



Final Transcript

**HUD-US DEPT. OF HOUSING & URBAN DEVELOPMENT:
Awareness and Visibility Campaign-Stakeholders Meeting**

March 16, 2016/1:00 p.m. EST

SPEAKERS

Jane Charida
Judy Ayers Britton
Loren Banks
Jackie Moore

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by and welcome to the Awareness and Visibility Campaign-Stakeholders Meeting Intermediaries and SHSA. All lines are now fully interactive. To ensure the best audio quality please keep all background noise to a minimum and please use your mute button if available. (Operator instructions.) As a reminder, this conference is being recorded.

I'd now like to turn the conference over to our host, Ms. Jane Charida. Please go ahead.

Jane Thank you so much, and welcome, everyone. Thank you for joining us for today's stakeholder call. Before we get rolling with the presentation I'd like to go over a few webinar logistics with you, or actually call logistics. I do want to mention that this presentation is being recorded. And the reason we do that is so we can make sure we capture all of you all's wonderful comments and suggestions.

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Our lines are going to be muted for a while, but once we get into the discussion portion of the call we will open up the lines. At that point you can mention any questions or comments you have.

I would also like to say there are other ways to make comments. Next slide, please, Judy. If you notice, to your right there is a question box. You can put in questions or comments there, or if you think of something after today's call feel free to drop us a note in our housing.counseling@hud.gov mailbox. Next slide, please. And then the next one. Thank you.

As I mentioned, the lines will be on mute until we get rolling. When the operator opens the lines we request that you mute your lines yourselves unless you are speaking, of course, and you can do that by either touching the mute button on your phone or pushing star six.

We also find that it's easier to hear you when you use the handset on your phone instead of speaker. So, that would be great if you could do that. At the conclusion of today's call we will have a brief survey, and it would be wonderful if you could comment on that. That just helps us do a better job on calls and on webinars. Next slide, please.

We'll also issue a Certificate of Training. It will come via email. And this will be your only certificate that you'll get. So, please save that for your records.

Again, we encourage you all to participate, either on the phone or in the comment box. I'd now like to turn it over to our presenter, Judy Ayers Britton.

Judy

Thanks, Jane. Good morning, and good afternoon to some of you. As Jane said, I'm Judy Ayers Britton, and I'm with the Office of Housing Counseling. And I want to thank you guys for joining us today for the Awareness and Visibility Campaign focus group.

I want to give you a little background on what we're doing before we get started with this focus group. The Office of Housing Counseling has contracted with creative marketing resources to gain knowledge on the perception of housing counseling and hopes to make a change in any negative perceptions and create awareness of the value of housing counseling among our stakeholders, especially the consumers.

So, we're holding focus groups across the country and via webinar with all of our stakeholders to find out their perceptions, find out what your perception is of housing counseling. We've held several meetings over the last couple of months, and we'll continue through April, concluding with a consumer focus group. And certainly when we're done with all of these focus groups and have a final report on it we will certainly be sharing it with folks.

So, that being said, you guys of course are very important stakeholders in this process, and we want to get your feedback on some of the questions we believe will help us in the discovery phase of this project. Now, I know we've got a limited number of folks on the call, so I want to make sure that those of you who are intermediaries in state housing finance agencies, please, please speak up.

Keep in mind you do not have to identify yourself if you don't want to. This is completely anonymous. We're just looking for feedback to try to further what we're doing throughout this Awareness and Visibility Campaign. And I know some of you may not actually provide counseling per se. You may just oversee sub-grantees or affiliates, so keep that in mind when the questions are asked and try to put it in perspective of the housing counselors that you oversee, that you work with, and agencies that you work with, and from their perspective.

And so without further ado, let me move to the agenda. I'm going to introduce to you, from Creative Marketing Resources, Loren Banks and Jackie Moore, who will be working through the questions with you. And again, please speak up and be honest, is what we want. Alright, I'll turn it over to them. Thank you.

Loren

Thank you. Good afternoon, everyone. This is Loren Banks speaking, with Creative Marketing Resources. We are so glad that you were able to join us this afternoon/morning, whatever time zone you're in. But we really want to start our discussion off talking about first time home buying and, as Judy mentioned, we want you to be as candid as possible, so please feel free to give us your honest feedback.

We're going to open up for a quick poll just to find out who is on the line today. So, if you can take just a few moments to answer this poll: What housing counseling services does your agency provide? And you can certainly select more than one of those options.

So, about half the people have voted.

Judy And I know some of the people on the call today don't actually provide counseling at all, some HUD staff are on the call as well, so you might be able to move on with half.

Loren Okay, great. Thank you. This is just really helpful for us to know what services you actually provide as you are answering the questions that we have for you [indiscernible]. Okay. I think we can move to the next slide.

So, in terms of first time home buying, that's kind of where we want to start our discussion off this afternoon, putting yourself in your consumer's shoes. So, in other words, those renters and those first time home buyers that you're working with what's most important to them when are considering purchasing a home for the first time. Do you think that they're most concerned with their credit, their down payments, the neighborhood they're going to move into, the cost of the home? What are the most important things?

W And all your lines are open, so you can just speak candidly.

Loren I see an answer just came up on the poll here, so understanding the mortgage process. Okay. Can you elaborate on that? Understanding what about the mortgage process?

Judy So, do you think that the mortgage process is a little daunting and that the consumers of course need help in counseling to try to understand it?

W Can you also maybe think about, is it the length of time that it takes in terms of the process, or just the amount of paperwork, or the number of things that you have to go through, inspections, all of those things a first-time home buyer might not be familiar with all of the requirements, so is that what you meant by understanding the mortgage process?

W I think so and just all the steps in the process, inspectors, insurance, attorneys, property taxes, and how each step in the mortgage process should flow, where do you start.

Loren Yes, excellent. Good information.

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- Loren Is there anything that they're not considering that they should be considering? Do you ever have meetings with them and they have that aha moment of oh, I hadn't thought about that?
- W Usually when they realize how much down payment they need.
- Loren Ah, okay.
- W Yes.
- Loren Fair enough. Anything else other than the down payment? What about different types of insurance?
- W Or ancillary costs, closing costs, down payments, inspection costs, there are a lot of expenses that perhaps you're not aware of that fall back on the buyer oftentimes.
- Judy And, I don't know, are these conversations at all that you have with your sub-grantees or your affiliates, or are these issues that come up maybe during training sessions?
- W Do you think?
- Judy Well, another comment in the questions box is getting the best deal, that's important to them as well, right?
- W Okay. When we talk about getting the best deal, is that the best mortgage rate, or the best overall package? Is it the best interest rate, I guess I should say, or the overall package itself? Because we know that oftentimes things are offered on one side and then you can bump up the cost on the other side. Is that what that means in terms of getting the best deal? Can you elaborate at all on that?
- W Another comment that is here is the importance of credit and how long it may take to become mortgage ready. Yes, I think that's something that they don't really think about getting. They say, "I want to buy a house," they think they should be able to buy a house, right? They don't take any of that into consideration.
- W [Indiscernible].

- W That's definitely a good point. [Indiscernible] about working with realtors?
- W Well, and there's another comment that I think is important—
- W Oh, okay.
- W —that we may want to look at. And it says “It's important that the housing counselor is able to provide in language and culturally appropriate counseling, and someone that they can rely on and trust.” I think that that's also very important, particularly as we look at the first-time home owners, who they might be, and the lack of experience that they may have is that it is down to who can they trust and that housing counseling agencies are not looking to make money off of them, they don't have a vested interest in except that we want them to do well. But everybody else certainly will benefit as a result of the transaction.
- So, can you talk a little bit more about that, because that's a very interesting point that we haven't really talked about much. And I notice that people are putting your responses into the question box. Do you prefer not to speak on the call? Is that more preferable? Because we do have an open call so that we can open dialogue.
- Judy And just remember, I can see whose names are over here but we're not going to call anybody out. We just want your input from your perspective as intermediary state housing finance agencies. We want input from you.
- W Right. Because at the end of the day, just so you know what we're really trying to do is raise the awareness around housing counseling. We know that there are tremendous benefits to individuals who have attended housing counseling sessions, or who rely on housing counselors as their advisors. So, we really want to spread that word to others. And so the questions that we're doing today and your feedback will really help us do that better so that we can really let people know there is a solution for you here, there's someone out there that you can turn to that you might not even be aware is there.
- W I have a question. I'm unable to have the audio from my computer.
- Judy Yes, we don't have it that way. It's got to be through the phone lines.
- W Oh, it is has to be the computer and then the phone line?

- Judy Yes, the computer and then the phone line, which it sounds like you're on the phone line as well.
- W Yes. Okay. Thank you.
- W Yes, that's good. So, those of you who have not used the dial-in audio, you should call in if you cannot talk back to us.
- W I can send that message to everybody, because I think if they're not dialed in they wouldn't be able to hear us.
- W We're getting some other comments, also there are consumers who are self-employed who don't consider they need the required documents of two years' tax returns, pay stubs, and documents like that. Yes, that's an excellent point and something that of course they're going to be told when they get to the lender or the realtor. But it would be better if they could be told those things by someone with an unbiased opinion or help for them.
- W I would like to add too, I think the majority of first-time home buyers that we see that take our education courses are coming in and they really don't have a clue about the process at all. All that they know is what their realtor or their lender that they first approached has told them, and that's typically from a friend referral, or a family referral. But many of them, I would say the vast majority, 75%, don't understand the difference between an APR and just the general interest rates quoted on a website. Most first-time home buyers, especially the younger generation, the Millennials, are very naïve about what they're getting into.
- W Yes, excellent point too. And those are the things that we've been discussing and we're finding out on the back end that a lot of people didn't even know about housing counseling. They didn't even know that it was available. So, hopefully going forward we can get the messaging out they will be able to get in to understand that information before they get to the realtor. Excellent. Thank you so much for talking.
- W Right. I think it seems like the process is almost backwards. People will go out and find their dream home and then realize that maybe it's not realistic. This is one of the biggest challenges we face is that they go out and find the home and think that they've found a mortgage, but then working backwards realize it's not perhaps as realistic.
- W Yes, good point.

W That is a great point.

W I would say that's one of our biggest challenges as well. And what we struggle with is getting the realtor lender community to refer their first-time home buyer clients immediately when they reach out to them to housing counseling, or to pre-purchase education. I think that there's a stigma that if they send them to it that they may lose a client. And that's something—

W Yes, that's—

W —that we have tried to get past, but I think it's countrywide as an issue.

W Yes. We're hearing that across the board as well.

W Hello?

W That's good feedback. And that definitely would be something unique to renters, I think, is that they would drive past this home and, "This is it. I'm going to buy this." And not realize all of what you need to qualify for to do that.

W Hello?

W Yes, hi.

W Yes. I was going to piggyback on what was said just a minute ago. We do have a lot of people that come in and they don't know the difference between getting pre-qualified and getting a loan. And they are confused by pre-qualification and getting a loan, so they think getting a loan is, they do that first, but I have to constantly remind them that you need to do pre-qualification first and you can't get a loan until you find a house. So, a lot of them are being confused with that.

Loren Great. Thank you.

W Great point.

Loren I think we can move on to our next set of questions. What do you think are the most important benefits that you as a housing counseling agency, and I realize some of you may not be providing the counseling services

yourselves, but what are some of the most important benefits that you provide to first-time home buyers?

W Are they aware that it might be an unbiased opinion?

W Yes, definitely. I think there's a lot of, especially in the younger generation there's a lot of distrust when you're going out and looking for information from banks and lenders. And people know what has happened over the last ten years and they're wary of that and think that information the counselor provides is able to be customized to them but also objective.

Judy And I'm thinking, as an intermediary or a state housing finance agency, put that hat on, how do you feel like you benefit a first-time home buyer? Is it by training your sub-grantees, is it by providing funding to them? Is there something else that you can think of as an intermediary?

W I think the actual process of home ownership, what are the pros and cons of owning a home and plus introducing them to some systems with down payment that they have no idea that was out there. And I think that's what I see that we provide.

W Being a good resource to them—

W And being a resource—

W—in terms of the options that are available.

W The options of down payment and really the whole process of home ownership, the pros and the cons, because I've had a person that went through the class, and after we finished she realized she wasn't quite ready to own a home. So, she said she had to wait another year or so, so that she can really get ready, because she didn't know really all the process of owning a home.

W And that's an excellent point.

W Yes.

W Part of counseling is helping them to come to that realization so that they don't end up putting themselves in a position to have a miserable life. So, that's an excellent point.

- W Yes.
- W [Indiscernible] Women Watch Africa. One of the things that I think benefits first-time home buyers the most is that we don't just finish a counseling session with them and preparing them for home ownership, but we are always there. We make sure that they understand [indiscernible] particularly because we're providing services to people with limited English proficiency. And so just a one-time session is never enough, and so we always have them come in again, even though they have the group session and they come in individually, [indiscernible] to come in individually at their own pace and then we make sure we have interpreters on standby to be able to provide interpretation to them for better understanding.
- So, that's one thing that I think makes our program unique, and we try to make sure that they are well equipped for the outside experience [indiscernible].
- W That's good.
- W Again, the resource follow up, so that if they should fall into any kind of trouble that we're there. Okay?
- Loren Okay. So, as you're working with these first-time home buyers, or your counselors are working with them, what are some of the things that concern you the most about working with them? And it could be based on what you feel they don't know, or what kind of issues they may come to the table with already. What are some of your concerns?
- W Might it be around the expectations that they have? Because it sounds like from some of the comments, that they find a house, they think they have the banker and so their expectations are here's my dream home, and then reality sets in. Anyone?
- W I have seen problems as far as the state where I'm from taxes, clients seem not to understand a little bit of after owning a home, paying the taxes, taxes do change. I see a lot of confusion when it comes to explaining to that within the process of obtaining the property. And when they're in the property then if there are any changes on the taxes within the first year that they're there, I've seen a lot of confusion, and that that would be a concern in that one of the points that we explain to the client over and over is that

even if you have a fixed rate your payment can change due to changes in the taxes or the insurance.

W Right.

W They do get confused about that. They think that once they get a 30 year fixed, it's going to be fixed for 30 years and isn't going to change.

W Okay.

W [Indiscernible].

W And the concern also is to have the clients prepare financially for those changes and awareness. It does happen.

Loren Absolutely.

W Right.

Loren Thank you. So, what are the most important benefits that you provide to the first-time home buyers? Oh, I'm sorry. I asked that. What makes your agency particularly well equipped to help first-time home buyers? So, some of the things that we've been hearing from your colleagues is that first-time home buyers are going to lenders, they're going to real estate professionals, they're going on websites, like real estate professional websites like Zillow or Trulia, they're getting information from other places other than actually going to get housing counseling. So, what do you think makes you particularly well equipped to really provide that information for them?

W Hello?

Loren Yes, hi.

W Hi. I wanted to say that we're unique because we're teaching the client how to calculate ratios, doing the gross and the actual net, and to get the client a better perspective of where they really are at. Because a lot of times they can go to a lender, and they will, they go to a lender first, or they go to a realtor, and they've got it so now they have to have a pre-approval letter, so they'll go back to that lender first. And then I'm basically sharing with them that we're the first part of the team and teaching them that hands-on, how to take charge and realizing that your

bottom line is having everything in order, but it's basically teaching them so they can make sure that they have the appropriate amount, because a lot of times they'll—

(Background conversation)

Judy If you're not speaking, if you could mute your phones. We're hearing conversations in the background.

W That isn't me, though. Are you there?

W Yes, we are.

Loren We're here. We're sorry. Go ahead.

W Okay, the main thing is teaching clients the process and teaching them that, more or less putting everything in perspective about that they have more of a responsibility, teaching them how to calculate. I think that that's really important, because a lot of clients do have that [indiscernible] where if they go to the lender first, even though it's based upon the gross amount, but teaching clients what it looks like, the gross, and the net so that they can get a really better picture of where they really need to be shooting at, so that they can have more success than otherwise.

W Great. Thank you.

M I think along with that is any housing company agency's ability to provide unbiased guidance and education. They can go to a lender and the lender might have their own particular program or way of doing things, but to be able to provide a client with, "Here are your options. These are the different programs that are available," to help them to be able to make wiser and better choices in regards to purchasing a house.

W That's a great benefit, to know that the person doesn't necessarily have a financial stake in the outcome.

M Yes.

Loren What are some of the things that you all are seeing as consequences when first-time home buyers don't receive housing counseling? When they are going off and getting information on their own, or asking family members

or friends for advice, what are some of the things that end up happening as a result of that?

Stacy Good afternoon. I'm Stacy from North Carolina. One thing I see down here in North Carolina is that they miss out on a very important first-time home buyers' tax credit. We have certificates that are issued through our housing finance agency, and most lenders don't either bother with it, or may not be accurately informed on it, where our housing counselors are very versed on it. There's a fee associated with it, but it's a very good cost savings to them over the long run.

And that's one of the biggest things that I've seen. We're a new intermediary, so I'm just six months into this program, but that's one of the first things that I learned is that there's tax credits or other programs that maybe have been better beneficial or cost savings to them that the lender did not even introduce to them, for whatever reason.

W You mentioned that there's a fee or a cost for that. Is that a fee that goes the agency itself for the counseling?

Stacy I believe, and again, like I say, I'm new, but I believe it's the housing financing agency's processing fee. I think it's not paid to the housing counseling agency itself. It's the application fee. There's a fee for this application process.

W Okay.

Stacy And the housing finance agency issues this certificate, and this certificate is good for this tax, I guess like a rebate kind of a deal, with a credit, right? For example, I have a personal friend who just recently bought a home and I asked her about it, and she was not told about the tax credit, which over the long run could have been a very valuable resource to her.

W Right.

Stacy But she wasn't told of it. She wasn't even informed of it by her lender. And I advised her that it would have been more beneficial had she gone to a housing counselor.

W Yes, that's great information. Now, does the state housing finance agency pay the counseling agencies to distribute the certificate?

Stacy I'm not sure.

W Okay.

Stacy I'm extremely, we just became an intermediary in December.

W Okay.

Stacy So, I'm very, very new.

W Great. Thank you so much. I appreciate the information. We'll see if we can maybe find some more information on that.

W I would like to add to that. When the client is not educated as far as with a home ownership class, [audio disruption] whether it is information that they're looking for online, it could be going to a realtor, or going to a bank, they do miss out on a lot of stuff. And they don't have an option as far as selections to select from, versus just going with what they're given.

W And it can also be overwhelming, because there's a lot of information out there and you don't know exactly what to hone in, what you need to pay attention to, what you can just skip over, and so it's all based on what link they click on as to what's presented on their computer screen, where a housing counselor can really hone in on the programs that are beneficial to them.

W Yes, good. Good information.

Loren Yes, that's excellent feedback. Thank you. Okay. So, we can move on.

W Sorry.

Loren That's okay. I know there's a little bit of a delay on here, so I didn't want—

W I was too involved in the conversation.

Loren That's good. That's a good thing. So, still along the lines of first-time home buying, what barriers, or hurdles, or frustrations do your counselors experience? So, anything that's particularly difficult for you working with first-time home buyers, or things that you've heard are particularly difficult for counselors?

Stacy This is Stacy again. I have heard, one example I've heard is that, so you do have those web researchers who come with information and they may have an understanding of it, but it's not the full capacity of what it truly entails. And so you're trying to educate them and they're telling you that you don't know what you're doing. That's one of the frustrations I've heard being introduced into housing counseling is that because the Internet has such a great amount of information out there, but it could be your understanding of it, or interpretation of it may not be actually how it's implemented, or you could be misunderstanding the information.

And so that's one frustration that I've heard, that they're coming in and saying, "Look, this is how it works," and they're trying to tell them that, "No, it's really working this way." And they're like, "No, but this is what," you know, so that's one frustration I've heard.

W Great. Thank you.

W While you're still thinking about that first question, I'll ask another: How is it that the first-time home buyers are finding your housing counseling agencies? How do they connect with them?

W We are here, and my agency, we're a certified housing counselor, and in most of our agencies our clients come in through the HUD counseling web page site. They look for us. And also we're the [audio disruption] most of our time.

Loren I'm sorry. I just got a little feedback on that second part so I didn't quite understand your response. Can you repeat that?

W Yes. We are housing counseling certified by HUD, so we get most of our clients, they look for HUD information on home ownership and they're referred to us, is where we get most of our clientele.

Loren Anybody else—

W I—

Loren —[indiscernible] consumer findings [audio disruption].

M Word of mouth is the biggest thing for most of our people, former clients just telling friends, family, and that just seems to draw people in for our agency and most of the agencies [indiscernible].

- Stacy In North Carolina what I've heard, what I've been introduced to is that a lot of housing counseling agencies connect, they know when a realtor or a lender cannot work with a person and they might refer them to a housing counseling agent so they can get them lending ready and prepared. So, that's another way that housing counselors can get the word out letting the realtors and lenders know that they can work with clients and try to have them credit ready, if they don't walk in the door credit ready, that they can help them become credit ready, or work with them. So, that's another avenue I think that people are being referred to housing counseling agencies as well.
- Loren Okay, great.
- M On the flip side, if I can go to that and say back to the barriers—
- Loren Yes.
- M —that's one of the barriers that we have is working with the lenders and trying to convince them to send more of, perhaps their denials, people that couldn't get approved for a loan, to try to convince their mortgage people to refer them to us. They do a pretty good job of getting people that are pretty much on the way, but the ones that fall by the wayside, they don't seem too keen on connecting them with us. So, we're really trying to work with lenders and even people in the real estate industry to funnel more people our way, because we're [audio disruption] working on help them out, and it doesn't seem like they're buying into it as much as they probably should be.
- Loren That's great feedback. Thank you. So, who do you consider to be your competitors? And when I say "competitors" I mean where else are consumers getting information instead of coming to housing counselors?
- W Definitely I've noticed more and more lenders are doing their own home buyer seminars, like local banks are advertising for "Come learn about buying a home," which is—
- W Sure.
- W —really just a way of saying "Come learn about our mortgage products."
- W Right.

- W And it certainly is something that they can do, but I do think people see that as the way to learn, or they'll just find what they find online and think that that's all there is to know.
- Loren Any other comments on the barriers, or frustrations, or competitors?
- Stacy Well, again, from what I'm hearing is that now that they can get certification online and they don't necessarily have to walk into a door or building and sit in front of a counselor, that that is having some kind of adverse reaction from housing counselors, because it is acceptable for them to go through an online course. But not having that face-to-face interaction you don't have someone there when you're on a computer screen to ask the questions, or even to offer advice on things you might not even know to ask.
- W Yes, that's a good point. Thanks for sharing that.
- W And what I see is that lenders, they send the client to do these seminars online, not realizing that maybe the client is not fully understanding all the process and just for their best interest to get the loan closed they take that certificate. So, it's a concern too, for what experience a client is getting, or education out of the whole process.
- Loren Excellent. Thank you. Okay, well then I think we can move on to our discussion on awareness and perceptions. What we really want to find out from you are some of the perceptions of HUD housing counseling. We're going to be asking these same questions of some of the consumers that are receiving HUD housing counseling or are not, coming up in the next couple weeks here, but we also wanted to get your feedback.
- So, the first question I have is really related to the phrase "housing counseling." What are your thoughts about this phrase? We've done some research ourselves just to kind of find out ways this may be helping or hurting our brand, but we really want to hear from you. So, is it positive? Is it negative? What are your thoughts on that phrase "housing counseling?"
- Stacy Well, I think it's restrictive because it puts it in a box, and housing counseling is so much more broader than that. It really is in coaching, and you're doing financial literacy, and you're doing credit counseling. It creates a concept that puts a limitation on perceptions. And so I think to re-brand that and to come up with a way to really captures all the work

that is being done. To me, like I said, coming in new I see it as being restrictive.

Loren Okay. That's great feedback. Do you have any suggestions of ways that we could re-brand that, like another phrase or word we could use?

Stacy I have heard some of the counselors starting to use the word "coach." And I even have one agency who said she's not even calling hers housing counselors, I think she called them "financial literacy coaches," is the term she's using. She's taken housing counseling off of their cards and everything because she strongly is passionate about re-branding the work that they are doing. So, that's the only two suggestions I've heard so far about what people would like to hear, or see, or redirect. But I haven't had any original thoughts on my own. I'm sorry.

Loren Oh no. That's okay. And I put you on the spot, so I just thought since I had you here.

W That's an excellent point. And you said the word there "re-branding," that's what we're looking at doing. And that's why we want your input and input from all stakeholders to find out what is the best way to re-brand, if possible.

W We've called our counselors "home ownership advisers" for years. We typically have to go back to counselors to do proposals and things like that, but all of their cards and all of the descriptions we give relative to them we use the term "home ownership adviser."

Loren You said you've been doing that for years, so did you used to call them something else, or was it always adviser?

W No, we used "housing counselors" before.

Loren Okay.

W And I've been here for 12 years now, and I guess it's been all these 12 years of [indiscernible], and we don't like "counselor" we use the word "home ownership adviser." So, I guess we've used it for more than a decade now.

Loren Okay.

W I think housing counselor really doesn't, for me just the word itself when we say we're a housing counselor, it doesn't really [audio disruption].

(Background conversation)

W Sorry. Just a reminder, everyone, if you're not speaking if you can please put your line on mute.

(Background conversation)

W I'm sorry. Go ahead.

Moderator I muted that line.

W Thank you.

Moderator You're welcome.

W Okay. I'm sorry. Whoever that was that was speaking, if you could please continue.

W [Indiscernible] talking about the term "adviser."

W Yes, the housing counselor term, when you tell someone what you do or your title, it doesn't define exactly what it is that we do. It leaves the person thinking, what is it that you do?

W Right.

Loren So, it causes more questions than it actually—

W Yes, correct. Yes.

Loren Okay. Great.

W So, let's talk a little bit about HUD. What impressions, or associations do people make with HUD in general? Do they see it as valued? Do they see it as something more for people of low income? What do you think? How do people perceive HUD?

W Section 8.

W I was going to say that.

W You said Section 8?

W Yes.

W Oh, okay. Talk more about that.

(Background conversation)

W Why Section 8?

W Because I think a lot of people associate HUD with low income and economically disadvantaged communities, and then that equates itself with the Section 8 program. I don't think there's really an understanding that HUD is just for housing in general. And the reality of it is that there are a lot of middle-aged, and even high end earners that need housing counseling, because just because you make a lot of money doesn't mean that you're knowledgeable about the housing market and products and services that are offered. So, I think that is a really big misconception when it comes to HUD.

W I agree.

W I totally agree.

W Okay. Brad, can we get you to mute that line?

Moderator Sure. I'll [indiscernible] again here. One second.

W Thank you.

Loren Is there anything positive associated with the HUD brand? I know you were saying people often associate it with low income, which probably is not always a positive thing, but is there anything positive that people may think of HUD, or associate when they hear HUD housing counseling?

Stacy Well, in that same token if they're looking for help that's what they think of. And so if they're looking for some assistance, or looking for some kind of a haven, or some kind of safety net, or something that will catch them when they're on a downfall, that is in that same spectrum where they're looking to for help.

- W Some of the clients feel once you mention HUD and explain to them that it's an agency that represents the government and covers all housing aspect, they feel a little bit comforted that they came to see a HUD housing counselor, once you explain it to them. It gives you more security with the client, I guess. I will call it security.
- Stacy And I agree with that, that it does give them more security, especially once you explain to them the difference between HUD and Section 8, and to explain that, then they realize it's legitimate, it's backed by the government, and it's not necessarily low income. So, it's just a misconception when it comes to talking about HUD. You have to explain to them the difference between low income and the counseling part of it for first-time home buyers.
- And also we refer to our classes as we're just facilitators, we're there to assist them, make it easy for them to understand what's going on when you're trying to first time buy a home.
- W Great. Good point. And one of the comments that we've gotten in the question box is that they don't always think of it positively, and also they think that if it's free then you get what you pay for. And that's something that we've been talking about, I talk to my agencies all the time about it, so how do you guys feel about that? I know that's not a question on our screen, but what about charging for counseling, do you feel that people feel that there's more value, or more of a benefit to that?
- Stacy Yes, they do, they do associate free with not having any value to it. And one of the things in that area that I've heard in this process is that one agency had this concept where they put the cost of what housing counseling would have cost them, and then put the grant funders that made it possible for them to receive it free, so if it's \$1,500, and HUD paid \$1,000, and this grant paid \$500, but the cost to you is zero, because somebody's paying for it, even if you're not. And I think that's another misconception that the general public doesn't have, just because it's free to you doesn't mean it didn't cost anything.
- W Yes. Excellent. Excellent point.
- W Great point.

- W So, what do you think is unique about HUD housing counseling?
Anything that you provide that you think other housing counselors don't provide?
- W Well, I think we know, as we were just saying, people don't always react positively to the HUD label. They may not recognize it for what it signifies, but we know that we're held to a certain standard and that that's a value, that you have to meet certain requirements to have that HUD approved label, having some kind of stamp like that is important. I don't know if it's necessarily HUD, but I think intermediaries in particular, that is the role that they play in creating a standard for quality and for content of service delivery.
- W Thank you.
- Stacy And adding to that standard of being unbiased, that is a principle. When you're offering products you can't suggest one or the other. You're just giving them the information and giving them the tools to choose what's best for them. So, I think creating the HUD housing counseling where it's supposed to be unbiased and impartial and not pushing them one way, in one direction or another, but keeping them informed and letting them steer in the direction that they would like to go, just giving them the information.
- W And that's a really good point. I think that's one of the key values of housing counseling is an unbiased opinion.
- Loren Great. Okay. Well, I think we can move on. So, let's talk a little bit about value proposition, meaning what [audio disruption] does housing counseling bring? So, this question might be a little bit harder to answer, but we want your honest feedback and honest reflections, what areas do you think housing counseling doesn't meet the expectations of your consumers? Anything that you think we can be doing better?
- Stacy I know it's part of the problem, but marketing. This is the best kept secret ever. I really think that there's this great service that everybody knows about but nobody knows about at the same time. So, it is like getting that word out there and re-branding, and really letting them, and putting that united voice out there of just how valuable this resource is. And there are other people that benefit off of the work that aren't contributing to the efforts, the realtors, the lenders, the originators, and really getting those

stakeholders to the table and acknowledging the value of housing counseling.

W “Best kept secret,” that’s a good way to put it.

W Yes.

W I think that the counseling [indiscernible] so limited in their capacity to do that kind of outreach and to meet people where they are and where they want to get the information from, I know there was a comment earlier about online education, but I think that more and more consumers, if that’s where they’re going to find the information then maybe that’s where we need to be using technology more to meet consumers, just making it more accessible and using online education platforms even to expand your capacity to do that, because not everyone is going to want necessarily the one-on-one advising. They may just want the education.

It’s having more of a customer-centric approach in that we are held to certain requirements we have to meet for client files, and forms they have to sign. And I think that can sometimes feel a little bit like a hindrance to just coming in and talking to someone and getting the information you want, or going to their course online and getting the information you want.

W Great. Thank you. So, we talked about benefits to the actual first-time home buyer earlier, and you all gave good feedback there, and we’ve also talked a little bit about how first-time home buyers are going to lenders and real estate professionals first rather than coming first to a housing counseling agency. What benefits do you think you can provide to the lender and to the realtor?

W I personally—

W [Indiscernible].

W —think is that we have the capacity to identify the clients that will fit their products. Since we know already what the client is looking for, if we get all the information that we need from different lenders we can educate the client on more options and also allow them to find themselves the lender who has the ideal product for the client.

M Our pitch to lenders and real estate agents is always that if you have someone, especially a lender that maybe can’t get approved, it’s money

walking out the door, and if you just flat out tell a person “You’re not approved” and you just let them go, especially for someone that maybe is close, someone that maybe just needs a little help with their credit, or maybe just needs to be able to save up a little money. So, we try to encourage lenders and realtors to send them to us.

It’s true that there’s no guarantee that the person might go back, but people being people you’re going to feel grateful to that lender, or you’re going to feel grateful to that real estate agent for connecting you with the housing counseling agency that was able to help you out. And even if ABC bank down the street has a better deal, I might just feel more comfortable working with you at your bank, so I might come back to you.

So, that’s the biggest thing is just letting them know that it’s money walking out the door if you don’t send them our way to try to get some type of assistance for that person, because more than likely they’re going to come back, and it’s money right back in your pocket.

W And that’s great feedback, because that’s one of the things that we’re hearing from the lenders is they’re afraid that if they send them to a housing counseling agency that they’re not going to get them back. And so I think that’s great, what you just said, as far as if you develop a rapport with the consumer they’ll be back and they’ll be better qualified to buy the home.

W Well, I know that there are certain agencies, we don’t do that, but there are certain agencies that only work with a few lenders. So, if a lender saw that particular client, the possibility is if they’re not on their list they’re not getting them back. So, I have seen that from other agencies.

W Okay. Anybody else, benefits that we can provide to the lenders and the real estate professionals?

W I see that they will be getting a more educated client and one that you don’t have to hold their hand. It’s a lot of benefits from the client already knowing what to do and all the steps of home ownership before they get to an application. It’s a win-win situation.

M And just being a better educated client is going to help them hopefully be better at paying that mortgage, so it’s going to be someone that they don’t have to worry about later on.

W Right. Absolutely.

W Not only from the banking side, but also from the real estate point also it's a benefit, because then the client already knows what they're looking for, probably what area they're looking to buy. Part of that home ownership counseling is to educate in how to select the property, what to look for, how to select the realtor, so it will be helpful for all parties involved.

M Yes. It helps for a real estate agent if they know that we're an agency that we're helping people to become qualified for loans, or get pre-approved, and that's a whole section of people that they can tap into to try to expand their business. So, I just feel like in that line of work, and we're talking about the real estate agent, we're talking about the lender, what's going to really get to their ears, or tickle their ear, is when you talk money. So, when they realize that they have a chance to make some money, as much as I like to think that they're such good-hearted people, that's really what it comes out to is they want to be able to make some money off of this.

So, if you can convince a lender of that, you can convince a real estate agent that, yes, we're able to help people to get approved for loans and obviously they're going to need a real estate agent, so that should encourage them to want to work with us, assist us, maybe whether it's some home buyer's class that an agency is hosting, maybe they want to be a part of it just to get their name out there, and hopefully draw some clients their way as well.

W I think that's absolutely right. So, the two biggest benefits are a mortgage ready client for the realtors, when someone walks in the door they're mortgage ready, they are ready to buy a home and that's exactly where the realtor wants them to be, not spending time trying to find a way to get them mortgage ready, or putting them into a Rolodex file, or an iPhone app that they'll get back to in later years.

For the mortgage industry as a whole the biggest benefit is the ability to tap into huge swaths of the marketplace that they're not even thinking about helping at this point in time, low to moderate income, people of color, and low to moderate income communities. They're not even advertising there. They're not even thinking about bringing those folks in. Often, more often that they'd like to tell us of course, they're denying huge swaths of this community when they could in fact channel them through us and again have a brand new whole new pipeline of mortgage ready home buyers.

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- M Yes. And it helps them. A lot of banks, they have to get their CRA loans, and most of us are dealing with areas or communities where that's where people are buying houses. So, it definitely is a benefit for them.
- W What do you believe is the difference in value for the consumer between going to a HUD housing counselor than just going to another housing counseling agency that's not HUD approved, or HUD certified?
- W I think that by being a HUD approved housing counselor we're more regulated. We have more restricted guidelines that we have to follow. We're audited also every other year. And we're constantly educating ourselves as per the request of HUD, versus some other agencies that if they're not HUD regulator or HUD certified I don't know what will make them do the upkeep of the agency and the housing counseling.
- Loren Okay, great. That's great feedback. We talked a little bit about perceptions earlier, and you all shared some really interesting feedback about how people associate HUD often with Section 8, low income, credit issues. What do you think we can do to help improve those perceptions?
- W The only way I notice that things change is when you educate the client. Some of these people they come in and they don't even understand, they say, "Well, HUD is Section 8." But when you explain to them they don't realize what even Section 8 is. They just think that HUD is just a whole group of people that they don't work, and you explain, you educate, and I guess they will spread the word.
- W Anybody else have any other feedback on this? Do you think that having additional designations would change consumer perceptions? Do you think that would provide more value in their minds?
- M Can you explain what you mean by that?
- W Sure. So, in a lot of industries in the housing market, lenders, real estate professionals, they have these letters after their name, right, they have these designations that make them seem more educated, or more important, or just they have more information. Do you think that that would help people see housing counselors differently? Do you think that would improve the perception at all?
- M I personally think that the most important thing is once you get them in the door. I think once a person gets in the door then they just, as has been

said, once they hear what we do and how we do things then I think a person can instantly realize the value of it. So, I think that's just the biggest part is just getting them in the door. And that's what my housing counselor told me, that there needs to be a way to make it, I don't know, his word is "sexy" or "fun," just some way to get the word out there. As long as you get them in the door, then people realize the value of things.

We've had people that have tried to pull out their checkbooks after we provided counseling and then we explain, "No, this is a free process that's paid for by other funders," so they realize that value. But it's just a matter of getting them in there.

Loren

Okay. Thank you. Okay. I think we can move on, Judy. The next thing that we want to talk about is partnering. As you know, and as Judy explained earlier, we are going to be taking a lot of the findings from our research and developing a full awareness and disability campaign.

But we can't do that without your help, so I have a polling question for you, if you would be willing to partner with HUD, and if so in what capacity? So, you'll see a number of ways listed here, would you be willing to feature a story in your organization's newsletter or publication? Would you be willing to promote us on social media, on your website? Would you be willing to collaborate and feature HUD in your special events, or your upcoming seminars, or assist HUD with identifying other partners?

And then finally, would you be willing to share success stories? We know that you probably have many stories about people who have been successful in purchasing their home or staying in their home as a result of housing counseling. Would you be willing to share those success stories so that we can then promote them to a larger audience? So, if you could just take a few moments to answer that poll, that would be great.

We have only 27% voting. Well, please take a few moments to respond. Alright, we're at about half, so we'll close that poll whenever you're ready, Judy.

Okay, great. Thank you. It looks like a majority of people would be willing to partner in some capacity, so this will not be the last time that you hear of the campaign. So, thank you for that feedback. We'll definitely be back in touch with you as we start to develop those key messages at Creative and discuss ways that we can partner.

So, at this time, I am going to turn it back over to Judy.

Judy

Thank you, Loren. Thank you all so much for participating with us today. Does anybody have any questions, or thoughts? We've captured your comments in the question box and we will take those back with us as well. So, any other questions, thoughts?

Alright, so we'll be working toward getting some messaging out, and hopefully you'll start seeing something, or we may reach out to you again for some of the messaging that we are working on maybe towards the summer. And we appreciate you staying involved in what we're doing.

The other thing too is if anything comes to you later on that you think of that you want to share with us, comes to mind, please send it to housing.counseling@hud.gov, and make sure you put in the subject line "Awareness and Visibility Campaign." That way we can track any other information. And if you know of others who may have missed this call and may have some comments, tell them to feel free to submit information.

I also just wanted to let you guys know that we've migrated over to the HUD exchange. You can find our information, I believe, a little bit easier than when we were at hud.gov, so I hope you go check us out there. And if there are no more questions I'll let everybody go. Have a good day.

W

Thank you.

Judy

Loren and Jackie, if you don't mind staying on the call, and Jane.

Ann

Jackie, I'm on the call, but I can sign off now. This is Ann.