

Dedication ■ Professionalism ■ Standards

# National Industry Standards for Homeownership Education and Counseling



Guidelines and Code of Ethics

[www.homeownershipstandards.com](http://www.homeownershipstandards.com)



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# National Industry Standards for Homeownership Education

(Pre-Purchase and Post-Purchase)



## National Industry Standards<sup>1</sup>



**T**he National Industry Standards for Homeownership Education and Counseling allow organizations and homeownership professionals to demonstrate that all clients receive consistent, quality service in homeownership education and counseling. The standards create a level of consistency in the industry and add to the professionalism of homeownership educators and counselors.

As the link between sustainable homeownership and counseling/education becomes increasingly clear, now more than ever the housing industry recognizes the need to ensure high quality education and counseling for households throughout the country. Seizing on these market conditions, in 2005 a National Advisory Council (see Exhibit C for a list of member organizations) collaborated with other industry partners such as homeownership professionals; non-profit executive directors; local, state and national housing counseling organizations; financial institutions, mortgage insurance institutions, GSEs<sup>2</sup> and government entities to develop National Homeownership Industry Standards (including benchmark recommendations) and National Code of Ethics and Conduct for Homeownership Professionals.

Organizations, counselors and educators are encouraged to endorse and adopt the voluntary National Industry Standards and National Industry Code of Ethics and Conduct. These standards are a first step in evolving efforts to professionalize and elevate the visibility of the homeownership education and counseling industry.

## How to Utilize National Industry Standards

**Organizations Providing Homeownership Education:** Organizations providing homeownership education are encouraged to endorse and adopt the National Industry Standards for Homeownership Education and sign the National Industry Code of Ethics and Conduct. At a minimum, organizations should integrate the recommended benchmarks from the National Industry Standards for Homeownership Education into their everyday business operations. Organizations and individual educators are encouraged to strive to exceed the benchmarks.

Most organizations that currently provide homeownership education and counseling will find their programs meet or exceed the recommended benchmarks for industry standards and can readily adopt the National Industry Standards and National Industry Code of Ethics and Conduct.

For more information on how to demonstrate adoption of the National Industry Standards for Homeownership Education and the National Industry Code of Ethics and Conduct, visit [www.homeownershipstandards.com](http://www.homeownershipstandards.com).

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<sup>1</sup>National Industry Standards for Homeownership Education and Counseling are adopted on a voluntary basis by organizations and practitioners, incrementally over a period of time.

<sup>2</sup>GSE is an acronym for government-sponsored enterprise.

**Purpose of Standards:** To ensure consistency in the quality of homeownership education efforts nationwide, and adopt industry best practices.

In order to best serve clients, organizations providing homeownership education and individual homeownership educators agree to adopt the following:

## Core Operating Standards

1. **Competency:** Possess a strong knowledge in the area of homeownership- specifically the homebuying process, budgeting, money management, credit, banking, mortgage financing, down payment assistance, insurance, community involvement, home maintenance, loss mitigation, foreclosure prevention, fair housing, delinquency intervention, refinancing, anti-fraud or anti-predatory lending and relevant local, state and federal laws.
  - **Recommended Benchmark:** Individuals new to the field of Homeownership Education should obtain appropriate orientation and introductory level training during the initial 6 months of employment.
2. **Skills:** Demonstrate an understanding of adult education techniques and training, cultural competency, facilitation skills and training methods, presentation skills, audio/visual techniques, planning and designing trainings, and participatory training techniques.
3. **Training:** As soon as possible, but within 18 months of being hired, homeownership educators will obtain minimum training as a homeownership educator equivalent to no less than 30 hours of facilitated instruction covering topics included in Standards 1 and 2 above, utilizing a variety of methods which could include lecture, interactive, demonstration, on-line and case study.
4. **Certification:** A certification standard is critical to establishing professionalism and value to homeownership education. After completing minimum training, certification will require a homeownership educator to take and pass a comprehensive exam demonstrating at least 80% proficiency. The exam will test the skills and core competency areas identified in Standards 1 and 2 above, as well as the related content and activities identified in Exhibit A and B herein.
  - **Recommended Benchmark:** Certification must be completed as soon as reasonably possible, but no later than 18 months from the start of employment.
5. **Continuing Education:** Complete a minimum of 10 hours of continuing education annually in subjects relative to the core content and delivery of homeownership education.
  - **Recommended Benchmark:** Continuing education requirements for most certification programs will meet or exceed this standard.
6. **Homeownership Program Operations:** Implement effective program operations, including outreach and marketing, partnership building, fundraising, customer service, customer tracking, reporting, program evaluation, and program design.

- **Recommended Benchmark:** These skills can be obtained through training and experience.
7. **National Industry Code of Ethics and Conduct Statement:** Sign and adopt the written National Industry Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

## Performance Standards

1. **Delivery:** Perform face-to-face group homeownership education to clients, utilizing a variety of interactive techniques.
- **Recommended Benchmark:** Homeownership education occurs before a purchase contract is signed in pre-purchase education.
  - **Recommended Benchmark:** Content, delivery and format of the training is tailored to meet the needs of the participants.
  - **Recommended Benchmark:** Participants should be provided service in a timely manner, requisite with the service need. At a minimum, upon request participants should receive acknowledgement of inquiry within two business days of initial contact, and delivery of education within a two-week timeframe.
  - **Recommended Benchmark:** Homeownership Educators should use a training manual, and make materials available to attendees.
  - **Recommended Benchmark:** A certificate of completion is provided to customers who successfully complete the training.
  - **Recommended Benchmark:** Customer satisfaction surveys are used to evaluate the effectiveness of the homeownership education.
  - **Recommended Benchmark:** Offer and encourage individual counseling in conjunction with the provision of all group education.
  - **Recommended Benchmark:** A code of ethics is utilized for all volunteer trainers, coupled with an orientation regarding the mission, philosophy and delivery of the training
2. **Curriculum:** Utilize a comprehensive curriculum containing the following minimum core content:<sup>3</sup>

### **Pre-Purchase Education**

- Assessing Readiness to Buy a Home
- Budgeting and Credit

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<sup>3</sup>See Detailed list of acceptable content and topics

- Financing a Home
- Selecting a Home
- Maintaining a Home and Finances

#### ***Post-Purchase Education (when offered)***

- Community Involvement
- Budgeting for Homeownership
- Maintaining a Home and Home Improvement
- Financing and Sustaining Homeownership
- Avoiding Delinquency and Foreclosure

- **Recommended Benchmark:** There are a number of excellent consumer curricula that have been developed by various organizations, service providers, state collaboratives, etc, which may meet or exceed the standard for curriculum content. These curricula must contain the above mentioned components.

- **Recommended Benchmark:** Specialty Topics such as financial literacy, reverse mortgage lending, individual development accounts (IDAs), foreclosure prevention may also at times be delivered as group education. Use of nationally developed and utilized curriculum, and/or an equivalent is recommended. Homeownership Educators should secure appropriate training in the appropriate specialty topic.

3. **Expected Education Outcome:** Upon completion of homeownership education, clients will be able to demonstrate an understanding of the following: preparing for homeownership; budgeting and credit management; financing a home; selecting a home; maintaining a home and finances<sup>4</sup>; avoiding delinquency and foreclosure.

- **Recommended Benchmark:** Optimally, the time allocated for comprehensive, effective delivery of pre-purchase curriculum to achieve a desired expected outcome and cover content adequately is 8 hours of education. In some circumstances (e.g., based



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<sup>4</sup>See detailed criteria for core understanding

on pre-assessment of learners' needs) hours may vary, but in no case would less than 4 hours be sufficient.

4. **Recordkeeping:** Collect and maintain specific information from education clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.).
  - **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, ethnicity (optional), household income, date and type of workshop attended, workshop format and length.
  - **Recommended Benchmark:** Aggregate information for group education should be maintained including total number of persons served and other demographic information.
  - **Recommended Benchmark:** Utilize a checklist to ensure files maintained are consistent and meet reporting standards and quality assurance.
  - **Recommended Benchmark:** Files should be maintained in secured file cabinets in order to protect client privacy. Scanned documents or electronic files should maintain the highest level of client security.
  - **Recommended Benchmark:** Files should be maintained for a minimum of three (3) years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded.
5. **Reporting:** Utilize an electronic Client Management System (CMS) for collecting and reporting data.
  - **Recommended Benchmark:** An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but *preferably* should be a software application compliant with HUD's CMS vendor list or equivalent. Visit [www.hud.gov](http://www.hud.gov) HUD's CMS vendor list.
6. **Service Thresholds:** Establish referral networks for individuals and families seeking services that Homeownership Educator does not provide or possess sufficient competency to adequately and effectively deliver.
  - **Recommended Benchmark:** Examples of such services may include: individual/personal counseling services, housing search assistance, legal aid, relocation assistance, etc.

## Exhibit A

### Pre-Purchase Standard Homeownership Education Content

Key Topics	Client Outcome
<b>Assessing Homeownership Readiness</b>	
Pros and cons of homeownership	Understand the benefits and responsibilities of homeownership
Overview of the home purchase process	Conduct self-assessment of homeownership readiness
Housing affordability	Calculate housing affordability
4 C's of credit	Understand how lenders determine mortgage readiness
<b>Budgeting and Credit</b>	
Importance of goal setting	Set financial goals
Tracking expenses	Develop system to track expenses
Setting up a spending plan	Create a realistic spending plan
Budgeting and saving tips	Identify ways to reduce expenses and increase savings
Importance of good credit	Understand the importance of good credit
Understanding credit and how to protect credit ratings	
Credit bureaus, reports and scores	Order credit reports and credit scores
How to fix credit problems	Improve credit rating
Debt management tips	Reduce debt
<b>Financing a Home</b>	
How a lender decides whether or not to lend	Understand how lenders make loan decisions
Housing affordability and qualification	Calculate housing affordability
Sources for mortgage loans	Understand where to obtain a mortgage loan
Predatory loans and how to avoid them	Avoid high-risk loans
Types of mortgage loans	Choose appropriate loan product and source
Special financing products	Understand resources available to assist with home purchase
Steps in the mortgage loan process	Understand the loan process
Loan application and approval process	
Common lending documents	Assemble documents needed for loan application

Key Topics	Client Outcome
What to do if the loan is denied	Address issue listed as the reason for loan denial
Closing process	Understand the loan closing process
<b>Shopping for a Home</b>	
The homebuying team	Understand the professionals involved in the homebuying process
Real estate professionals	Understand the different types of real estate professionals
Types of homes and ownership	Understand housing and titling options
How to select a home and neighborhood	Determine housing wants versus needs
How to make an offer	Understand the home purchase process
Negotiating tips	
The purchase contract	
Inspections	Understand the importance of a professional home inspection
Escrow and closing process	Understand the escrow and closing process
<b>Maintaining a Home and Finances</b>	
How to maintain and protect a home after moving in	Understand costs associated with homeownership, including taxes, insurance, maintenance, etc.
Home safety and security	Create emergency plan
Energy efficiency	Reduce energy usage
Preventive maintenance	Create plan for routine maintenance
Home repairs and improvements	Understand the difference between repairs and improvements
Working with a contractor	Understand how to work with a contractor
Community involvement	Get involved in the community
Record keeping	Set up a record-keeping systems
Taxes	Understand tax issues associated with homeownership
Insurance	Understand different insurance policies associated with homeownership
What to do if you can't make a payment	Contact lender immediately if there are financial issues
Predatory lending and other financial pitfalls	Avoid high-risk loans

## Exhibit B

### Post-Purchase Standard Homeownership Education Content

Key Topics	Client Outcome
<b>Budgeting for Homeownership</b>	
Staying financially fit as a new homeowner	Review spending plan and revise with new expenses of mortgage payments, maintenance, reserves, utilities, homeowners association fees and investments
Budgeting	
Maintaining good credit	Understand the importance of maintaining good credit
Home equity: your home as an asset	Calculate home equity, and understand how to manage it effectively
Retirement savings	Understand options and techniques for saving for retirement
Taxes: property and income	Understand tax liabilities and ways to maximize deductions
Insurance: mortgage, homeowners, auto, health and life	Understand different types of insurance and the importance of risk management
<b>Maintaining and Improving Your Home</b>	
Home maintenance and improvements	Develop plans for preventive maintenance, home repairs and replacements and/or home improvements as needed
Home safety	Create emergency plan
Energy conservation	Reduce energy usage to save money
<b>Community Involvement</b>	
Building community	Get involved in the community
<b>Financing and Sustaining Homeownership</b>	
Foreclosure prevention	Contact lender immediately if there are financial issues
Mortgage options: refinancing, home equity loans and home improvement loans	Know your options: refinance, home-equity loans, home improvement loans
Record keeping	Create record-keeping system
Lending abuses	Avoid high-risk loans
Landlord issues	Attend landlord training classes

## **Exhibit C**

### **National Advisory Council convened by NCHEC<sup>5</sup>**

The National Industry Standards were developed by a broad representation of industry stakeholders comprising the National Advisory Council (facilitated by NCHEC). Companies and organizations include:

Bank of America

Chase

Chrysalis Consulting Group, LLC

Citi

Community Development Corporation of Long Island, Inc.

Consumer Credit Counseling Services of San Francisco

Countrywide Financial Corporation

Fannie Mae

The Housing Partnership Network

Federal Reserve Board

Freddie Mac

Minnesota Housing

Mortgage and Credit Center

Mortgage Guaranty Insurance Corporation (MGIC)

NAREB-National Investment Division (NID)

National Association of Realtors®

National Council of State Housing Finance Agencies

National Council of La Raza (NCLR)

NeighborWorks® America

NHS of Great Falls

University of North Carolina Chapel Hill

U.S. Department of Housing and Urban Development

Wells Fargo

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<sup>5</sup>NCHEC is an acronym for the NeighborWorks® Center for Homeownership Education and Counseling

# National Industry Standards for Homeownership Counseling



## National Industry Standards<sup>1</sup>



The National Industry Standards for Homeownership Education and Counseling allow organizations and homeownership professionals to demonstrate that all clients receive consistent, quality service in homeownership education and counseling. The standards create a level of consistency in the industry and add to the professionalism of homeownership educators and counselors.

As the link between sustainable homeownership and counseling/education becomes increasingly clear, now more than ever the housing industry recognizes the need to ensure high quality education and counseling for households throughout the country. Seizing on these market conditions, in 2005 a National Advisory Council (see Exhibit B for a list of member organizations) collaborated with other industry partners such as homeownership professionals; non-profit executive directors; local, state and national housing counseling organizations; financial institutions, mortgage insurance institutions, GSEs<sup>2</sup> and government entities to develop National Homeownership Industry Standards (including benchmark recommendations) and National Code of Ethics and Conduct for Homeownership Professionals.

Organizations, counselors and educators are encouraged to endorse and adopt the voluntary National Industry Standards and National Industry Code of Ethics and Conduct. These standards are a first step in evolving efforts to professionalize and elevate the visibility of the homeownership education and counseling industry.

## How to Utilize National Industry Standards

**Organizations Providing Homeownership Counseling:** Organizations providing homeownership counseling are encouraged to endorse and adopt the National Standards for Homeownership Counseling and sign the National Industry Code of Ethics and Conduct. At a minimum, organizations should integrate the recommended benchmarks from the National Industry Standards for Homeownership Counseling into their everyday business operations. Organizations and individual counselors are encouraged to strive to exceed the benchmarks.

Most organizations that currently provide homeownership education and counseling will find their programs meet or exceed the recommended benchmarks for industry standards and can readily adopt the National Industry Standards and National Industry Code of Ethics and Conduct.

For more information on how to demonstrate adoption of the National Industry Standards for Homeownership Counseling and the National Industry Code of Ethics and Conduct, visit [www.homeownershipstandards.com](http://www.homeownershipstandards.com).

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<sup>1</sup>National Industry Standards for Homeownership Education and Counseling are adopted on a voluntary basis by organizations and practitioners, incrementally over a period of time.

<sup>2</sup>GSE is an acronym for government-sponsored enterprise.

**Purpose of Standards:** To ensure consistency in the quality of homeownership counseling efforts nationwide and adopt industry best practices.

In order to best serve clients, organizations providing homeownership counseling and individual homeownership counselors agree to adopt the following:



## Core Operating Standards

- Competency:** Possess a strong knowledge in the area of homeownership- specifically the homebuying process, budgeting, money management, credit, banking, mortgage financing, down payment assistance, insurance, community involvement, home maintenance, loss mitigation, foreclosure prevention, fair housing, delinquency intervention, refinancing, anti-fraud, anti-predatory lending and relevant local, state and federal laws.
  - Recommended Benchmark:** Individuals new to the field of Homeownership Counseling should obtain appropriate orientation and introductory level training during the initial 6 months of employment.
- Skills:** Exhibit professional communication and organization skill set, including listening skills, customer service, cultural competency and time management. Homeownership Counselors must demonstrate the skills necessary to obtain, review and analyze a tri-merged credit report, calculate income and debt and perform an affordability analysis. A full command of calculations for mortgage financing, down payment assistance and subsidy programs is required.
- Training:** As soon as possible but within 18 months of being hired, homeownership counselors will obtain minimum training as a homeownership counselor equivalent to and no less than 30 hours of facilitated instruction covering topics included in Standards 1 and 2 above, utilizing a variety of methods which could include lecture, interactive, demonstration, on-line and case study.
  - Recommended Benchmark:** Homeownership counselors providing specialty counseling such as reverse mortgage counseling, foreclosure prevention, and delinquency counseling should seek the appropriate training to provide these services.
- Certification:** A certification standard is critical to establishing the professionalism and value of homeownership counseling. After completing minimum training, certification will require a homeownership counselor to take and pass a comprehensive exam demonstrating at least 80% proficiency. The exam will test skills and core competency areas included in Standards 1 and 2 above, as well as the related content and activities identified in Exhibit A herein.
  - Recommended Benchmark:** Certification must be completed as soon as reasonably possible, but no later than 18 months from the start of employment.
- Continuing Education:** Complete a minimum of 10 hours of continuing education annually in subjects relative to the core content and delivery of homeownership counseling.

- **Recommended Benchmark:** Continuing education requirements for most certification programs will meet or exceed this standard.
6. **Homeownership Counseling Operations:** Implement effective program operations of homeownership counseling techniques, including outreach and marketing, partnership building, fundraising, customer service, customer tracking, reporting, program evaluation, and program design. Counselors should have a working knowledge of each of these subject areas.
- **Recommended Benchmark:** These skills can be obtained through training and experience.
7. **National Industry Code of Ethics and Conduct:** Sign and adopt the written National Industry Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

## Performance Standards

1. **Delivery:** Perform individual, personalized homeownership counseling to clients.
- **Recommended Benchmark:** Pre-purchase counseling occurs before a purchase contract is signed.
  - **Recommended Benchmark:** Content, delivery and format of the counseling is tailored to meet the needs of the client.
  - **Recommended Benchmark:** Clients should be consulted in a timely manner, requisite with the service need. At a minimum, upon request clients should receive acknowledgement of inquiry within 2 business days of initial contact, with the intake appointment within a one-week timeframe.
  - **Recommended Benchmark:** Homeownership Counselors must complete a formal intake, needs assessment and develop a written Action Plan.
  - **Recommended Benchmark:** Active, open client files should be closely monitored, with timely follow-up in accordance with the stated Action Plan. When no contact from the client has taken place for 6 consecutive months, the file may be classified as inactive.
  - **Recommended Benchmark:** Where appropriate, Homeownership Counselors should review and analyze client's credit report.
  - **Recommended Benchmark:** Customer satisfaction surveys are used to evaluate the effectiveness of the counseling.
  - **Recommended Benchmark:** Offer and encourage homeownership education in conjunction with the homeownership counseling services.

2. **Expected Counseling Outcome:** Upon completion of homeownership counseling, clients will be able to demonstrate an understanding of the following: preparing for homeownership; budgeting and credit management; financing a home; selecting a home; maintaining a home and finances; sustaining homeownership; and avoid delinquency and foreclosure.
  - **Recommended Benchmark:** Comprehensive, effective delivery should be determined based upon the individual need of the client to reach the desired outcome. The minimum standard for delivery of individual counseling should be at least one session of at least 30-60 minutes.
3. **Recordkeeping:** Collect and maintain specific information from clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.).
  - **Recommended Benchmark:** An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, ethnicity (optional), household income, date and type of workshop attended, workshop format and length.
  - **Recommended Benchmark:** Aggregate information for clients should be maintained including total number of persons served and other demographic information.
  - **Recommended Benchmark:** Utilize a checklist to ensure files maintained are consistent and meet reporting standards and quality assurance.
  - **Recommended Benchmark:** Files should be maintained in secured file cabinets in order to protect client privacy. Scanned documents or electronic files should maintain the highest level of client security.
  - **Recommended Benchmark:** Files should be maintained for a minimum of three (3) years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded.
4. **Reporting:** Utilize an electronic Client Management System (CMS) for collecting and reporting data.
  - **Recommended Benchmark:** An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but *preferably* should be a software application compliant with HUD's CMS vendor list or equivalent. Visit [www.hud.gov](http://www.hud.gov) HUD's CMS vendor list.
5. **Service Thresholds:** Establish referral networks for individuals and families seeking services that Homeownership Counselor does not provide or possess sufficient competency to adequately and effectively deliver.
  - **Recommended Benchmark:** Examples of such services may include: rental housing assistance, housing search assistance, legal aid, relocation assistance, etc.

## Exhibit A

### Minimum Standard Activities for Homeownership Counseling

1. Intake – gather baseline information from client
2. Conduct accurate needs assessment
3. Document the household income and expenses
4. Determine household debt level
5. Review client’s credit report(s)
6. Identify credit challenges
7. Determine and document household savings
8. Develop a household budget
9. Analyze budget and recommend modification
10. Conduct various calculations including affordability based on income and debt
11. Develop a written action plan
12. Provide client follow up
13. Make referrals for additional services needed by client
14. Provide client information on delinquency/foreclosure services or information on a referral for these services

**Note:** *Specialty counseling services such as reverse mortgage counseling, foreclosure prevention, delinquency counseling should only be provided by counselors with the proper training and certification.*

## **Exhibit B**

### **National Advisory Council convened by NCHCEC<sup>3</sup>**

The National Industry Standards were developed by a broad representation of industry stakeholders comprising the National Advisory Council (facilitated by NCHCEC). Companies and organizations include:

Bank of America

Chase

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Citi

Community Development Corporation of Long Island, Inc.

Consumer Credit Counseling Services of San Francisco

Countrywide Financial Corporation

Fannie Mae

The Housing Partnership Network

Federal Reserve Board

Freddie Mac

Minnesota Housing

Mortgage and Credit Center

Mortgage Guaranty Insurance Corporation (MGIC)

NAREB-National Investment Division (NID)

National Association of Realtors®

National Council of State Housing Finance Agencies

National Council of La Raza (NCLR)

NeighborWorks® America

NHS of Great Falls

University of North Carolina Chapel Hill

U.S. Department of Housing and Urban Development

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<sup>3</sup> NCHCEC is an acronym for the NeighborWorks® Center for Homeownership Education and Counseling

# National Industry Code of Ethics and Conduct for Homeownership Professionals



## National Industry Code of Ethics and Conduct for Homeownership Professionals<sup>1</sup>

**T**he National Industry Code of Ethics and Conduct for Homeownership Professionals<sup>2</sup> is a voluntary, self-governing standard for professional performance/conduct for homeownership counselors and educators that provide homeownership education and counseling services to consumers.

A National Industry Code of Ethics and Conduct for Homeownership Professionals offers a set of values and principles to guide conduct and decision-making in the homeownership education and counseling field. Homeownership professionals who adhere to the National Industry Code of Ethics and Conduct agree to provide quality education and counseling to clients.

### How to Utilize the National Industry Code of Ethics and Conduct:

**Counselors and Educators:** The National Industry Code of Ethics and Conduct should be adopted by counselors and educators and adhered to in their everyday business operations. For more information on how to demonstrate adoption of these documents, visit [www.homeownershipstandards.com](http://www.homeownershipstandards.com).

**Organizations:** Organizations providing homeownership education and/or counseling services are encouraged to adopt these National Industry Code of Ethics and Conduct and ensure compliance with these ethics by their counselors and educators.

#### 1. **Commitment to Clients**

- a. The primary responsibility of homeownership educators and counselors is to provide high quality education and counseling services to prospective and existing homeowners.
- b. Homeownership educators and counselors will act on behalf of a client and observe his/her best interest.

#### 2. **Client Decision-Making**

- a. Homeownership educators/counselors will provide necessary tools, resources and information to assist their clients in making decisions about finances, home buying or homeownership based on the client's needs and preferences.
- b. In instances when clients experience literacy or language challenges, homeownership educators/counselors will take steps to ensure clients' comprehension. This shall include arranging for a qualified interpreter or translator or referring the client to a qualified language educator/counselor.

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<sup>1</sup>The National Industry Code of Ethics and Conduct were developed by a collaborative group of industry partners.

<sup>2</sup>Homeownership Professionals includes both homeownership educators and counselors.

### 3. **Competence**

- a. Homeownership educators/counselors will provide services only within the boundaries of their education, training, certification or other relevant professional experience. Referrals will be provided to clients when essential services are beyond the scope of the individual or agency to provide.
- b. Homeownership educators/ counselors shall be culturally competent in their service area and sensitive to cultural differences and needs.

### 4. **Conflicts of Interest**

- a. Homeownership educators/ counselors will avoid actual and the appearance of conflicts of interest. They will inform clients when a real or potential conflict of interest arises and take all necessary steps to resolve the issue in a manner that makes the clients' interests primary and protects clients' interests. In some cases, protecting clients' interests may require termination of the professional relationship with proper referral of the client.
- b. Homeownership educators/counselors will not take unfair advantage of any professional relationship or exploit others to further their personal, religious, political, or business interests.
- c. Any potential conflicts of interest (such as a counseling agency providing low-cost loans), will be disclosed to clients in a written disclosure document.

### 5. **Privacy and Confidentiality**

- a. Homeownership educators/counselors will respect clients' right to privacy. Private information will not be requested from clients unless it is critical to providing services. Once private information is shared, privacy laws apply as well as client confidentiality.
- b. Homeownership educators/counselors will disclose confidential information only as specified by a valid written consent of client.
- c. Homeownership educators/counselors will not discuss confidential information in any setting unless privacy can be ensured. Counselors and educators will abide by privacy laws and keep information confidential and protected.
- d. Homeownership educators/counselors will not disclose clients' information, including their identity when responding to requests from members of the media without the client's express consent.
- e. Homeownership educators/counselors will protect the confidentiality of clients' written and electronic records and other sensitive information. Clients' records shall be stored in a secure location and not made available to others who are not authorized to have access.

- f. Homeownership educators/counselors will take precautions to ensure and maintain the confidentiality of information transmitted to other parties through the use of computers, electronic mail, facsimile machines, telephones and telephone answering machines, and other electronic or computer technology. Disclosure of identifying information will be avoided unless specifically permitted by client.
- g. Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure.
- h. Homeownership educators and counselors will be familiar with relevant laws and regulations with regard to local, regional, national privacy and confidentiality.

## 6. Professional Behaviors

- a. Homeownership educators/counselors will not practice, condone, facilitate, or collaborate with any form of discrimination on the basis of race, ethnicity, national origin, sex, sexual orientation, age, marital status, political belief, religion, or mental or physical disability.
- b. Homeownership educators/counselors will not use derogatory language in their written or verbal communications to or about clients. Accurate and respectful language will be used in all communications to and about clients.
- c. Homeownership educators/ counselors will not participate in, condone, or be associated with dishonesty, fraud, or deception.
- d. Homeownership educators/ counselors will not permit their private conduct to interfere with their ability to fulfill their professional responsibilities.

## 7. Payment for Services

- a. When setting fees, homeownership educators/ counselors will ensure that the fees are fair, reasonable, and commensurate with the services performed. Clients will be informed of any applicable fees prior to the delivery of any services.
- b. Homeownership educators/ counselors will not solicit a private fee or other personal remuneration for providing services to clients.

## 8. Discontinuation of Services

- a. Homeownership educators/ counselors will close files and discontinue services to clients when such services are no longer required or no longer serve the clients' needs or interests.

## 9. Consultation

- a. Homeownership educators/ counselors will seek the advice and counsel of more experienced colleagues whenever such consultation is in the best interests of clients. Consultation will only be sought from colleagues who have demonstrated knowledge, expertise, and competence related to the subject of the consultation.
- b. When consulting with colleagues about clients, homeownership educators/ counselors will disclose the least amount of information necessary to achieve the purposes of the consultation.
- c. Client information will only be shared with other colleagues with the written consent of the client.

## 10. Referrals

- a. Homeownership educators/ counselors will limit services to those within their training and expertise and refrain from giving legal, tax, accounting advice unless licensed to do so. Non-homeownership issues should be referred to other appropriate agencies to serve clients fully.
- b. Homeownership educators/ counselors shall not give payment or receive payment from an outside source for a referral unless professional services of comparable value have been provided.

## 11. Integrity of the Homeownership Education and Counseling Profession

- a. Homeownership educators/ counselors will work toward the maintenance and promotion of high standards of practice for the industry.
- b. Homeownership educators/ counselors will uphold and advance the values, ethics, knowledge, and mission of the profession. They will protect, enhance, and improve the integrity of the profession through service development, partnerships and active participation in the industry.
- c. Homeownership educators/ counselors will contribute time and professional expertise to activities that promote respect for the value, integrity, and competence of their profession.

# Adopt National Industry Standards for Homeownership Education and Counseling



## LEARN HOW TO ADOPT National Industry Standards for Homeownership Education and Counseling

Unifying the industry on the issue of education and counseling standards is the first step to achieving that goal on a national level. An organization can make the commitment to incorporate the National Industry Standards in their day-to-day business practices to help promote an accepted level of performance for homeownership counseling and training nationwide.

**Your organization can adopt the standards by following these simple steps:**

- 1 Go online to [www.homeownershipstandards.com](http://www.homeownershipstandards.com). Download and read through the **National Industry Standards Guidelines and Code of Ethics and Conduct** (each staff member should also read and complete the Code of Ethics and Conduct).
- 2 Select the **Sign Up** button from the homepage (the executive director or highest ranking decision maker for your organization must complete the sign-up form).
- 3 Choose the **Adopt Standards** link.
- 4 Read and check the **authorization** box that you are the decision-maker for your organization.
- 5 Complete the **Adoption Verification Page** (be sure to include complete training and certification information for each of your counseling staff).
- 6 **Submit** copies of your staff's training and certification details to:

National Industry Standards  
c/o NeighborWorks® America  
1325 G Street, NW, Suite 800  
Washington, D.C. 20005

Or, fax to 202-376-7276, Attn. National Industry Standards.

**Upon review and verification of your submittal, you will receive notification of your adoption status and your organization's name will be listed as an adopter on the National Industry Standards Website.**

If you have questions about the National Industry Standards, **call 866-472-9477.**

[www.homeownershipstandards.com](http://www.homeownershipstandards.com)

## National Industry Standards for Homeownership Education and Counseling

### Code of Ethics and Conduct

By signing below, I acknowledge receipt of the National Industry Code of Ethics and Conduct for Homeownership Professionals and agree to adopt and adhere to the guidelines as outlined.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Web Address: \_\_\_\_\_

Date: \_\_\_\_\_

Each staff member providing homeownership services must complete and sign the Code of Ethics and Conduct agreement.  
(Photocopy this form as needed.)

**Return completed forms to:  
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## Advisory Council for the National Homeownership Industry Standards for Homeownership Education and Counseling

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Chrysalis Consulting Group, LLC  
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Consumer Credit Counseling Services of San Francisco  
Countrywide Financial Corporation  
Fannie Mae  
The Housing Partnership Network  
Federal Reserve Board  
Freddie Mac  
Minnesota Housing  
Mortgage and Credit Center  
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National Council of La Raza (NCLR)  
NeighborWorks® America  
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U.S. Department of Housing and Urban Development  
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*List of all the Intermediaries and Organizations who provided input, focus groups etc.*

*The Advisory Council for the National Industry Standards for Homeownership Education and Counseling was convened and staffed by the NeighborWorks® Center for Homeownership Education and Counseling (NCHEC).*

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