

Office of Housing Counseling

Increasing Access to Pre-purchase Housing Counseling Symposium

A Closer Look at HCAs and their Clients

David Berenbaum: Thank you so much and welcome all. And thank you for joining us today for the second day of the Office of Housing Counseling's and the Office of Policy Development and Research Increasing Access to Pre-purchase Housing Counseling Symposium. We hope that you have enjoyed the symposium thus far.

Yesterday we discussed scaling pre-purchase housing counseling and began to explore the opportunities and challenges to increasing access both from a policy and a social enterprise perspective. Specifically, we heard from FHFA about key elements of the equitable housing finance plans and their commitment to capturing data to document the impact of our housing counseling work.

Fannie Mae highlighted their focus on removing barriers to sustainable homeownership for BIPOC consumers, with HUD-approved counseling and homebuyer education playing a key role in their presentation. UnidosUS shared their approaches to scaling their networks, pre-purchase counseling initiatives, presented promising fee for service home ownership education pilots, and the importance of reaching clients where they are with respect to language, geography, technology, and income.

Notably, Hermond Palmer, from the National Federation of Credit Counseling Organizations, testified to the importance of engaging with faith -- the faith-based community, and also shared the NFCC model approach to taking fee for service initiatives to scale. And the California Housing Finance Agency, a leader in the State HFA Housing Counseling community, spoke to their statewide commitment to down payment assistance and housing counseling fee for service programs.

We all concluded with a robust Q&A, and I'd like to thank each of you for your active engagement with our expert panelists and talented Office of Housing Counseling professional staff. Today, it's our hope to take a closer look at how agencies deliver services and the client characteristics that impact effective service delivery.

We've learned many lessons over the years. One lesson is that we need to be flexible with our policies and approach to solutions, consistently assessing what more we can do to support the housing market and expand homeownership to underserved communities. Both today and tomorrow, we'll begin a deep dive into how we can adapt and embrace change to ensure that we connect and successfully coach and engage with the next generation of homeowners to realize their financial goals and to ensure that we are reaching a diverse marketplace.

It's now my pleasure to introduce my friend and colleague Julienne Joseph, who is the Deputy Assistant Secretary for Single Family Housing, to welcome you and speak to FHA's priorities to expand access to homeownership, promote racial equity in housing, and to partner with HUD-approved housing counseling organizations. Many of you have heard Julienne speak before; she always speaks from the heart.

Julienne oversees the Federal Housing Administration's portfolio of more than 8 million loans. In her role, she manages all aspects of FHA's single family housing operations, including origination and servicing policy, information technology, quality control, lender enforcement, and institutional risk management. She has over 20 years of housing, borrower outreach, and mortgage industry experience, and she knows firsthand the importance of what being a housing counselor means, not only to consumers, but with regard to all of our priorities in the communities that we serve.

Julienne, thanks for joining us today and sharing your thoughts to jump start our conversation. Take it away.

Julienne Joseph: Thank you so much, David, for that warm introduction. And I'm so excited to be joining you all today. As David mentioned, I am very, very passionate about the collaboration between the Office of Single Family as well as with the Office of Housing Counseling and PDNR. We do some amazing work together.

Personally, I'm a housing counselor alumnus myself, and right after the housing crisis, I did foreclosure and pre-purchase counseling in Baltimore -- at the Neighborhood Housing Services of Baltimore. So this conversation is very near and dear to my heart. And I cannot overstate just how significant housing counseling agencies are to the overall health of our housing ecosystem. So let me first thank you all for your mission-driven work, all that you all contribute to families across the country, and particularly FHA borrowers. Thank you for all that you do. I really appreciate it.

And I also want to thank David for his partnership and his collaboration with the Office of Single Family Housing. We are literally still dealing with the pandemic. And we know that so many households, and particularly communities of color, were negatively impacted by COVID. And at the -- up until today, where somewhere around 2.1 million borrowers who were negatively impacted or delinquent during the course of the pandemic -- and of that 2.1 million, more than 1.7 million of those borrowers have had some level of a positive impact or result from their delinquency.

And I cannot, again, overstate that the collaboration with the Office of Housing Counseling has been invaluable. The ability for David to reach out to the housing counseling agencies across the country, whether it's through communications, correspondence, or just overall engagement with the housing counseling industry, to articulate all of the resources that are in place that the Office of Single Family has made available for FHA servicers to help these borrowers who are struggling -- we could not have done this without you.

And I want to thank you all for all that you've done in order to contribute to these households that had nowhere to turn. And you all have definitely helped us in having what seem to be encouraging results. But it doesn't end here. Of course, the work continues; the pandemic continues. But we look forward to continuing to work with the housing counseling network to provide these services and to continue to educate and inform these borrowers of the resources that are available to them. So thank you for that. And thank you, David.

And also thank you to PD and R -- Policy Development and Research. It's such an amazing office that helps us with a lot of our policy creation. We are doing a lot of innovative things in the space for access to credit. One of them is looking at small balance loans. We know that they are still -- it's still a very relevant conversation. There are still areas within the country that, even with inflation -- that there is a need for lower-dollar mortgages to be able to be originated and done effectively.

But the only way that we can craft a policy that is effective and implementable is to be able to have data to support it. And the Policy Development and Research Office has been so helpful to us not only in -- for access to credit issues, but also in evaluation of our loss mitigation suite of products as well.

And I wanted to touch a little bit on some of the initiatives that the Office of Single Family and FHA have done in order to address racial equity. And some of them are in conjunction with some of our sister agencies across the financial -- the federal housing agencies as well.

Last year we incorporated a student loan debt calculation policy that adjusted the way in which FHA calculated student loan debt for borrowers who had income-based repayment plans. And the research showed us that the majority of those borrowers who were on income-based repayment plans were being calculated a little bit differently in the way in which their debt was evaluated. If a borrower had an income-based repayment plan, instead of the actual subsidized payment being used for the calculation, there was a presumption of 1 percent of the outstanding balance.

And once we realized that, particularly, communities of color -- who were the ones who were taking advantage of income-based repayment plans -- were having difficulties calculate -- being able to qualify due to debt-to-income ratio -- so happy that we were able to make that adjustment to ensure that these borrowers were evaluated fairly.

Another thing that we did recently -- in the last couple of weeks -- was to roll out policy to help borrowers who were negatively or financially impacted by COVID, who may have had a temporary disruption in income. And again, we know that the pandemic disproportionately impacted communities of color. So we wanted to do -- to make sure that going forward, that if these borrowers who had been -- had a loss of income temporarily -- sought to get FHA financing in the future, that it wouldn't be held against them, that they had a temporary loss of income. So we're really excited that we were able to roll out that policy a couple of weeks ago.

And looking forward, we're working on how to incorporate positive rental history into the underwriting regime that we have in place in FHA, because we understand that credit score does not necessarily equate to credit worthiness. So what we want to do is make sure that those borrowers who may not be as strong as their counterparts as far as credit score is concerned would be able to use positive rental history as a bit of a compensating factor going forward in the automated underwriting system. So that -- stay tuned for that and we're working on that.

And last but not least, the PAVE task force, which is the Property Appraisal Valuation Equity Task Force, which is chaired by our Secretary Fudge here at HUD -- she is charged as well with

Ambassador Rice in order to lead that effort, which is a priority for the administration, to -- which charges FHA, along with the other federal agencies, to evaluate our existing policies to ensure that we're doing all we can to extract bias from the actual appraisal process.

And lastly, before I go, I would be remiss not to address the great work of the management development program. I'm so excited to see all of the wonderful people who are working their way through these -- through this program. And the participants in the MDP are going to influence others to follow toward making a critical professional impact and a positive difference for our customers and partners both inside and outside of the agency.

And as leaders, you're going to continue to build excellence through partnership and collaboration, which will serve to maximize the opportunity for each of you to continue to support the mission of HUD in the most effective way. So to those of you who are considering getting into the MDP, I say go for it. Those of you who have actually gone through the process, congratulations. And just thank you for all that you're doing to take steps in order to strengthen the culture here at HUD and especially in the Office of Housing.

So thank you so much for your time. And I'm just going to go ahead and hand it over to Clair Weatherby with ICF. Thank you for your time.

Clair Weatherby: Thanks, Julianne. And thank you, David, for opening our session today. My name is Clair Weatherby, and I'm with the ICF Technical Assistance Team, working with the Office of Housing Counseling to put together our three-day symposium. I live in New York City and I'm a HUD certified housing counselor with experience managing housing counseling programs, as well as home rehab lending and disaster recovery. And I'm really excited to be here with you all today.

So in this session, we'll take a closer look at how agencies deliver housing counseling services and who's receiving these services. The session will feature new research from both the lending and housing counseling worlds. First, we'll hear from the HUD Management Development Program, as Julianne mentioned, who will share insights into equity in housing counseling gathered from housing counseling agencies across the country, including possibly some of you in the audience.

They will be followed by research from Lariece Brown at Freddie Mac, who will share information about the effects of pre-purchase education and counseling on borrowers' behavior and borrower experience of the mortgage process. Following presentations, we will invite our Housing Counseling Industry Response Panel to share their reactions to the presentations and their insights on this topic.

We would also like to welcome you, the audience, to add questions that you have about the information you're hearing today. And you can add that in the Q&A box in Zoom. We'll bring your questions in at the end for both the panel and the presenters.

My hope is that the information and ideas shared today will both inform and inspire agencies looking to grow and market their pre-purchase counseling programs in a way that serves clients

from a diversity of racial, ethnic, and cultural groups, and brings us nearer to closing the racial homeownership gap. I know that for me and for all of you, these topics are essential to the work of housing counseling.

Our first speakers today will be staff from HUD's Management Development Program. This team came together from across HUD to design and execute their equity and housing counseling project and deliver recommendations to both agencies and to the Office of Housing Counseling.

So I'm excited to welcome Ashley Couture, a supervisory management analyst with the HUD Office of Field Policy and Management; Marc Boucher, senior management analyst with the HUD Office of Field Policy and Management; Rashika Hall, CPD Representative with the HUD Office of Community Planning and Development; and Shae Williams, housing Program Specialist with the Office of Housing Counseling.

The MDP team will be followed by Lariece Brown, Quantitative Analytics Senior Director with Freddie Mac. We are so privileged to have Lariece here today to share her research and insights with you all. So with that, I would like to hand it off to Ashley Couture to begin our first presentation.

Ashley Couture: Thank you so much, Clair. And thank you, everyone, for being here today. My name is Ashley Couture. I'm a supervisory management analyst in the Philadelphia HUD Office of Field Policy and Management.

So back in November of 2021, our management development program team began collaborating with the Office of the Deputy Assistant Secretary for Housing Counseling to establish measurable goals, to work toward a solution to an identified challenge, which is that, for decades, low rates of minority homeownership and the racial wealth gap have been byproducts of systemic racism, as well as cultural and linguistic biases.

Go to the next slide, please. Thank you. And you can go one more, actually. Thank you. Our team set out to have a tangible impact on the office's ability to support housing counseling agencies and the communities that they serve. We worked in conjunction with OHC staff to analyze data, which included various mapping tools and stakeholder feedback to first identify historically underserved communities.

We then worked toward developing and implementing a strategy to target and formulate outreach to these communities. The underlying goals of our activities were to learn about the unique equity challenges partner agencies have faced during the COVID-19 pandemic and really do a deep dive into the difficulties partner agencies have encountered in formulating strategies to reach historically underserved urban and rural communities.

Our motivations included not only a passion for the work being done in the field, but also the desire to be advocates for and reinforce the critical role of housing counseling, as well as to carry out our mission of ensuring that individuals and families have the knowledge needed to obtain, sustain, and retain their housing. Our team set out to identify new and inventive ways to grow the organization through the development of best practices and improvement of services.

Our intent was to assist the organization in making well-informed, effective, and timely decisions regarding the most appropriate assistance for partner agencies, and also to position the organization and partner agencies for continued success.

Through our engagement with the Office of Housing Counseling Staff, as well as internal and external stakeholders, our team helped advance several strategic priorities around closing the racial homeownership gap, expanding engagement with underserved racial and linguistic groups, and accelerating an equitable pandemic recovery. I'm now going to turn it over to Marc Boucher, who will share a summary of our survey and its key findings.

Marc Boucher: Thank you, Ashley. One of the first actions that our team took was to create and disseminate an equity in housing counseling survey, which some of you may have found or received and participated in. Prior to issuing the survey, we had to go through the compliance process for the Paperwork Reduction Act through the Office of Management and Budget in a lengthy and arduous process, which we only mentioned here to illustrate how important this information was to get for HUD.

The purpose of our survey was to learn the strengths and challenges faced by housing counseling agencies relative to providing racially, linguistically, and culturally appropriate housing counseling services. Therefore, our questions focused on those subjects.

For race, we focused on clients served and the racial makeup of housing, counseling staff. For linguistics, the ability to offer materials and services in other languages. For culture, how well-equipped were housing counseling agencies to handle culturally diverse groups? And then also some other questions relative to best practices, partnerships, and other desired resources.

For our survey, we sent it out to about 1,219 agencies. We received roughly 25 percent responses, which we felt was a strong rate for a voluntary survey. 231 agencies completed the survey in its entirety with an additional 65 that completed a portion of the survey.

So just some takeaways that we had that we thought would be helpful to share -- relative to race, one -- asked the question, "How well are you serving the following groups in your approved coverage area?" African American and black had the highest rate of exemplary service, which we thought was interesting because African American and blacks have one of the lowest homeownership rates nationwide.

For "Which groups would you like to serve better?" Latinx, Hispanic, Asian American and black had the highest rates of "would like to serve better." When asked about the approximate racial makeup of their housing counseling staff, we found it interesting that Asian Americans had a low representation of housing counseling staff, roughly 4 percent, which corresponded with the low rate of exemplary and high rates of "needs improvement" and "not serving" on the previous questions that we had highlighted. White at 45 percent, black 30 percent, Latinx at 19 percent, had the highest rates in this category.

Relative to linguistics, we found that housing counseling agencies offered counseling services more readily than resources or marketing materials. We found this is likely because over 75 percent reported access to a language support line.

In regards to culture, roughly two thirds of the responding agencies said that they were well equipped to handle cultural dynamics. However, we noted that over 61 percent asked for additional training in this area, which we were very encouraged by.

After receiving the results and reviewing them with our team and looking at the data and -- in all of the individual responses, our team then decided that it wanted to meet and talk with some folks. So we organized and conducted a listening session with several of the respondents to the survey. And for more information on that, I'm going to pass it on to my colleague, Rashika Hall.

Rashika Hall: Thanks so much, Marc. Really appreciate that. So like Marc said, we conducted this great survey and we got a lot of interesting and wonderful, energizing information. And because of that, we wanted to do a deeper dive. So I'm going to talk to you a little bit about what that looked like.

We put together what we call the equity and housing counseling information exchange. And so that exchange -- I'm just going to give a brief overview so you can get an idea of what we covered there. There were -- out of the 296 agencies that completed the survey, there were 13 agencies that were invited basically pretty much because of their great responses; very in-depth, very specific, a lot of great ideas. And so we asked them by invitation to attend this information exchange. So we had 13 agencies -- housing counseling agencies represented, roughly 40 attendants, and that was in April.

Welcoming remarks by David Berenbaum, who you've already heard from, the illustrious deputy assistant secretary for HUD's Office of Housing Counseling. It was very interactive. So we had some icebreakers. We talked about understanding what equity was, and we'll talk a little bit about that today as well, because we didn't want to approach the information exchange with various -- different interpretations of what that could mean. So we did unify them around equity.

We did an overview of the survey distribution, very similarly to what Marc just went through with you. We did an overview of the participant selection, how they ended up in the room. We talked about the representation, which was national, from all across the country, different agencies that represented those 13 throughout the country. We also discussed the best practices. And I will go through just a little bit of what was extracted from those best practices that our three pre-selected practitioners brought forth.

There were two rounds of breakout sessions. So we had three breakout rooms: culture, race, and language. And we allowed the participants to do two rounds of those that were 30 minutes each. We had some take aways. And then closing remarks by Dan Barry Carmen [ph], who is the Assistant -- Deputy Assistant Secretary for OHC, along with some thank yous.

So this slide is what the participants went through just to get unified around the idea of equity. So there is a reality that there are some in our country -- some groups, some people -- that get

more than what is needed for their success. And that's just the reality of our situation. A lot of people talk about equality, and we understand that equality does not always lead to equity. The difference is if someone gets the exact same amount, they may have started from a different vantage point, so they have a different starting point.

And so the illustration there gives a great visual representation of everyone getting the same amount trying to view this baseball game. So we're all trying to view the game; you get the same box to stand on. And yet there are some that still can't see that game. That's equality, because everyone received the same box to stand on. However, not everyone can view the game. Equity says, "Well, you're not as tall; your box is not going to get you to view this beautiful baseball game that we all should be participating in. So why don't I recognize that -- give you what's needed to be successful?"

And then justice says, "Well, once that equity has been addressed, once that starting point has been recognized, once that systemic barrier has been removed, then --" we're all here today, I'm sure, as proponents of and champions of justice. So equity was what we centered the information exchange around. Justice is why I hope we're all here today.

So I want to talk about -- a little bit about the best practices, just an overview. We had three stand-out agencies that agreed to present at the information exchange. They were the [indecipherable], Ithaca Neighborhood Housing Services, as well as Southeast Community Development. Those three provided best practices, and those best practices are what we have presented here.

I'm just going to give an overview of some of the best practices that they brought up. The first was capacity. So when we're thinking about equity and racial equity, cultural/linguistic appropriateness, all of that, some of what they talked about was staffing for goals. So what are your goals?

One thing that was mentioned was being embedded as a housing counseling agency into the school system -- having more of a proactive approach in doing that. What that looks like is not just having a McKinney-Vento liaison, not just having a guidance counselor -- although they're awesome -- but to add an added element to that, which is to embed a housing counselor in the school system to be able to meet the needs of these families. So capacity there, in staffing for goals.

Staffing to address disparities; what does that look like? They talked about adding staff that are bilingual, that speak the language -- the predominant language of that particular community. Also hiring staff that looks like and is reflective of that particular community from a racial, ethnic, and cultural standpoint.

Creative programing as well -- and we were really excited to hear some of the things that were discussed there. Creative program that was reactive, proactive, growth-oriented. Some of the reactive examples was -- during COVID, a lot of the agencies had to pivot and meet the basic needs of families for rental assistance. One talked about a program in particular for immigrants and English learners. They created new eviction prevention programs, for example, as well.

Some of the proactive thoughts that were brought out was a tax preparation program. We know taxes are due the last day of April -- mid-April when they're due. And so that comes around every year. So that's a need that can be met in a proactive way. So tax preparation program was something that was brought out as a best practice to help their clients with their taxes.

And also growth; we were really impressed by one of the agencies that talked about how they built 150 units of housing that they sold to persons that were 80 percent or below area median income. The land was donated by the city. The state provided -- between the city and state -- provided about \$2 million in resources to help build those homes.

The homes now were worth so much more than was put in. They have now grown to be worth over \$300,000 in today's dollars. And they were also a part of an ongoing assistance. Those families that participated in that, where there were no foreclosures -- they were able to accomplish that because they were ongoing, continual counseling with those families to ensure continued and sustainable success.

We also talked about strategic outreach. Some of that talked about technology to the max. And I was really happy to hear so many agencies talking about social media. One of the kind of barriers that some of our agencies talked about -- some of the agencies talked about there -- had to do with not having marketing dollars.

But here there were a lot of best practices that were shared that did not attach any dollar amounts. So social media was free. Some of them developed the WhatsApp list to disseminate information to families. Some of them utilize something called a ClassDojo to communicate, and translate from different languages, information for families. So the use of technology in a way that was economically sound for that agency.

As well as agency visibility, under strategic outreach -- one is close to my heart, being a part of HUD's -- community planning and development arm of HUD, and that is attending community meetings. So not expecting the clients to come to you, but to go out into the community, to reach them at the grassroots level.

For a lot of these meetings and events that are going on, one of which was talked about -- some having to do with the annual action plans that go into community development block grant funds and things that -- where entitlement communities receive federal funds. And they need to hear from the community. I always say that there's voice and voices. That is one way to have agency visibility.

Also transformative partnerships. And we know that we can't do this alone. That's why you're here, why we're so appreciative of you, the work that you do. But mission aligned collaborations -- some of the best practices that were mentioned was a partnership with the continuum of care that works with the homeless population. And they created a guaranteed income pilot; guaranteed income for caregivers. So that was very interesting.

Talked about mission-aligned collaborations. Also building creative organizational relationships. So creating partnerships; they talked about there that actually funded some of their financial gaps. So they built partnerships where, again, mission-aligned and someone else had the pocket book. So they were able to kind of dig into that. And some of those gaps for some of the programs to move forward were actually fueled and paid for by some of those partnerships that were maintained.

Thank you. So the breakout sessions; Shae is going to go into depth with some of that due to time. But again, we had a race breakout session where they talked about a trusted messenger -- Shae'll go into that. Where they're from -- we talked about refugees as well there. The culture breakout session -- one of the things that were abstracted there was transportation, differences in gender and how that's handled; differences in finances. And I know Shae will talk about a specific example for that.

And then languages. Some of the best practices -- some that Marc talked about with the language line that has really been a hit, and highly used in the agencies -- with the agencies, as well as some document forensics. That was really cool to hear that people are going in and looking at their documentation and -- with a fine-tooth comb, kind of making sure, now, is this something that would be understood by those who we serve?

With all of the breakout sessions, I just want to note that they were prefaced before they went in to let them know that it was a safe space, that we're going to be talking about some things that may be uncomfortable, talk about some things that might rub them the right way, wrong way, but to be cognizant of that. And as they meet with their clients one-on-one, and they're in a counseling session, sometimes we have to exchange the hat as far as the percentages. where we're driving 80 percent of the time and 20 percent, especially in a foreclosure situation, they're taking direction from us.

Prior to that, being mindful of the differences in race, culture, and language, we recognize that we need our clients to maybe teach us how to give them the information in a way that they can ingest, in a way that's respectful, in a way that is sensitive to their needs.

And so with that, I'm going to turn it over to Shae, who's going to go in depth not only about our breakout sessions, but also some key takeaways, as well as recommendations for HUD's Office of Housing Counseling. Shae, over to you.

Shae Williams: Hello, everyone. And thank you so much, Rashika. Again, I am Shae Williams, and I am a housing program specialist within the Office of Housing Counseling. As Rashika stated, there were three breakout sessions during the information exchange. For the next few slides, I will summarize the key takeaways, recommendations from the attendees. So these were key takeaways and recommendations that came from the agencies that attended the breakout sessions.

Now from the language session, it was recommended to employ bilingual counselors and form partnerships with local, nonprofit and community organizations to provide translation services. It was also recommended to translate all legal documents into the language of the actual client,

examine written documents for hearing and vision impairment accessibility and use plain language. And also ensure that all of the housing counselors and the housing counseling staff utilize plain language when speaking or communicating with clients. It was also recommended that HUD obtain a toll-free number to help agencies and/or offer internal translation services.

Now from the session on race, it was recommended that we create and share regional counselors that are racially, culturally, and linguistically similar to the client population and serve as trusted messengers for that particular population. It was also recommended that we train community connectors who will organize and execute outreach to minority populations regarding their housing needs, so the needs of that particular population. And also analyze, design, and construct a regional approach to lending that better supports our rural areas.

Now from the session on culture, it was recommended that when working with diverse populations, such as the Amish, Muslims, and African American, to name a few, counselors should be trained in cultural norms. Instruct counselors to include unorthodox priorities, such as tithing, lending circles, and cultural economics that are important to specific cultures in order to enhance their credibility within the client-counselor relationship. And we all know how important that is when dealing with our clients. It was also recommended that counselors should be instructed to be sensitive to delicate things, and open and adaptable in their approach when dealing with their housing counseling clients.

Overall, these agencies in their respective areas have made tremendous advances toward resolving challenges of racial fairness. This includes developing new and valuable partnerships, and many of these partnerships include partnerships beyond HUD. Overall, these were committed and passionate housing counselors and housing counseling staff.

Now from this information exchange, the team was able to take this information and develop a few recommendations to the agencies. We recommended that they came together as a housing counseling advocacy group to aid in the development of innovative solutions to help close the housing counseling gap among these minority populations.

Also began and continue utilizing the tools supplied during the session, so sending a client away without a resolution is not an option. And we did have -- one of our survey respondents did answer to a particular question that if they did not have that resource within their agency, that they would just tell the agent -- tell the client that they could not assist them. And we're hoping that the tools that they gathered during the session will make that not an option in the future.

Also we recommended that they communicate regularly with the organizations that they connected with during the session to continue sharing best practices and also encourage more of -- organizations like themselves to participate in future sessions like this to continue the exchange of useful information.

The team also compiled all of this information from the session, the survey, their key takeaways and recommendations, and developed a call-to-action list for our organization, HUD. First, we recommended that they disseminate the tool kit that was created as part of this project that

highlights best practices and techniques for housing counseling agencies to deliver racially, linguistically, and culturally appropriate housing counseling services to their clients.

We also recommended that we include additional funding through the NOFO processes to support agencies efforts to eliminate racial, cultural, and linguistic housing counseling inequities. We recommended conducting periodic surveys of these agencies to determine the impact and the use -- and use that information to reinforce the racial equity component of our program. And finally, to continue meeting with Secretary Fudge's senior advisor on racial equity to continue championing this effort.

And again, thank you all so much for listening. Also, there were a few revisions to the slide deck. We will upload the revised version to the Exchange within a few days. I thank you all so much. And now I will turn it over to Miss Lariece Brown from Freddie Mac.

Lariece Brown: Thank you, Shae. I also want to thank HUD and the ICF team for having me here today to discuss our research. I really appreciate this opportunity to share with you today. First of all, I'm Lariece Brown, senior director for Freddie Mac's Housing and Insights -- Housing Insights and Solutions team here at Freddie Mac in our Single Family division.

As we get started, let me give you a little bit of an introduction to our project team, as well as my team's work in general. At Freddie Mac, the team that I lead works on research and analytics for underserved markets. In particular, we focus on our regulatory goals, including how we are serving low- to moderate-income consumers, efforts around equitable housing, access to credit and our duty to serve underserved markets.

So housing counseling and homebuyer education are important components of our efforts in that space. We conducted research over the years in this -- on this topic, and I also have listed here members of the research team, which has been an interdisciplinary as well as an interagency team. This research is based on a paper that we actually published in Cityscape, which is put out by HUD's Policy Development and Research Team -- PD and R -- in Cityscape.

So this is based on a Cityscape paper that we did in collaboration with Freddie -- it was Freddie Mac, Fannie Mae, HUD -- we have CFPB, which is the center -- the Consumer Financial Protection Bureau, as well as FHFA, the Federal Housing Finance Agency, all collaborating on this project.

With this project, we were seeking to understand the benefits of homebuyer education and counseling in addition to mortgage performance, but also mortgage borrowers' relationship with their loan shopping, the mortgage selection process, and other aspects of the mortgage borrower experience.

In order to conduct our research today, we focused on a particular survey that is part of our national mortgage database program. The national mortgage database is owned by the Federal Housing Finance Agency and the Consumer Financial Protection Bureau as part of a larger project that they have. The national mortgage database is based on a representative sample of newly originated, first lien residential mortgages in the United States.

And we further restrict our analysis so that we can understand the impact of homebuyer education and counseling in particular on those with home purchase mortgages who are first time homebuyers that had originations between 2013 and 2019. The advantages of using this particular database is that it includes a survey component.

So we have administrative data as well as the survey data, and the survey data allows us to dig into the consumer's perceptions around the mortgage market and how they respond to various questions related to the mortgage selection process, as well as the demographic information and their detailed credit attributes, of course, anonymized; we do not know the particular consumer that we're speaking of.

Just a couple of level-setting notes here as we get started. Homebuyer education and counseling - - just want to make sure that I recognize and acknowledge that I do have them both conflated in this analysis. The survey doesn't make a distinction between the two, but I want to recognize that there are some differences that could be relevant when you're thinking about the impact of homebuyer education and counseling.

So I do want to recognize that -- the education we understand to be more of the formal instruction or curriculum, often rendered in a group setting. The counseling being the individual sessions with housing counselors. In this analysis, again, we have both of them in play.

And also, I want to recognize that education and counseling are important from the perspective of being offered at various points, potentially, in the homeownership cycle. So you can have pre-purchase counseling; you can also have various -- and you can also have education as well.

But you can also have counseling and additional touch points that are extremely important, perhaps when you're talking about things like the COVID pandemic and how to navigate your options around forbearance, for instance. So I just want to recognize that those additional touch points are important pieces of this conversation as well.

We are focusing today, in this particular presentation, on the pre-purchase counseling and education. So first off, I just want to give you a level-set of what were the responses for the survey. In particular, we found that 22 percent of first-time homebuyers report homebuyer education and counseling. It turns out that most of this was online; 63 percent, in fact, said that they did this online.

Let me pause for a moment here. If you do happen to go to our paper -- the paper version that we have on the Cityscape website, you will find lower numbers. In fact, we did this before, for data through 2017, and that -- when we looked at that data, the homebuyer education and counseling rate was 17 percent. So it has actually increased to 22 percent, and the use of the online option increased from 50 percent to 63 percent. So there -- and this was even before the pandemic. So I can imagine how these numbers will continue to grow over time.

Among the first-time homebuyers who report receiving any type of homebuyer education or counseling, 31 percent report receiving it in a group setting, while 16 percent report a one-on-one

counseling interaction. So we do have a little bit of information that gives us hints as to what portion we're talking about, that may be the counseling versus the education courses as well.

I want to also note, when we talk about first-time homebuyers here, we have a lot of credit information. We did decide to refine this just a little bit, to talk about not just first-time homebuyers, but first-time homebuyers -- because the definition of first-time homebuyers from a lending perspective would be not having a loan in the past three years, typically. Here we're able to look at the credit bureau information and determine if they have a loan that's -- or a mortgage visible in that credit file going back as far as we're able to see.

And we further restrict the data to individuals who are younger than 55 years in order to more precisely identify likely first-time homebuyers. We really wanted to get to hone in on who those first-time homebuyers may actually be. Because what we wanted to do with this analysis was to start to get at, are there differences between the group who reported receiving the homebuyer education and counseling and those who did not? And what are those differences?

So let's take a look at a few of these in terms of who actually reported homebuyer education and counseling. One dimension that we can look at in particular are the borrower attributes. So, for instance, we were able to determine that borrowers with lower credit scores are generally more likely to report homebuyer education and counseling.

And you see the pattern if you start from the bottom of my chart here: 740 credit score or higher, and you work up the chart along the vertical axis there, on that up and down part there, you'll see that that rate of homebuyer education and counseling is increasing until you get to around 660 credit score. It dips a little bit, it fluctuates a little bit, and then it actually decreases again when we get below 620.

I want to acknowledge that individuals with lower than 620 credit score, maybe even in some of those other -- 600, 640 -- may be more likely to select an FHA loan or other government product, which currently does not actually require specific homebuyer education courses as a general rule, except for specific down payment assistance programs that a borrower may decide to partake in.

Another dimension that we found interesting to look at was how this broke out by race or ethnicity. So again, these are the counseling rates. Let me refresh your memory; a couple of slides ago we said that 22 percent of the individuals in the sample who had acquired a mortgage reported that they had participated in homebuyer education or counseling.

For black borrowers, that is twice -- nearly more than twice the sample average at 43 percent. So compared to that overall rate of 22 percent, the rate is 43 percent for black first-time homebuyers. Again, this could be related to the use of down payment assistance to help overcome historical differences in wealth that may be related to differences in intergenerational wealth transfers, for instance.

And the down payment assistance programs allow consumers to bridge that gap. But a lot of down payment assistance programs encourage or require participation in some form of homebuyer education or counseling across these various programs.

Let's look at education next. And we again see a trend where, if I follow from the bottom of my chart here, looking at some postgraduate studies, and I go up to high school graduates/some schooling, I see a pattern that borrowers with at least a college degree have a lower reported homebuyer education and counseling rate than the 22 percent that I cited before.

So basically, once I get past the college graduate, I see that rate below 22 percent. When I have high school graduates and some college, then I see the lower than 22 percent. Could be reflecting income differences and so forth in terms of qualifying for mortgages with down payment assistance again.

Okay. And one more statistic here related to income. We also see that the homebuyer education rates are generally declining with annual household income. Perhaps that's not particularly surprising here based on the use of various programs.

We also have marital status. We see that married couples have a lower reported homebuyer education and counseling rate than unmarried borrowers. So we do have the ability to see "not married, but with a partner," "not married, no partner." Those rates are actually pretty similar in the lower two bars of this particular chart, while the married couple counseling rate is definitely below the 22 percent that I cited for the sample overall.

And again, this could be tied to having the income -- of the dual income, for instance. But it's interesting -- I found it very interesting that the "not married, but with a partner" counseling rate was closer to the "not married, no partner" rate than it was to the married rate for counseling.

Now I want to transition to thinking a little bit about the -- when people start to respond to these kind of process and experience questions, what are we seeing in terms of the results? The next few slides, we look at comparisons of survey responses related to the loan shopping experiences for those in the homebuyer education, or who reported homebuyer education and counseling, and those who did not report it.

For the next few slides, I tried to keep the same convention for all of them. The blue bar reflects the rate at which consumers who had reported homebuyer education or counseling responded in a particular way to the question. And the green bar reflects how that rate looks for those who did not report homebuyer education or counseling.

Once I report that -- show you these rates of responses, then I also want to look at whether or not those responses are different from each other after I take into consideration some of the other factors that I showed you earlier related to education, income, and credit score, for instance. Basically, could I have explained these differences with those factors, versus just homebuyer education and counseling, versus not? So I want to take a look at that for a moment.

What we find is that those borrowers who report homebuyer and education and counseling do report more familiarity of their loan options pretty consistently here. So the longest bar -- I'll start with that one. It is certainly true that most of the respondents report that they are -- this one is that they're very familiar with their credit history or their credit score. In fact, 67 percent of the

survey respondents overall report that they're very familiar. That's why that bar goes out -- you see nearly into the 70 percent range.

However, even though the majority do report that, there is a difference of 6.4 percentage points between those who reported the homebuyer education and counseling and those who do not, even after I take into consideration borrower and loan attributes. So that is why those are different.

With the next bar below it, you'll see some other differences. I've included the numerical value of the difference if I'm able to measure that as being statistically different between the groups, so that those differences are not likely due to chance or are not completely explained away by the borrower and loan attribute differences. So if I still have a difference, I'm showing you the numerical value of that difference after controlling for those attributes.

So I see some additional differences between the homebuyer education and counseling group and those who do not report the same, based on the income needed to qualify for a mortgage, the process of taking out a mortgage, the different types of mortgages available, and the mortgage interest rates available at that time.

Again, here's another question -- a set of questions that we were able to ask the respondents of this particular survey. "How familiar or how confident are you that you can explain the mortgage process and various terms related to the mortgage process?" And there was a lot of confidence over a few terms in general. Again, I'm using the same convention. I'm going to show you here the bars to represent what percent said that they were very -- that they felt very well that they could explain this terminology, that they were more confident here, or that they could explain the process related to particular things.

One that -- the first one that stands out there are consequences of not making the required mortgage payments. That first set of bars -- in fact, more than half -- 54 percent -- of the survey respondents said that they felt that they could explain those consequences very well. But in fact, you'll see there is a difference even in how they responded that remains after I control for the borrower and loan attributes. There's a six and a half percentage point difference between how the respondents -- those who responded that they had homebuyer education and counseling and those that did not -- so that's a six and a half percentage point difference. That's one of my larger ones.

Going down -- just quickly, the differences were all still statistically significant, although the other ones may have been smaller for some of the other particular points between the two groups that we compare. Another notable one, the process of taking out a mortgage, down at the bottom there. Those who reported homebuyer education and counseling were 6.4 percentage points more likely to say that they understood that process very well compared to those who did not participate in any of these programs or options.

Another question, or set of questions again, was around their interaction with different types of providers, whether it was the lender -- basically capturing their shopping and how they used their housing counselor -- or housing counselor options as they were going through the process.

So in particular, we did ask them, "How many different lenders and brokers did you seriously consider before choosing where to apply? How many different mortgage lenders or brokers did you end up applying to? And as you were working through your closing documents, did you seek input from the closing -- did you seek input about those closing documents from a housing counselor?" And it is interesting here, if I can look at the bottom of this chart, I see it looks like they're very close.

I see that 56 percent of the respondents said that they seriously considered more than one lender or borrower. However, when I control for the borrower and loan attributes, I still see that those who received the homebuyer education or counseling were 4.1 percentage points more likely to say that they seriously considered more than one. And right above that, they were 4.7 percentage points more likely to say that they applied to more than one, again, after controlling for the borrower characteristics.

This is important because it's not just -- some people may say, "Well, that's just because they had to, because they had a worse credit profile." But in fact, this is really about their -- I think, this is very telling in terms of additionally seeking out more than one option for their loan.

Finally, I just want to -- I'm almost done here. The 7.8 percentage point difference at the top of this chart -- I found this striking. The borrowers who reported receiving homebuyer education and counseling were eight percentage points more likely to consult a housing counselor about their closing documents than were the average first-time homebuyer. Nontrivial because remember, in this data set, we're not guaranteed that they all participated in individual consultations. So I think this is a pretty powerful result.

Satisfaction slide next. I'd like to talk about whether or not they felt satisfied. Homebuyer education counseling borrowers more likely to report that they were satisfied with various aspects, or at least one aspect of the mortgage process. The two in particular that stick out is that they were more satisfied that they received lower closing costs -- the lowest closing cost for them, or very satisfied with any of the options that they sought after. So just want to point that out.

And I want to end with a few remarks here, just to close. I have a summary slide next. We can go to that one. Just to recap, among the first-time homebuyers reporting homebuyer education and counseling, again, we find better mortgage knowledge, more confidence in explaining the mortgage process, higher satisfaction levels, more likely to shop around.

One of the results that was less conclusive in all of this that I hope we can all agree needs more research, more people digging in, are the results related to loan performance. It turns out that the group that reported homebuyer education and counseling -- they came to the table with the attributes that they have. They were more likely to have delinquencies, but those delinquencies were relatively low. But those differences in delinquencies were explained by the observable loan and borrower attributes.

So we were able to explain why we had those delinquencies. What some people would like to be able to do and say is that the homebuyer education counseling in itself reduces the likelihood of having a delinquency even further than the group that didn't receive the homebuyer education and counseling. That's challenging in a lot of data sets. There are challenges around the research approaches, the data sets you're using, the time period you're looking at.

I'm encouraged by the fact that HUD has decided to take on the task of doing experiments. I'm anxious to hear some of what they're finding in some of that experimental research that they're doing. Because it's true; you need a randomized experiment beyond the survey data to really get at the heart of the performance issue. And that's a challenge.

The empirical strategies we've used try to address that, but they're imperfect for sure. Some researchers find improvements for credit scores and debt levels, reduced chance of foreclosure. Some find reductions in delinquency rates; others find no impact on loan performance. So it's a mixed bag here. I'd love to see more research come to that, and I'm happy to do it. I would love to figure out a way to really get at the heart of that question.

I'm encouraged by the fact that you're starting off with the higher delinquencies and observing them being explained away with the loan and borrower attributes. I'll pause there. Thank you again for having me. And I will turn it back over to Clair to bring in the group -- the panel discussion, and looking forward to their comments. Thank you.

Clair Weatherby: Thank you so much, Lariece. And thank you also to the MDP team for sharing your research and your findings with us here today. I think it's really exciting to hear this research from Lariece, which she also mentioned was a collaboration between CFPD, Fannie Mae, FHFA and PD and R, who we'll hear from tomorrow. So we're really thankful to you for producing it and for sharing these insights not only about who is taking advantage of housing counseling, but all of the great effects on how borrowers are experiencing the process, and how they're moving through obtaining that first mortgage.

I was also really interested to hear from MDP about some of those best practices and recommendations; some great ideas around mission-aligned partnerships, how to reach your clients, going to community meetings, and using those trusted messengers in the community.

So let's turn to our industry insight and response panel. I'd like to welcome our panelists today. We have Pamela Cook, director of social services at the Chinese Community Center in Texas; Gabe del Rio, president and CEO of the Homeownership Council of America; Simone Griffin, vice president of affiliate relations at Home for USA; and Charles Harris, executive director of Housing Education and Economic Development in Mississippi.

If you all can come on camera, then we can start our Q&A. So let's begin with Simone. It would be great to hear from you, given the insights shared by Lariece and by the MDP team -- what do you see as opportunities and challenges in culturally competent, linguistically appropriate housing counseling?

Simone Griffin: First of all, I loved that presentation. Thank you guys so much for doing it. It was both confirming and enlightening that -- we know this stuff inherently, but need to see it. So thank you for that.

I can tell you a couple of different things. And I'm going to go back and forth between notes on my computer and those I was vigorously taking -- but -- on my notepad here. One thing I can see as an opportunity is greater and more culturally-specific counseling and doing so for more income groups, including those with more education. That was one of the things that I saw come up.

If you guys know -- it's funny. Every time I go out, I'll talk to people who will ask me, what do I do, just like with everybody else. And I'll tell them about our work. And nine out of ten times, whenever I talk to a homeowner, they say, "I wish I knew about your services prior to buying a house. I would have loved utilizing that because I had so many headaches. It was such an anguishing experience, etc."

So what that tells me -- and it does not matter where I am in the country, it does not matter their income level, it does not matter -- anything, their education status -- what that tells me is we are not reaching them, that group of people. Again, educationally, income levels, etc., those people do not understand -- either they don't know about our services or they do not understand that our services meet their needs as well.

I love that we have worked hard to reach the demographics that were just discussed, which I think is incredibly important. But the reality is -- and those people, if you guys remember, those people seem like they shopped around more, they got more education, they got more expertise. They knew what they were doing; they were more confident walking into homeownership.

My sense is that we can't really measure people who don't know, although I think the team did a great job. The more we can do with outreach -- strong marketing and outreach, and that has to cut across cultures, demographics, and income levels, to really make sure that people understand that this service is for you. If you are in any way interested in homeownership, that is for you.

I do think a challenge that we face is that people think that they know more than they do. And one of the reasons, and this is purely a thought, is that when you know that you don't know about the process of financial services or education, which is why we get a lot of newcomer Americans, people who are not familiar with this financial system, and not familiar with homeownership, people who are not as well educated in terms of the traditional schooling -- they do not know what to do.

And so they recognize they don't know what they don't know, which is why they seek out housing counseling. Or when they hear about housing counseling, it resonates with them. So again, I want to stress -- the culturally and income specific type of marketing and outreach, we really have to do so that all of Americans who are looking at buying a home understand that this service is for them.

And the other reason that that is important, the final reason I'll say that's important, is because, again, most of our outreach -- we probably -- our outreach is limited. And most times you get referrals -- word of mouth referrals. So like talks to like. I know -- a lot of my friends, we have the same demographic makeup, so I'm telling them about housing counseling. Then yes. They're more likely to come than if they just hear about it randomly from someone else. So that's what makes the overall outreach so important.

I would say that again. I just keep saying outreach, outreach, outreach. And broadening it to a larger group of people, but making it more specific to their circumstances.

Clair Weatherby: Thanks, Simone. I don't think we can say outreach enough. Keep saying it. Gabe, let's turn to you. From your experience, sort of more on the lending side, how do you see expansion of access to pre-purchase counseling intersecting with recent trends in racial equity in lending?

Gabe del Rio: Well, I think that -- I underscore what Simone was just saying, and I think housing counseling is America's best kept secret. It's something that we wish every consumer could go through. And frankly, we would be better off if it was included in public education -- you couldn't get out of public school without it. But -- of course, we have a much more prepared society in which -- we'd certainly reach folks.

So we have to get the message out there. And I think not just culturally competent and linguistically appropriate, but also thinking about the methodologies that this communication happens in, and the changing demographics of homebuyers. We in the industry and in the nonprofit sector have been relying on word of mouth and relying on sort of folks pointing at others and pointing out the programs to provide that outreach and marketing.

And that is not the methodology that, for instance, millennials or Gen Z utilizes to gather information and to make decisions. And so not only do we have to think about this from a linguistic and cultural perspective, but we've got to think age, demographics, and the wave of millennials that are entering homeownership now, and homeownership age. This is also a really diverse group of folks, and it's our best chance to close the racial wealth gap.

And so, the other thing I would say about that -- I loved the presentation portion that that showed equity and what equity really is. But we need to have programs and products that are specific, that get people to the table. And one piece of evidence that we can see there is in some of those findings that were presented -- 59 percent of the time were people required to go through homebuyer education and counseling.

So that tells me that those folks probably met this process through a lender. Lenders are out performing marketing. They have people beating the streets, pressing the flesh, and shaking hands with folks, getting out to realtors, and meeting people in the community, and constantly talking about the work that they do. We need to do the same thing in housing counseling. We could really use a National Ad Council campaign that would explain what housing counseling is to all consumers and be consistent, and become something that we are all familiar with, as -- and it becomes a part of our zeitgeist as a culture in America. We really need that.

But so -- thinking about the lenders being a primary gateway, it's -- you think about that, they offer a value proposition to consumers. So the more we can pair products, programs, whether that's down payment assistance, or first mortgage products that are available through and with -- in conjunction with housing counseling organizations, the closer that value proposition will get.

Because folks don't stand up and often say, just like I think Simone just articulated, "I need education and counseling." That's not something that the average American raises their hand and says. So we've got to approach them with other value propositions: things like loans, special deals, discounts. And I hope to see far more SPCPs, special purpose credit programs, as we talk about racial equity.

Having programs that are low-income focused, which has traditionally been our focus in this space, does not overlap greatly or solve the puzzle for communities of color. In fact, when you look at those who have received down payment assistance, over 80 percent of the time, it's a white person, non-Hispanic. So it is -- it's non-Hispanic white receiving what we think of as low-income assistance that may help more communities of color. It, in fact, doesn't.

And so we see up income spectrum as needing down payment assistance in communities of color, where you don't have intergenerational wealth. You don't have that white American story of asking your parents for a little help to buy a home because they owned a home. Right? That doesn't exist in these communities at that percentage, and the numbers show it. So we need those programs. We need to connect with those folks on that level. And we need more very specific products and programs that specifically advantage racial groups that have been left out of homeownership and frankly gone backwards in the entire history of housing counseling.

Clair Weatherby: Thanks, Gabe. Yeah. It's so important to draw those linkages to the actual down payment assistance, special credit programs, that can help borrowers in addition to all of the education and the counseling that we've been talking about here today. I think that that also connects back a little bit to our conversation in the day one of the symposium where we talked a lot about fee for service and helping make these services sustainable.

And I want to turn now to the local level. So we have Charles Harris here from HEED. And I'm curious to know, how did the information that was presented today resonate for you as a local housing counseling agency actually providing pre-purchase education and counseling? I know your organization has a mission focusing on fair lending and fair housing. Love to hear you talk about that.

Charles Harris: Thank you very much. I'd like to thank you, Clair, for the invite. I also love to give a shout out to Shae, who extended the invite to me. Also to HUD individuals, gave their presentation, and to my longtime friend David Berenbaum.

In regard to what resonated to me, everything that everyone said in regard to the [charts ?] and things of that nature and what really resonated with me when Julienne made the presentation that dealt with the student loan debt and the temporary loss of income, because a lot of individuals

who seek pre-purchase counseling, far as their credit is concerned, this is what -- the biggest obstacles that they are facing: insurance, student loans, and temporary loss of income.

So everything that was pretty much said today -- mostly everything was said, really resonated with HEED, with us, in regard to how we can improve our first-time homebuyer curriculum, some things that we can add to improve upon. And one thing Simone -- not Simone, Miss Griffin -- yeah -- Simone said -- she stole a part of what I've been practicing all day to say, she said in one second. In regard to individual who sometimes will compliment you on having pre-purchase counseling.

What I mean about that -- in the past, sometime now -- since COVID, we don't do too much in-house right now. In the past, when an individual might bring his or her mother, cousin, or someone to one of our counseling sessions, an individual who came along as a partner would say, "I wish I had had that when I bought my house. I wish I knew that then." Same thing Simone said. So most people feel this particular way, period, who have gotten into trouble. Some, they didn't get it and not gotten into trouble -- just idea of knowing how to become a homeowner.

And as far as fair housing is concerned, we did -- we go a little deeper in our pre-purchase counseling because we are a fair housing enforcement agency. And through our home buying program, we teach a counselor individual on how to detect discrimination, whether it be in lending, insurance, or talking to the realtor. Because you can't have either one of those three without having the other.

And so we try to -- and even out of that, we have -- we found three tests -- we do testing. And from those individual participating in our class, and were interested in housing, not just purchasing a home, they became some of our leading testers that we have to do -- to go out and do fair housing testing.

Now let's see. Now, as far as HUD's pre-purchasing is concerned, sometime over the years, if we have a session to deal with pre-purchase, we might have a group of individuals in the counseling session who came for -- came on their own. Willing, as Simone said, because of outreach, who wants to learn about pre-purchase.

Then we have individual in the same session sometime who were referred to us by a lending institution. Sometimes I have a little issue with that because the individual who comes -- who came just to get that certificate saying that he or she came because his bank referred him, or the real estate agents referred him in order to get this loan, sometimes they don't seem to be as serious as those individuals that came on their own. And so those jumped out at me for years.

But we give them the same counseling. And sometimes they appreciate it. Most time they do. And so those are some of the things that jumped out at me during this particular symposium. Thank you.

Clair Weatherby: Thank you. It's really great to hear your experience. I think we can keep the theme going with local housing counseling agencies and turn to Pamela. So we had a question in

the Q&A which I think is right up your alley. So Melinda from Kentucky Housing Corporation is asking about -- she says, "We hear about systemic distrust of government and systems among various demographics." And is asking, "What are some of the tools or approaches used to gain the trust of others who are skeptical about homeowner education programs?" Do you have thoughts on that from your work at the Chinese Community Center?

Pamela Cook: Yes. So thank you, first, for having me here. It's an honor. As far as the Chinese Community Center, we are a multi-ethnic organization. We serve all Houstonians. Our demographics is Asian American, African American, as well as Hispanics. We have an adult education literacy program where we provide ESL teachers, English as a second language teachers, so they're actually certified to speak the language. Our primary language currently with our demographics is Vietnamese, Mandarin, and Korean. So we have to make sure that we meet our clients where they are when they come into the door.

So to establish that trust, we first have to be able to translate with them, to be able to understand what their needs are, and to be able to assess them, and to just grab it -- find out what type of resources that they need. So we have noticed, because of -- a lot of documents, especially a lot of -- how can I put it -- governmental documents -- are in English and they're not translatable, then they have a hard time establishing that trust.

And so a lot of times our teachers try to walk them through it, but when it pertains to legal documents, we're not certified to be able to assist them that way, and we have to refer them to actual legal translators to be able to do that.

Clair Weatherby: Great. Thank you so much. I think we can -- let's circle back to Simone and kind of bring you back to some of those findings from MDP. I know you're with a national intermediary, Home Free, and you do stuff with workforce development. So could you talk a bit about the importance of that, and staff training, to help achieve the goal of equity in housing counseling?

Simone Griffin: Yeah. It's so important right now. And in fact, when I was thinking about this question, I was really thinking about it from the angle of Gen Zers. But I think that we can go beyond that. But I will start with Gen Zers. With our workforce development the -- Home Free USA has a program called Center for Financial Advancement, in which we are working with historically black colleges across the nation. We're working with about 15. Starting in the -- in this coming school year, will be 15 schools.

And it's been incredibly impactful because a lot of these students -- many of them are first-generation college students and many of their parents are still renters. They were not aware of homeownership as an option. And now as a result of our program, which, quite frankly, was designed to get people in the door to -- in the door of the mortgage industry and housing counseling. So it was really designed to increase our staff rankings. But what has happened as a direct result of this is that more of our students, number one, as they graduated, they have bought homes and their families have bought homes. So it has really served a massive element.

Gen Zers -- we are finding they are a phenomenal generation. They are very committed to social change and they really want to see a moving forward. They are also focused on building wealth. And so bringing this together in a manner that they can enter this industry, learn more about the work that we're doing in a manner with which -- one, it teaches them about financial education, home ownership education, puts them in a position to understand the benefits of home buying and what they need to do and also serve their communities, is a win-win-win.

Whether they stay in a housing counseling agency or not, they can go off and move into other parts of the mortgage industry, other parts of the real estate industry, development. But it's such a wonderful ground floor to learn about housing America. That's what makes, I think, our role so important, especially to Gen Zers.

But in addition to them, right now we're going through the great resignation. And I can tell you that I am part of our hiring committee for many of the people who have been brought onto Home Free in the last year or two. Most of them, when they say -- when we ask them, "What had you consider Home Free USA as a career place?" And these are not people who came from housing. They said, "I really want to be a part of something bigger than myself. I want to affect change. I want to help serve my community."

And "my community" may not be their immediate community; it could be the broader community. But they want to know that they are impacting Americans who really need the help. That is an incredible thing. And so the more people that are interested in really serving their communities -- this is a perfect way to do it. And they are doing it in a way that is giving people a hand up and not a handout. And again, and the reason that we need all of this is, quite frankly, our industry is aging.

Just -- the reason that we've hired so much is because we've had so many other people leave due to retirement. It's not -- we try to -- we model ourselves as a really great organization to work in. But people, at the end of the day, they have life changes. They're retiring. We have a lot of people retiring right now, again, going into the aging of our systems. So we need to bring in new talent. And we need to make sure that that talent has the ability to -- going back to what I said before about the about the outreach -- take our message and broaden it to a variety of communities. And so that is the importance of workforce development.

Like I said, I started off with Gen Z, but I'm going to go beyond that to anybody who has a interest in financial services, in a commitment to changing the course of their community, just doing more. And again, this -- at the end of the day, is -- it's a financial services role. So let's not take away from that. Yes. We are nonprofits, but that's really a tax status. We are -- and we are here to effect change, but we are really here to promote and enhance the housing market through our services.

And so when we explain that to our candidates that are coming in from all parts -- all other industries, they are excited and they are motivated and they are encouraged. And so as a result, we feel like we have gotten a much better product. But that's only because, again, we're bringing in outside entities.

Clair Weatherby: That's great. I think that's a great note to end on, kind of marrying bringing new folks in to implement all of the great work along the lines of what you're doing, Pamela, Charles, Simone, and Gabe. And I want to add sort of on a personal level, I'm excited about those ideas, because I think one of the great strengths of the housing counseling industry is the passion of the people who work in it. Just -- counselors that I've met from all over the country -- that's really what it takes to do the job well.

So I want to thank you all for your participation here today and also thank our -- each of our presenters who shared their hard work and their findings. And I hope that we see you all tomorrow for our final session of the Increasing Access to Pre-Purchase Symposium.

So you can find the details on the HUD Exchange. And we also encourage you to attend the Office of Housing Counseling 2022 Community Conference in a couple of weeks in August. So with that, we will give you our contact information. For HUD, you can always keep in touch on the HUD Exchange or at housingcounseling@hud.gov. And thank you again for your attendance. Hope you all have a great day.

(END)