



Home Equity Reverse Mortgage (HECM) Counseling Certification Steps Overview

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- What is a “HECM”?
- How do I become a HECM counselor?
- What is involved in the HECM examination?
- How do I maintain my HECM certification?



What Questions Will Be Answered Today?

What Is A HECM?

HECM is the FHA's reverse mortgage program that enables eligible participants to withdraw a portion of their home's equity to use for home maintenance, repairs, or general living expenses.

HECM borrowers may reside in their homes indefinitely as long as property charges, property taxes, and homeowner's insurance are kept current, and the property does not fall into unreasonable disrepair.

Think about this like fruit. All apples are fruit, but not all fruit are apples. A HECM is a reverse mortgage, but not all reverse mortgages are HECMs.



What Is A HECM?

- A HECM is the only reverse mortgage insured by the U.S. Federal Government and is only available through a Federal Housing Administration (FHA) approved lender.
- The HECM protocol (found in [HUD Handbook 7610.1 REV 6.1](#)) provides standardized guidance for HECM counselors providing counseling on HECMs.
- Counselors must comply with this guidance to issue a Certificate of HECM Counseling.
- FHA requires that all HECM borrowers obtain HECM housing counseling. Non-borrowing spouses and non-borrowing owners must also attend the required HECM counseling session with a HUD certified HECM the housing counselor.

How Do I Become a HECM Certified Housing Counselor?

Complete an approved formal HECM training course

- To be eligible to apply for the HUD HECM roster, you must complete a HECM-related training within the past 2 years.

Pass the HUD HECM Exam

- This exam is required by HUD regulations, which have established standards to qualify counselors to provide HECM counseling to prospective borrowers.
- A requirement of the HECM exam is to have already successfully passed the HUD housing counseling certification exam.

But wait ... there's more



How Do I Become a HECM Certified Housing Counselor?

Become employed at a HUD-approved agency

- You must be employed by a HUD-approved agency to apply for the HUD HECM roster. As a HECM counselor however, you will hold the HECM roster status, not the agency.

Background Check

- NOT be listed on the General Services Administration's Excluded Parties List System (EPLS), HUD's Limited Denial of Participation List (LDP), or HUD's Credit Alert Interactive Voice Response System (CAIVRS)

Apply for the HUD HECM roster

- When all the aforesaid steps have been completed, an application for the HECM roster can be submitted through FHAC.

What is the HECM Exam?

The HECM Exam is for HUD Certified Housing Counselors who are ready to provide counseling through the FHA's reverse mortgage program.

Please visit:

hudhousingcounselors.com



The screenshot shows the HUD Housing Counselors website. At the top, there is a dark blue header with the HUD logo on the left and the text "HUD Housing Counselors" in white. Below the header, there are three navigation links: "Certification", "About", and "Resources". The main content area features a green box on the left with the text "Welcome To HUDhousingcounselors.Com" and a "Become a Counselor" button. To the right of the green box is a large image of a smiling man in a blue suit jacket. The background of the website is a blurred image of a crowd of people.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD Housing Counselors

Certification About Resources

Welcome To HUDhousingcounselors.Com

Welcome to your destination for certification excellence. Whether it's housing counseling or HECM, we've got you covered. Our mission is to empower you with the knowledge and skills needed for success. Join us on a journey of professional growth. Your expertise begins here.

[Become a Counselor](#)

[← Resources and Insights](#)

Home Equity Conversion Mortgage (HECM) Exam

Help Center

This is your page for all things HECM. The testing portal through your user account, will provide a more uniformed and seamless testing experience.

HECM ORGANIZATION COUNSELING

Getting Ready For The Exam

Take some time to study the information for prospective and active Home Equity Conversion Mortgage Program (HECM) counselors. The HUD EXCHANGE site has a ton of resources for HECM counselors. The HECM Exam is currently being offered online only. The cost to take the exam is \$100.00.



How Do I Train for the HECM Exam?

hudhousingcounselors.com/exam-center

support provides technical support, free practice exams, and general program information related to the HUD Housing Counselor and HECM Counselor training and certification exam programs. There are also approved HECM training partners providing specialized HECM training.

How Do I Maintain My HECM Certification?

Active status counselors on the HECM Counselor Roster maintain their own information on their employment and training and exam history in FHA Connection.

- HUD regulations require counselors to successfully complete HECM-related continuing education units (CEUs) every two years and provide evidence of completion to HUD through FHAC.
- HUD regulations require counselors to retake and successfully pass the HECM Exam every three years and provide evidence of completion to HUD through FHAC.



Thank you !

Email questions to Elizabeth.Dunn@hud.gov



HECM Get the facts

Get the Facts



- More than 17 million older adults age 65+ are economically insecure, with incomes below 200% of the federal poverty level.
- With rising housing and health care bills, inadequate nutrition, lack of access to transportation, diminished savings, and job loss, these older adults are struggling, to make ends meet.
- For older adults above the poverty level, one major adverse life event can change today's realities into tomorrow's troubles.

<https://www.ncoa.org/article/get-the-facts-on-economic-security-for-seniors/>

Get the Facts



- Older women are more likely to live in poverty than men as a result of wage discrimination and having to take time out of the workforce for caregiving.²
- Social Security benefits lift 16.5 million older adults above the FPL.³
- As of December 2023, the average Social Security check for retired workers who were 62 years old was \$1,298.26 per month. This is significantly less than the average check for those who wait until full retirement age, which is 66, and receive around \$1,740 monthly.

<https://www.ssa.gov/myaccount/assets/materials/workers-61-69.pdf>

<https://www.ssa.gov/oact/cola/Benefits.html>



- **Financial stability:** HECMs can provide financial stability for seniors by freeing up cash to cover living expenses, medical expenses, and home maintenance.
- **Homeownership:** HECMs allow seniors to remain in their homes indefinitely as long as they keep up with property taxes and insurance.
- **Inheritance:** Heirs can inherit the property after the borrower's death by paying off the loan.
- **Tax-free:** The money from a HECM is tax-free.
- **No required payments.**
- **No minimum credit score:** There are no credit score requirements to qualify.

https://www.hud.gov/program_offices/housing/sfh/hecm/hecmhome

Get the Facts



Seniors are concerned about debt, and it can be a major obstacle to their financial well-being. Here are some things to consider:

Debt levels

- According to the AARP, 65% of people 65 and older who have debt consider it a problem, with 29% calling it a major problem.
- Nearly a third of retirees expect to be less financially secure in retirement than their parents or grandparents.
- Living on a fixed income makes it difficult to budget for emergencies when living on a fixed income.

https://www.hud.gov/program_offices/housing/sfh/hecm/hecmhome

Characteristics needed for counseling senior citizens



Active listening

A counselor should listen to the senior and respond thoughtfully and effectively.

Good communication skills

A counselor should speak plainly, address the seniors face-to-face, and avoid rushing them.

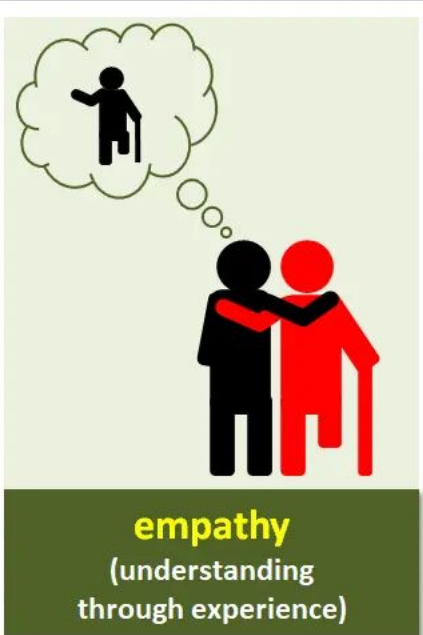
Making the senior comfortable

A counselor should make the seniors feel comfortable and speak to them like fellow adults.

Writing down takeaway points

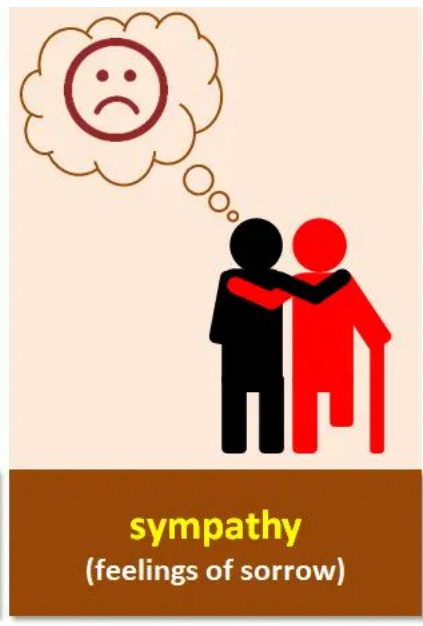
A counselor can write down or print out key points for the senior.

Show empathy and sympathy



Empathy

It involves feeling the other person's feelings and requires a deep emotional connection. It consists of understanding why the other person feels like they do and fostering a connection.



Sympathy

It involves understanding how someone feels and why, but without necessarily sharing those emotions. It's more cognitive in nature and is often a social response to a personal crisis.

Make sure that you check your emotions



*Thank
you*

Cora Fulmore



**Common
misconceptions**



Common Misconceptions

- **Lose Home**

- “The bank owns your home.”
- “You have to move if you use up all the money.”
- “A spouse is thrown out when one of us dies.”

- **Heirs**

- “Disinheriting the kids.”
- “Heirs have to pay off the loan.”

- **Expensive**

- Social Security and Medicare will be affected by substantial upfront costs
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HECM IS A GOOD BUSINESS



HECM IS A GOOD BUSINESS

- Community value – stabilize neighborhoods; help seniors age in place.
- Opportunity for outreach via workshops/seminars (think senior center).
- Minimal marketing is required (lender referrals).
- Short-term nature of counseling (one and done).
- Counseling in person, via phone, or other device.
- Increased revenue (you can charge a fee for counseling).

Why I do what I do?





THANK YOU

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Housing Opportunity Development Corporation
www.hodc.org