



**Region X**  
**Housing Counseling Roundtable**  
**March 16, 2016**

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HUD, Office of Housing Counseling**

# Agenda

- Value of Housing Counseling
- Positive Impacts of Housing Counseling
- Updates from the Office of Housing Counseling
- Questions?

# Housing Counseling Helps Consumers By...

- Providing unbiased assistance to help clients resolve their housing problems or needs
- Providing group education and one-on-one housing counseling in-person, internet, and telephone
- Reviewing client's financial situation and housing needs
- Designing an action plan with the client
- Referring clients to appropriate community resources
- Contacting lenders on behalf of their client to help resolve mortgage delinquencies
- Addressing unrealistic client expectations

# Housing Counseling Helps Real Estate Professionals By...

- Identifying “ready” applicants who may not be reached by traditional marketing efforts
- Improving borrower or renter risk profile by increasing savings, reducing debts, and increasing disposable income
- In the case of prepurchase clients, increasing consumer confidence in traditional banking and coaching them to work with a banker
- Diverting inappropriate applicants from homeownership, which helps them assess readiness and responsibilities, avoiding denials
- Providing a second look program for applicants who are denied loans or rental apartments
- Providing access to subsidies and assistance programs to increase affordability
- Helping consumers identify and access default and eviction prevention alternatives

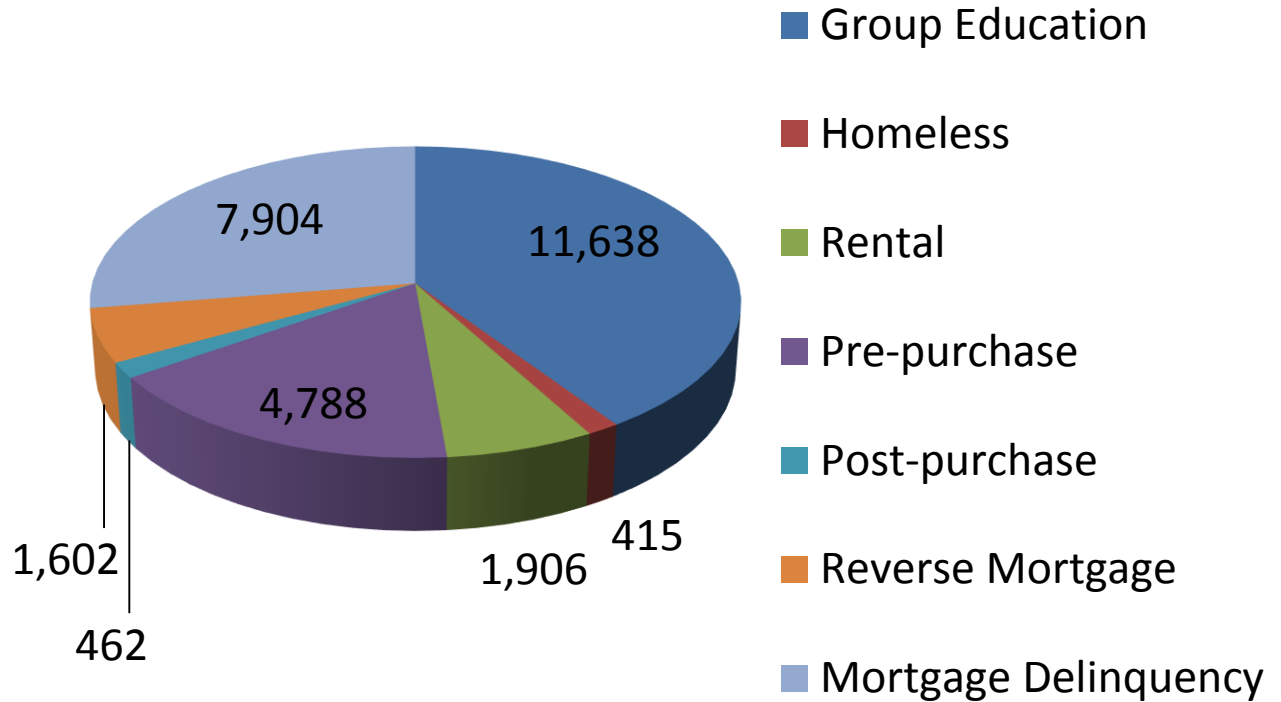
# Region X Statistics

71 HUD approved housing counseling agencies



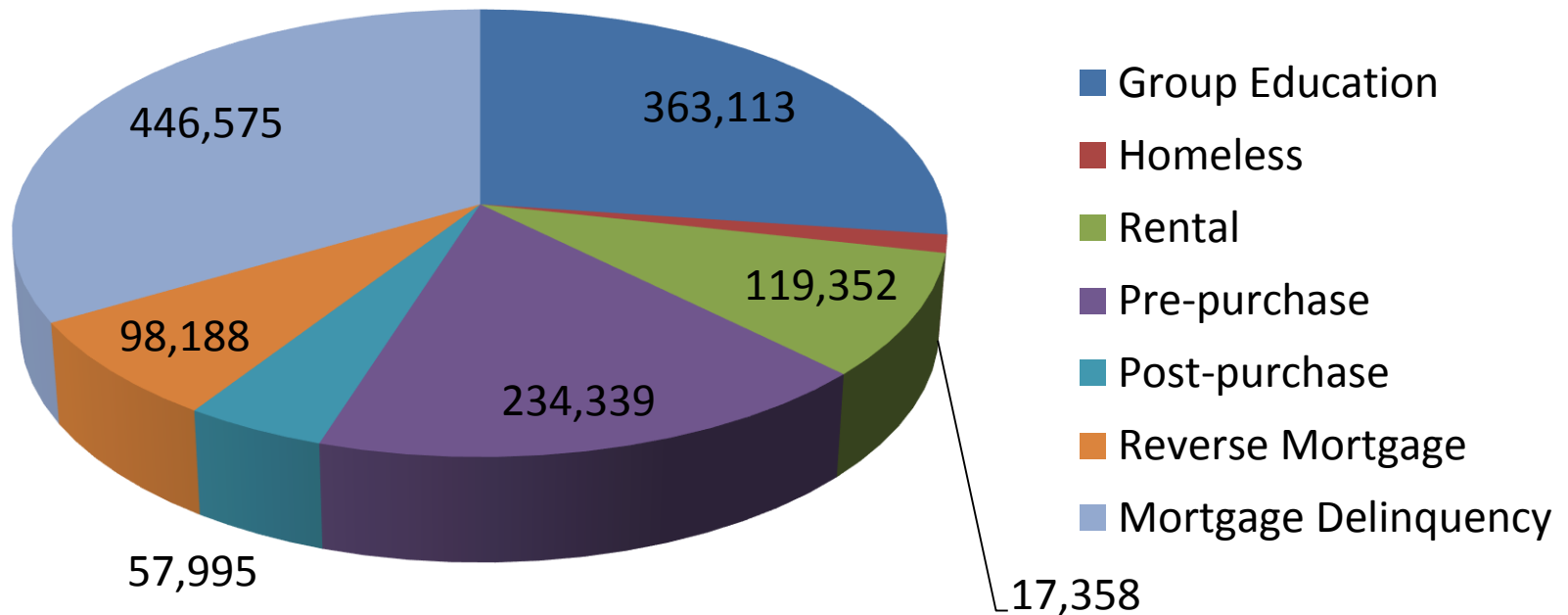
Over \$1.4 million in HUD Funding

Total Counseling  
Activity for  
FY 15  
28,715



# FY 15 All Agencies HUD-9902 Data

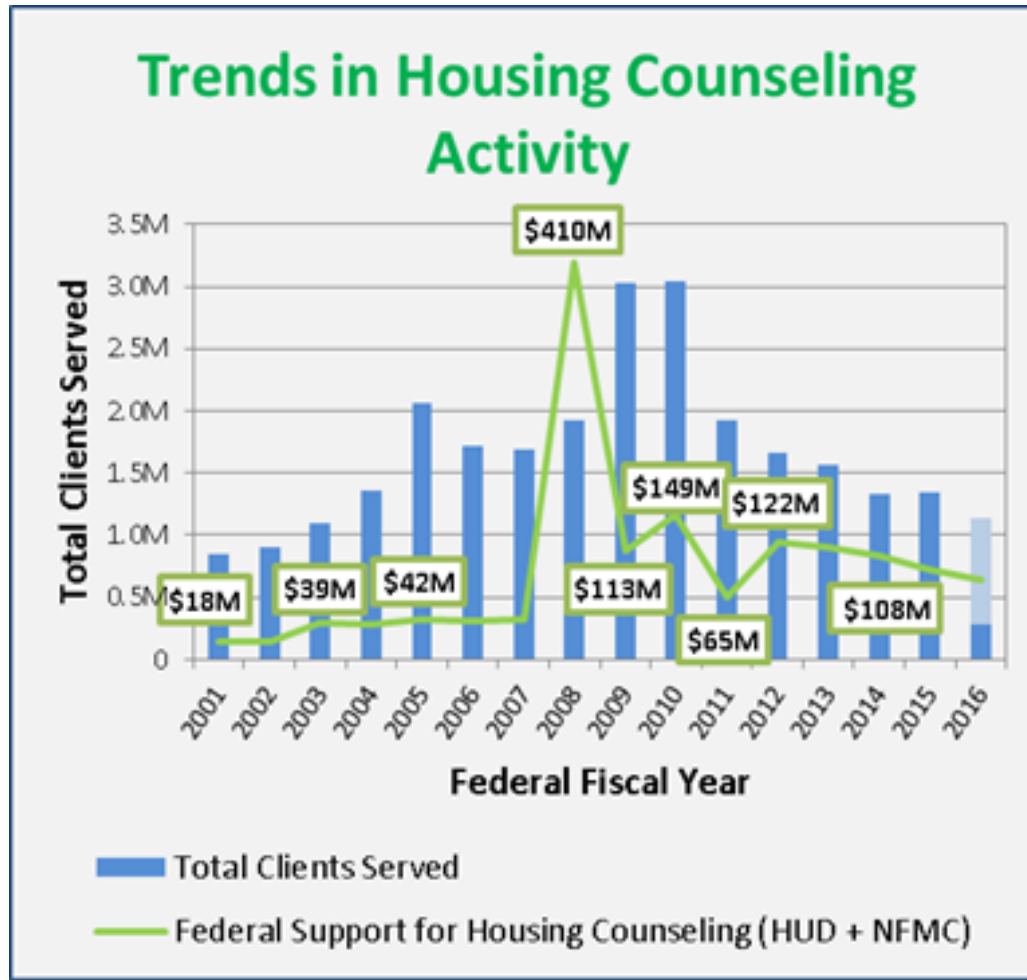
## Oct 1, 2014 to Sep 30, 2015



Total Activity – 1,336,920

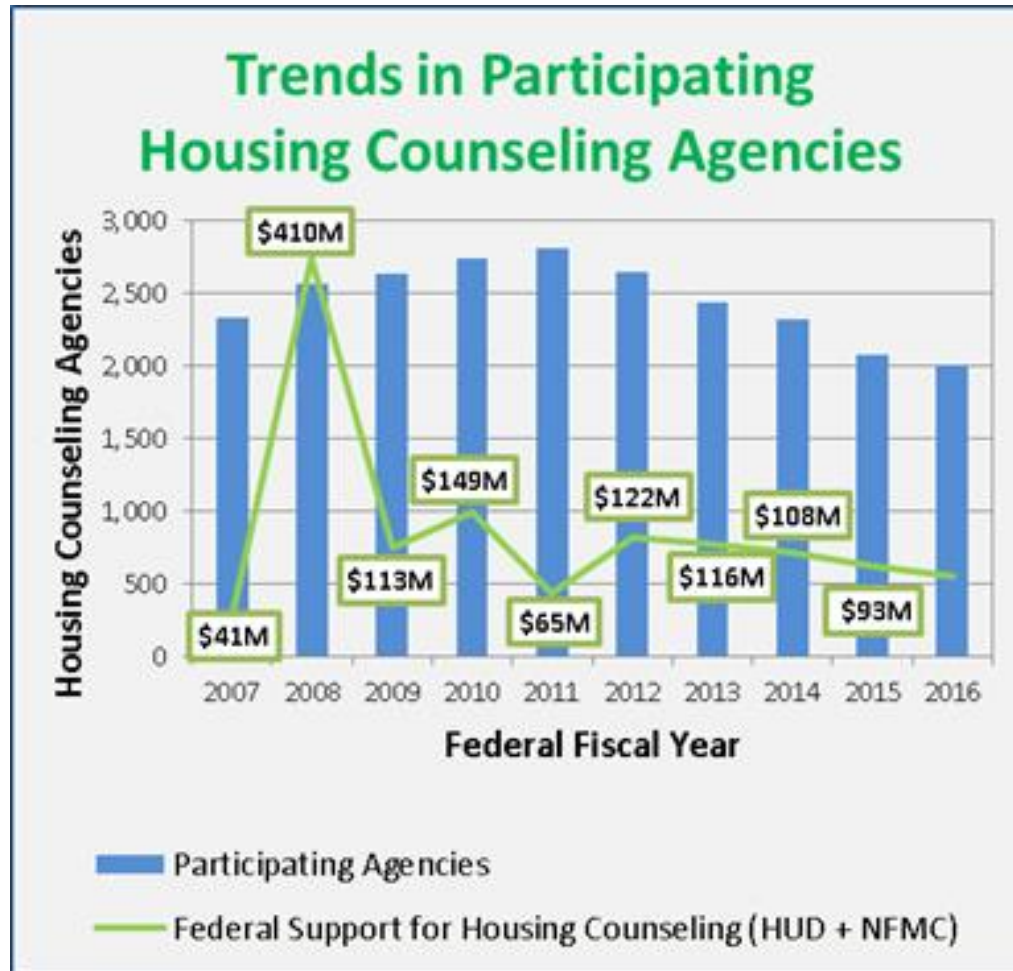
# Funding Trends

## Housing Counseling Activity



# Funding Trends

## Participating Agencies





# Impact of Housing Counseling in FY 15

## Households that:

Received both one-on-one counseling and group education:	100,872
• Received Information on Fair Housing, Fair Lending, or Accessibility Rights:	213,433
A counselor developed a sustainable household budget:	403,370
• Improved their financial capacity:	178,188
Gained access to housing resources:	170,237
• Gained access to non-housing resources:	113,764
(Homeless or potentially homeless) Obtained temporary or permanent housing:	10,143
• Received rental counseling and avoided eviction:	16,698
Received rental counseling and improved living conditions:	24,663
• Received pre-purchase counseling and purchased housing:	38,145
Received reverse mortgage counseling and obtained a HECM:	52,136
• Received non-delinquency post-purchase counseling and improved home conditions or affordability:	33,564
Prevented or resolved a mortgage default:	93,289
• <b>Total Impacts:</b>	<b>1,448,502</b>

# HUD Housing Counseling Grants

- Fiscal Year 16 appropriation bill passed by Congress and signed by the President provides \$47 million for grants, training and administrative contracts
- Fiscal Years 16 and 17 Notice of Funding Availability (NOFA) announced on February 18
- Estimated \$42 million for program funding
- April 4, 2016 deadline
- General Section and NOFA are available [www.hud.gov](http://www.hud.gov)

# Housing Counselor Certification: Getting Ready

- OHC launched training website June 4, 2015:  
[www.hudhousingcounselors.com](http://www.hudhousingcounselors.com)
- **Free** on-line training and downloadable study guide – exam not available yet
- Training for examination not required but encouraged
- Final Rule pending

# Oversight and Risk

- Risks associated with housing counseling
  - Misuse of Federal funds
  - Poor quality of housing counseling
  - Weak organizations
- Agency performance reviews
  - Improving the process
- Oversight results are impressive
  - Less than 1% recaptures
  - Minimal complaints about housing counseling agencies

# Sustainability

- Agencies don't receive enough funding to support their work
- Diminished foreclosure prevention funding
- Encouraging partnerships with lenders, state and local entities, real estate professionals and consumers

# Housing Counseling Works

After four years, counseled borrowers had improved credit scores, less debt and fewer delinquencies. *2014 Federal Reserve Bank of Philadelphia*

Counseled homeowners were 2.83 times more likely to receive a modification, and at least 1.78 times more likely to cure a default, than similar non-counseled borrowers. *2014 Urban Institute*

Borrowers receiving pre-purchase counseling and education...are one-third less likely to become 90+ days delinquent over the two years after receiving their loan.

*2013 Neil Mayer & Associates study*

Borrowers receiving counseling through individual programs experience a 34 percent reduction in delinquency rates, all things equal, while borrowers receiving classroom and home study counseling obtain 26 percent and 21 percent reductions, respectively.

*2001 Joint Center for Housing Studies*

Counseled homeowners were at least 67% more likely to remain current on their mortgage nine months after receiving a loan modification cure. *2011 Urban Institute*

Counseling reduces the delinquency rate by 29% for first time homebuyers and by 15% overall. *2013 Freddie Mac study*

Homeowners in default who received counseling were twice as likely to avoid foreclosure as those who did not. *Roberto Quercia and Spencer M. Cowan 2008*

The monthly payments of households that received counseling were, on average, \$267 less than those who did not participate in counseling. Counseling also made it 45 percent more likely that the homeowner would sustain those payments after modification. *2011 Urban Institute*

# HUD Randomized Experiment

- HUD's Pre-Purchase Homeownership Counseling Demonstration
- Randomized experiment underway
  - Study participants are randomly assigned to one of 3 groups:
    - Remote online pre-purchase education plus telephone counseling
    - Choice of in-person or remote education plus counseling
    - Control group that receives no services
- Enrollment has reached close to 5,900 participants
- Baseline report will be published this year

# Awareness and Visibility Efforts

- Webpage Redesign
- Awareness and Visibility Campaign
- The Bridge





# Webpage Redesign

[www.hudexchange.info](http://www.hudexchange.info)

The screenshot displays the HUD Exchange website interface. At the top left is the HUD logo and the text "HUD Exchange". To the right are navigation links: "Login to My HUD Exchange", "About", "Email Updates", and "Contact Us". Below this is a search bar with the text "Search HUD Exchange" and a magnifying glass icon, with "Powered by Google Search Appliance" underneath. A secondary navigation bar contains links for "Home", "Manage a Program", "News", "Training & Events", "Get Assistance", and "About Grantees". The main content area shows a breadcrumb trail: "Home > Manage A Program > Housing Counseling". The primary heading is "Housing Counseling", followed by a paragraph explaining HUD's support for Housing Counseling Agencies (HCA) and counselors. Below this is a section titled "Housing Counseling Works Video" with a video player showing a 3D wireframe box and the text "BE EMPOWERED". To the right, there are two sidebars. The top sidebar is titled "Mailing Lists for Housing Counselors" and includes links to "Subscribe to Housing Counseling Mailing List and View Archive" and "Subscribe to 'The Bridge' Newsletter and View Archive". The bottom sidebar is titled "Housing Counseling Certification" and features three icons: "TRAINING COURSE", "PRACTICE EXAM", and "CERTIFICATION EXAM". Below these icons is a paragraph describing the interactive online training and the URL "HUDHousingCounselors.com".



# Awareness & Visibility Campaign

- New contract
- In discovery phase
- Changing negative perceptions
- Adding value proposition
- Building a nexus among HUD stakeholders
- Translate into funding sources

# The Bridge

- Useful tool
- Features the good work of agencies across the country
- Provides great training and best practices
- More than 15,000 subscribers
- Open to ideas



# Office of Housing Counseling



## Housing Counseling

HUD's Housing Counseling Program provides support to a nationwide network of Housing Counseling Agencies and counselors.

Find us at: [www.hudexchange.info](http://www.hudexchange.info)

Click on:

Find a Program

Email us at: [Housing.counseling@hud.gov](mailto:Housing.counseling@hud.gov)