

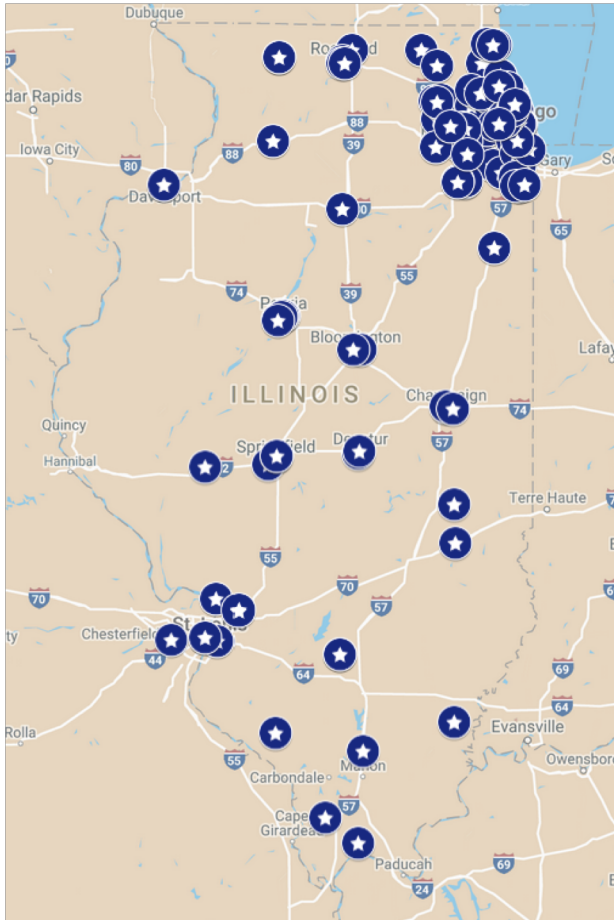
HUD Certification Exam Preparation

Online Study Group



A stronger Illinois begins at home

Housing Action Illinois



Everyone needs an affordable, stable place to call home.

That's why we unite 160+ organizations across Illinois in protecting and expanding affordable housing.



Capacity
Building

HUD
Intermediary

Housing
Action
Illinois

Public
Education &
Organizing

Policy
Advocacy

AmeriCorps
VISTA Network



A stronger Illinois begins at home

Presentation Outline

- Overview of HUD Certification Process
- Key Points – Financial Management
- Practice Questions



Why a Study Group?

- Become familiar with test style
- Reinforce HUD guidelines
- Ask questions among peers



HUD Study Guide

www.hudhousingcounselors.com/training-study-guide

HUDHousingCounselors.com

SUPPORT

TRAINING CENTER

Interactive Online Training

Study Guide

Revision History

Practice Exam

Exam Center

Profile

Sign Out

HUD Housing Counselors Training Study Guide (PDF)

Select each module to access and download the material. Download the [Study Guide Glossary](#) to review training terms and definitions. También disponible [en español](#).



Financial Management

[Module 1.1](#) 24 pages
[Module 1.2](#) 24 pages
[Module 1.3](#) 26 pages
[Module 1.4](#) 18 pages



Housing Affordability

[Module 2.1](#) 33 pages
[Module 2.2](#) 33 pages



Fair Housing

[Module 3.1](#) 35 pages
[Module 3.2](#) 26 pages



Homeownership

[Module 4.1](#) 61 pages
[Module 4.2](#) 50 pages



Avoiding Foreclosure

[Module 5.1](#) 44 pages
[Module 5.2](#) 42 pages
[Module 5.3](#) 23 pages



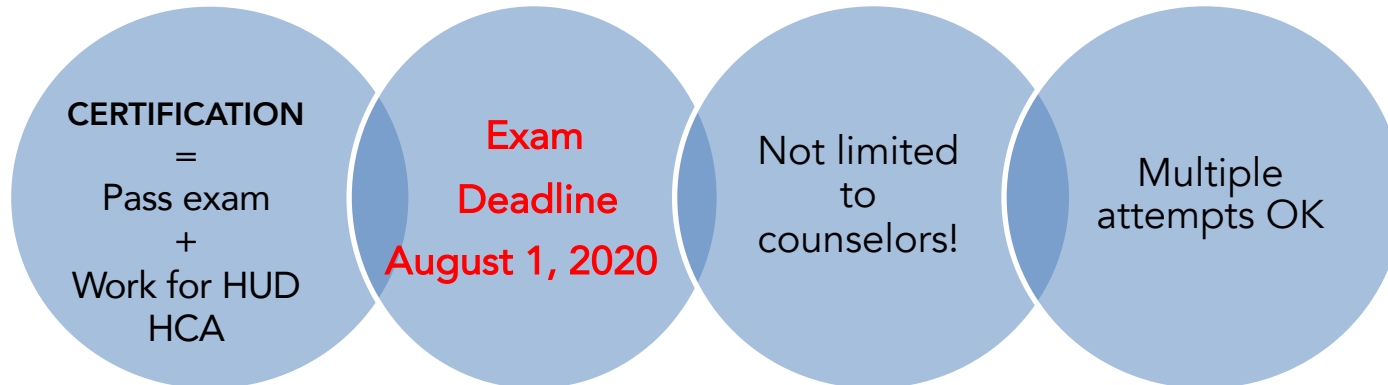
Tenancy

[Module 6.1](#) 39 pages
[Module 6.2](#) 25 pages



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Overview



www.hudhousingcounselors.com/support-exam



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Exam Options

Online
\$60*

- Special equipment
- Testing environment must be approved prior to registration.

Proctored Site
\$100*

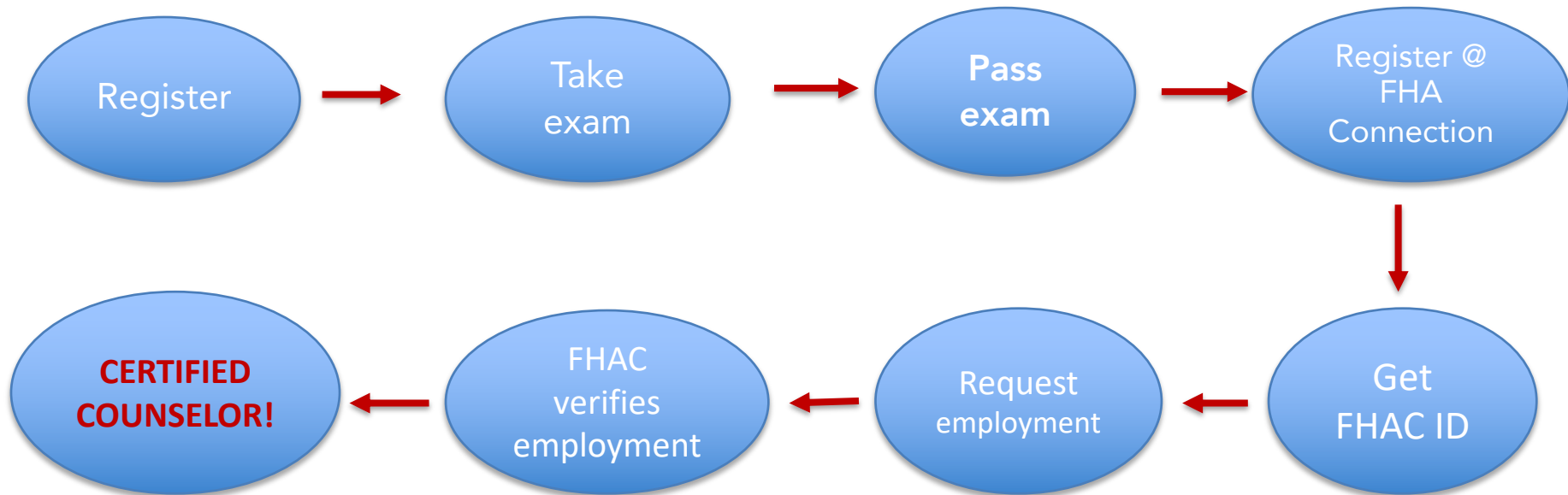
- <https://www.kryteriononline.com/Locate-Test-Center>
- 800-403-6199 – Kryterion Support

Additional testing prep tips from John Bonin, NWA/RCAC trainer:
<https://vimeo.com/248347651/2d105799b6>



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Becoming Certified

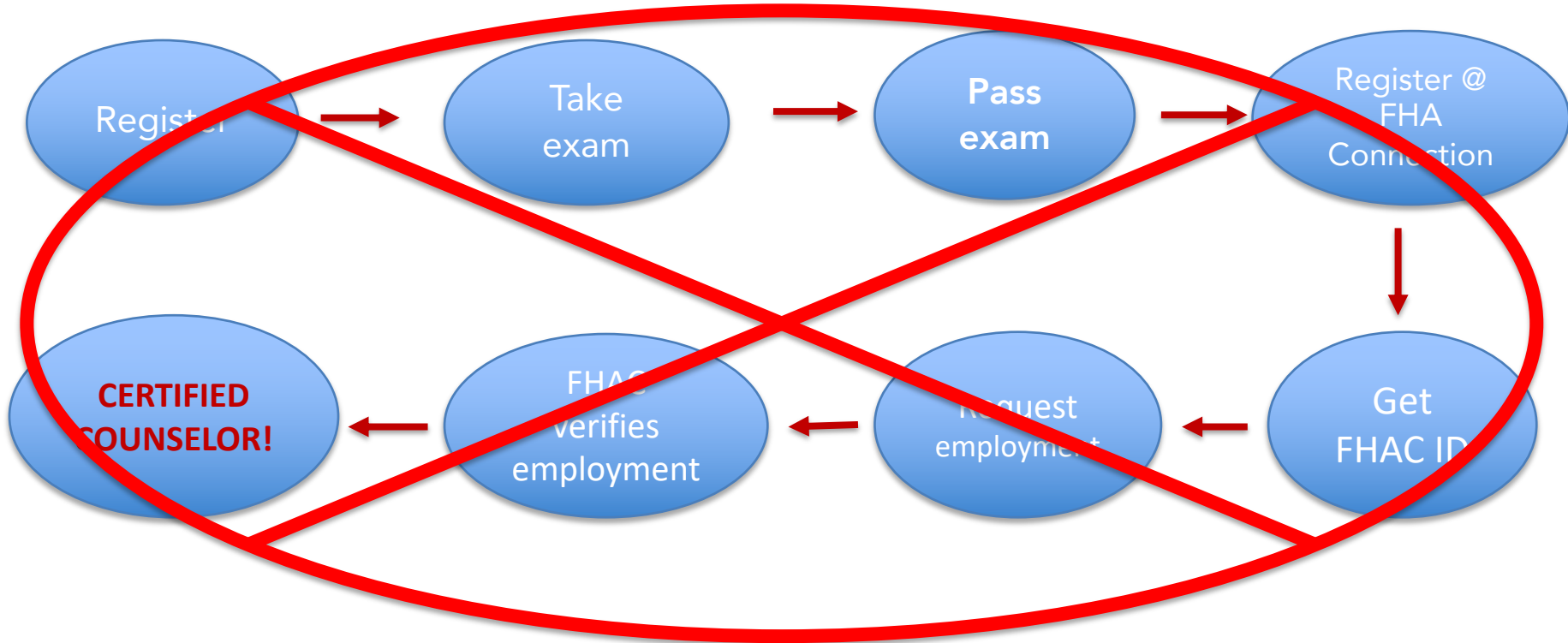


<https://www.hudexchange.info/programs/housing-counseling>



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Becoming Certified



Housing Action Illinois Affiliates: Contact Bibian Cristino for FHA verification; bibian@housingactionil.org

Best Practices

BEFORE the test

- ✓ Review study modules
- ✓ Answer the knowledge checks
- ✓ Details are in the dialogue
- ✓ Create study resources

DURING the test

Practice or Actual Exam

- ✓ Answer what you know **first!**
- ✓ Flag harder questions for later.
- ✓ What is the question asking?



FINANCIAL MANAGEMENT



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FINANCIAL MANAGEMENT



Financial Management

[Module 1.1](#) 24 pages Budget

[Module 1.2](#) 24 pages Credit

[Module 1.3](#) 26 pages Managing Assets

[Module 1.4](#) 18 pages Protecting Assets

<https://www.hudhousingcounselors.com/>



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Key Points

- Increasing income
- Decreasing expenses
- Goal setting
- Action plan

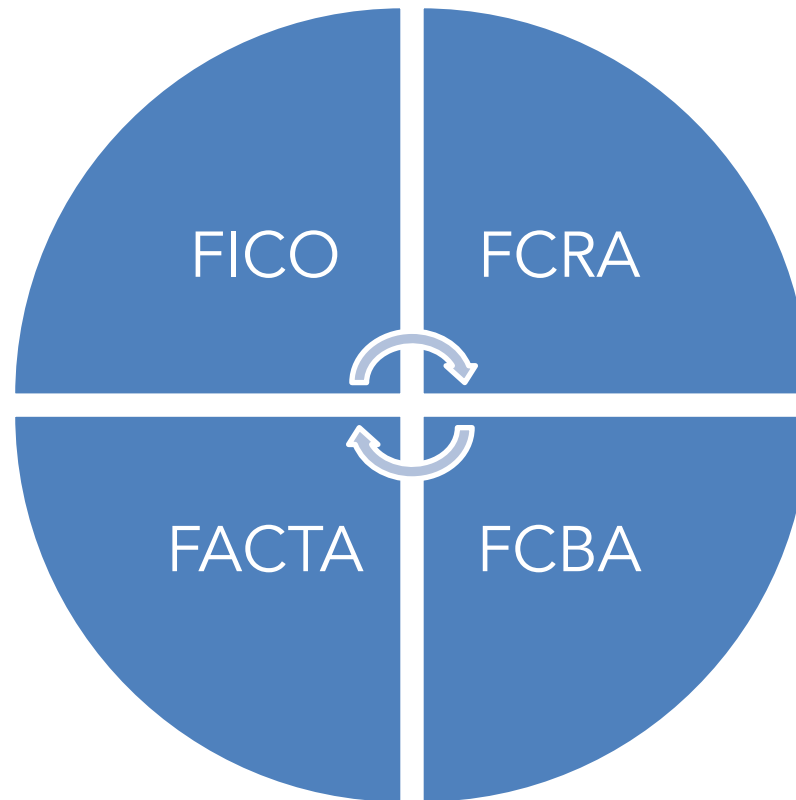


Credit Reports

- Personal Information
- Account or trade line information
- Public records
- Inquiries



Credit Acronyms



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Credit: FICO



Fair Isaac Corporation

- Most popular **scoring** model
- Scores range from 300 - 850



Credit: FCRA

Fair Credit Reporting Act

- **S**ee your credit file
- **D**ispute inaccurate information
- **S**eek damages



Hint: FCRA = "SDS"



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Credit: FACTA

FACTA

Fair and Accurate Credit Transaction Act

- Right to a **free** credit report
- Able to place a **fraud** alert
- **Truncated** credit card #'s on receipts

Hint: FACTA = free, fraud



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Credit: FCBA

Fair Credit Billing Act

- Dispute billing errors (60/30/90)

60 days = to file (Consumer)

30 days = to acknowledge dispute (Creditor)

90 days = to research (Creditor)

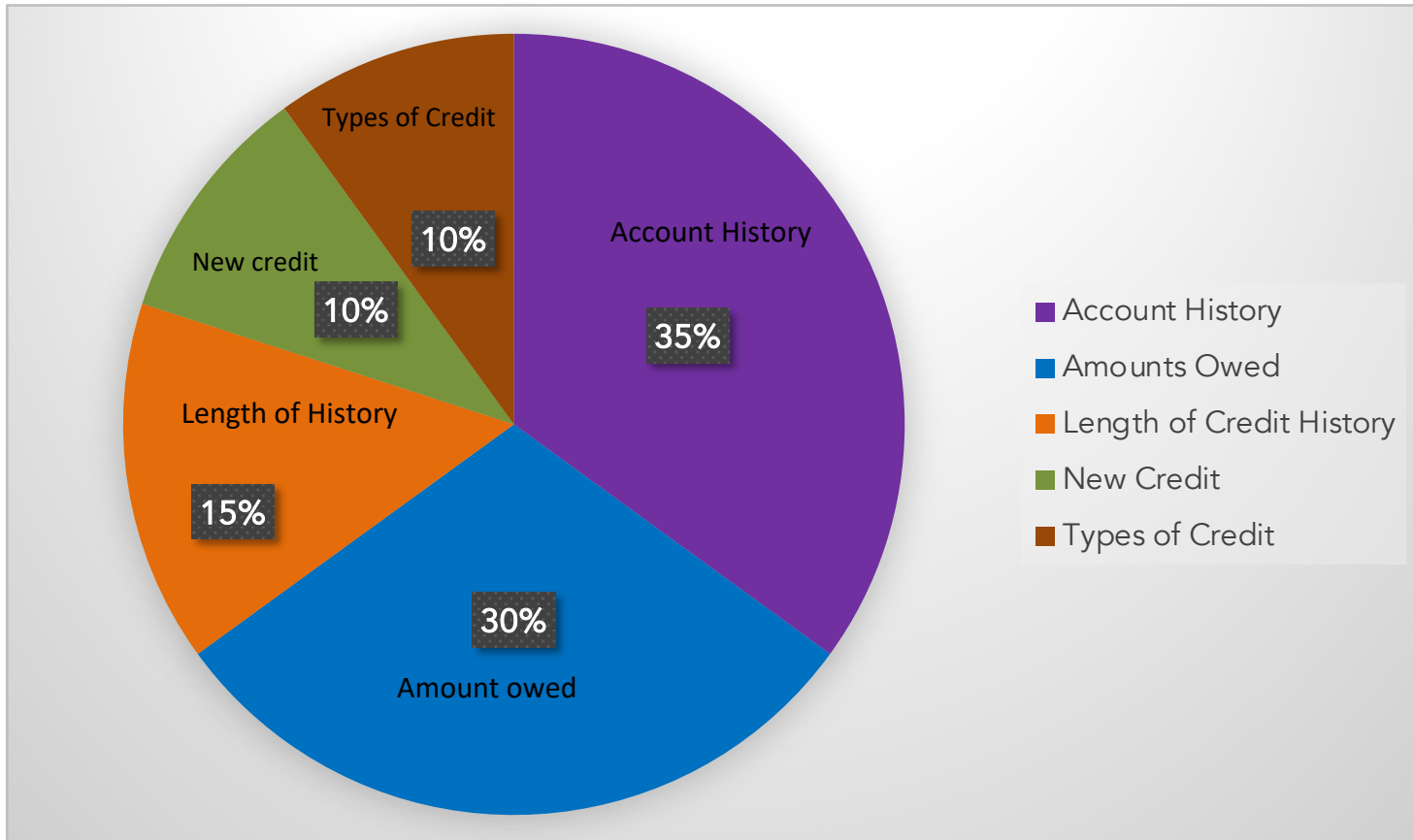
- Receive bills **14** days before due date

FCBA



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Credit Utilization



TIME TO PRACTICE!

TEST QUESTIONS



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Test Question 1 of 15

Which document is most important when working with a client to develop an initial budget as part of a Client Action Plan?

- A. Current lease
- B. List of assets
- C. Paystub
- D. Retirement plan statement



Test Question 1 of 15

Which document is **most important** when working with a client to develop an initial **budget** as part of a Client Action Plan?

- A. Current Lease
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- C. Paystub**
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BUDGET
Increasing income,
reducing expenses
& debt



Test Question 2 of 15

A client would like to purchase a home within 1 year. The client is motivated to increase household income as a way to save for a down payment and qualify for a loan. Which is the best solution for the client to reach this goal?

- A. Find a second job
- B. Factor in an anticipated raise
- C. Find a temporary job through a staffing service
- D. Borrow from retirement fund



Test Question 2 of 15

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Test Question 3 of 15

A credit report may contain which information?

- A. A history of payments on a medical bill
- B. Criminal record
- C. The number of accounts in collection status
- D. Income history



Test Question 3 of 15

A credit report may contain which information?

- A. A history of payments on a medical bill
- B. Criminal record
- C. The number of accounts in collection status**
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Test Question 4 of 15

A credit report contains inaccurate information. Which action item should the counselor include in the Client Action Plan?

- A. Investigate the reasons why the inaccuracies occurred to determine the responsible party.
- B. Attach a letter to mortgage applications explaining the inaccuracies.
- C. Include a personal consumer statement on the credit report
- D. File a dispute with the appropriate credit reporting agency



Test Question 4 of 15

A credit report contains **inaccurate** information. Which action item should the counselor include in the Client Action Plan?

- A. Investigate the reasons why the inaccuracies occurred to determine the responsible party.
- B. Attach a letter to mortgage applications explaining the inaccuracies.
- C. Include a personal consumer statement on the credit report
- D. File a dispute with the appropriate credit reporting agency** via the Fair Credit Reporting Act!



Test Question 5 of 15

6 months ago, Jane left a job as a reporter to start a business in the retail industry. In preparation for buying a house, Jane closed credit card accounts and has been using savings to pay down credit debt and collections.

The client has not been able to save much for a down payment, but knows about an affordable homeownership program that only requires a 1 % down payment with an FHA loan.

What might result from the client closing the credit card accounts?

- A. It decreases credit utilization, causing a negative impact on the credit score.
- B. It increases credit utilization causing a positive impact on the credit score.
- C. It increases credit utilization, causing a negative impact on the credit score.
- D. It decreases credit utilization, causing a positive impact on the credit score.



Test Question 5 of 15

~~6 months ago, Jane left a job as a reporter to start a business in the retail industry. In preparation for buying a house, Jane closed credit card accounts and has been using savings to pay down credit debt and collections.~~

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Test Question 6 of 15

Which action would a client take to improve a credit score?

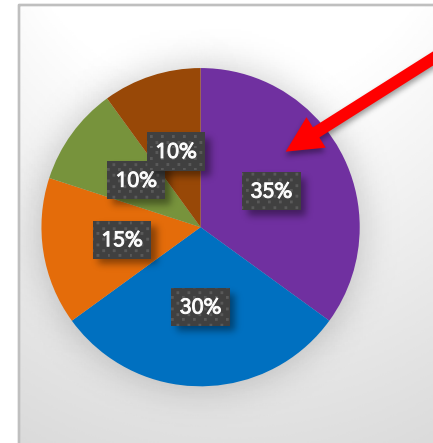
- A. Apply for new credit cards to increase credit
- B. Request to expunge public records
- C. Cancel all credit cards
- D. Pay delinquent accounts



Test Question 6 of 15

Which action would a client take to **improve** a credit score?

- A. Apply for new credit cards to increase credit
- B. Request to expunge public records
- C. Cancel all credit cards
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Account History



Test Question 7 of 15

A client does not receive a written monthly statement from the credit card company. Which credit law could this omission violate?

- A. Fair Housing Act
- B. Fair and Accurate Credit Transactions Act
- C. Fair Credit Billing Act
- D. Fair Credit Reporting Act



Test Question 7 of 15

A client **does not** receive a written **monthly statement** from the credit card company.
Which credit law could this omission violate?

- A. Fair Housing Act
- B. Fair and Accurate Credit Transactions Act
- C. Fair Credit Billing Act**
- D. Fair Credit Reporting Act



Test Question 8 of 15

John is shopping for a mortgage loan. He presents Mary, his housing counselor, with an offer from a local mortgage lender. The interest rate on the offer is 7.5% for a 30-year fixed rate mortgage, with a 20% down payment. Mary reviews the client file, and determines the client's credit score is 725 with a debt-to-income ratio of 20%.

John asks Mary if the offer is a case of illegal predatory lending. How should Mary respond?

- A. "I cannot offer legal advice, but I would not proceed with the loan."
- B. "I am unable to determine whether the loan is predatory, but I suggest you shop around with other lending sources ..."
- C. "The loan seems reasonable. You might do better but I cannot steer you to any particular loan originator ..."
- D. "You have been a victim of predatory lending and should file a report with the CFPB."



Test Question 8 of 15

John
only has
1 offer!

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Test Question 9 of 15

Which action should a counselor recommend a client take first after discovering identity theft?

- A. Purchase identity theft protection.
- B. File an identity theft report.
- C. Apply for a new Social Security number.
- D. File for a name change.



Test Question 9 of 15

Which action should a counselor recommend a client take **first** after discovering identity theft?

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- B. File an identity theft report.**
- C. Apply for a new Social Security number.
- D. File for a name change.



Test Question 10 of 15

In which situation would a client's responsibilities, recurring costs, and upfront costs be evaluated?

- A. When considering closing costs
- B. When weighing housing options
- C. When applying for a loan modification
- D. When applying for a loan modification



Test Question 10 of 15

In which situation would a client's responsibilities, **recurring** costs, and **upfront** costs be evaluated?

- A. When considering closing costs
- B. When weighing housing options**
- C. When applying for a loan modification
- D. When choosing a loan officer



Test Question 11 of 15

A client keeps having budget problems due to unexpected expenses. Which financial tool would best assist this client to prepare for unexpected expenses and avoid increasing credit usage?

- A. Payday loan
- B. Emergency fund
- C. Line of credit
- D. Retirement savings account



Test Question 11 of 15

A client **keeps having** budget problems due to **unexpected** expenses. Which financial tool would best assist this client to prepare for unexpected expenses and avoid increasing credit usage?

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- C. Line of credit
- D. Retirement savings account



Test Question 12 of 15

Two homeowners are making adjustments to household spending. Their Client Action Plans outline several potential steps (right).

Based on the action steps for each client, what might a housing counselor assume?

- A. Client 1 is more likely to be in either default or imminent default
- B. Client 1 and Client 2 are likely in similar circumstances
- C. Client 2 is more likely to be in either default or imminent default
- D. Neither Client 1 nor Client 2 is likely in financial hardship

Client 1

Work overtime

Hold a yard sale

Downgrade cable service

Limit miscellaneous spending

Client 2

Secure second job

Sell assets (e.g., car, furniture)

Suspend cable and home phone

Eliminate miscellaneous spending



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Test Question 13 of 15

Which section of a credit report will show recent attempts to open a credit card?

- A. Personal information
- B. Public records
- C. Consumer rights
- D. Inquiries
- E. Account information



Test Question 13 of 15

Which section of a credit report will show **recent** attempts to **open** a credit card?

- A. Personal information
- B. Public records
- C. Consumer rights
- D. Inquiries**
- E. Account information



Test Question 14 of 15

What is the fee charged when an account does not have enough money to cover a purchase and the financial institution loans money to complete the payment?

- A. Overdraft Fee
- B. Stop Payment Fee
- C. NSF Fee
- D. Service Fee



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- C. NSF Fee
- D. Service Fee



Test Question 15 of 15

What is the fee charged if there is not enough money in an account to cover a check payment or other purchase?

- A. Overdraft Fee
- B. Stop Payment Fee
- C. NSF Fee
- D. Service Fee



Test Question 15 of 15

What is the fee charged if there is **not enough money** in an account to cover a check payment or other purchase?

- A. Overdraft Fee
- B. Stop Payment Fee
- C. NSF Fee**
- D. Service Fee



Tips to Remember

- ✓ Credit acts
- ✓ Credit utilization chart
- ✓ Relate content to everyday scenarios
- ✓ Answer the Knowledge Checks



Wanda Collins

Capacity Building Specialist

wanda@housingactionil.org

312-939-6074 x 112

QUESTIONS?



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Next Webinar: Tomorrow, 1/23

HOMEOWNERSHIP



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