

From: Housing.Counseling
Sent: Thursday, February 12, 2009 1:16 PM
To: 'SF-HOUSING-COUNSELING-L@hudlist.hud.gov'
Subject: HUD - Counseling Fees-Short Sales and Brokers/Agents Commission

Housing Counseling Agencies:

HUD had previously sent guidance to HUD approved counseling agencies indicating that fees may not be charged for clients needing homeless counseling or default counseling.

It has come to HUD's attention that some Housing Counseling agencies have been asking the real estate broker or agent on a short sale to provide their agency a part of the Real Estate brokers sales commission to pay for the clients foreclosure counseling session.

Please be advised that splitting the real estate broker's fee is not a permissible funding source for foreclosure counseling, and may be a violation of RESPA as well as the conflict of interest provisions of 24 CFR Part 214. It may also be grounds for termination from HUD's Housing Counseling program.

HUD approved Housing Counseling agencies, their affiliates, and branches that are collecting fees from real estate agents for the referral of clients and to assist with the costs of foreclosure counseling must terminate this practice immediately.

If you have any questions or concerns please feel free to contact your Government Technical Representative (GTR) or other Program Support Division staff for assistance.

This message has gone out to the email addresses provided by all active agencies in HUD's Housing Counseling Program. All Parent Agencies should make sure their sub-agencies have received this information.

Sincerely,

Director, Program Support Division
Office of Single Family Housing
Department of Housing and Urban Development