



HUD Office of Housing Counseling

Network Monitoring for
Intermediary Organizations, State Housing Finance Agencies,
Multi State Organizations and Local Agencies with Branches

Oversight of Networks Webinar Series

February 27, 2015

Presenters and Q&A Format

- Moderator
 - **Shawna LaRue Moraille**, ICF International
- Presenters
 - **Aisha Williams**, ADW & Associates LLC, subcontractor to ICF International
 - **Phyllis Ford**, Division Director, HUD, Office of Oversight and Accountability
- Questions – supported by **Lee Turner**, ICF International
 - **Written Questions Box:** You may enter your question into the question box at any time during the presentation. The questions will be read aloud at the end of each section
 - **Audible Questions:** If listening to the presentation over the phone, make sure to press in your audio pin provided (#xx#). Please raise your hand and we will unmute your line to ask your question.

Webinar Series Overview

- 1. Agency Roles and Responsibilities (10/15/14)**
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/OHC_TRAINARC
- 2. Network Monitoring (today)**
- 3. Network Evaluation and Expansion (2015)**
- 4. How to Apply for HUD Approval (new, 2015)**
- 5. Grant Administration (2015)**
- 6. Performance Reviews (new, 2015)**

Webinar Agenda

- Part 1: Review Key Concepts from Webinar #1
- Part 2: Network Monitoring Goals, Definition, and Activities
- Part 3: Quality Control Plan
- Part 4: HUD Evaluation of Oversight Agencies
- Part 5: Network Monitoring Examples from HUD Handbook 7610.1

Part 1: Webinar #1 Review of Key Concepts

Agencies with Network Oversight Responsibilities

- Agencies who provide counseling through and oversee a network (i.e. branches, affiliates, or sub-grantees; funded and non-funded)
 - Intermediary
 - SHFA
 - MSO
 - LHCA (w/ branches)

Key Oversight (Network Monitoring) Activities

- Oversight and monitoring activities fall into four activity buckets:
 1. Ongoing monitoring (compliance monitoring)
 2. Periodic reviews (compliance monitoring)
 3. Financial Monitoring
 4. Technical support

Quality Control Plan Purpose

- HUD requires a quality control plan
- “Grantee must have in place a quality control plan that specifically outlines how Grantee monitors the performance of its Sub-grantees. This quality control plan shall be available to HUD upon request”
 - FY 2014 Housing Counseling Grant Agreement, Parent Agencies

Quality Control Plan Purpose (cont.)

- Outline network monitoring policies and procedures (and other activities)
- Identify roles, responsibilities, expectations, and authority
- Define quality metrics and evaluation strategies
- Describe how quality issues will be managed
- Encourage transparency, accountability, and “Do it right the first time (DIRFT)”

Part 2:

Network Monitoring

Goals, Definition and Activities

Network Monitoring Goals

- Preserve program efficiency, effectiveness, productivity and compliance
- Reduce the likelihood of an event/action that may negatively impact program

Network Monitoring Definition

- Network monitoring means supervision and review of program activities and performance
- Focus on requirements, mandates, expectations, etc.
- At minimum, monitoring requires
 - Check-ins (e.g. phone calls, emails)
 - Observation (e.g. performance reviews)
 - Documentation (e.g. performance review records)

Network Monitoring Definition (cont.)

- Network monitoring key questions
 - Were requirements met? (e.g. counseling production targets and procedural requirements)
 - Were mandates fulfilled? (e.g. AFFH, compliance)
 - Were expectations met? (e.g. were quality standards achieved)

Basic Network Monitoring Activities

Activity	OM	PM	FM	TS
1. Collect and review Form HUD-9902s	X		X	
2. Collect and review HUD PARs	X		X	
3. Ensure counseling and education activities are properly reflected in CMS	X	X		
4. Monitor financial performance and use of pass-through funds (i.e. perform accounting of admin costs; verify documentation of expenses)	X	X	X	
5. Ensure compliance with federal regulations, OMB Circulars A-110, A-133 , A-122 (e.g. review source documentation of direct and indirect costs)	X	X		

OM = Ongoing Monitoring PM = Periodic Monitoring FM = Financial Monitoring

TS = Technical Support



Basic Network Monitoring Activities (cont.)

Activity	OM	PM	FM	TS
6. Conduct onsite and remote performance reviews	X	X	X	
7. Ensure counseling activities, services and program operations are compliant (e.g. Handbook 7610.1 paragraphs 3.5, 6.1 and Ch. 5)	X	X		
8. Provide training and TA (i.e. facilitate peer-learning; share best-practices)				X
9. Regularly communicate with network agencies	X	X	X	X
10. Follow-up and follow through	X	X	X	X

OM = Ongoing Monitoring PM = Periodic Monitoring FM = Financial Monitoring

TS = Technical Support



Additionally Recommended Monitoring Activities

Activity	OM	PM	FM	TS
1. Conduct webinars				X
2. Create self-guided resource materials				X
3. Host monthly or quarterly calls	X			X
4. Randomly check client files or do counselor file peer review	X	X		
5. Document performance review findings in a letter	X	X		

OM = Ongoing Monitoring PM = Periodic Monitoring FM = Financial Monitoring
 TS = Technical Support



Additionally Recommended Network Monitoring Activities (cont.)

Activity	OM	PM	FM	TS
6. Review housing counseling work plan; compare to 9902 and other reporting documents				X
7. Request pictures when conducting remote reviews		X		
8. Have a checklist on the cover of each counseling or education file that shows its contents, the location, and the last internal or oversight agency audit	X	X		

OM = Ongoing Monitoring PM = Periodic Monitoring FM = Financial Monitoring
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Pop Quiz



- Which of these is NOT a reason to conduct network monitoring?
 - a. Reduce likelihood of a negative action/event
 - b. Surprise network agencies with random compliance tests
 - c. Increase transparency and accountability
 - d. Preserve program strengths

Part 3: Quality Control Plan

Quality Control Plan Background

- Technical Definition
 - Description of the methodology an oversight agency follows to ensure achievement of quality standards
 - Description of testing/checking activity outputs and products
 - Used in conjunction with methodologies for
 - Quality Assurance
 - Quality Improvement

Quality Control Plan Background



Quality Assurance Technical Definitions

Quality Assurance

Standard practices and processes to achieve quality products/outputs

Quality Control

Processes, tools, etc. to test and check product/output quality

Quality Improvement

Processes, tools, etc. to improve quality problems

Quality Control Plan: Our Working Definition



Quality Control Plan

Outlines the network monitoring plan
AND integrates key quality concepts

Quality Control Plan Critical Elements

1. Roles, responsibilities, and authority
2. Standards, expectations, policies, procedures
3. Risk and risk management (coming in 2015)
4. Quality control focus areas and metrics
5. Quality control evaluation and analysis methods
6. Quality improvement and corrective action
7. Rewards and consequences

Quality Control Plan: 7 Critical Elements

1. Roles, Responsibilities, Authority

HUD

- Standards, Procedures
- Guidance
- Authorization
- Audits and Evaluations
- Technical Support
- Decide/Implement Penalties

Oversight Agency

- Standards within HUD parameters
- Technical Support
- Authorizations
- Partner and Coordinate with HUD
- Act on behalf of HUD
- Performance Reviews
- Implement Penalties
- Subject to HUD's Authority

Quality Control Plan Critical Elements (cont.)

1. Roles, Responsibilities, Authority

Network Agency

- Implementation and compliance
 - Self monitoring, oversight and quality control
 - Communication and coordination with oversight agency
-

2. Standards, Expectations, Policies, Procedures

Resources

- HUD Handbook 7610.1
 - Grant Agreement
 - HUD Act of 1968
 - 24 CFR 214
 - Federal Register
-

Quality Control Plan Critical Elements (cont.)

4. Quality Control Focus Areas and Metrics

Focus Area Examples

- Counseling services
- Program operations

Metric Examples

- Client outcomes
- Production/output achievement

5. Quality Control Evaluation and Analysis Methods

Activity Examples

- Client file review

Evaluation/Analysis Methods

- Year-over-year comparison

Tools

- 9910, PAR, 9902, CMS

Documentation

- Letter documenting observations

Quality Control Plan Critical Elements (cont.)

6. Quality Improvement and Corrective Action

Core QI and CA Activity Categories

- Technical Assistance
 - Training
 - Capacity Building
 - Corrective Action Steps
-

7. Rewards and Consequences

Reward/Consequence Examples

- Funding recapture or reallocation
 - Reduction of or increase in future funding awards (e.g. performance based awards)
 - HUD approval suspension
 - Revocation of HUD approval
-

Poll Question



- Do you already have a quality control plan in place?
 - Yes, we have a full QCP
 - Yes, we have a partial QCP
 - No, we do not have a QCP
 - Other monitoring document

Poll Question

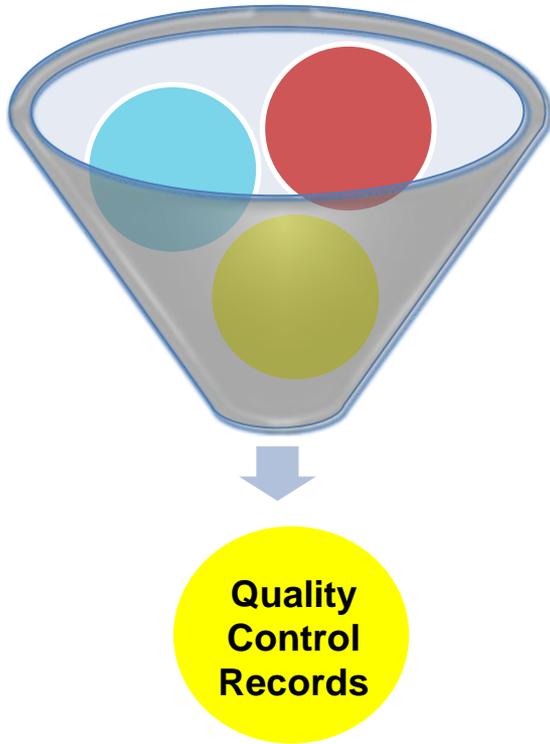


- Which quality control plan critical element do you need the most help with?
 - Roles, Responsibilities, Expectations, and Authority
 - Standards, Policies, Procedures
 - Focus Areas and Metrics
 - Evaluation and Analysis Methods
 - Quality Improvement and Corrective Action; Rewards/Consequences

Part 4:

HUD Evaluation of Oversight Agencies

HUD Evaluation of Oversight Agencies

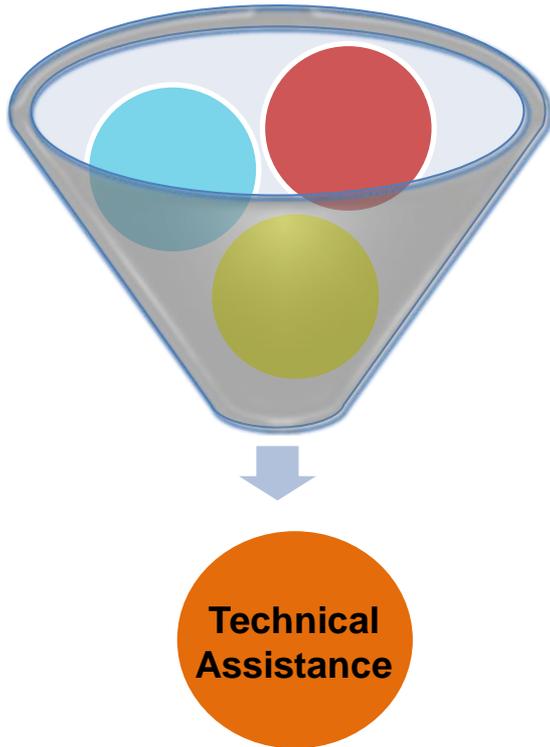


- Quality Control Plan
- Monitoring Strategies
- Quality Control Records
 - Do you document quality control plan activities and outcomes?

Monitoring
Strategies

Quality
Control
Plan

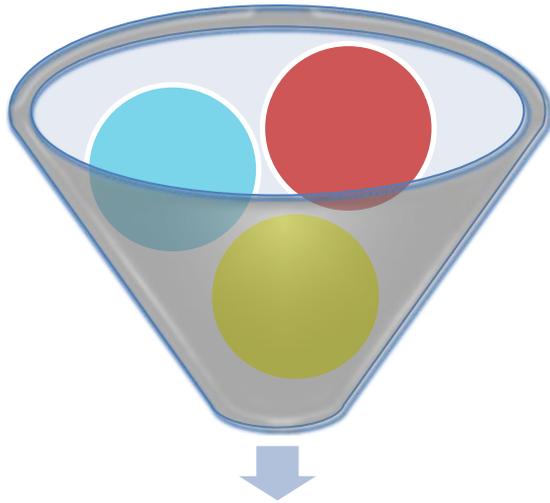
HUD Evaluation of Oversight Agencies (cont.)



- Training
- Peer Sharing
- Technical Assistance
 - Do you provide technical assistance in preparation for audits and other HUD requirements?



HUD Evaluation of Oversight Agencies (cont.)



- Network Satisfaction
 - Do you conduct network agency satisfaction surveys?

Network Satisfaction

Technical Assistance

Peer Sharing

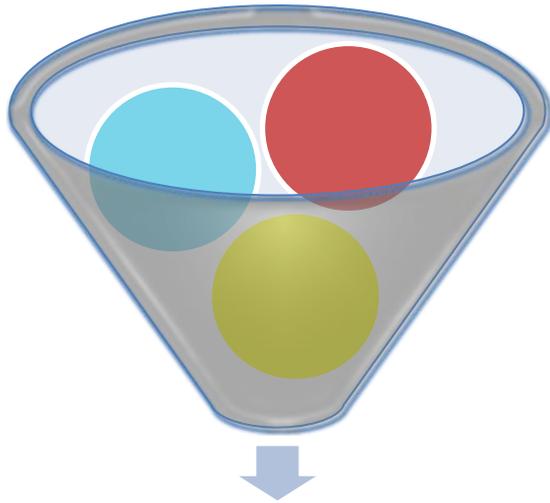
Training

Quality Control Records

Monitoring Strategies

Quality Control Plan

HUD Evaluation of Oversight Agencies (cont.)



- Quality Counseling
 - Is quality counseling being provided in your network?

Quality Counseling

Network Satisfaction

Technical Assistance

Peer Sharing

Training

Quality Control Records

Monitoring Strategies

Quality Control Plan

Part 5: Network Monitoring Examples from HUD Handbook 7610.1

Case Example 1: Conflicts of Interest

- **Overview of Mandate(s) and Requirement(s)**
 - Avoid conflicts of interest; implement quality control activities to help avoid potential conflicts of interest
 - Disclose conflicts of interest to HUD and clients
- **Potential Monitoring and Performance Review Strategies**
 - Review client disclosures
 - Review list of other community resources for clients
- **Potential Quality Control Documentation and Follow Up Activities**
 - Employee policy statement based on CFR 214.303(f) 1,2,3,4,5
 - QCP conflict policy and documents to support the policy

Pop Quiz



- Scenario
 - An agency has received a grant from a lender for clients that obtain a mortgage with that lender. The manager has directed counselors to discuss this loan product option with all pre-purchase clients.

Pop Quiz



- What actions must the agency take to ensure that they meet HUD requirements concerning conflicts of interest?
 - a. Include the lender relationship in the agency's disclosure
 - b. Ensure counselors discuss at least three mortgage options with clients
 - c. Ensure client files contain documentation that alternative lending products were discussed, including FHA
 - d. Ensure lender agreement includes language that the agency will discuss other lending options clients
 - e. All of the above

Case Example 2: AFFH

- **Overview of Mandate(s) and Requirement(s)**
 - Integrate AFFH into counseling work plan, program and services
 - Set goals, identify activities, provide evidence
- **Potential Monitoring and Performance Review Strategies**
 - Review work plan
 - Check reports for achievement of Chart F goals
- **Potential Quality Control Documentation and Follow Up Activities**
 - HUD Form 9910
 - Copies of agency documentation with mark-ups as needed
 - Performance review letter

Sample AFFH Activities

- Reasonable steps to AFFH can include outreach to population groups with characteristics protected by the Fair Housing Act
- Provide translated marketing materials and/or language translations
- Train counselors and outside entities (e.g. workshops) on fair housing

Case Example 3: Counseling/Education

- **Overview of Mandate(s) and Requirement(s)**
 - Monitor the work of the housing counselors to ensure quality
 - Ensure the quality of network agencies' services
- **Potential Monitoring and Performance Review Strategies**
 - Review counseling/education files and CMS
 - Observe a counseling session; review course goals and outline
- **Potential Quality Control Documentation and Follow Up Activities**
 - HUD Form 9910, file checklist, performance review letter
 - Provide verbal and written feedback on counseling session
 - Provide training on quality counseling – e.g. creating and discussing an action plan with clients – or quality supervision.

Sample Checklist for Client Files

INDIVIDUAL CLIENT FILE CHECKLIST SAMPLE

Date: _____ Reviewer: _____

Agency Name: _____

Address: _____

Counselor's Name: _____

Client Type: mortgagee potential mortgagee homeless
 renter potential renter other _____

Client's file number: _____ FHA case number (if applicable): _____

Client's name: _____

Client's address: _____

Client's telephone No.: _____ eMail address: _____

Date counseling began: _____ Counseling: Phone or in person

Duration of Session(s): _____

Type of Counseling Received:

- Pre-purchase/Home Buying Resolving or Preventing Mortgage Delinquency or Default
 Non-Delinquency post purchase Locating, Securing or Maintaining Residency in Rental Housing
 Shelter or Services for the Homeless

YES	NO	N/A	DOES THE FILE CONTAIN THE FOLLOWING ITEMS?	COMMENTS
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial, budget, and/or credit analysis of client's income, expenses, and/or spending habits established by client and counselor	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Publications on Home Inspection distributed to pre-purchase counseling clients, if applicable	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Activity log with date, time, duration and description of each interaction or activity performed on behalf of, and by, the client	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Action plan with clear identifiable client's needs and what client/counselor will do to meet the client's housing	



Sample Checklist for Education Files

GROUP EDUCATION FILE CHECKLIST

SAMPLE

Date: _____ Reviewer: _____

DATE(S) OF SESSION: _____
 AGENCY NAME: _____
 ADDRESS: _____

 NAME OF COUNSELOR(S)/
 THIRD PARTY PRESENTER(S): _____

 COURSE TITLE: _____
 COURSE FUNDING SOURCE: _____

The agency must maintain a separate file for each group. Did the file contain the following items?

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	A group ID number: _____
<input type="checkbox"/>	<input type="checkbox"/>	HUD grant activity and amount (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>	Course outline or established curriculum
<input type="checkbox"/>	<input type="checkbox"/>	Instructional goals
<input type="checkbox"/>	<input type="checkbox"/>	Place of each session
<input type="checkbox"/>	<input type="checkbox"/>	Duration of each session
<input type="checkbox"/>	<input type="checkbox"/>	Ethnicity of households
<input type="checkbox"/>	<input type="checkbox"/>	Race of households
<input type="checkbox"/>	<input type="checkbox"/>	Income Levels of households
<input type="checkbox"/>	<input type="checkbox"/>	If applicable, is a copy of the disclosure statement provided
<input type="checkbox"/>	<input type="checkbox"/>	Amount of fee and copy of receipt (if applicable)

Delivery Method: Classroom Internet

Comments:



Sample Performance Review Letter

[Click here to enter a date.](#)

INSERT DIRECTOR, PROGRAM MANAGER or OTHER STAFF NAME

INSERT AGENCY NAME

INSERT AGENCY ADDRESS AND SUITE NUMBER IF APPLICABLE

INSERT AGENCY CITY, STATE AND ZIP CODE

Dear INSERT DIRECTOR, PROGRAM MANAGER or OTHER STAFF NAME:

_____ would like to thank you for participating in our onsite performance review of your agency on [Click here to enter a date](#). We periodically conducts onsite and remote (off-site) performance reviews to ensure our network partners' compliance and augment their housing counseling programs. The performance review of your organization was based on the following standards:

- HUD's rules and regulations for approved housing counseling agencies,
- Grant funder requirements,
- Best practices, evidence-based practices, and standards in the housing counseling field.

In addition, this onsite performance review addressed your agency's technical assistance needs and provided an opportunity for us to observe your agency's programmatic strengths.

This Onsite Performance Review Observations Letter outlines your agency's compliance with the above-noted standards, notes the technical assistance performed during the review, and describes our observations of your agency's programmatic strengths. It also outlines corrective actions your agency must complete in order to rectify any concerns and compliance findings observed during the review.

INSERT LEGAL AGENCYNAME CONCERNS AND COMPLIANCE OBSERVATIONS

_____ conducted an onsite performance review of **INSERT KEY WORDS OF ITEMS REVIEWED**. These items are:

- Relevant to previous bills that your organization has submitted to an NCRC HCN grant,
- Relevant to an existing grant agreement between your agency and NCRC HCN, or
- Subject to a compliance audit by HUD or another third party.

Based on this review NCRC HCN has determined the following:

Concern(s)/Finding(s). Documented evidence was insufficient. Please see the options and observations described below.

Sample Performance Review Letter

CONCERN 1: HUD Client File Compliance Standards

At the time of the performance review, it was observed that the following client files contained no [[INSERT WHATEVER WAS MISSING - E.G. DOCUMENTATION OF DISCLOSURE, EVIDENCE THAT CLIENTS RECEIVED ACCESS TO YOUR AGENCY'S PRIVACY POLICY, SIGNED AUTHORIZATION FORM, ETC]].

[[INSERT 1 - 2 ADDITIONAL SENTENCES THAT SUPPORT YOUR FINDINGS. INCLUDE CITATIONS FROM THE HUD HANDBOOK AND THE NCRC ADMINISTRATIVE/PROGRAM STANDARD NUMBER]].

CORRECTIVE ACTION 1: In order to cure the client file [[CHOOSE AN ITEM]] described in the preceding paragraph and noted in the chart below, your organization must correct each issue and provide evidence of the correction. Further, your agency must certify that the corrective action has been applied to all clients billed to HUD grants in [[click here to enter text]].

HUD Approved Counseling Agency Client File Compliance Standards	INSERT CLIENT ID				
HUD: Agency maintains a separate file for each distinct provision of services provided to a client, household, or group with the same need. Files are electronic or combined electronic and paper and include required items and meet required conditions.	N	N	Y	N	Y
(Condition 1) Required Data. All required fields are listed on the Housing Counseling website. See Appendix 3 for the CMS website containing the listing of all required data fields; (In Compliance - Y/N)	N	N	N	N	N
(Condition 2) File Number. A file number for the unique counseling interaction. (In Compliance - Y/N)	N	N	N	N	N
(Condition 3) Financial Analysis. Evidence of analysis of client's unique financial and credit circumstances and affordability; (In Compliance - Y/N)	N	N	N	N	N
(Condition 4) Activity Log. A recording of the date, time, duration and description of each interaction or activity performed on behalf of, and by, the client; (In Compliance - Y/N)	N	N	N	N	N



Additional Resources

- **Model Compliance Monitoring Procedures that Comply with OMB (will be updated per new Omni-Circular)**
 - http://portal.hud.gov/hudportal/documents/huddoc?id=ohc_mfp2_100612.pdf
- **Agency Disclosure Forms – Required Elements and Best Practices**
 - http://portal.hud.gov/hudportal/documents/huddoc?id=ohc_adf062512.pdf
- **Model Personal Information and Data Release Forms**
 - http://portal.hud.gov/hudportal/documents/huddoc?id=ohc_mpi062512.pdf
- **Model Personnel Activity Reports (PAR) that Comply with OMB Circular A-122 (will be updated per new Omni-Circular)**
 - http://portal.hud.gov/hudportal/documents/huddoc?id=ohc_mpar080112.pdf

Wrap Up and Final Q and A

- Evaluations on this webinar
 - <https://www.surveymonkey.com/s/55SSJB8>
- Questions?
 - Email: housing.counseling@hud.gov