

Reverse Mortgage Counseling in North Carolina

The process for obtaining reverse mortgage counseling in North Carolina is different than in other states. This letter is intended as a guide to help you understand those differences and assist your clients most effectively.

The North Carolina reverse mortgage statute (included elsewhere in these materials) specifies that counseling is to be provided for all reverse mortgage borrowers, without regard to whether the reverse mortgage is a HUD HECM or a proprietary loan. The North Carolina Housing Finance Agency (NCHFA) is given the responsibility to train counselors and set standards for counseling.

Given the complexity of reverse mortgage products, and the potential vulnerability of many clients, one of those standards is that **counseling for reverse mortgages is to be performed face-to-face, rather than by telephone**. Exceptions are made only in very rare circumstances when the client is physically unable to go to a counselor, and no counselor is able to provide a home visit for the client.

Counselors offering reverse mortgage counseling in North Carolina, as elsewhere, must be employees of HUD-approved housing counseling agencies. They must also attend a 2-day basic training, at the end of which they must pass a certification test, and they must comply with continuing education requirements.

Approved counselors are listed on the NCHFA website at www.nchfa.com/Counseling/reversemortgage.aspx This list is updated several times a year, so we recommend checking it when you need to make a referral, rather than printing it out and making copies.

Please provide your client with the contact information for at least three agencies whenever possible, and direct them to contact the counselor to make an appointment. **Counselors are required to accept counseling requests only from homeowners or their legal representatives, not from lenders.**

If your client has difficulty finding a counselor or has special needs that cannot be met by the local counselor, please direct them to our statewide counseling helpline at 919-713-1537 for further assistance.

If you have other concerns about counseling standards or practices in North Carolina, please contact Keir Morton at NCHFA, at 919-877-5634 or kdmorton@nchfa.com.