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Sent: Monday, April 27, 2009 5:14 PM  
To: HOMEOWNERSHIP-L@hudlist.hud.gov

Subject: Special Notice to All HUD Approved Housing Counseling Agencies  
HUD participating housing counseling agencies are prohibited from contracting out housing counseling services. This includes contracting out to companies that assist with loan modification and/or refinancing. In addition, HUD has previously advised all participating agencies that they may not charge the client fees for default/mortgage delinquency counseling. Please be advised that this includes activities that may be associated with default counseling, including loan modification and other loss mitigation counseling. HUD participating housing counseling agencies also may not receive fees for client referrals from 3rd party loan modification, refinancing assistance, or marketing companies. If participating agencies are currently contracting out housing counseling services, and/or are charging clients for activities associated with default counseling, and/or are receiving fees for client referrals from 3rd party loan modification, refinancing assistance, or marketing research companies, they must immediately cease this practice in order to avoid termination from HUD's housing counseling program and possibly other sanctions.