

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of Housing

### Housing Counseling Assistance

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2022 Appropriation	57,500	76,822	-	134,322	117,252	40,287
2023 Appropriation	57,500	17,388	-	74,888	76,000	90,000
2024 President's Budget	66,000	-	-	66,000	66,000	60,000
Change from 2023	8,500	(17,388)	-	(8,888)	(10,000)	(30,000)

#### PROGRAM PURPOSE

The mission of the Office of Housing Counseling (OHC) is to provide individuals and families with the knowledge they need to obtain, sustain, and improve their housing stability and financial health. This mission is accomplished by supporting a strong national network of HUD-approved housing counseling agencies and counselors. The mission also includes supporting the Administration's goals of increasing racial equity in homeownership, recovering from COVID-19, building generational equity and wealth through responsible and sustainable homeownership, supporting eviction prevention efforts, supporting senior citizens, and assisting consumers impacted by national emergencies or disasters.

#### BUDGET OVERVIEW

The 2024 President's Budget requests \$66 million for the Housing Counseling Assistance program, which is \$8.5 million more than the 2023 enacted level. This funding level will support families and consumers, seniors, disaster-impacted families, delinquent homeowners, and renters. Funding at this level will allow more than 4,040 HUD-certified Housing Counselors and 367 Home Equity Conversion Mortgages (HECM)-certified Housing Counselors to assist consumers with professional, quality education, advice, and support to make informed decisions. Assistance provided by HUD-certified counselors, who are trained in homeownership, loss mitigation, disaster preparedness and disaster loss mitigation, homebuying, eviction prevention, homelessness prevention, scam and fraud avoidance, and credit counseling, ensures that each homeowner, resident, or consumer seeking help optimizes their housing situation and financial success.

The requested level of funding will permit OHC, through its network of approximately 1,535 housing counseling agencies, to support more than one million consumers. Funding at this level includes \$5 million that will continue to increase the participation of Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions (MSIs) in HUD's Housing Counseling program.

This program aligns with HUD 2022-2026 Strategic Objectives 1A: *Advance Housing Justice* and 3A: *Advance Sustainable Homeownership*.

## JUSTIFICATION

### **Grants to Housing Counseling Agencies, Foreclosure Prevention Counseling, Homeownership Counseling, Fraud/Scam Awareness/Prevention**

The Budget provides \$47.5 million to support approximately 1,535 HUD-approved agencies to provide housing counseling services, as well as training for counselors. From 2021 to 2022, 173 agencies received funding directly from HUD, and 944 affiliate agencies received funding from HUD-approved intermediaries. Funding at this level is projected to serve more than 1 million consumers. Projections may fluctuate due to variables that include the cost of providing services and changes in the level of funding agencies receive from other sources.

HUD-approved housing counseling agencies provide quality counseling in the following areas: homeownership, financial budgeting, Home Equity Conversion Mortgages (HECM), transitioning from homelessness to housing, rental counseling, wire fraud and scam prevention, eviction prevention, and fair housing counseling to renters and home buyers who experience discrimination. Funding allows agencies to deliver a holistic range of housing counseling and education services appropriate to national and local market conditions and individual consumer needs.

### **Grants to Expand HUD's Partnerships with Historically Black Colleges and Universities and Minority Serving Institutions**

The Budget provides \$5 million to support housing counseling agencies that partner with Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs) to help them expand sustainable housing opportunities and build generational wealth in their communities. This housing counseling priority facilitates homeownership education for underserved communities of color by bridging the information gap through local agencies focused on community housing counseling service delivery.

In 2022, 19 HBCUs/MSIs applied for grant funding. Of that number, 16 were eligible for funding. The Budget requests an increase in this category to expand program participation by these institutions, which, in turn, are opportunities for closing the racial equity gap and building generational wealth in their communities.

### **Grants to Expand Services to Historically Underserved Communities with Culturally Sensitive and Linguistically Appropriate Counseling**

The Budget provides \$6 million to expand outreach to diverse markets and augment counseling services to historically underserved communities including Asian American and Pacific Islander, Hispanic-Latino, Black, Native Alaskan, Tribal, and rural communities. Utilizing culturally sensitive and linguistically appropriate service delivery, materials, and group education, OHC will implement capacity-building initiatives in conjunction with HUD-approved housing counseling agencies across the country that will directly advance the goals of HUD's Strategic Plan.

### **Training Grants for Housing Counseling Continuing Education**

The Budget provides \$3 million to conduct virtual trainings on sustainable, responsible homeownership, building generational wealth and equity, foreclosure/loss mitigation, scam and fraud detection and avoidance, and disaster preparedness and disaster loss mitigation. HUD is committed to assuring consumers receive high quality counseling services. This will be achieved, in part, through counselor training and professional development provided by HUD training grantees.

In 2022, HUD's five training grantees provided 800 virtual training sessions for more than 33,000 housing counselors.

### **Administrative Contract Services**

The Budget proposes \$4.5 million to support outreach and awareness efforts to improve data collection, reporting to the Office of Management and Budget, and reduce the in administrative burden on counseling agencies and HUD. In addition, funding will enhance agency oversight, ensure program compliance, support the Housing Counseling Federal Advisory Committee, fund HECM tools for housing counselors, increase educational activities, improve online certification examinations, and facilitate the development of study guides. Further, funding for increased data collection and analysis will enhance the department's ability to strategically target the provision of resources and funding towards areas that can benefit most from the services that OHC provides.

### **Information Technology (IT)**

Within the Information Technology Fund, the Budget requests \$2 million to support the Housing Counseling Network Management System.

Housing Counseling Network Management System - \$2 million: The Housing Counseling Network Management System (HCNMS) investment is critical to reducing program risk and automating manual processes to conduct more than 400 agency performance reviews and over 300 grant awards annually, with funds accountability and new agency application processes. The cloud-based FedRamp certified platform will manage risk, monitor agency performance, and track impact and outcomes across all Housing Counseling initiatives in real or near real-time processing. The system will reduce the risk of non-certified counselors providing counseling services, ensure client data is secure and protected from unauthorized release, and increase program effectiveness and analysis through peer-to-peer communications with related partners such as FHFA and GSEs.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2022 Budget Authority	2021 Carry over Into 2022	2022 Total Resources	2022 Obligations	2023 Appropriation	2022 Carry over Into 2023	2023 Total Resources	2024 President's Budget
Housing Counseling Assistance	53,000	53,000	106,000	93,025	53,000	13,833	66,833	61,500
Training Grants	[2,000]	-	[2,000]	-	[2,500]	-	[2,500]	[3,000]
MSI/HBCU Partnerships	[3,000]	-	[3,000]	-	[3,000]	-	[3,000]	[5,000]
Culturally Sensitive & Linguistically Appropriate Counseling	-	-	-	-	-	-	-	[6,000]
Administrative Contract Services	4,500	3,822	8,322	4,227	4,500	3,555	8,055	4,500
Eviction Prevention Grants	-	20,000	20,000	20,000	-	-	-	-
<b>Total</b>	<b>57,500</b>	<b>76,822</b>	<b>134,322</b>	<b>117,252</b>	<b>57,500</b>	<b>17,388</b>	<b>74,888</b>	<b>66,000</b>

**LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS****Legislative Proposals**

The 2024 Budget supports the following legislative proposal(s) and will seek changes through the authorization process:

Change the terms of the Housing Counseling Federal Advisory Committee: This proposal would provide greater flexibility to establish staggered terms for appointees to the Housing Counseling Federal Advisory Committee to promote continuity as committee member terms expire.

**APPROPRIATIONS LANGUAGE**

The 2024 President's Budget includes proposed changes in the appropriations language listed below. New language is italicized, and language proposed for deletion is bracketed.

For contracts, grants, and other assistance excluding loans, as authorized under section 106 of the Housing and Urban Development Act of 1968, as amended, [~~\$57,500,000~~] *\$66,000,000*, to remain available until September 30, [2024] *2025*, including up to \$4,500,000 for administrative contract services: Provided, That funds shall be used for providing counseling and advice to tenants and homeowners, both current and prospective, with respect to property maintenance, financial management or literacy, and such other matters as may be appropriate to assist them in improving their housing conditions, meeting their financial needs, and fulfilling the responsibilities of tenancy or homeownership; for program administration; and for housing counselor training: Provided further, That for purposes of awarding grants from amounts provided under this heading, the Secretary may enter into multiyear agreements, as appropriate, subject to the availability of annual appropriations. (*Department of Housing and Urban Development Appropriations Act, 2023.*)