

## HSCP QUALITY CONTROL AND COMPLIANCE

**Client ID:**

### Checklist for Level 1 Clients

<u>Documentation</u>	<u>Notes</u>	<u>Yes (✓) /No (x)</u>
Intake	<p>Intake must include:</p> <ul style="list-style-type: none"> <li>• client name and address</li> <li>• basic demographic information</li> <li>• lender and loan information/landlord and lease information</li> <li>• reason for housing instability</li> <li>• A credit report or documentation of credit report in the client file pulled within 30 days of intake</li> </ul>	
Authorization Form	<p>Organizations must collect a signed authorization form from the client that will allow the organization to:</p> <p>(a) pull a credit report at intake            (b) submit client-level information to the ORS for this grant            (c) allow HSCP to open files to be reviewed for program monitoring and compliance purposes            (d) allow HSCP to conduct follow-up with the client related to program evaluation.</p> <p>Non-wallet identification as a signature is allowable if HSCP documents authorized by the client using non-wallet identifiers are present in the file and include the date when the non-wallet identifier was received and a copy of the script/language that was used by the counselor to obtain the non-wallet identifier.</p> <p>Clients may opt out of (a) if the client provides a credit report dated within 30 days of the intake date. Clients can also opt out of (d) but proof of this must be retained in the client's file. Clients that opt out of (a) and do not have a credit report that was dated within 30 days of the intake date or opt out of (b) or (c) cannot be reported to the ORS for payment by HSCP.</p>	
Disclosure Form	<p>Must include a statement disclosing:</p> <ul style="list-style-type: none"> <li>• various types of products and services the organization provides and any financial relationships between the Grantee, Sub-grantee or CCE, and any other industry partners.</li> <li>• That the client is not obligated to receive any other services offered by the Grantee, Sub-grantee or CCE, its exclusive partners, or third-party entities to which a client is referred for additional services.</li> </ul>	

Client ID:

## Checklist for Level 1 Continued

<u>Documentation</u>	<u>Notes</u>	<u>Yes (✓) /No (x)</u>
Privacy Policy	<p>Documented Proof that the client received the privacy policy</p> <p><u>Having access to the privacy policy on the organization’s website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Clients who are given the choice to “opt-out” of the organization’s privacy policy provision allowing for the sharing of their information with affiliated third parties and choose to do so cannot be reported to the ORS for payment by HSCP.</u></p>	
Triage	<p>Documentation of client situation assessment and determination of level of severity.</p> <p>If it is a crisis situation, counseling should take place within 2 business days.</p> <p>Examples of a crisis situation may include a pending eviction, a pending foreclosure sale date, insufficient funds to cover basic needs such as utilities or medications, or other situations identified by the client and/or agency.</p> <p>Any client communication with landlord/servicer must also be collected, if applicable, to determine the urgency and severity of the client’s need, including but not limited to an eviction notice, Notice of Default, or Notice of Sale.</p> <p>Level of severity is to be identified in the action plan</p>	
Budget	<p>Organization must <u>develop a budget</u> with the client based on the client’s oral representation of their expenses, debts, and available sources of income.</p> <p>An example budget can be found at:  <a href="https://www.stablecommunities.org/Documents/Housing-Stability-Counseling-Program/HousingStabilityCounselingProgram_SampleBudget.aspx">https://www.stablecommunities.org/Documents/Housing-Stability-Counseling-Program/HousingStabilityCounselingProgram_SampleBudget.aspx</a></p> <p>In a crisis, a crisis budget is necessary.            An example crisis budget can be found at:  <a href="https://www.stablecommunities.org/Documents/Housing-Stability-Counseling-Program/HousingStabilityCounselingProgram_SampleCrisisBudget.aspx">https://www.stablecommunities.org/Documents/Housing-Stability-Counseling-Program/HousingStabilityCounselingProgram_SampleCrisisBudget.aspx</a></p>	
Action Plan	<p>Action Plan (Must be clearly labeled in file) must include:</p> <ul style="list-style-type: none"> <li>• level of severity</li> <li>• counselor’s assessment of the client’s situation</li> <li>• a <u>client-specific recommendation</u> for a counseling plan of action</li> <li>• action steps to be taken by the client</li> <li>• action steps to be taken by the counseling agency</li> </ul> <p>An action plan template can be found at:  <a href="https://www.stablecommunities.org/Documents/Housing-Stability-Counseling-Program/HousingStabilityCounselingProgram_ActionPlanTemplate.aspx">https://www.stablecommunities.org/Documents/Housing-Stability-Counseling-Program/HousingStabilityCounselingProgram_ActionPlanTemplate.aspx</a></p>	

**Client ID:**

## Checklist for Level 2 Clients

<u>Documentation</u>	<u>Notes</u>	<u>Yes (✓)</u> <u>/No (x)</u>
Authorization Form	<p>Organizations must collect a signed authorization form from the client that will allow the organization to:</p> <p>(a) pull a credit report at intake            (b) submit client-level information to the ORS for this grant            (c) allow HSCP to open files to be reviewed for program monitoring and compliance purposes            (d) allow HSCP to conduct follow-up with the client related to program evaluation.</p> <p>Non-wallet identification as a signature is allowable if HSCP documents authorized by the client using non-wallet identifiers are present in the file and include the date when the non-wallet identifier was received and a copy of the script/language that was used by the counselor to obtain the non-wallet identifier.</p> <p>Clients may opt out of (a) if the client provides a credit report dated within 30 days of the intake date. Clients can also opt out of (d) but proof of this must be retained in the client's file. Clients that opt out of (a) and do not have a credit report that was dated within 30 days of the intake date or opt out of (b) or (c) cannot be reported to the ORS for payment by HSCP.</p>	
Disclosure Form	<p>Must include a statement disclosing:</p> <ul style="list-style-type: none"> <li>• various types of products and services the organization provides and any financial relationships between the Grantee, Sub-grantee or CCE, and any other industry partners.</li> <li>• That the client is not obligated to receive any other services offered by the Grantee, Sub-grantee or CCE, its exclusive partners, or third-party entities to which a client is referred for additional services.</li> </ul>	
Privacy Policy	<p>Documented Proof that the client received the privacy policy</p> <p><u>Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Clients who are given the choice to "opt-out" of the organization's privacy policy provision allowing for the sharing of their information with affiliated third parties and choose to do so cannot be reported to the ORS for payment by HSCP.</u></p>	
Budget Verification	<p>Proof of budget verification which should include one of the following:</p> <p><b><u>Traditional budget verification:</u></b> documentation of one or more income source(s) &amp; documentation of debt obligations:</p> <ul style="list-style-type: none"> <li>• paystubs or third-party income verification</li> <li>• credit report or other verification of debt</li> </ul> <p>OR</p>	

	<p><b>Counselor Notes:</b> In cases where the client was provided counseling that met Level 2 requirements and no budget verification PII was maintained in the client file:</p> <ul style="list-style-type: none"> <li>• counselor explanation and attestation via the counselor notes as to why PII was not maintained.</li> <li>• counselor notes must be dated and maintained in the client file.</li> </ul> <p>OR</p> <p><b>Other Evidence:</b> Validation that the counselor assisted client with a foreclosure/eviction prevention application to a program/benefit that required budget verification.</p> <ul style="list-style-type: none"> <li>• This could include, but is not limited to, email communication between the client and the counselor on the required financial qualifications to apply to the program, calculation of the budget verification, etc.</li> <li>• All documentation must be dated and clearly identifiable.</li> </ul> <p>A credit report alone does not satisfy the budget verification requirement.</p>	
<p>Verification of Action Taken</p>	<p>Documented evidence of steps taken that were outlined in the action plan. Examples include:</p> <ul style="list-style-type: none"> <li>• Eligibility determination for rent relief, other financial assistance and/or public benefits. <ul style="list-style-type: none"> <li>○ i.e. eligibility checklists for rent relief or HAF funds, confirmation email from ERA or HAF provider confirming application submission</li> </ul> </li> <li>• Referrals to legal services when necessary.</li> <li>• Emails or letters corresponding with or attempting to correspond with the landlord, servicer, or lender.</li> </ul> <p>A longer list of examples is available in the funding announcement on page 15 under “<u>Verification of Action Taken</u>” subheading.</p> <p>Counselor notes alone <u>do not</u> satisfy this requirement.</p>	

## Checklist for Follow-Up

<u>Documentation</u>	<u>Notes</u>	<u>Yes (✓)</u> <u>/No (x)</u>
<p><b>Proof of Follow-up Contact</b></p>	<p>If follow-up occurred:</p> <ul style="list-style-type: none"> <li>• proof of follow-up contact such as letter, email, or phone call within 30 days of level 1 or level 2 counseling to assure that the client is progressing toward their housing goals, to modify or terminate housing stability counseling, and to learn and report outcomes, if applicable.</li> </ul> <p>If unsuccessful after two contact attempts:</p> <ul style="list-style-type: none"> <li>• documentation of 2 attempted contacts and;</li> <li>• a letter and/or email requesting the need for follow-up. The letter and/or email must request that the client contact the housing counseling agency no later than 30 days from the date of the letter, to help the housing counseling agency assess if additional client services are necessary to assist them in achieving their housing goals or if services should be terminated. The housing counselor must document the reason for no follow-up session.</li> <li>• after 30 days, if no response, a letter informing the HSCP file will be closed</li> </ul> <p>Issuing surveys to assess housing outcomes does not fully meet the requirement for client follow-up. Hiring a third-party agency to conduct follow-up services is prohibited.</p> <p>While it is expected that all levels of counseling will be performed for each client, in some cases, a client may not return for Level 2 counseling. In this case the Grantee can bill for Level 1 and must also follow the requirements as noted for follow-up. In the cases where the client does return for Level 2 counseling, it is expected that follow-up is billed following Level 2 counseling.</p>	

## Programmatic Checklist for Direct Grantees

<u>Requirement</u>	<u>Notes</u>	<u>Yes (✓)</u> <u>/No (x)</u>
Audits	<p>From July 1, 2021 through the end of the HSCP grant, grantee must submit a complete audit package to <a href="mailto:counseling@nw.org">counseling@nw.org</a> within 180 days of the fiscal year end for each fiscal year.</p> <p>The complete audit package includes the following items:</p> <ul style="list-style-type: none"> <li>• Financial statement audit</li> <li>• Reviewed or compiled financial statements performed by a certified public accountant (if financial statements are not audited)</li> <li>• Single Audit (if applicable)</li> <li>• Management letter (if applicable)</li> </ul>	
Data Security & Personal Identifiable Information (PII)	<p>Maintain internal safeguards adequate to ensure client privacy by:</p> <ol style="list-style-type: none"> <li>a) complying with Privacy Act requirements regarding its collection and protocols for handling client personally identifiable information;</li> <li>b) complying with eSign Act requirements regarding electronic communications with clients and third parties and monitoring for security;</li> <li>c) complying with the Gramm-Leach-Bliley Act regarding the storage, transmission, access, and disclosure of data; and</li> <li>d) adhering to the principles of Fair Information Practices Principles (FIPPS) regarding transparency, individual participation, purpose specification, data quality and integrity, security, and accountability and auditing.</li> </ol>	
Records Retention	<p>Maintain HSCP records in accordance with record retention policy provided and approved at start-up.</p> <p>For more information refer to page 29 of the Funding Announcement <a href="#">here</a>.</p>	
Budget and Expenditure Testing	<p>HSCP Grantees are responsible for maintaining a separate budget for HSCP grant funds and to separately track HSCP revenue and expenses.</p> <p>HSCP Grantees must be able to provide supporting documentation for HSCP (<i>Payroll registers, paystubs, invoices, cancelled checks, etc.</i>)</p> <p>HSCP Grantees must ensure HSCP funds are expended for eligible expenses.</p> <p><u>Please refer to pages 10-18 of the Funding Announcement <a href="#">here</a> for additional information.</u></p>	
Translation Services	<p>Does the sub-grantee and/or CCE have a counselor, volunteer or other staff person who offers translation services for non-English speaking clients?</p> <p>If not, does the agency have a Memorandum of Understanding (MOU) with an organization for translation services which it is able to refer clients to needing translation services?</p>	

	Does the sub-grantee and/or CCE have flyers, or other documents translated in languages other than English to assist clients seeking foreclosure assistance that speak languages other than English?	
Accessibility – American Disability Act	Ensure the location where HSCP counseling is taking place, is accessible to persons with disabilities or your agency maintains a referral list for clients that need accessibility if their building does not provide access.	
Counselor Certifications	Verify all agency counselors are HUD-certified or are actively working towards HUD counselor certification.  Maintain an accurate record of counselors and their HUD counselor certification status throughout the HSCP performance period.  Notify HSCP via email at <a href="mailto:counseling@nw.org">counseling@nw.org</a> when there are changes in counselor certification status.	
Authorized to do business in the state where HSCP counseling is provided	Verify that your agency is authorized to do business in the state in which you and your sub-grantees provide HSCP counseling services and that a certificate of good standing in the applicable state(s) are provided to HSCP staff and updated as necessary.	
Free Services	Verify that HSCP counseling services are free of charge to clients, (no service fees, membership fees or other fees should be charged to the client for receiving HSCP counseling).  <u>Agency may charge a nominal fee for pulling credit reports if the cost does not deter clients from seeking counseling.</u>	
Client File Compliance	Collect and maintain proper documentation in client files. See Client File Checklist for reference.  Agencies must confirm that they pulled the credit report or the client provided a credit report dated within 30 days of intake.	
Disbursement to Sub-grantees within 30 days of each disbursement	The direct Grantee must disburse the majority of Counseling Funds and Program Related Support received in each disbursement from NeighborWorks America to its Sub-Grantees or CCEs within thirty (30) days of receipt.  Internally, ensure that your Finance department and/or CFO is aware of this requirement and that there is documented evidence in support of this knowledge.  Requests for exceptions to this provision must be submitted to NeighborWorks in writing for approval. Grantee must maintain this documentation.	
Variations	Direct Grantees are responsible for performing within the below allowable variations of counseling goals proposed at start-up: <ul style="list-style-type: none"> <li>• Reported units of counseling in Targeted Geographic Areas (TGA) shall not be less than 75% of proposed units of counseling in TGAs.</li> <li>• Reported units of counseling to minority and low-income populations shall not be less than 75% of the proposed percentage.</li> </ul>	

	<p>Ensure that sub-grantees and/or CCEs also understand TGA and low-income/minority requirements.</p> <p>Proposed counseling goals can be found in your Exhibit A and Exhibit B3 of your executed Grant Agreement.</p>	
<p>Sub-Grantee List</p>	<p>Direct Grantees should maintain an updated list of its sub-grantees and/or CCEs. HSCP will review the list to ensure that it matches the list submitted with its HSCP grant application.</p> <p>Intermediaries and SHFAs are permitted to add or remove Sub-grantees during the performance period by submitting an updated list via email to NeighborWorks at <a href="mailto:counseling@nw.org">counseling@nw.org</a>. Adding Sub-grantees does not result in an increased grant award.</p> <p>Direct Grantee will be required to maintain updated records of</p> <ul style="list-style-type: none"> <li>• HUD-Approval status certification</li> <li>• Meeting HSCP minimum HUD-Approval standards</li> <li>• HUD certification status of its direct employees and employees of its Sub-grantees or CCEs throughout the HSCP performance period.</li> </ul> <p>Grantees that fail to retain these records may be subject to de-obligation and/or recapture of HSCP grant funds.</p>	



## Programmatic Checklist for Sub-Grantee Oversight

<u>Requirement</u>	<u>Notes</u>	<u>Yes (✓)</u> <u>/No (x)</u>
HSCP Online Reporting System (ORS)	Verify the sub-grantee and/or CCE has the ability to obtain, track and report household level data AND collect aggregate data and report overall program production data.	
Audits	<p>From July 1, 2021 through the end of the HSCP grant, grantee must submit a complete audit package to <a href="mailto:counseling@nw.org">counseling@nw.org</a> within 180 days of the fiscal year end for each fiscal year.</p> <p>The complete audit package includes the following items:</p> <ul style="list-style-type: none"> <li>• Financial statement audit</li> <li>• Reviewed or compiled financial statements performed by a certified public accountant (if financial statements are not audited)</li> <li>• Single Audit (if applicable)</li> <li>• Management letter (if applicable)</li> </ul>	
Data Security & Personal Identifiable Information (PII)	<p>Maintain internal safeguards adequate to ensure client privacy by:</p> <ol style="list-style-type: none"> <li>a) complying with Privacy Act requirements regarding its collection and protocols for handling client personally identifiable information;</li> <li>b) complying with eSign Act requirements regarding electronic communications with clients and third parties and monitoring for security;</li> <li>c) complying with the Gramm-Leach-Bliley Act regarding the storage, transmission, access, and disclosure of data; and</li> <li>d) adhering to the principles of Fair Information Practices Principles (FIPPS) regarding transparency, individual participation, purpose specification, data quality and integrity, security, and accountability and auditing.</li> </ol>	
Budget and Expenditure Testing	<p>Direct Grantees are responsible for maintaining and ensuring that its sub-grantees and/or CCE's maintain a separate budget for HSCP grant funds and separately track HSCP revenue and expenses.</p> <p>Are HSCP grant funds segregated from other sources of funding?</p> <p>Does the sub-grantee track its HSCP expenditures with supporting documentation? <i>(Payroll registers, paystubs, invoices, cancelled checks, etc.)</i></p> <p>Are HSCP funds being used for eligible expenses?</p>	
Translation Services	<p>Does the sub-grantee and/or CCE have a counselor, volunteer or other staff person who offers translation services for non-English speaking clients?</p> <p>If not, does the agency have a Memorandum of Understanding (MOU) with an organization for translation services which it is able to refer clients to needing translation services?</p>	

	Does the sub-grantee and/or CCE have flyers, or other documents translated in languages other than English to assist clients seeking foreclosure assistance that speak languages other than English?	
<b>Records Retention</b>	<p>Does the sub-grantee and/or CCE maintain a record retention policy related to retaining and securing its HSCP records?</p> <p>If yes, review to ensure the policy includes the required HSCP language:</p> <ol style="list-style-type: none"> <li>1. In accordance with applicable law, the Grantee shall establish and comply with a records retention policy.</li> <li>2. Financial records, supporting documentation, statistical records, and all records pertinent to the grant shall be retained for a period of three (3) years from the date of submission of the final expenditure report. The only exceptions are the following: <ol style="list-style-type: none"> <li>a. If any litigation, claim or audit is started before expiration of the three (3) year period, the records shall be retained until the litigation, claims or audit findings involving the records have been resolved and final action taken.</li> <li>b. Records for real property and equipment acquired with HSCP funds shall be retained for three (3) years after final disposition.</li> </ol> </li> <li>3. Notwithstanding the foregoing, or any other provision in this Grant Agreement, NeighborWorks America’s and its authorized representatives’, agents’ and third-party contractors’ rights to site, document and personnel access for evaluation purposes are not limited to the required retention period but shall last as long as records are retained.</li> </ol> <p>Grantee must have policies and procedures in place to ensure HSCP records are not permanently destroyed as a result of a natural or man-made disaster.</p> <p>For more information refer to page 29 of the Funding Announcement <a href="#">here</a>.</p>	
<b>Accessibility – American Disability Act</b>	<p>Is the location where HSCP counseling is taking place accessible to persons with disabilities or does the sub-grantee and/or CCE have a referral list for clients that need accessibility if their building does not provide access?</p> <p>Does the sub-grantee and/or CCE proactively market and provide services that support remote or technological interest access requests, including TTY?</p>	
<b>Counselor Certifications</b>	<p>Verify all sub-grantees and/or CCE’s employ counselors who are HUD-certified or are actively working towards HUD counselor certification.</p> <p>Maintain an accurate record of counselors and their HUD counselor certification status throughout the HSCP performance period.</p>	
<b>Authorized to do Business in the state where HSCP counseling is provided</b>	<p>Verify that sub-grantees and/or CCEs are authorized to do business in the state in which they provide HSCP counseling services and that a certificate of good standing in the applicable state is maintained and on file.</p>	

<p>Free Services</p>	<p>Verify that HSCP counseling services are free of charge to clients, (no service fees, membership fees or other fees).</p> <p>Agency may charge a nominal fee for pulling credit reports <u>if the cost does not deter clients from seeking counseling.</u></p>	
<p>Conflict of Interest (Disclosure Statement)</p>	<p>Ensure that the sub-grantee and/or CCE has provided to all clients a disclosure statement that explicitly describes the various types of services provided, and any financial relationships between the Grantee and any other industry partners.</p> <p>The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners.</p> <p>Ensure there are no conflicts of interest due to relationships with servicers, real estate agencies and/or agents, mortgage lenders and/or other entities including itself that may stand to benefit from counseling outcomes.</p>	
<p>HUD’s Housing Counseling approval</p>	<p>Confirm that the sub-grantee, branch, affiliate and/or CCE meet or exceed HUD’s housing counseling approval requirements as required by the HSCP program.</p> <p>See Funding Announcement Exhibit 2: HSCP Minimum HUD Approval Standards for reference.</p>	
<p>Client File Compliance</p>	<p>Confirm that the sub-grantee, branch, affiliate and/or CCE’s client files include required documentation. See Client File Checklist for reference.</p> <p>Agencies must confirm that they pulled the credit report or the client provided a credit report dated within 30 days of intake.</p>	