



Best Practices in Foreclosure Intervention Counseling

Providing Quality Training to Foreclosure Intervention Counselors

About the Series

Best Practices in Foreclosure Intervention Counseling is provided by Freddie Mac as a service to organizations doing this very important work.

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Spotlight Organization

Consumer Credit Counseling of San Francisco

For More Information

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The effective training of newly hired foreclosure intervention counselors has always been essential to assuring high-quality service for homebuyers and homeowners. Until recently, counselors and their employers had the benefit of adequate time. Counselors received a mix of formal training and on-the-job experience and mentoring over many months, until competency was gradually achieved.

As the severe housing crisis unfolded in 2008, and significant federal funding was made available to support foreclosure intervention programs, many organizations and networks found themselves rapidly hiring many counselors, often more than doubling the size of their teams. In many cases, newly hired counselors had limited experience with the mortgage industry, or had never previously provided financial counseling to people in crisis. This sudden barrage of untrained counselors also needed to learn quickly in order to help provide relief for their overwhelmed and more experienced teammates. Too often, the unfortunate reality is that these new counselors are forced to provide foreclosure counseling and advice before being properly trained.

The National Industry Standards for Homeownership Counseling—Foreclosure Intervention Specialty requires that those new to the field of *(continued)*

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foreclosure intervention counseling obtain appropriate orientation and introductory-level training, and complete prerequisite curricula, during their initial six months on the job. Prior to providing direct services to homeowners, new counselors have to be involved in an on-the-job training and coaching program for at least 90 days. Finally, to best meet homeowner needs in this highly specialized field, facilitated training in foreclosure intervention counseling with the goal of attaining competency and core skills is to be completed within six months of hire.

So how critical is all this training? “It’s essential, due to the lack of experience most new hires have. It’s just critical if you want to make sure that homeowners, often faced with the biggest financial crisis of their lives, receive quality counseling and services,” says Rick Harper of Consumer Credit Counseling Service (CCCS) of San Francisco. “And if you want to keep counselors around, they need to feel competent and supported in this stressful line of work.”

An Ever Changing Field

In addition to the inherent crisis nature of foreclosure counseling, the current severe economic environment has led to further stressful impact on the foreclosure counselor through the regular introduction of new laws, programs, and mortgage servicing practices. Because of these large-scale changes even experienced counselors need regular re-training. For example, with the introduction of the Making Home Affordable Program in early 2009, counselors not only needed to be briefed on the basic facts, but also required training on specific skill sets such as calculating and understanding debt-to-income ratios. A recently hired counselor, forced to counsel without comprehensive training becomes an even more serious liability to both the homeowner and the counseling agency, as new programs and tools are added to an already weak skill set.

Often, organization leaders themselves lack the skills, experience, or time to provide in-depth training. Most send counselors to a few days of high-quality classes offered by third-party specialists, and answer counselor questions as they arise via e-mail or brief conversations. Few organizations have a structured training program that is managed in-house and keeps counselors aware of all the changes in the foreclosure arena they must know about to do their job most effectively.

Initial Training of New Counselors

A formal training process with defined components, timeline, and content is needed to ensure that new counselors have a solid foundation of skills and knowledge. Even if an organization hires only a handful of new counselors a year, an internal training approach is required to assure positive outcomes for the counselor, organization, and homeowner. However, this sort of training program does not require an in-house specialist dedicated only to counselor training. At CCCS of San Francisco, intensive new-hire training for foreclosure intervention counselors is delivered using a team approach that calls upon lead counselors, supervisors, and program managers to teach specific components. Each professional is asked to dedicate a portion of their time to the training program in areas that match their skills and expertise.

CCCS of San Francisco, which offers a full array of housing counseling services employing more than 65 counselors, has been delivering structured training programs to its new hires for over 10 years. All newly hired foreclosure intervention counselors complete the following training during the first 90 days of employment.

- **“Issues Training”** covers the waterfront in terms of content, and is taught by a variety of in-house experts. Topics include everything from basic foreclosure terminology and basic loss mitigation options to how to use the client management system. Training is classroom-based and lasts 80 hours, spanning two weeks.
- The **Foreclosure Basics** e-learning course, offered by NeighborWorks® America, must be completed by all new hires within 30 days of hire. Its final exam must be passed in order to obtain a certificate of completion. The course is done at the counselor’s leisure from a computer work station.
- National Federation of Credit Counseling–certified counselors must complete the **first seven books required for certification by the NFCC**. These books cover a wide array of financial counseling topics, and each has a required final exam. NFCC coursework typically requires another 40 hours of counselor time to finish.
- **Action Plan Training:** Finally, job shadowing is completed, during which a trainee counselor sits with a senior counselor and listens and observes. After each session, the trainee must write an action plan in order to demonstrate their comprehension and improve their action plan writing skills.

These four steps are completed in the first 90 days, after which new hires can begin to take cases. However, the training continues for the next 30 days, with every new action plan audited and critiqued by a supervisor before it is sent to the consumer.

Ongoing Training

The National Industry Standards for Homeownership Education and Counseling¹ require foreclosure counselors to complete a minimum of 10 hours of continuing education annually in subjects relevant to the core content and delivery of mortgage default counseling. CCCS of San Francisco meets this benchmark by requiring four hours a month (in two two-hour blocks) of classroom training. This training covers new content or changes in existing programs, and include case studies in order to help the counselor apply the material. Outside content experts, from organizations such as Freddie Mac or HUD, are also brought in to offer continuing education to all counselors.

All new hires remain at Level 1 for the first year on the job, although promotions to Counselor Level 4 are possible over time.

Outcomes

Considering the amount of time and energy spent to deliver in-depth training to counselors, especially during their first 90 days, a well-defined return on investment is crucial.

“It is absolutely worth the effort. We’re helping a lot of homeowners in crisis every day and we would be doing them a disservice if our counselors were not properly prepared and trained,” reflects Harper. “There are no absolutes in counseling, as every case requires some judgment by the counselor — and that can only come with time and experience. However, our training gives all counselors a foundation of skills and knowledge in all critical areas.” A tangible outcome of CCCS of San Francisco’s long history of training and quality control is statistics demonstrating successful loss mitigation counseling, resulting in families staying in their homes. Another positive

¹ To learn more about the National Industry Standards for Homeownership Education and Counseling, see www.homeownershipstandards.com.

outcome is frequent recognition for the quality of their consumer action plans. “Our training is successful because our funders rave about our homeowner action plans — and these same agencies have been working with us to deliver services for many years.”

Lessons Learned

1. It is not necessary to have designated training staff in order to provide high quality, structured training. Even smaller organizations, without the benefit of a training supervisor or team, can offer a formal orientation and low-cost training program using experts already on staff and professionals in the community. What is needed is a formal structure and written training policy with a core curriculum; otherwise, the training is not uniform for all new hires.
2. Online learning can augment traditional classroom training. Several foreclosure counseling courses are now available online. Organizations can also record training sessions, or create other basic training tools in-house, that a new hire can complete at his or her own pace. Although these low-cost options do not replace classroom-based training, they can offer more depth and can often reinforce classroom learning in an engaging environment that is not possible with a textbook.
3. Counselors need training and a good deal of practice to become skilled at creating excellent action plans. The action plan is the central document that directs the organization’s service and the homeowner’s next steps, so a well-crafted, accurate document is essential for good outcomes and sustainable collaborations. Few organizations offer specific training on what makes a quality consumer action plan and how to write one well.

Agency Background

Consumer Credit Counseling Service of San Francisco, by providing comprehensive financial counseling and education, helps consumers achieve financial independence through debt reduction, homeownership, and improved money management skills.

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Spotlight Organization

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