Howard County Financial Empowerment Center

FEC Financial Counseling FAQ

The Howard County Financial Empowerment Center (FEC) offers no-cost, one-on-one, professional financial counseling as a public service to anyone who lives, works, or goes to school in Howard County. Financial counseling is offered through a public/nonprofit partnership in which Howard County partners with United Way of Central Maryland to deliver counseling services.

Here are some frequently asked questions:

Who is eligible for financial counseling?

Anyone aged 18 and up who lives, works, or goes to school in Howard County can get free financial counseling at the Howard County FEC.

What can FEC financial counselors help clients with?

Financial counseling can help with the following issues:

- General money management
- Budgeting and reducing expenses
- Finding and using safe and affordable banking products
- Establishing and building credit, and increasing credit scores
- Decreasing debt and reducing delinquent accounts
- Building savings and learning effective savings behaviors
- Encouraging legacy planning, including making a will, etc.

Financial counseling helps people set and achieve financial goals. Clients may come into the FEC with specific goals in mind, such as wanting to learn more about their student loans and an effective repayment strategy, while other clients may just want to complete a general review of their finances to see what is possible to achieve.

What can FEC financial counselors *not* help clients with?

Counselors are not investment advisors, lawyers, crisis managers, benefits navigators, or therapists. Counselors do not make financial decisions for clients or speak to creditors on the client's behaf. Instead, they can suggest options using their expertise and knowledge of a client's specific situation.

How many sessions can an individual have?

An individual or couple can have as many sessions with a financial counselor as they need to reach their goals. A client can continue to see their counselor as long as they are making progress on their goals. Once reached, a client can set new goals.

Who can benefit from financial counseling?

- People with some type of income and secured housing.
- People who are looking to pay off debt.
- People working toward a goal, such as homeownership.
- People who want to deal with credit issues, identity theft or fraud.
- People who need to better manage their overall finances.
- People who are not familiar with the way financial systems work in the US.
- Everyone can benefit from financial counseling!

How should I prepare for my first session?

Gather your paystubs and other documents that show your monthly household income, recent bank statement(s), and statements for debt owed, including credit card bills, student loan notices, car payments, mortgage, etc. These will help you complete a financial health assessment with your counselor.

What happens during a financial counseling session?

Clients do the following activities in an initial counseling session:

- Sign a FEC Consent Form – *required before counseling can occur.*
- Complete a Financial Health Assessment (FHA) - *captures a baseline snapshot of their financial health.*
- Sign a Credit Pull Authorization Form – *required to allow Counselors to pull a client's credit report directly into the FEC database.*

Counselors then work with clients to understand their financial goals and challenges, prioritize what to work on, create a customized work plan that aligns with FEC counseling activities, provide next steps for the client to work on, and schedule the next session.
In follow-up sessions, Counselors discuss progress on completing next steps, reassess goals and priorities, assign more next steps, record client progress in the FEC database, and schedule the next session. Counselors use the FEC database in each session to take notes and record client progress

How long does a FEC relationship last?

FEC counseling is intended to be a long-term relationship with multiple sessions required for clients to see results and achieve outcomes. The length of a client's involvement with the FEC varies widely and depends on the client's financial goals and the length of time needed to achieve them. Some clients complete specific goals within a few months and have no further need for financial counseling, while other clients see their Counselors for multiple years, sometimes to address multiple goals.

There is no limit on the number of financial counseling sessions a client may have. Clients commonly have a FEC session every few weeks or every few months, depending on their goals, the next steps assigned between sessions, and Counselor availability.

How are FEC financial counselors trained?

Our staff are full-time Certified Financial Counselors. They have completed many hours of training and are certified by the National Association of Certified Credit Counselors. All FEC counselors meet Cities for Financial Empowerment rigorous training standards, including robust training on the context and socio-economic factors of poverty, financial content, counseling/coaching skills, code of ethics and more. Additionally, counselors are trained on local issues, such as public benefits and consumer financial protections, are well as on local partners. Counselors also complete at least 30 hours of continuing education each year.

How are FEC services different from financial education?

Even in the best cases, general financial education classes are typically not enough to help families address complicated financial situations. While FEC counseling typically involves providing financial education during counseling sessions, a Counselor's role goes beyond education. Counselors help clients prioritize goals; set individualized, *actionable* and achievable next steps; emphasize client retention to facilitate accountability; and track client progress in the FEC database to capture achievements.

How is financial counseling different from housing counseling?

The HUD Housing Counseling Program provides free or low-cost advice on buying a home, renting, defaulting, foreclosure avoidance, reverse mortgages, and more. The primary objectives of the program are to improve financial literacy, expand homeownership opportunities, improve access to affordable housing, and preserve homeownership. You can learn more about HUD housing counseling and training requirements here.

While FEC counselors can also support clients' homeownership goals, housing counselors are trained more extensively on the housing process while FEC counselors can support broader financial goals than just housing, such as emergency savings, medical debt, etc.

It's not uncommon for a housing counseling agency to refer clients to the FEC to learn how to develop a budget, increase savings, and increase their credit scores. Housing counselors can then focus on the housing process with their clients rather than general financial management.

Are there characteristics of successful FEC clients?

Anyone who is interested in pursuing an individualized plan of action to work on their financial goals can be a successful FEC client.

Counselors work with clients on banking, credit, debt, savings goals, and legacy planning to produce a tangible difference in the client's finances. To Clients with stable housing, who have some income, and are not facing a personal crisis, may be able to take better advantage of FEC services.

Note: experience demonstrates that clients who are facing an emergency or crisis typically do not have the bandwidth to focus on achieving FEC counseling activities until their crisis has been resolved. While Counselors can provide clients with external referrals to assist with public benefits, eviction prevention, mental health resources, and more, FEC counselors are not trained to provide emergency services to client.