Service Standards

Financial Education and Counseling Services

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

Definition

Financial Education and Counseling services provide educational services and programs to assist consumers with money management, budgeting, knowledge of resources needed to acquire housing, and the prudent and intelligent use of credit, and can include services related to housing, student loan debt, bankruptcy, and debt management plans.

Note: *Throughout this section, clients are persons who use, receive, or benefit from services and educational programs and for whom a client file has been created. Consumers are persons, groups, or organizations who could use, receive, or benefit from services and educational programs and for whom a client file has not been established, for example, potential clients.*

Note: *Throughout this section Debt Management Plan is referred to as DMP.*

Note: *Please see FEC Reference List for the research that informed the development of these standards.*

Note: *For information about changes made in the 2020 Edition, please see the FEC Crosswalk.*

Table of Evidence

Self Study Evidence

No Self Study Evidence

Financial Education and Counseling Services

FEC 1: Person-Centered Logic Model

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization implements a program logic model that describes how resources and program activities will support the achievement of positive results.

Note: *Please see the Logic Model Template for additional guidance on this standard.*

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

Logic models have been implemented for all programs and the organization has identified at least two outcomes for all its programs.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- Logic models need improvement or clarification; or
- Logic models are still under development for some of its programs, but are completed for all high-risk programs such as protective services, foster care, residential treatment, etc.; or
- At least one client outcome has been identified for all of its programs; or
- All but a few staff have been trained on use of therapeutic interventions and training is scheduled for the rest; or
- With few exceptions the policy on prohibited interventions is understood by staff, or the written policy needs minor clarification.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Logic models need significant improvement; or
- Logic models are still under development for a majority of programs; or
- A logic model has not been developed for one or more high-risk programs; or
- Outcomes have not been identified for one or more programs; or
- Several staff have not been trained on the use of therapeutic interventions; or
- There are gaps in monitoring of therapeutic interventions, as required; or
- There is no process for identifying risks associated with use of therapeutic interventions; or
- Policy on prohibited interventions does not include at least one of the required elements.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- Logic models have not been developed or implemented; or
- Outcomes have not been identified for any programs; or
- There is no written policy or procedures for the use of therapeutic interventions; or
- Procedures are clearly inadequate or not being used; or
- Documentation on therapeutic interventions is routinely incomplete and/or missing; or
- There is evidence that clients have been harmed by inappropriate or unmonitored use of therapeutic interventions.

Table of Evidence

Self Study Evidence

*	• Program logic model that includes a list of outcomes being measured	

- See program description completed during intake

Site Visit Evidence

*

- Examples of program evaluation tools such as pre/post-tests, program evaluations, etc.

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel

FEC 1.01

A program logic model, or equivalent framework, identifies:

a. needs the program will address;
b. available human, financial, organizational, and community resources (i.e. inputs);
c. program activities intended to bring about desired results;
d. program outputs (i.e. the size and scope of services delivered);
e. desired outcomes (i.e. the changes you expect to see in clients); and
f. expected long-term impact on the organization, community, and/or system.

Examples: *Please see the W.K. Kellogg Foundation Logic Model Development Guide and COA Accreditation's PQI Guide for more information on developing and using program logic models.*

Examples: *Information that may be used to inform the development of the program logic model includes, but is not limited to:*

1. *needs assessments and periodic reassessments;*
2. *risks assessments conducted for specific interventions; and*
3. *the best available evidence of service effectiveness.*

FEC 1.02

The organization measures the effectiveness of counseling and education programs.
Examples: *Evidence of effectiveness may be established through, for example, pre- and post-testing, or presentation evaluations.*

Financial Education and Counseling Services

FEC 2: Personnel

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

Program personnel have the competency and support needed to provide services and meet the needs of clients.
Interpretation: *Competency can be demonstrated through education, training, or experience. Support can be provided through supervision or other learning activities to improve understanding or skill development in specific areas.*

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- With some exceptions, staff (direct service providers, supervisors, and program managers) possess the required qualifications, including education, experience, training, skills, temperament, etc., but the integrity of the service is not compromised; or
- Supervisors provide additional support and oversight, as needed, to the few staff without the listed qualifications; or
- Most staff who do not meet educational requirements are seeking to obtain them; or
- With few exceptions, staff have received required training, including applicable specialized training; or
- Training curricula are not fully developed or lack depth; or
- Training documentation is consistently maintained and kept up-to-date with some exceptions; or
- A substantial number of supervisors meet the requirements of the standard, and the organization provides training and/or consultation to improve competencies when needed; or
- With few exceptions, caseload sizes are consistently maintained as required by the standards or as required by internal policy when caseload has not been set by a standard; or
- Workloads are such that staff can effectively accomplish their assigned tasks and provide quality services and are adjusted as necessary; or
- Specialized services are obtained as required by the standards.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- A significant number of staff (direct service providers, supervisors, and program managers) do not possess the required qualifications, including education, experience, training, skills, temperament, etc.; and as a result, the integrity of the service may be compromised; or
- Job descriptions typically do not reflect the requirements of the standards, and/or hiring practices do not document efforts to hire staff with required qualifications when vacancies occur; or
- Supervisors do not typically provide additional support and oversight to staff without the listed qualifications; or
- A significant number of staff have not received required training, including applicable specialized training; or
- Training documentation is poorly maintained; or
- A significant number of supervisors do not meet the requirements of the standard, and the organization makes little effort to provide training and/or consultation to improve competencies; or
- There are numerous instances where caseload sizes exceed the standards' requirements or the requirements of internal policy when a caseload size is not set by the standard; or
- Workloads are excessive, and the integrity of the service may be compromised; or
- Specialized staff are typically not retained as required and/or many do not possess the required qualifications; or
- Specialized services are infrequently obtained as required by the standards.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards.

Table of Evidence

Self Study Evidence

*	• Table of contents of training curricula	

*

- List of program personnel that includes:
  - Title
  - Name
  - Employee, volunteer, or independent contractor
  - Degree or other qualifications
  - Time in current position
- See organizational chart submitted during application

Site Visit Evidence

*

- Sample job descriptions from across relevant job categories
- Documentation tracking staff completion of required trainings and/or competencies
- Training curricula

On-Site Activities

*

- Interviews may include:
  1. Program director
  2. Relevant personnel
  3. Review personnel files

FEC 2.01

Supervisory personnel and counselors have the competency and support to effectively help individuals with financial management, housing, or credit problems.

FEC 2.02

All counseling personnel obtain and maintain a nationally recognized counselor certification status within twelve months of the date of assuming the role of counselor.

Examples: *The organization may wish to check with its member association for national institutions that offer either online or face-to-face certification programs for counselors.*

FEC 2.03

Counseling personnel are trained on or demonstrate competency in financial education and counseling methods and practices before providing services.

FEC 2.04

Personnel are trained on, or demonstrate competency in:

a. legal issues that affect the delivery of service;
b. knowledge of community resources and referral networks; and
c. action planning and monitoring tools.

FEC 2.05

Employee workloads support the achievement of client outcomes and are regularly reviewed.

Examples: *Factors that may be considered when determining employee workloads include, but are not limited to:*

1. *the qualifications, competencies, and experience of the worker, including the level of supervision needed;*
2. *the work and time required to accomplish assigned tasks and job responsibilities; and*
3. *service volume, accounting for assessed level of needs of clients.*

Financial Education and Counseling Services

FEC 3: Service Initiation

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization's service initiation and assessment practices ensure clients receive prompt and responsive access to a customized course of service for their financial situation.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- In a few rare instances, urgent needs were not prioritized; or
- For the most part, established timeframes are met; or
- Culturally responsive assessments are the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Urgent needs are often not prioritized; or
- Services are frequently not initiated in a timely manner; or
- Applicants are not receiving referrals, as appropriate; or
- Assessment and reassessment timeframes are often missed; or
- Assessments are sometimes not sufficiently individualized;
- Culturally responsive assessments are not the norm, and this is not being addressed in supervision or training; or
- Several client records are missing important information; or
- Client participation is inconsistent; or
- Intake or assessment is done by another organization or referral source and no documentation and/or summary of required information is present in case record.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- There are no written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Service initiation procedures	
*	• Privacy policy	
*	• Disclosure statement	

* • Procedures for telephone or internet counseling	
* • Assessment procedures	
* • Copy of assessment tool(s)	
* • Procedures for referring individuals to services	
* • Procedures regarding fees	

Site Visit Evidence

* • Referral directory

On-Site Activities

* • Interviews may include: 1. Program director 2. Relevant personnel 3. Clients • Review client files

FEC 3.01

Prompt, responsive service initiation practices:

a. support timely initiation of services and identify what services will be available and when; and
b. ensure consumers are not denied access to services.

Interpretation: *Services cannot be denied for any reason, including the need for counseling without a DMP, unemployment, self-employment, or types of debt.*

FEC 3.02 (FP)

Clients receive a privacy policy and disclosure statement upon initiation of in-person sessions and at the conclusion of telephone or Internet sessions that includes the following information:

a. a process for obtaining authorization prior to providing services via the telephone or internet, as applicable;
b. the process for verifying consumer identity prior to responding to information requests;
c. how the organization obtains funding;
d. the process for obtaining the client's credit report, and the potential impact service may have on credit reports, as applicable;
e. how confidential information is stored and used;
f. the complaint tracking and resolution process;
g. debt relief options the client may pursue including working directly with creditors, a debt management program, and attorney-assisted options; and
h. disclosure of fees for the initial session.

Examples: *Proper identification information may be, for example, a password, account number, or social security number.*

FEC 3.03

Clients participate in an individualized, culturally and linguistically responsive assessment during the initial counseling session to obtain a complete financial picture that includes:

a. a preliminary evaluation of the request for service and client goals;
b. an evaluation of income, expenses, assets and liabilities, as appropriate;
c. a review of the client's housing status, including an affordability analysis and any potential threats to safe and adequate housing; and
d. determination of the need for related service referrals when the person cannot be served, or cannot be served promptly.

Examples: *Additional information may be gathered from sources such as credit reports, creditor statements, utility bills, mortgage statements, or pay stubs. The organization also may collect information related to the client's employment, education, buying habits, significant expenditures, current and expected future income, secured and unsecured debt, health and other life issues that may affect their financial situation, and any significant changes in their earnings, assets, liabilities, and expenses, including the reason for those changes.*

FEC 3.04

The organization provides appropriate housing counseling and education and/or provides referrals to other organizations within the client's community when the assessment identifies potential threats to a client's housing status.
Examples: *Examples of potential threats to a client's housing status can include when housing costs represent a substantial portion of the client's net income and when housing is threatened due to rent, mortgage, property tax, and/or utility delinquencies.*

FEC 3.05 (FP)

Organizations that charge fees:

a. do not deny service based on inability to pay;
b. do not charge fees in advance of service;
c. establish reasonable fees for services; and
d. ensure the fee structure complies with applicable federal and state law.

NA: The organization does not charge fees.

Interpretation: *According to Internal Revenue Code Section 501(q), credit counseling organizations are prohibited from soliciting voluntary contributions from current clients. The collection of reasonable fees or reimbursement of the cost of services is permitted; however, organizations cannot deny service to clients who cannot pay. Agencies approved by the Executive Office for United States Trustees (EOUST) to provide pre-filing bankruptcy counseling and/or pre-discharge bankruptcy education may collect any fees associated with these services as provided for by EOUST.*

Financial Education and Counseling Services

FEC 4: Development of an Action Plan

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

Each client participates in the development of an action plan that identifies methods for achieving service goals.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*

- Action planning procedures

Site Visit Evidence

No Site Visit Evidence

On-Site Activities

*

- Interviews may include:
  1. Program director
  2. Relevant personnel
  3. Clients
- Review client files

FEC 4.01

An assessment-based action plan is developed in a timely manner with the full participation of the client that:

a. considers the urgency of the problem and the length of service required to achieve appropriate results, and focuses on timely resolution of the needs presented;
b. includes a summary of the client's financial situation including assets, liabilities, income, living expenses, debt, and housing;
c. states the client's goals, actions necessary for achieving those goals, and their responsibilities;
d. describes the array of options available to the client, including bankruptcy, as applicable;
e. indicates referrals made for other services, as applicable; and
f. includes the client's signature.

Interpretation: *The client should receive a copy of the action plan, and the organization should maintain another copy in the client's file.*

Interpretation: *Information listed above may be included in other related documents, such as the client's budget.*

FEC 4.02

The organization develops a spending plan or budget with each client that prioritizes individual needs such as housing costs, utilities, food, and transportation.

FEC 5: Financial Education and Counseling Services

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization supports and delivers a variety of counseling and education services on family money management, budgeting, and the prudent, intelligent use of credit.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Financial counseling procedures	
*	• Table of contents of educational program curricula	
*	• Sample financial education materials provided to clients	

Site Visit Evidence

*	• Educational program curricula • Information about individual and group counseling and education programs including program dates, subjects, and number of participants

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel
    3. Clients

- Review client files

FEC 5.01

The organization educates clients and provides general information about:

a. public and non-profit resources that can offer assistance; and
b. applicable laws and regulations.

Examples: *Applicable laws and regulations may include the Fair Credit Reporting Act, Fair Debt Collection Practices Act, Equal Credit Opportunity Act, Gramm-Leach Bliley Act, and other consumer credit legislation and regulations.*

FEC 5.02

Counseling and education services offer the full range of options to address debt problems, and include information about:

a. negotiating directly with creditors on payment or interest rate relief;
b. changing buying habits;
c. strategies for saving money;
d. custom designed payment plans; and
e. advantages and challenges of all options, including payment plans and options for student loans, bankruptcy, DMPs, and self-administered payment plans.

NA: The organization provides Housing Counseling and Education Services only.

FEC 5.03

Education programs include information that addresses, as applicable:

a. affordable levels of debt and debt warning signs;
b. appropriate use of credit and alternatives to credit use;
c. financial implications of student loan modification actions;
d. types, sources, and costs of credit and loans;
e. solving credit problems;
f. obtaining and understanding credit reports;
g. re-establishing credit; and
h. alternatives to bankruptcy.

FEC 5.04

Clients are educated about the advantages of developing a budget, including how to:

a. establish short and long-term financial goals and how to achieve them;
b. calculate gross and net monthly income; and
c. identify and classify monthly expenses as fixed, variable, or periodic.

FEC 5.05

Money-management education includes information about:

a. how to maintain adequate financial records;
b. making decisions about purchases based on wants and needs;
c. the value of insurance coverage; and
d. saving for emergencies, periodic expenses, and long-term goals.

FEC 5.06

The organization provides, either directly or through contractual arrangements:

a. counseling and education programs to a wide range of groups through various mediums, such as online technology, in educational settings, in public settings, and in the potential service area; and
b. information about its services to potential referral sources, such as employee assistance programs and social service organizations.

Examples: *Audiences can include high schools, trade schools, adult education programs, colleges and universities, civic organizations, religious organizations, and the military, if located in the area.*

Financial Education and Counseling Services

FEC 6: Housing Counseling and Education Services

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization provides housing counseling and education services to inform and prepare the client for achieving and maintaining homeownership.

NA:

- The organization does not provide any housing counseling and education services.
- The organization is only assigned the Financial Education and Counseling (FEC) standards and wishes to exclude review of their HUD-approved housing counseling agency.

Note: *Organizations seeking accreditation as a Housing Counseling and Education program must complete this section in addition to all other applicable standards in this section.*

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Housing counseling procedures	
*	• Table of contents of educational program curricula	
*	• Sample housing education materials provided to clients	

Site Visit Evidence

*

- Educational program curricula
- Information about individual and group counseling and education programs including program dates, subjects, number of participants, and participant evaluations
- HUD certificate, as applicable

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel
    3. Clients

- Review client files

FEC 6.01

The organization provides clients with pre-purchase homebuying counseling and education that includes:

a. developing a budget that identifies projected costs of homeownership to help assess readiness to purchase a home;
b. the benefits and responsibilities of owning a home;
c. an overview of the homebuying and mortgage loan process;
d. how to calculate the affordability of owning a home, including the impact of debt; and
e. the importance of setting financial goals and maintaining good credit.

NA: The organization does not provide pre-purchase homebuying counseling and education.

Examples: *Regarding element (d), counselors can help clients understand the impact of debt on mortgage affordability, including, for example credit card, personal, consumer, and student loan debt.*

FEC 6.02

Clients receive counseling and education regarding home financing that address:

a. appropriate types and sources of mortgage loans;
b. understanding how lenders evaluate credit and determine mortgage readiness;
c. how to avoid predatory loans;
d. resources available to assist with home purchases;
e. what to do if the loan is denied; and
f. loan closing costs and procedures.

NA: The organization does not provide pre-purchase homebuying counseling and education.

Examples: *The organization can review the client's credit report, when available, to provide a greater understanding of how lenders evaluate credit and determine mortgage readiness.*

FEC 6.03

Education and counseling prepare clients to shop for and select a home by providing information about:

a. the professionals involved in the real estate and homebuying process;
b. making an offer;
c. having a purchase contract;
d. home inspections; and
e. escrow funds.

NA: The organization does not provide pre-purchase homebuying counseling and education.

FEC 6.04

Housing education and counseling address home maintenance and financial management topics including:

a. homeowner rights and responsibilities;
b. organizations that provide resources to assist with financial issues;
c. costs associated with utilities, taxes, insurance, and maintenance;
d. energy efficiency;
e. community involvement;
f. refinancing, reverse mortgages, home equity loans, and home improvement loans; and
g. calculating home equity.

NA: The organization does not provide home maintenance counseling and education.

FEC 6.05

Clients receive information to prevent or resolve mortgage delinquency that addresses, as applicable:

a. identification of the status of the client's mortgage;
b. a budget that includes a review of income, living expenses, and other debts;
c. the repercussions of a defaulted mortgage and foreclosure;
d. the client's options to resolve the mortgage crisis; and
e. services available that can provide assistance and relief for the client's current crisis.

NA: The organization does not provide mortgage delinquency counseling and education.

FEC 6.06

The organization provides information regarding rental options, including:

a. HUD rental, rent subsidy programs, and other federal, state, and/or local assistance;
b. fair housing;
c. landlord tenant laws;
d. lease terms;
e. rent delinquency; and
f. housing search resources.

NA: The organization does not provide rental counseling and education.

FEC 6.07

Clients receive counseling and education regarding reverse equity mortgages that includes:

a. the benefits and disadvantages of a reverse equity mortgage;
b. client eligibility;
c. payment options;
d. the fees and associated costs of the reverse equity mortgage product;
e. time sensitivity issues related to the mortgage; and
f. indicators for foreclosure, such as death, sale of the property, or insurance or tax delinquency.

NA: The organization does not provide reverse equity mortgage counseling.

FEC 6.08

Organizations assist homeless individuals, as needed, and provide information and services, either directly or through referral, regarding transitional housing, emergency shelters, and other emergency services.

Financial Education and Counseling Services

FEC 7: Debt Management Plans

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization works with the client to develop and manage a debt management plan based on their needs to satisfy creditor obligations, and resolve the client's financial problems.
NA: The organization does not provide debt management plans.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,
- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,
- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,
- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• DMP procedures	
*	• Sample copy of the "Agreement for Services," "DMP Agreement," or other document that highlights client disclosures	

Site Visit Evidence

No Site Visit Evidence

On-Site Activities

*	• Interviews may include:

1. Program director
2. Relevant personnel
3. Clients

- Review client files

FEC 7.01

The client participates in the development of a DMP that includes:

a. permission to contact the client's creditors to verify obligations and negotiate adjustments and payment schedules; and
b. a payment schedule and budget for the repayment period.

FEC 7.02

All DMPs:

a. reflect the client's best efforts to repay debts he or she currently can afford in accord with creditor policy;
b. are established for no longer than 60 months without management approval or as provided by state law; and
c. advise the client to close all lines of credit and refrain from obtaining future credit without consulting with the organization.

Interpretation: *Based on individual client needs, the organization may advise the client to retain one active credit card in good standing for emergency situations.*

FEC 7.03

Clients receive written materials from the organization that disclose:

a. whether DMPs are used for secured, unsecured, or both forms of debt;
b. the dual role DMPs serve in helping clients repay debts and creditors receive monies owed to them;
c. client responsibilities;
d. an enumeration of debts included in the plan and the proposed payment for each creditor;
e. the total debt owed as disclosed by the client, and the total DMP debt;
f. that a creditor's contribution to the organization, if any, will not affect the organization's willingness to work with the client's creditors;
g. that the client's account is always credited with 100 percent of the amount paid;
h. that the client is responsible for alerting the organization to any discrepancies between its statement to the client and the amount posted on the statement from the creditor;
i. information about the benefits of increasing payment amounts to speed debt liquidation; and
j. the impact of late or missed deposits to creditor payments and concessions.

FEC 7.04

The DMP agreement contains:

a. the client's signature, made before the initial disbursement;
b. a statement regarding the client's right to cancel the DMP contract within a specified period;
c. the estimated timeframe for completing service objectives, barring unforeseen developments;
d. estimated finance charges or creditor fees associated with payment plans or extensions that may increase total indebtedness; and
e. an estimate of total fees to be paid to the organization over the term of the agreement.

Interpretation: *Information listed above may be included in a similar document, such as an amortization schedule or payout schedule.*

Interpretation: *Regarding bullet d, the organization should indicate, when applicable, that the estimated fees are based on current creditor polices and may change over time.*

Financial Education and Counseling Services

FEC 8: Administration of the Debt Management Plan

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization administers the debt management plan in a manner that ensures proper use of client funds, timely payments to creditors, and client awareness of payments and obligations.
NA: The organization does not provide debt management plans.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,
- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,
- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,
- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*

• Procedures for DMP administration that include: 1. proposal letters; 2. development of client status reports; 3. discontinuation of DMPs	

Site Visit Evidence

*

- Client status reports

On-Site Activities

*

- Interviews may include:

1. Program director
2. Relevant personnel
3. Clients

- Review client files

FEC 8.01

In administering the DMP, the organization:

a. promptly disburses client funds following a payment schedule in the client's best interests and within no more than 30 business days of receipt or as required by state law;
b. promptly disburses money in emergency situations;
c. offers a variety of client deposit options including electronic methods;
d. assumes responsibility for remediating errors caused by its actions; and
e. ensures the payment schedule does not cause a negative amortization situation.

FEC 8.02

Debt management proposals are sent to creditors:

a. within a timeframe that meets the client's best interests;
b. according to the creditor policy;
c. according to applicable federal and state law; and/or
d. within five business days of issuance of the first payment, in the absence of creditor policy or law.

FEC 8.03

The organization provides at a minimum, a quarterly status report to active DMP clients that fully discloses their deposit history, disbursement history, any fees charged by the agency, and the creditors' estimated balances.
Interpretation: *Reports can be sent electronically as long as there is record that the client opted to receive electronic statements.*

FEC 8.04

The organization maintains ongoing communication with clients by:

a. being responsive to client questions and concerns;
b. informing the client of issues that arise;
c. offering regular progress reviews of program and budget; and
d. assisting clients by adjusting their program and budget when the client indicates a change in financial situation.

Interpretation: *Regarding element d, when the creditor's policy is in conflict with the requirements of these standards, the organization should act in accordance with creditor requirements and with the client's best interest in mind.*

FEC 8.05

When an organization determines the need to discontinue a DMP based on missed payments or creditor policy:

a. the client is notified in writing of the discontinuation;
b. the client is informed of the potential consequences of discontinuation, through verbal or written communications, such as missed payments and/or DMP discontinuation notices; and
c. the basis for exceptions to discontinuation are documented in the client's file, when exceptions are granted.

Financial Education and Counseling Services

FEC 9: Creditor Relations

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization demonstrates credibility and accountability to the credit-granting entities that have agreed to participate in a debt management plan.
NA: The organization does not provide debt management plans.

Interpretation: *When the creditor's policy is in conflict with the requirements of these standards, the organization should act in accordance with creditor requirements and with the client's best interest in mind.*

Interpretation: *An organization that uses a third party electronic payment provider is responsible for all of the standards in this section, and should:*

1. *ensure that the standards are reflected in the contract; and*
2. *establish a process to confirm that contract obligations are being upheld.*

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,
- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,
- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,
- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Procedures for informing and communicating with creditors	
*	• Documentation that describes fair share contributions	

Site Visit Evidence

*

- Financial records

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel
    3. Clients

- Review client files

FEC 9.01

The organization provides electronic funds transfers at the creditor's request.

FEC 9.02

The organization:

a. promptly informs the creditor upon discovery of a posting problem;
b. promptly refunds to the client or creditor any improperly credited amount; and
c. either bills the creditor for its fair share and remits the client's gross payment, or deducts the fair share contribution from the client's payment, according to the creditor's requirements.

FEC 9.03

When a DMP is discontinued, the organization is responsible for providing notice of discontinuation to the creditor within identified timeframes, as per creditor requirements.

Financial Education and Counseling Services

FEC 10: Referrals and System Collaborations

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

Clients receive referrals to a network of community resources and service providers when additional services are needed.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- In a few instances, client or staff signatures are missing and/or not dated; or
- With few exceptions, staff work with persons served, when appropriate, to help them receive needed support, access services, mediate barriers, etc.; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- In several instances, client or staff signatures are missing and/or not dated; or
- Quarterly reviews are not being done consistently; or
- Level of care for some clients is clearly inappropriate; or
- Service planning is often done without full client participation; or
- Appropriate family involvement is not documented; or
- Documentation is routinely incomplete and/or missing; or
- Individual staff members work with persons served, when appropriate, to help them receive needed support, access services, mediate barriers, etc., but this is the exception.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Procedures for referring individuals to services	

Site Visit Evidence

*	• Referral directory

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel
    3. Clients

- Review client files

FEC 10.01

The organization refers clients to services relevant to financial management and the resolution of credit problems using financial, legal, and self-help resources.

Interpretation: *The organization must make referrals when the client's assessment indicates that supplemental services are necessary. For instance, when clients indicate issues that cannot be addressed by a financial education and counseling service, such as mental health issues and/or substance use, the organization should make referrals for evaluations in other social service areas.*

The organization should also provide clients with access to information on mental health services, educational opportunities, economic security, transportation, housing, consumer protection, legal referral services, and other community supports through referrals and resource materials. Individuals experiencing a financial crisis, including foreclosure and eviction, are more likely to experience high levels of stress, poor physical health, depression, anxiety, and risk for suicide. When identified, these individuals should be referred to appropriate crisis and support services.

Examples: *The organization may offer referrals to another service provider when clients request specific times, locations, services, or methods of service delivery (for example, telephone or Internet) that the organization is not able to provide or promptly provide, or when the organization does not offer DMPs, so clients can connect with providers that can meet their needs.*

FEC 10.02

The organization develops a comprehensive network of referral sources and provides the names of multiple resources, when available.

Financial Education and Counseling Services

FEC 11: Client File Review

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The worker and a supervisor or peer team conduct quarterly reviews of a randomly selected sample of client files using indicators that are defined and measurable and address the quality of services provided including:

a. assessment;
b. debt management plans, as appropriate;
c. results of service in relation to objectives and potential problems; and
d. client retention.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,
- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,
- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,
- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Client file review procedures	
*	• Sample of client file review tool	
*	• Most recent quarterly report from the client file review process	

Site Visit Evidence

No Site Visit Evidence

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel

Financial Education and Counseling Services

FEC 12: Business Ethics

Purpose

Clients who receive Financial Education and Counseling services learn to solve financial problems and gain personal financial management skills.

The organization accurately depicts services in marketing efforts and conducts activities in an ethical manner.

Rating Indicators:

1 All elements or requirements outlined in the standard are evident in practice, as indicated by full implementation of the practices outlined in the Practice Standards.

2 Practices are basically sound but there is room for improvement, as noted in the ratings for the Practice Standards; e.g.,

- Minor inconsistencies and not yet fully developed practices are noted; however, these do not significantly impact service quality; or
- Procedures need strengthening; or
- With few exceptions, procedures are understood by staff and are being used; or
- For the most part, established timeframes are met; or
- Proper documentation is the norm and any issues with individual staff members are being addressed through performance evaluations and training; or
- Active client participation occurs to a considerable extent.

3 Practice requires significant improvement, as noted in the ratings for the Practice Standards. Service quality or program functioning may be compromised; e.g.,

- Procedures and/or case record documentation need significant strengthening; or
- Procedures are not well-understood or used appropriately; or
- Timeframes are often missed; or
- Several client records are missing important information; or
- Client participation is inconsistent.

4 Implementation of the standard is minimal or there is no evidence of implementation at all, as noted in the ratings for the Practice Standards; e.g.,

- No written procedures, or procedures are clearly inadequate or not being used; or
- Documentation is routinely incomplete and/or missing.

Table of Evidence

Self Study Evidence

*	• Sample marketing materials	
*	• Policy regarding client loans and debt	
*	• Policy for using vendors as leads	
*	• Policy regarding financial incentives and penalties	

Site Visit Evidence

*	• Media advertisements	

On-Site Activities

*

- Interviews may include:
    1. Program director
    2. Relevant personnel

FEC 12.01

The organization's marketing efforts and written information:

a. accurately describe the range of services and options available, including bankruptcy;
b. provide relevant contact information, including a current address, on all printed or electronic advertisements; and
c. explain that receipt of financial education and counseling services does not guarantee participation in debt management program services.

FEC 12.02

An organization that uses a vendor to generate consumer leads does not provide incentives for such leads.
NA: The organization does not use a vendor to generate consumer leads.

Interpretation: *This standard requires that the organization does not base payment to the lead vendor on the number of leads generated. Such a practice may encourage lead vendors to generate leads using statements that do not accurately reflect the organization's services.*

Interpretation: *The use of a locator service is permissible. These services connect an individual via telephone or a website with the nearest credit counseling organization based on the location of the person. There is a small fee each time a person is connected to pay for the locator services operation. According to 501q.1.f of the Internal Revenue Service code, 501c3 organizations cannot receive any amount of money for sending or receiving referrals for debt management plans.*

FEC 12.03

The organization prohibits:

a. financial incentives for counselors based solely on the number of DMPs established; and
b. financial penalties for counselors when clients assume responsibility for debt management or leave the program.

NA: The organization provides Housing Counseling and Education Services only.

FEC 12.04

The organization does not make or negotiate loans on behalf of its clients or purchase client debt.