

# ACCESS TO HOUSING

## HOMEOWNERSHIP PRE-PURCHASE

### Strategy Description

The maximum grant amount under this strategy is \$200,000 per agency, which includes a maximum 15% administrative cost allowance. This service strategy will support individual counseling and group workshops that prepare residents to purchase a home. Grantees must be HUD-approved housing counseling agencies, or document that they are actively in the process of attaining HUD approval. To receive the grant amount under this strategy, an agency must annually serve 350 clients with one-on-one counseling, and host 22 MOHCD Program Orientations and 12 six-hour workshops. Grantees are expected to work closely with a MOHCD-identified, non-client serving lead agency to coordinate marketing, outreach and programmatic activities that respond to the evolving needs of target populations and the rapidly shifting housing market.

#### **Housing Counseling Plan**

All grantees under this strategy must have a current, up-to-date Housing Counseling Plan that explains the needs and problems of its target population, how the agency will address one or more of these needs and problems with its available resources, the type of housing counseling services offered, marketing and outreach strategies, fee structure (if applicable), and its geographic service area. The Plan must describe how the agency serves residents with limited English proficiency (LEP).

In addition to any LEP target population agencies may serve, they must also seek to provide access to program benefits and information to LEP individuals whose primary language is one of the City's official languages (Chinese, Spanish, and Filipino) through either "in-house" language assistance services or by contracting with a vendor to provide such services.

Additionally, the Plan must address how the agency will serve people with mobility and communication needs. The Plan must also address alternative settings or formats for the provision of housing counseling services, such as telephonic counseling or remote counseling systems designed using Skype technology, video cameras and the

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internet, and the use of HUD-approved online first-time homebuyer courses.

#### **Client Intake**

All applicants must have a standardized, written client intake process, where a housing counselor or administrative staff person trained in requirements of the Privacy Act obtains basic information in a standardized format to determine how the agency can assist a potential client, sign them up for a MOHCD Program Orientation and/or group education, schedule an appointment with a housing counselor, or refer the potential client to other resources. Client intake may occur at a one-on-one or group education session. An applicant's client intake policy and procedure should include how the agency handles (and protects) private personal information, language barriers, and sensitive questions regarding gender and/or sexual orientation, proper pronouns, and other issues during intake.

#### **Counselor Training**

All housing counselors must be HUD-certified and have passed HUD's homeownership counseling exam. Counselors must be employees or contractors of the agency and should receive standardized training in housing counseling. Counselors must be trained to assist residents in how to navigate MOHCD programs and processes. Counselors must attend a minimum of two annual program trainings offered by MOHCD each year, as well as a minimum of monthly train-the-trainer convenings conducted by a coordinating agency identified by MOHCD.

#### **In your proposal:**

- Describe your counselor training process, including curriculum and number of hours, your continuing education policy and number of hours, and your method for evaluating counselor knowledge and performance.

#### **Orientation Workshops**

Orientations are a requirement of participating in MOHCD homebuyer programs. All

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applicants must offer two scheduled homebuyer program orientations per month at no cost to the public. Orientations should be designed to serve a minimum of 50 people and use a MOHCD-approved curriculum. Orientations must serve as an opportunity for participants to enroll in online and in-person homebuyer education courses required by MOHCD programs.

Applicants must describe their outreach and marketing plan for orientations, including coordinating with a MOHCD-identified, non-client serving agency who will maintain a Citywide MOHCD Program Orientation calendar and reservation system. The coordinating agency will provide, and update from time to time, a written agenda and curriculum approved by MOHCD. The coordinating agency will conduct participant outreach, create and update the MOHCD-approved curriculum, track participant attendance, and provide participants with documentation of their attendance at the end of each orientation.

#### **Group Workshops**

All applicants must offer a minimum of 6 hours of first-time homebuyer (FTHB) group education through monthly workshops to clients. Group workshops follow a written curriculum, which may have been developed by the agency or adopted from another source. In their proposal, applicants should describe the curriculum they intend to use. Agencies may offer group workshops free of charge or charge participants a fee not to exceed the actual cost to provide written materials and refreshments, up to \$60 per household. Agencies shall include anticipated fee income and expenses from group workshops in their program budget. Agencies providing online HUD-approved FTHB education may pass on the cost of this service to participants at a level consistent with the online FTHB education industry.

In the same way as with the MOHCD Program Orientations, applicants shall coordinate with a MOHCD-identified, non-client serving agency who will maintain a Citywide FTHB workshop calendar and reservation system. Housing counselors must

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review and explain the following topics during workshops:

- Steps in the homebuying process, including mortgage readiness regarding income, credit, savings, and homeowner responsibility;
- Performing a rent versus buy analysis, with discussion of pros and cons;
- Preparing for the expenses of homeownership;
- Financial management of homeownership, including understanding loan products;
- The escrow and loan closing process;
- HOA rights and responsibilities;
- Supplemental taxes;
- Shopping for a home, including working with a real estate professional;
- Making an offer;
- Obtaining financing;
- Home inspections;
- Discussing mortgage regulations and lender disclosures, such as the Real Estate Settlement Procedures Act (RESPA), Truth in Lending Act (TILA), Integrated Disclosure (TRID), and Equal Credit Opportunity Act (ECOA);
- Reviewing common abusive lending practices and loan scams to help clients avoid similar situations; and
- Explaining insurance terms and concepts of at least three types of insurance policies to identify the risks mitigated by each type of insurance.

#### **Individual Counseling**

All applicants must offer individual housing counseling sessions to clients. Applicants must use private counseling rooms for client meetings, which should last at least 60 minutes. Initial and subsequent counseling sessions must result in a written housing action plan (with housing goals) for each client. The action plan outlines what the agency and the client will do in order to meet the client's housing goals and, when appropriate, addresses the client's housing problem(s). The action plan is an

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assessment of a client's current ability to purchase and maintain housing. It is a mutual agreement between the client and the housing counselor to work on the short-term, medium-term and/or long-term goals necessary for the client to find and maintain housing. During individual counseling sessions and based on the unique goals outlined in the client's action plan, counselors must be prepared to offer all of the following services:

- Discussing any topics of clarification or concern that the client raises based on information received at the Program Orientation or during the FTHB workshops;
- Documenting household income and expenses;
- Analyzing a client's spending habits and financial circumstances;
- Developing a household budget;
- Analyzing a credit report;
- Making recommendations for debt management and savings plans;
- Determining the maximum sustainable mortgage payment;
- Evaluating a client's readiness to purchase a home through discussion of income, credit, savings, and homeownership responsibilities;
- Reviewing the process involved in obtaining financing (including the selection of a lender);
- Evaluating a client's completed Uniform Residential Loan Application (Form 1003) for any general deficiencies;
- Identifying local, state and federal homeownership assistance programs for which the client is eligible;
- Assisting with opening a DAHLIA account and teaching how to apply for affordable housing opportunities; and
- Assisting with a housing search for homeownership units outside of DAHLIA.

#### **In your proposal:**

- Describe how your agency works with clients to identify goals. Describe what

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methodology your agency uses to calculate a client's maximum sustainable mortgage payment. Describe your agency's internal system for responding to client requests for application denial appeal requests. Agencies providing homeownership counseling services must respond to referrals from a MOHCD-identified, non-client serving agency.

#### **Client Follow-Up and Evaluation**

All applicants must use a client file checklist to ensure required documentation has been received and retained. Client records must be maintained for at least three years following the client's termination of counseling. All client files must be stored in secure physical or digital formats.

All applicants must have a written client follow-up and evaluation process that includes how often they follow up, how they document a client's termination of counseling, how they document client outcomes, and how client satisfaction surveys are used to evaluate the effectiveness of services.

#### **Homeownership Pre-Purchase Coordination**

The role of the Homeownership Pre-Purchase Coordinating Agency is key to providing consistent standardized FTHB Counseling services across the city. The maximum grant amount for this activity is \$200,000, which includes a maximum 15% administrative cost allowance. Applicants will coordinate and support agencies providing direct service to residents and must be prepared to offer all the following services:

- Provide resource materials to HUD-approved housing counseling agencies providing first-time homebuyer assistance;
- Provide communication and information to service providers on counselor training opportunities, program updates, upcoming rental opportunities, industry standards, and San Francisco market trends;
- Maintain and publish a monthly calendar of all homeownership agency orientations, workshops and drop-in clinics;

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- Provide and track client referrals to HUD-approved agencies;
- Coordinate and execute targeted outreach activities to serve the homeownership needs of San Francisco Unified School District (SFUSD) employees;
- Provide and track referrals to pre-purchase housing counseling agencies to ensure that clients needing assistance with appeals to denials for housing receive timely assistance;
- Provide language access materials and equipment to housing counseling agencies;
- Coordinate bi-monthly, peer-to-peer technical assistance and skill sharing sessions for HUD-approved counseling staff;
- Maintain updated information on City programs and affordable housing opportunities on its website, and function as a one-stop resource for low and moderate income home buyers in San Francisco;
- Lead and coordinate affordable homeownership related workshops, on-site counseling and assistance, and exhibitors for the annual San Francisco Housing Expo; and
- Meet monthly with MOHCD staff to ensure alignment with MOHCD programs and initiatives, and disseminate information to housing counseling agencies.

#### **In your proposal:**

- Describe how your agency will work with direct service HUD-approved housing counseling agencies to provide these services. Describe how your agency will refer and track all referrals made. Describe outreach activities your agency will conduct in support of the FTHB counseling agencies, including targeted outreach to MOHCD's target populations. Describe your agency's internal system for responding to client requests for referrals.

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### Key Metrics

If your agency will provide Pre-Purchase First-Time Homebuyer Counseling Services, you must meet the following minimum programmatic outcomes:

Outcome Metric
# of pre-purchase housing action plans created
# of workshops marketed in collaboration with the MOHCD-identified coordinating agency
# of orientations marketed in collaboration with the MOHCD-identified coordinating agency
# of workshops and application assistance clients served in a language other than English (note: this can be a duplicate number)
# of San Francisco Unified School District (SFUSD) employees served

If your agency will provide Homeownership Pre-Purchase Coordination, you must meet the following minimum programmatic outcomes:

Outcome Metrics
# of referrals made to housing counseling agencies
# of drop-in clinics scheduled with agencies
# of rental workshops scheduled with agencies

For any of the minimum programmatic outcomes listed, you can always expand on these, or offer additional measures of success in your proposal.



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### Applicant Qualifications

If your agency will provide Pre-Purchase First-Time Homebuyer Counseling Services, it must:

- Be a HUD-approved housing counseling agency who follows the National Industry Standards for Homeownership Education and Counseling;
- Have a Housing Counseling Plan by July 1, 2020 that outlines its policies and procedures for client intake, counselor training, individual counseling sessions, group workshops, and client follow-up and evaluation; and
- Be willing to enter into a written agreement with a MOHCD-identified coordinating agency for pre-purchase first-time homebuyer workshop and case management coordination.

If your agency will provide Homeownership Pre-Purchase Coordination, it must:

- Not provide direct services to clients; and
- Be willing to enter into a written agreement with all Pre-Purchase First-Time Homebuyer Counseling service providers for pre-purchase first-time homebuyer workshop and case management coordination.

