

From: Housing.Counseling  
Sent: Tuesday, December 15, 2009 9:07 AM  
To: 'SF-HOUSING-COUNSELING-L@hudlist.hud.gov'  
Subject: HUD HECM Agencies' Certificates

To: HUD-Approved HECM Counseling Agencies

HECM Certificates dated Oct. 2, 2009 - December 17, 2009

This email is to advise all HUD-approved counseling agencies with HECM roster counselors on staff that effective December 18, 2009, counselors will be able to issue backdated HECM certificates to replace those certificates that were not generated in FHA Connection during the above timeframe. The counselor must have been on the Roster and employed by a HUD-approved agency at the time the non-FHA Connection certificate was generated.

During the transition to the HECM Counselor Roster from Oct. 2 through December 17, 2009, lenders have reported to HUD that some HECM counselors provided HECM counseling during this timeframe and did not use the FHA Connection generated HECM Certificates with the certificate number printed at the top right corner. Lenders receiving these non-FHA Connection certificates then requested FHA Connection generated certificates to replace the original certificate, however, counselors were not able to backdate a system generated certificate to match the date of the manual certificate due to system constraints and edits. HUD has relaxed the system edits in FHA Connection to allow counselors who were on the Roster as of the date of counseling to be able to backdate FHA Connection certificates to the counseling date.

In these cases, HUD will allow lenders to begin processing the initial loan application once the original non-FHA Connection certificate and FHA Connection certificate are obtained. The original certificate must be signed and executed with original signatures of both the client and the counselor. The counselor must make a notation in the comments section of the FHA Connection certificate stating that this is a required FHA Connection duplicate certificate and that the original signatures are on the non-FHA Connection certificate. Both certificates must be in the borrower's case file and submitted with the file for endorsement.

All Housing Counseling Agencies please note - HECM counseling can only be provided by counselors who are on the HUD HECM Counselor roster. Lenders have reported that they have received HECM certificates issued by counselors who are not on the HECM Counselor roster. These certificates are not valid and the agency will have to reimburse the client's fee or if the cost of the counseling was charged to the HUD grant, the agency will have to reimburse HUD.

In cases where the counselor was not on the Roster as of the date of the counseling session, which is defined as being on the HUD.gov website of HECM Roster counselors, then the agency must take the following steps:

1. HECM loan has not closed - the HECM agency must schedule another counseling session with the client with a counselor on the roster. The client will NOT be charged for this session nor will the HUD grant be charged. A new certificate will be generated with the date of the second counseling session.

2. HECM loan has closed - the HECM agency must contact the client to reimburse them for the amount paid by the client for the counseling session or if charged to the HUD grant, the agency must reimburse HUD. Additionally, the agency must follow-up with the client to go over any additional questions and offer to schedule another counseling session at no cost with a HECM Roster Counselor.

This message has gone out to the email addresses provided by all active HECM Counseling agencies in HUD's Housing Counseling Program. All Parent Agencies should make sure their sub-agencies have received this information. Please direct questions or comments to your HUD point of contact or email [Housing.Counseling@hud.gov](mailto:Housing.Counseling@hud.gov)

Sincerely,

Office of Single Family Housing  
Department of Housing and Urban Development