electronic deposit form prior to the first payment being made.

Florida Housing Ongoing Program Activities

1. **Training and Technical Assistance.** Training and technical assistance is available to HCAs for the following purposes:
 - a. Training HCAs on FCP procedures;
 - b. Providing technical assistance on an ongoing basis to address specific situations;

- c. Training HCAs on presenting financial management education classes; and
- d. Resolution of problems identified through desk audit or onsite QA process.

Florida Housing's contractor will develop a website that will provide technical assistance and support to HCAs participating in FCP. On-site review of counseling activities delivered under this program will be provided. When needed, local counselors will receive technical assistance to ensure that clients are getting consistent, high quality service. Technical assistance will also be provided in situations where Florida Housing sees a problem with a HCA, such as poor reporting.

- 2. Compliance Monitoring and Quality Assurance reviews on participating HCAs.** In order to provide adequate oversight of HCAs, the following procedures will be employed:
- a. **Desk Reviews** - Florida Housing staff will conduct random reviews of client files submitted on monthly invoices from HCAs based on the following thresholds:
 - i. For any HCA submitting 100 or more files on one invoice, a request of one file per 25 files will be selected randomly by Florida Housing to be submitted electronically by the HCA for FCP staff review.
 - ii. For any HCA reaching a cumulative total invoicing of \$20,000, Florida Housing will request four randomly selected files to be submitted electronically by the HCA for FCP staff review.
 - iii. For each additional \$20,000 for HCAs that have reached a cumulative total of \$20,000 in invoicing, Florida Housing will request four randomly selected files to be submitted electronically by the HCA for FCP staff review.
 - b. **Follow Up Desk Reviews.** If the results of the initial desk review are unsatisfactory, staff will request the following from the HCA:
 - i. For each file that is determined to not meet eligibility requirements, information to "Cure" the unsatisfactory items will be requested to be submitted by the HCA
 - ii. If a file is cured satisfactorily, no further action is required.
 - iii. If the file cannot be cured and the client remains ineligible, the file will be withdrawn and any fees already paid for the activity will be recaptured.
 - iv. When a file is withdrawn, Florida Housing staff will request another randomly selected file to replace the withdrawn file and may request up to three additional files for review.
 - v. If numerous inconsistencies occur in a HCA's files, whether cured or not, Florida Housing may request additional files at its discretion in order to mitigate further risk.
 - c. **Investigative Reviews.** If the results of the initial and follow up reviews are unsatisfactory or if the reporting or activities of a HCA are not responsive and forthcoming, an investigative review conducted by the Florida Housing Inspector General will be engaged. This investigation may include:
 - i. Additional desk reviews
 - ii. On-site examination of files
 - iii. Interviewing of HCA staff
 - iv. Interviewing of HCA clients
 - d. **HCA Suspension.** Any HCA that is determined to not be in compliance with FCP requirements or Florida Housing standards may be suspended as an FCP HCA. This suspension may be temporary until all unsatisfactory issues are resolved or permanent, depending on the situation.

- 3. Client File Review Process.** HCAs are required to comply with client file compliance monitoring using the following procedures:

- a. Florida Housing staff requests via email randomly selected files from HCA as described above. The email from Florida Housing will include directions to access ShareFile;
 - b. HCA uploads requested files to secure folder located on ShareFile;
 - c. Florida Housing staff reviews all documents for accuracy and completeness;
 - d. Florida Housing staff notifies HCA of any inconsistencies or deficiencies;
 - e. HCA cures file issues and re-submits or withdraws the file from the invoice;
 - f. FCP staff reviews the cures and notifies the HCA if the information is adequate;
 - g. Once all items are complete and satisfactory, the HCA will be notified and any outstanding invoices will be paid.
- 4. Monitoring for possible fraud.** Monitoring for possible fraud requires the identification of processes, controls and other procedures to mitigate risk, including an effective and secure information system and appropriate monitoring and quality assurance activities. Florida Housing has a fraud/waste reporting system for clients and housing counselors to use if they suspect inappropriate activities are occurring. This system can be accessed at: <https://apps.floridahousing.org/StandAlone/OIGFWAForm/>. Florida Housing also intends to include the following requirements in contractual agreements with HCAs that provide counseling services to clients:
- a. Require adherence to the National Industry Standards for Homeownership Education and Counseling Code of Ethics and Conduct by all counselors;
 - b. Require HCAs to submit background checks for all employees providing services through the program; and
 - c. Identify state and federal regulations with which housing counselors must comply and ensure that counselors comply with existing regulations and are made aware of any changes to those requirements.
- 5. Evaluating program success and regular progress reports.** In the initial program development phase, Florida Housing will develop program performance measures that address program outcomes, including successful client financial management training. Florida Housing expects to provide the following progress reports to the Governor, Legislature and Attorney General on this program:
- a. For the first year, monthly reports beginning the month after implementation summarizing critical outputs, including the number of clients served, the number of counseling events carried out and other performance metrics; and outcomes with information to be augmented as necessary over time;
 - b. After the first year, quarterly reports with the type of information listed above; and
 - c. Annually, a report to the Governor, President of the Senate, Speaker of the House of Representatives and the Office of the Attorney General, that details the status of all program activities and outcomes.