

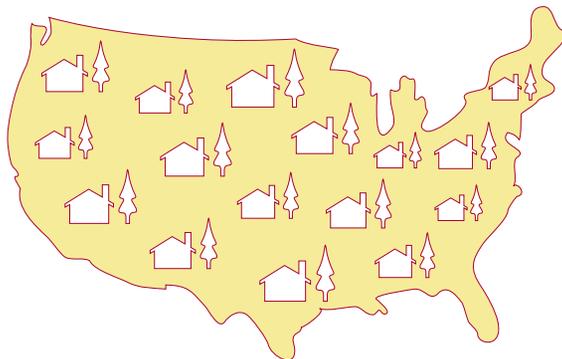


President Bush and I understand that homeownership is a profound and life-changing experience. For the vast majority of families, homeownership serves as an engine of social mobility and the path to prosperity.

Homeownership creates stakeholders who tend to be active in faith-based and other grassroots organizations. It inspires civic responsibility. It offers children a stable living environment that influences their personal development in many positive ways.

Homeownership is the American Dream, and the Department of Housing and Urban Development is committed to helping more families discover for themselves the security and sense of pride that comes with owning their own home.

—Secretary Mel Martinez



The mission of the Center for Faith-Based and Community Initiatives is to improve HUD's response to human need by:

- ◆ Reaching out to faith-based and other community organizations
- ◆ Connecting faith-based and other community organizations to opportunities, resources, support, and partners
- ◆ Changing policies and practices at HUD that have kept faith-based and other community organizations out of its networks, programs, and initiatives

If you would like to learn more, contact the HUD Center for Faith-Based and Community Initiatives:

By email at talk_to_us@hud.gov
 On the Internet at:
www.hud.gov/faithandcommunity
 By telephone at (202) 708-2404

To learn in greater detail about becoming a HUD-Approved Housing Counseling Agency, please visit:
www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm

Please note that HUD-Approved Housing Counseling Agencies need to be prepared to offer housing counseling services beyond homebuyer education.



5 Steps

to Becoming a HUD-Approved Housing Counseling Agency

A Guide for Faith-based and Other Community Organizations



Center for Faith-Based & Community Initiatives



Why Should You Consider Providing Housing Counseling?

As an organization deeply committed to your community, you are uniquely equipped to increase homeownership in your area by becoming a HUD-Approved Housing Counseling Agency.

Homeownership is a key wealth creator in America. Yet, families in communities across the country face a variety of barriers to owning a home, such as fear of the purchasing process, credit history problems, and predatory lending. By providing housing counseling, faith-based and other community organizations can help families overcome these barriers and purchase a home of their own.

HUD-Approved Housing Counseling Agencies help families understand the home purchasing process, how to get budgeting and credit problems fixed, and how to avoid predatory lending practices. These agencies can also encourage lenders and other housing organizations to make homeownership possible for people who need lower down payments and more flexible underwriting than are permitted by the conventional market.

Becoming a HUD-Approved Housing Counseling Agency offers your organization a couple of important advantages. HUD approval is required to apply to HUD's \$40 million Housing Counseling Grant Program, and it gives you credibility in your community with partners, lenders, and the families you serve.

5 Steps to Becoming a HUD-Approved Housing Counseling Agency

Becoming a HUD-Approved Housing Counseling Agency can be achieved through the following FIVE BASIC STEPS:

One) **Acquire 501(c)(3) tax exempt status**

Get 501(c)(3) status from the Internal Revenue Service if you do not already have it.

Two) **Design a housing counseling plan**

Develop a clear, concise and comprehensive housing counseling and education program. Identify the services you will offer, the needs of the community you will be serving, and the ways you will reach potential clients. Form a team of counselors and industry partners to enhance the quality of information you will provide.

Three) **Identify your resources**

Approval depends on you demonstrating that you have the resources needed to run a successful housing counseling program.

Four) **Get started**

Evaluate your present program structure. You must have a track record of running a successful program for at least a year to be HUD-approved.

Five) **Focus on your community**

HUD requires that you serve the community in which you are located. When you apply for approval, tell HUD about the housing needs of your community and how you address them.

Help Fulfill America's Dream of Homeownership

Starting a housing counseling program will promote homeownership and limit delinquencies and foreclosures in your community. Housing counseling is a cost-effective way for organizations to contribute to the growth and stability of their communities.

Effective housing counseling helps answer important questions that first-time homebuyers have as they begin looking for a home. As a housing counseling agency, you will help potential home purchasers in your community learn about:

- ◆ Moving from renting to homeownership
- ◆ Managing their budget and credit
- ◆ Shopping for a home
- ◆ Working with a broker, including the advantages and disadvantages
- ◆ Working with a mortgage lender
- ◆ Preparing for the closing process
- ◆ Maintaining their home after purchase

The more your community understands the benefits of homeownership, the stronger your community will be. Housing counseling is a win-win-win situation: your organization wins, the homebuyer wins, and the community wins.