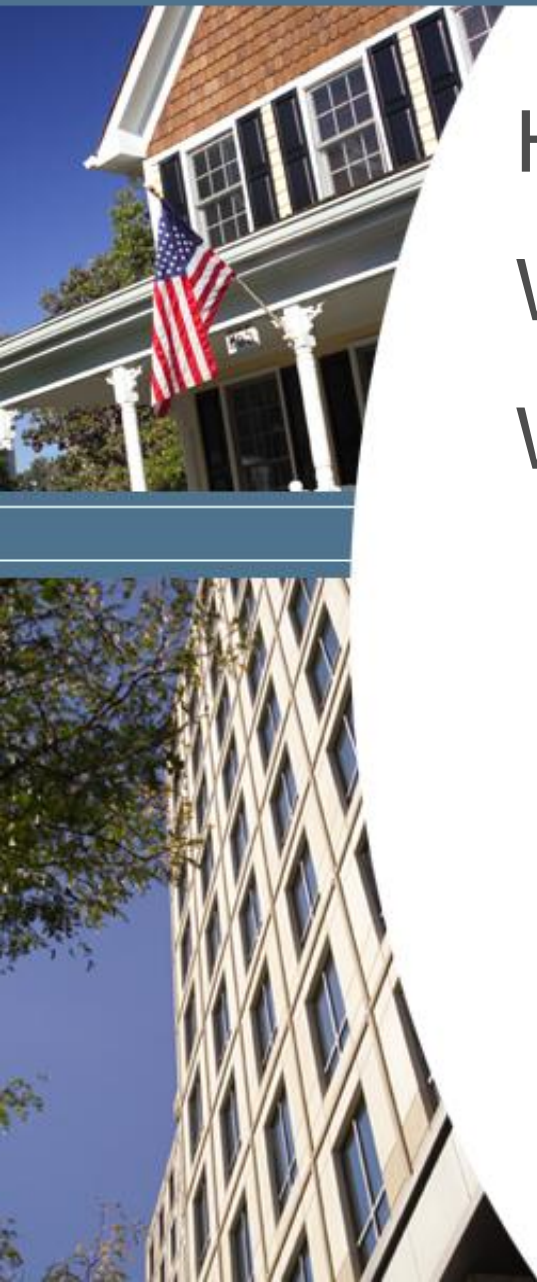
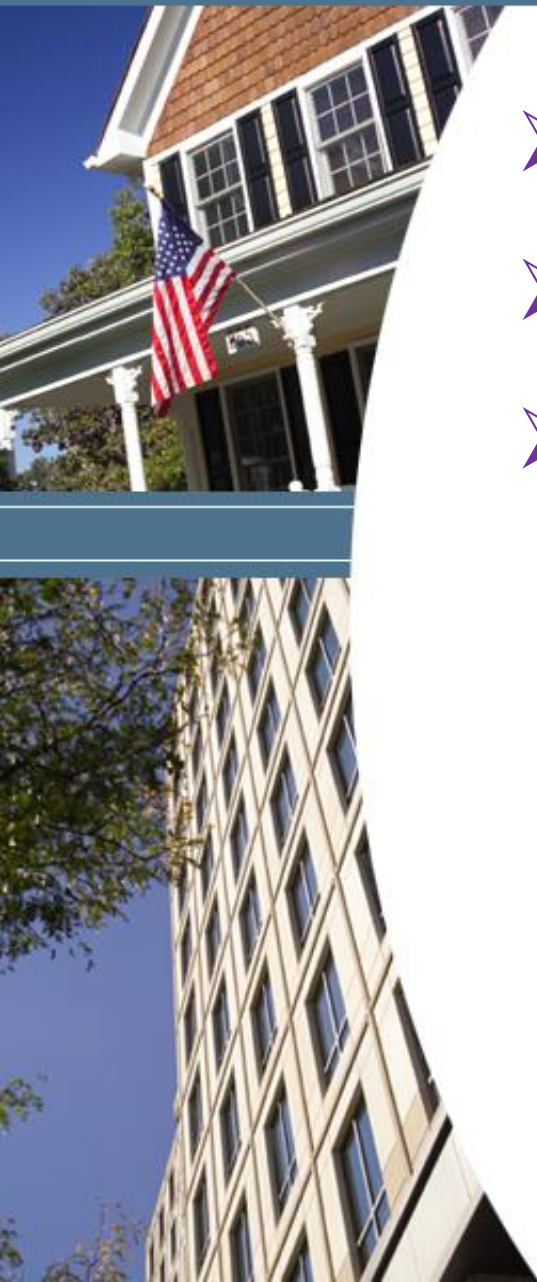


What's New in Reverse Mortgage Counseling
Presented by
Jane Dwight, Managing Partner
Concetrance Consulting Group

Introduction



HECM Counseling Update
What's New for Counselors
What's Important for Lenders

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- Revisions – FHA Policies
 - Revisions – HERA
 - Revisions – Industry Input
 - Lenders
 - NRMLA
 - Market Test with Counselors

Housing and Economic Recovery Act of 2008

- Paying for Counseling
 - Lenders may not pay
 - Clients may pay
- Role of Counseling Agencies
 - Cannot refuse counseling for inability to pay
 - May collect funds upfront or from closing
 - Do not have to charge
 - Fees must be reasonable and customary (\$125)

Housing and Economic Recovery Act of 2008

- Standard Protocol
 - What's required
 - ✓ Counseling Session Topics
 - ✓ Client Comprehension
 - ✓ Standardized Handouts
 - ✓ Client Follow-up
 - Industry Best Practices
 - ✓ Face-to-face counseling
 - ✓ Understanding Needs and Circumstances
 - ✓ Sensitivity if lender referral
 - ✓ Cautions: annuities, long-term insurance, fixed rates, lump sum distributions, paying for third party services

Housing and Economic Recovery Act of 2008

- HECM Counselor Roster
 - Exam Certified
 - Continuing Education
 - Renewal every two years

- Counselor must be on Roster to issue Counseling Certificate for HECM

- Counseling on-demand limited to emergency situations due to
 - imminent health expenses
 - anticipated loss of home

- Standard Handouts – prior to counseling

- Explicit permission to withhold certificate
 - Exceptional situation
 - Client lacks understanding of the basics relevant to their situation
- Counseling Follow- up
 - By phone or in person to answer questions
 - By phone or mail to ascertain outcome
- Lender referral – list of 8

- Prohibitions:
 - Pay for counseling
 - Set up or facilitate counseling appointment
 - Communication with counselor before or during session
 - Work with “Advisor”
 - Take loan application or perform any other loan related prior to receiving Counseling Certificate

- Allowed prior to Counseling:
 - AVMs
 - Limited Title Search
 - Receive faxed certificate

- Counseling Agency Referral
 - 3 national agencies
 - 2 local – 1 within driving distance