The Housing Counseling Federal Advisory Committee ("HCFAC") of the U.S. Department of Housing and Urban Development convened a public meeting from 1:00 pm. to 4:00 pm EDT on Tuesday, September 27, 2022. The HCFAC met virtually via Zoom. Public attendees included 313 registered webcast attendees, and 112 attended the webcast.

**HCFAC Members Present:**

* Patricia Arvielo
* Daniel Garcia
* Richard Verrillo
* Gabe Del Rio
* Ibijoke Akinbowale
* Lawrence Batiste
* Marcia Lewis
* Bill Sevilla
* Anthony Walters
* Paul Yorkis

**HUD Presenters:**

* David Berenbaum - Deputy Assistant Secretary, Office of Housing Counseling
* Virginia Holman - Designated Federal Official, Lead for DART, Office of Housing Counseling
* Terry Carr – Office of the Deputy Assistant Secretary, Office of Housing Counseling
* Ruth Roman- Senior Policy Analyst, Office of Deputy Assistant Secretary, Office of Housing Counseling

**Subject Matter Expert Presenters:**

* David Paul- Neighborworks America, Homeownership Specialist
* Lot Diaz- Unidos US, Vice President, Housing & Financial Empowerment
* Michael Billnitzer- ESOP-Benjamin Rose Institute on Aging, Executive Director of Empowering and Strengthening Ohio’s People (ESOP)and Vice President at Benjamin Rose Institute on Aging
* Jennifer Murphy- Homeownership Council of America, Vice President of CLIMB Programs
* Don Nash- Homeownership Council of America, Vice President of National Programs
* Bruce Marks- Neighborhood Assistance Corporation of America- NACA, CEO
* Hyepin Im- Faith and Community Empowerment, President/CEO
* Rod McGinniss- HPF/ GreenPath, Senior Vice President, Business Development
* Ellie Pepper- National Housing Resource Center, Deputy Director
* Linda Davis-Demas- Balance, Vice President of Housing

**Opening of the HCFAC Meeting**

**Summary:**  Mr. Berenbaum welcomed everyone and called the meeting to order. The Office of Housing Counseling's mission is to help families obtain, sustain, and retain their homes. HUD accomplished this mission through a strong network of HUD-approved housing counseling agencies and their HUD-certified housing counselors, who provide professional services to over 1 million consumers annually. The committee provides a forum for those involved in housing counseling and related industries to offer advice directly to the Deputy Assistant Secretary for housing counseling on ways to accomplish the objective of HUD's Office of Housing Counseling. Committee meetings are open to the public. The committee's 12 seats are equally split between representatives of the real estate industry, the mortgage industry, housing counseling agencies, and consumer advocates. Members are appointed for three-year terms. They bring their diverse professional and life experiences and perspectives to inform the committee's work and advise the leadership.

**Introduction of Assistant Secretary of Housing, FHA Commissioner**

**Summary:** Mr. Berenbaum started by highlighting the upcoming 10th anniversary of the Office of Housing Counseling on October 3, 2022. The two topics that will be discussed today are celebrating partnerships supporting homeownership will be facilitated by Terry Carr, the Senior Program Advisor with the Office of Housing Counseling, our second discussion, celebrating partnerships that sustain homeownership will be facilitated, moderated by Ruth Roman, Senior Policy Analyst with the Office of Housing Counseling.

**Office of Housing Counseling Updates -by David Berenbaum**

**Summary:** Mr. Berenbaum10 years ago, the Office of Housing Counseling was established as a separate office within HUDs (Housing and Urban Development) Office of Housing to fill a need. Over the past decade our network grew to 1,550 HUD approved housing counseling agencies, over 4,000 HUD certified counselors. Together 12.2 million individuals and households have been counseled and $450 million dollars in grant funding have been administered. Currently over 4,800 consumers use the new HUD counseling agency locator tools, including the toll-free number, which is available in over 240 languages. 3,000 consumers meet with HUD certified counselors every day. Certified counselors are working to realize mutual priorities, including promoting housing equity, bridging the homeownership age gap, helping the nation to stay in their housing and recover from the financial challenges of the pandemic to age in place, to recover from natural disasters, and so much more. Together 50 new housing counseling partnerships have been added with minority serving institutions and historically black colleges and universities. This initiative will provide services to Gen X scholars, faculty, community residents and the future generation of housing counselors empowering the efforts to bridge the homeownership gap and the next generation of housing counselors. Lastly, the Office of Housing Counseling is embracing change to meet the evolving needs of the communities.

**Introductions of speakers to cover Celebrating Partnerships in Home Buying- Terry Carr**

**Summary:** Ms. Carr introduced each speaker that will be speaking on what it means to celebrate partnerships in home buying.

* David Paul- Neighborworks America, Homeownership Specialist- David work includes supporting local housing counseling agencies under HUD’s housing counseling program and supporting the Accelerating Homeownership for People of Color initiative.
* Lot Diaz- Unidos US, Vice President, Housing & Financial Empowerment
* Michael Billnitzer- ESOP-Benjamin Rose Institute on Aging, Executive Director of Empowering and Strengthening Ohio’s People (ESOP)and Vice President at Benjamin Rose Institute on Aging
* Jennifer Murphy- Homeownership Council of America, Vice President of CLIMB Programs- Jennifer provides leadership to homeownership counsel to the homeownership Council of America's community lending initiatives in mortgage banking.
* Don Nash- Homeownership Council of America, Vice President of National Programs- Don joined the National Homeownership Council of America in 2022 as a vice president and is responsible for home equity down payment assistance programs.
* Bruce Marks- Neighborhood Assistance Corporation of America- NACA, CEO- This is a nonprofit organization dedicated to economic justice through homeownership and community activism.
* Hyepin Im- Faith and Community Empowerment, President/CEO- She's the president and founder of Faith and Community Empowerment, FACE and national nonprofit dedicated to empowering churches and nonprofits, and a voice for the Asian American community.

**NeighborWorks America- David Paul**

**Summary:** This presentation highlights the partnerships that work with NeighborWorks program AHPOC (Accelerating Homeownership for People of Color). NeighborWorks has been working in community development for over 40 years, and everything that we do at NeighborWorks America is about our network. We have a network of over 240 locally driven, high impact and resident driven community development organizations, and they are doing great work across the entirety of the country. In 2021, they helped create over 22,000 new homeowners, majority of whom were homeowners of color. They also helped house over 330,000 people in rental units. Again, over half of those folks were people of color, and over half of them had female heads of household. AHPOC program started with our corporate goal to strengthen the continuum of services for financial health and wealth of low income and households of color. Fortunately, this was a vision and a goal that Fifth Third Bank also shared with us. They partnered with us to fund a three-year grant and peer learning program for 17 NeighborWorks organizations. The exciting thing about this program is that each of the 17 organizations brings a unique perspective, but there are lots of really important commonalities that they share. And the goal is that in bringing them together, they can create thought leadership that can inform the NeighborWorks network, and the entire housing industry. The activities in their first year included several peer conveniences, where the cohort members have worked to identify what their current strategies are in promoting homeownership and communities of color, some success stories that they've had and the challenges that they face currently and, in the years, ahead. Really, this program is working because the cohort members have ownership of the process. We want them to be driving the conversation. They are the ones with expertise and on-the-ground experience. And our job as NeighborWorks and Fifth Third bank is to gather those insights and share them out with the rest of the industry. In the quarterly reports, we kind of gain a sense quantitatively for the impact that they are having in their communities, but then we also gather qualitative information. As we enter our second year, we will encourage cohort members to kind of borrow ideas and implement ideas from each other. This AHPOC program gives them the funding in the space to pilot that program to process their lessons learned and successes and challenges for themselves and with their peers. And our hope is that they can share those insights with the rest of the cohort. They are piloting these different strategies and evaluating them during the first few years of the AHPOC program. Affordable homeownership is part of this broader history of housing discrimination, redlining and the racial wealth gap but our NeighborWorks organizations need ways to connect their services to that broader history. We are not just doing housing counseling, we are not just doing down payment assistance, we are trying to reverse a historical problem that many people have faced for years. Cohort members are sharing how they can apply those racial equity and other principles to their work. We have been really excited to see that, and this is something that is certainly a focus of many of the cohort members.

**UnidosUS-Lot Diaz**

**Summary:** UnidosUS serves the Hispanic community through research, policy analysis and state and national advocacy efforts, as well as our program work in communities nationwide. We partner with a national network of nearly 300 affiliates across the country to serve Latinos in areas of civic engagement, civil rights, immigration, education, workforce, and housing. Nationally we have about 50 agencies working in 27 markets. We serve around 45 to 50,000 clients a year. UnidosUS focus is rental eviction prevention and foreclosure prevention work has been centerstage since COVID and hopes the trend shifts over to the homeownership market, which has been our bread and butter since we began. Awareness of the work or county agencies work is critical to identifying both new partners for them in the local community. It is also important as they want to be able to communicate with families in their service area, to let them know when it's possible, if they if they decide to undertake homeownership journey. Many use the moment of purchase to celebrate with numerous community and local partners in the era of COVID, and the difficulties that families face not qualifying for a mortgage but also finding and also finding an affordable home. We feel it is a strategy that needs to be rekindled more because getting in community getting people both aware and in motivated to work toward homeownership is going to be a critical factor going forward. Over the years, we form many national partnerships with lenders and companies of various kinds to support the work of the network. These national partnerships identify families wanting to pursue homeownership, or, and need just a little bit more support, or, and help family who's behind who fall behind in payments in some cases, but their ideas you're identifying clients through your partner, your lender partners. We have a partnership with Opportune, who's a

small settlement lender, loan provider who we provide financial coaching to both their staff of the company and to individuals who have been declined loan. Intermediaries, such as national and depository bank partners, have been less active in the pre purchase market space than before the foreclosure crisis period and many since the crisis. The OCC project reach regulates many of these banks is trying to form a new partnership to see if banks declined borrowers can be immediately referred to housing counseling agencies to look to support the client to become mortgage ready. There is a lot of good evidence that really supports declined borrowers as motivated borrowers and with counseling and education can move to homeownership very quickly and so the idea is we can capture more of those families, and they will become homeowners in the future. Wells Fargo has been a leading force in this effort, least this particular project effort. But with all our financial coaching, we are seeking those who are motivated to homeownership.

**Benjamin Rose Institute on Aging, ESOP- Michael Billnitzer**

**Summary:** Mr. Billnitzerstarted off by highlighting HUDs Office of Housing Counseling as a great partner in celebrating homeownership. Empowering and Strengthening Ohio's People better known as ESOP, we are a HUD approved housing and financial counseling agency located in Cleveland, Ohio, and we serve all of Northeast Ohio and in some instances, we serve the entire state of Ohio. The missions of three organizations that partner together to help promote homeownership and ensure safe, affordable, sustainable homeownership. Benjamin Rose Institute on Aging is our parent organization and Benjamin Rose's mission is to support caregivers and empower all people to age well through research, consumer responsive services like ESOP and client advocacy. ESOP's mission is to help adults in all stages of life achieve and maintain financial wellness and housing stability. In 2014, we created a subsidiary nonprofit called Branches Real Estate, formerly ESOP Realty. Branches mission is to help people transcend poverty, and make the dream of homeownership available, affordable, and sustainable for more members of our community, while simultaneously contributing to neighborhood stabilization. Our guiding principle is financial capability. So financial education is an important component of what we do and the array of homeownership workshops that we offer. Everything that we strive to do at ESOP and Benjamin Rose is to combine knowledge with skills through one-on-one coaching and counseling, coupled with access to resources like down payment assistance or affordable bank products. You cannot have a suite of services like this without partnerships, whether that is internally through some of our subsidiary organizations, or whether that is with HUD or with our local municipalities, the City of Cleveland, or Cuyahoga County or NCRC, the National Community Reinvestment Coalition. We offer a new construction workshop, Aging in Place, Know Your Options, Know Before You Sell, Post Purchase Know After You Buy is our final workshop. So, we teach our clients how to recognize and avoid those. We teach about preparing for the financial future, about end-of-life issues and legal issues you may cross as a homeowner. Branches was Ohio's first nonprofit full service real estate agency and its mission; its focus was on mission not commission. We staff real estate agents, and they get paid a salary, but we also partner with Land banks, our local Cuyahoga County Land Bank and Community Development Corporation's to license agents who are employees of those entities to address hyper local housing issues. They are able to address community needs and whether this is a full-service brokerage, whether you are looking to buy or sell a $40,000 home or a $400,000 home, you are getting the same high-quality service from our broker and our agents and the commission's that we earn help us fund ESOP's programs like the workshops I just described. Benjamin Rose Institute on Aging our parent organization as is an essential partner in terms of wraparound services, particularly for older adults and caregivers. Partnerships at all levels is what it takes for us to succeed and pull off that array of programs that I shared earlier. We partner at the local level with our county and City of Cleveland, they serve as funders and oversee us from a compliance standpoint. At the state level, we partner with the Ohio Housing Finance Agency, we are currently administering the Homeowner Assistance Fund. We partner with our area agencies on aging for funding and compliance. We partner with the Ohio CDC association for our Branches Real Estate entity. On a national level, again, I cannot think of any better partner when it comes to offering training or best practices or compliance or funding opportunities than HUD and our intermediary, the National Community Reinvestment Coalition. We have partnerships and funding relationships with banks, who helped deliver our workshops and content. Lastly our average client increases their savings by $1,456. They reduced their monthly expenses by $242. They decreased their debt by an average of $1,248 and improve their credit score by 42 points. These may not seem like game changing numbers if you are in your working years, but our average client earns $16,911 a year.

**Homeownership Council of America- Jennifer Murphy**

**Summary:** CLIMB’s, Community Lending Initiatives Mortgage Banking, mission which isn’t to provide direct services to homebuyers, instead build equitable access for America’s underserved communities. HCA is a national nonprofit we serve our mission by providing services to other nonprofits, CDFIs and community lenders. We're very experienced team of people with kind of a unique background blend and that we have a long history of both mortgage lending, nonprofit housing, HUD approved housing counseling programs and CDFI management in our team and some of us have all of those things in our one person. We work with organizations on the ground to transform them, bring them valuable knowledge, make sure they have concrete processes, enhanced product offerings, a better prepared team overall, we facilitate growth and success. We're nationally known experts in the Affordable Homeownership Program, again, as from housing counseling to CDFI to mortgage banking and affordable housing development. Over 75 years of nonprofit leadership experience, we are a social enterprise model in that we are self-sustaining and not reliant 100% on foundations and grants and we have major national vendors and partners, and we are proud of our impact with partners. Homeownership, which should never go out of style, does. We do a complete analysis on your organization and its background, its experience, its current health, then we do discovery and planning sessions, that's usually four to five two-hour sessions, which we go through every step of the process with you talk about your own individual needs. At the end all that is captured into a tactical action plan, different from a strategic plan this is actually something that tells you, here's what you're going to do, here are the steps that you need to take, here's the information you need to move into what being a broker being a packager. We give you that and a lot of other information and addendums plus a milestone tracker that you can use to assign duties to people on your staff and ensure that you are making progress as you get yourself started on your way to becoming a broker or the package or whatever you're going to become. We also provide you with follow up supports and accountability that just help you stay on track with the milestone tracker.

**Homeownership Council of America- Don Nash**

**Summary:** The equity DPA program is our Down Payment Assistance program. Obviously, it is a 3% down percent down payment assistance program, open to any applicant under 80% AMI and the sweetest spot is that minority applicants are up to 140% AMI. It forgives after five years of owner occupancy repaid if sold, repaid if sold within the term. There's no interest, no borrower paid fees, no payments open through to any participating mortgage lender, it's a soft second and its conventionally compliant reservations of funds by participating lenders for qualified borrowers. Our first matching challenge was achieved with Realtor.com, Veterans United and the Pulte Group. HCA monitors and provides long term reporting to demonstrate the impact, HUD approved partners are supported for providing the pre purchase counseling that we all know is so essential, and the education to consumers into the program. The donor funds that support equity, DPA, the BIPOC fund, its funds that are restricted for minority recipients up to 140% AMI. The donors may also restrict their funds to a geographical area. All funds are tracked by donor and permanently restricted for the designated use annual donor reporting provided and included and restricted grant capital agreements. Now, we've got an average of about 127,000 applications denied each year to LMI and BIPOC homeowners and that's resulting in more than 1.2 billion every year $1.2 billion every year. The home purchase sales market is missing out on $41.9 billion dollars in volume, think of what we could do to actually move the needle to increase homeownership in the BIPOC community if we gathered together in the spirit of partnership, and took this forward to making more homeowners.

**Neighborhood Assistance Corporation of America, NACA- Bruce Marks**

**Summary:** We are housing subsidiary Neighborhood Stabilization Corporation. So, in 2021, we did 283,524 sessions and that we helped many people in our counseling program. In 2022 we are on track to exceed over 280,000 clients. We do over 30% of the counseling in the country and we are one of the few that always do documented counseling. We also are, you know, out there doing with what we call the HOTPHA, the Homeownership Through Public Housing Assistance. What does that mean is that we are working with public housing authorities to do use the section eight housing choice voucher, as part of the mortgage payment. We overcome the four major roadblocks to affordable homeownership. Number one, where it is tough to save money the NACA solution is no down payment and no closing costs and no points or fees. Number two restrictive underwriting, the NACA solution is we never considered one's credit score. Number 3, on affordable terms, NACA solution is it is always at a below market, fixed rate. So, the current rate is 5.75% for a 30-year fixed 5% for a 15-year fixed. Number four, NACA qualifies that home buyer for that means that virtually 100% of every loan that we submit to the lenders are approved. You do not need to make a mortgage payment for six months; the lender eats the cost of doing that and we provide all the services through our hand program where we work with the homebuyer, and we oversee renovations. We do these massive events was called Achieve the Dream events. We did one in Miami for four days in May. We had over 15,000 homebuyers come to that. We did one in New York City in June, over 20,000 people came to that over five days, and then in Houston and in Baltimore, and now we are doing Atlanta, we are going around the country and people come from not just that area, but around the country because of word of mouth. So that and over 93% of the NACA homeowners are people of color.

**Faith and Community Empowerment- Hyepin Im**

**Summary:** Our mission is to advance the Asian American communities' participation, contribution and influence through faith and community partnerships. There have been a lot of equity initiatives, as well as special purpose credit programs. And as an example, with Chase, there was a focus on targeting black and brown communities, and they need that attention, yet, I would say the API community also needs that same attention. The white homeownership rate is 66%, the Asian community 61%, Hispanic 48, and then the African American 42%, based on just those yellow bars, you would think that the Asian community is white adjacent. When you do aggregate 50 groups, in many ways that may show that but when you disaggregate, you will see that for black and Korean homeownership rate is the same. But there are actually seven Asian subgroups, API subgroups that are below black homeownership rate and there are 12 API subgroups below the Hispanic homeownership rate. When we hosted our first fair, there were over 600 people that came to the event and 125 people had credit scores over 750. Over 800 Participants also participated as well. We have really made an impact and have trained over 12,000 individuals plus to be on their way to homeownership. One of our key partners has been Freddie Mac, there have been numerous special initiatives. We are very grateful that in our demonstration of our reach to our communities, Korean, Asian and many others, that this partner has continued to grow that is our partnership with First Citizens Bank. As we have walked this journey of educating our community, many of them have joined our donor advisory board, they have served as instructors at a homebuyer education class. They also serve on our housing Advisory Council; they have served as sponsors for a fair and they provide an also recent commitment is providing support to add a housing counselor to our organization. And they are also recruiting a partner for our mortgage assistance internship program that they are hosting as well. For many people, they have never heard of a housing counseling agency or a homebuyer education class. And so, in many ways, we are having to constantly recruit, but our partnership with Bank of America, we are one of five housing counseling agency partners in the LA County market, and their new product with no PMI you know, it is 140%, 150% AMI income to cover the closing costs, no credit score, credit score required to know mortgage insurance and up to $15,000 down payment.

**Q&A - by David Berenbaum**

**Summary:** David Berenbaum opened the floor to the members of the advisory committee to share their thoughts and questions.

**Panel Discussion Comments were:**

* The first thing I would say is just it was a significant lineup; I am most impressed with just the variety of approaches that the agencies are taking to celebrating homeownership and home buying. And I think it is also particularly interesting that we had a couple of presentations by agencies that are actually making mortgages available. So, they are not just counseling people, but they are taking on the process of originating or training people to originate. And that seems to me to be a new development, at least to my eyes, and with respect to housing counseling. So, I am very impressed. And I look forward to seeing where these things go. And I have to, you know, if I am just to call out a few folks, the numbers that the Ohio ESOP people shared with respect to the changes their clients make, over a year's time, that's pretty impressive, and would seem like a goal that, that any of our agencies might have me to take someone who is making $16,000 a year and transform them into somebody who saves $1,400 a year and reduces their expenses significantly. Very impressive.
* You know, the role of not-for-profit organizations as a social enterprise to realize mission, I think is one of the areas that we are really exploring here today.
* I can tell you that the presentation by Hyepin is ground shaking, this program that Bank of America has launched, is only in five cities, but it is aimed at the minorities. And we are one of the nonprofits in Florida that has been receiving contact by email and by phone to get to know this program. And this past Saturday at our Hispanic workshop for homebuyers, we had 232 people attend, virtually, this would not have been possible in a live audience, we don't have that kind of room or capacity. So, this is a new road and I tend to think that similar to when banks never opened on Saturdays, and then one of them started, and then others followed. We may be seeing other banks deciding, you know, it is time for them to join and offer the communities where they have branches, some sort of similar program, to get people to be homeowners and to build wealth for their family. So very impressive. Very impressive.
* I have to just start by saying such fantastic presentations overall. I mean, I know we have a copy of the slides, but I could not help but to take so many notes and to screenshot much of the fantastic content that you guys have put together today. So, I really do you want to thank all the presenters for that. Of course, I would be remiss if not if I did not take the opportunity to celebrate our own intermediary affiliate ESOP, for the fantastic leadership that they take in working with aging communities in the local Ohio area. I did have a quick question and it is probably geared more towards Don, it was around the DPA and the geographical area restrictions by the funder's interests. I am wondering overall, if, when it comes to DPA, and we think about geographic restriction. How do we consider consumers' right to choose and the neighborhoods that they live in? I am wondering, how do we marry the lines a bit as a lot of the bank, our banking partners are, of course, pursuing certain geographic areas of interest based upon CRA regulations and credits. And so, I am wondering as we continue to increase our conversations and our piloting programs in with geographic focus, how do we maintain the integrity around consumers ability to choose their neighborhoods?
  + Thank you for that question. You know, we are doing our best to make sure that we cast our net wide so that we are able to develop partnerships that literally cover really the nation to people perfectly honest, we want to make sure that people have choices. And so, in looking for partnerships, we are looking at, you know, what are their level of commitment? And how does that help us to reach that ultimate goal, which is to spread and make it available to all.
* I'll also note that several other lenders are preparing to announce Special Purpose credit programs. So, we can expect growth in that space. And Hyepins comment about serving all communities, right, because we are speaking about reaching communities and these programs, I think is well taken.
* I really appreciate the fact that the presenters today because the information that you have laid out is awesome to the effect of what's going on and what's happening and what you're doing. And what I appreciate Jennifer being here, because Jennifer brought together also the process of showing how you can take the next steps if you're not there. What I'd like to also say is, is that all even the question that I had was the one that I had for, for Michael, he mentioned about a zero-interest loan and his program for workshops was well laid out. And I just wanted to ask about the zero interest loans that he has. Is he working with someone that is develop that and brought that out to open for his support and work with to work with.
  + We partner with a regional bank, Third Federal Savings and Loan, who has fronted $200,000 In collateral for two zero interest loans. One is for property tax loans. So, at zero interest over four years, you can borrow up to $7,500. And then we put you on a payment plan with the county. Now half has changed that because there are additional resources coming in at the federal level. But that loan is still available. And then we coupled that with financial counseling, the one we're more proud of right now and proud of both, but we created something called the senior small dollar loan and then converted it to just the small dollar loan, which is an emergency $1,000 loan that someone could get as a result of a COVID hardship. And if you amortize that over four years, you know, zero interest, someone could take four years to pay it back. It worked out to be about $20 a month, what we saw one of the discouraging things that we saw that speaks I think to the plight of our older adults in particular, is that about 30% didn't have that discretionary $20 a month to pay back. Our model is designed when someone comes in for financial coaching or counseling to help them find those dollars through benefits and assessments and entitlements. But it's I think a statement on our older adults our low to moderate income older adults right now that $1,000 and being able to pay back $20 a month is not possible. Similarly, we have a match savings program, we're struggling with it if you save $10 a month, we'll match that dollar for dollar it's a couple with financial coaching and education to will match that dollar for dollar up to $500. That's a that's a partnership with US Bank. And it's amazing to see an older adult graduate that program with about $1,055 emergency savings we're seeing now that one of the obstacles is $10 a month this is difficult for older adults. So, the goal here Lawrence was to help offer a viable alternative to payday lending, so people didn't have to turn and get caught in that vicious cycle.
* A quick observation about one of the ESOP strengths as we're talking about partnerships, was the strong working relationship that the housing counselors had at ESOP with, in fact, the not for profit real estate firm, but then also working to qualify future homeowners with the public and not for profit developers or rehabilitators on a neighborhood level, so that each and every home as the home was being in fact, developed or rehabbed, had a consumer ready to move in through the counseling activity. So, it was just very, very impressive.
* I have just a couple a few comments. In regard to the new programs that are coming out it, you know, with the equity, DPA, then there's of course, NACA is program that they have. Over the past few months, there's been several banks or lenders that have released or introduced some new programs that they have, whether it's the special purpose credit programs or the DPA programs, one thing that I really noticed was that all of these programs are requiring or marrying the housing counseling requirement to these programs for the clients to receive it. And I think that's just a really good testament to the work that the Office of HUDs Office of Housing Counseling is doing. I think that's amazing that other for-profit entities are really seeing the importance of the housing counseling agencies, the work that they're doing, I mean, NACA, saying that with all of us their program, as they've got less than 1% default rate on their loans, I can pretty much feel I can say that that could be due to the housing counseling that a lot of their clients are receiving. So, I think that's kudos to the work that the office is doing. Great job. I did have a question I believe is for Don, regarding the equity BPA program. In regard to the lender partners, have those been selected yet? Or is there, is there going to be some selection process for those? What kind of steps are taken on that?
  + There are some that have been selected, and there are some still being selected. So, moving forward, we are definitely casting the net wide, as I mentioned earlier. So, if you are a partner of data departments, you'd like to refer to us please do that process will continue to move forward until we can continue servicing our targeted area or target demographic. Yes.
  + Well, I just wanted to flush out a little bit with Don just said is that they are donors that donate to this fund, which creates the down payment assistance program. So, we're still accepting donors, and probably being a nonprofit, we will always be accepting donors, right? But we are still accepting donors for the program. And that is how the program is going to grow.
  + And just as a point of clarification, the foreclosure rate is 100 of 1%. So, and the other thing that I want to just mention, you had mentioned about the counseling for the lenders, you know, I understand this is all, you know, cheering, what's going on, but you got to get real in a sense, and you ended, the counselors are going to be effective, HUD, and you guys should require full documented counseling. Because if you ask the lenders in reality, they'll say that there's not as much value coming from the housing counselors unless they do documented counseling. So whatever information that declined puts in there needs to be verified. And virtually no counseling agencies out there, NACA and maybe a few others, as a practice require full documented counseling. And I would push you guys to have that as a discussion point when you do when you talk about adding value for the lenders with these, you know, special purpose, you know, credit programs and all that. That's what the Counseling Agencies should be required to do.
* I just wanted to share that. I think each time we have this type of information sharing, I realized how much I take for granted. And I think that just the inclusiveness and the diversity of what is available throughout this nation is amazing to me, and is a is a testament to, you know, what we can help, you know, to lift people up to another level. I personally was thinking as I was listening to these presentations, that I think it's great that there are opportunities where we can connect, you know, to learn about ESOP and, and to realize the proximity to you know, I loved hearing about FACE that I loved hearing about the other programs, and some which were engaged with NACA and others, but I really was thinking to myself, that would be, this would be a great opportunity for our community to be educated, and have opportunities to connect with similar cities or in similar states, that where they can see results, I mean 1,300 entitlements being provided as resources for people to me, it's just an amazing, an amazing lift and you know, that may be a norm somewhere, but I didn't know it. So, I just wanted to say I, I just realized how much I learned. Each time, we have an opportunity to hear from some of the great efforts that are out there.

**Introductions of speakers to cover Celebrating Partnerships in sustaining Homeownership-Ruth Roman**

**Summary: Ms**. Roman introduced each speaker that will be speaking on Celebrating Partnerships that Sustain Homeownership.

* Rod McGinniss- HPF/ GreenPath, Senior Vice President, Business Development- Rod has led business development for GreenPath financial wellness, and the homeownership President Preservation Foundation since 2013. Developing housing strategies and solutions for financial wellness services. GreenPath is a HUD approved housing counseling intermediary organization
* Ellie Pepper- National Housing Resource Center, Deputy Director, Ellie has worked for over 35 years on issues related to disenfranchised communities. Ellie was also a founding member of the housing counseling Federal Advisory Committee.
* Linda Davis-Demas- Balance, Vice President of Housing, Linda is responsible for all of balances housing counseling programs, the management of housing grants, and the oversight of balances national affiliate housing counseling network.

**HPF/ GreenPath- Rod McGinniss**

**Summary**: The Homeownership Preservation Foundation and GreenPath financial wellness have collectively administered and executed probably over 60,000, financial coaching sessions over the last with nine different national mortgage servicing organizations. The HPF is administering the Hope Hotline, back in 2008 and 2009. At the time, our community, our counseling community was highly involved in helping clients avoid foreclosure and delinquency process coming out of that housing crisis back then. And many large servicing organizations as well as both Fannie Mae and Freddie Mac were heavily involved in supporting those efforts. Fannie Mae launched the program in 2011. HPF was one of the program administrators along with five counseling agencies that were part of the HPF network of which GreenPath was one of those to kick that program off. Then in 2013, based on the success of that program, US Treasury kicked off another initiative under its Treasury Directive 1308, which then required servicers who are participating in the Making Home Affordable program. The program basically evolved from counseling to coaching, the primary difference with a coaching program is that we're engaging with the client to solve, to create a path to solve, create a path for to achieve certain goals. It gave the counselor the ability to encourage the client work in an empathetic way and monitor the performance of the client over their coaching time period, which is typically six to 12 months. There are two processes for bringing clients in the door. One is a proactive outreach, the other is where there is a warm transfer process. So, it's a much more holistic engagement on looking at on working with the client on reducing their debts, figuring out how to replenish their savings, figuring out what their other goals are, what their other goals are for savings and creating an action plan for that client. On both of these programs, which are either two session program or a four-session program, we found that you had about a 60 to 65% roll rate from one session to the next.

**National Housing Resource Center- Ellie Pepper**

**Summary**: We are dedicated to organizing nonprofit HUD approved housing counseling agencies into a unified voice to advocate for the housing counseling industry, and on behalf of housing consumers. Freedom Mortgage reached out to us because they were seeing that folks were going to be coming out of their forbearance and that folks were going to be in need of getting some modifications and loss mitigation services. They understood the value of partnering with a HUD approved housing counseling group, and that as trusted third parties that we would be able to really help get homeowners on the line and help with the outreach. This program through Zoom allows borrowers to meet one on one directly with a housing counselor and with an advocate from Freedom Mortgage. Freedom Mortgages has several different systems to reach homeowners. Once the homeowner registers, they're giving permission essentially for NHRC and its other partners to give more follow up to them to outreach to them throughout the time between the initial registration and the day of the event. Freedom Mortgage reaches out to all of their homeowners in a specific market that we're targeting, who are at least 60 days delinquent or about to exit forbearance. This gives homeowners an opportunity to learn what their options are, and they're told they can meet with a HUD certified housing counselor, who is an independent third party, not employed by Freedom Mortgage. Overall, they invite 44,000 customers to these events. 58% had right party contract rate in response to the cobranded mailer, and that was within 30 days of the mailing. The loss mitigation engagement rate was 19.5% higher for customers that attended the event compared to those that did not. The Homeowner Assistance Fund engagement rate was 21% higher for customers that attended the event compared to those that did not.

**Balance- Linda Davis- Demas**

**Summary**: BALANCE is a national nonprofit; we've been serving communities nationally for over 50 years now. We are a hybrid intermediary in that we provide direct counseling services ourselves, but we also have housing counseling agencies that are part of our network. Our goal is to be your financial guide dedicated to helping you balance life's most important decisions. Due to the impact that COVID has had on the economy, we've not seen the uptake of delinquencies as likely as high as I think they were originally projected. That has to do with the fact that we have many homeowners who are now cycling out of their COVID forbearances and trying to find a permanent solution. BALANCE has been working with one partner Freddie Mac, for over about 18 years, specifically providing direct services to their delinquent homeowners. And what we do is we conduct outreach, we've just this year alone, we've conducted outreach to over 7,000 delinquent borrowers, typically, folks that are 60 days or more past due, let them know about the services that we provide. The National Housing Resource Center has been doing some great work with Freedom Mortgage, we actually happen to be one of the agencies that they've contracted with directly. We've provided three events with our own direct counselors. We're cobranding invitations, trying to reach as many borrowers as possible. What Freedom has done is in addition to bringing the housing counselors together, we've also brought in, in many cases, the mortgage relief programs, so that they're also available to answer questions. The last event that we just held had over 100 registrants, I think it was like 158. And specifically, we had, I think, 68 attends. If you for some reason registered and weren't able to attend, we can still contact them and make sure that they're receiving the assistance, something may have happened that impeded that from being able to attend that night's event. We are seeing that on average about 35% choose to meet solely with the counselor the vast majority will prefer to meet with Freedom as well as the housing counselor they meet separately.

**Panel Discussion Comments were:**

* I think what the presentation is really highlighted for me was how their strategic partners get it, they understand the value of housing counseling, the necessary role of a trusted third party. And they understand how close how close the communication has to be throughout the whole process, about reach of counseling and loss mitigation. And in terms of the outreach, I appreciated that it was highlighted that early communication and outreach is key and the communication style to ensure that the homeowners understand the benefits that they get from participating. And, you know, the proof that it works is in the statistics that they shared. So, congratulations to all our partners.
* You know, I before I invite the members of the committee to jump in, I also really picked up on the maturity of the counseling community and engaging with the servicing and securitization industry through partnership activity, using terms like pull through rate, right party contact, having detailed information on the impact and outcome more of the work, really, I think celebrates the future of housing counseling, and how the industry can be accepted, along with originators along with a real estate professionals as part of the housing finance cycle, let alone all the other good works. We do and reverse mortgage, landlord, tenant, homelessness, etc. And I was very impressed by that. Pat, could I put you on the spot a little bit? You know, you're, as one of our industry members, you're representing the mortgage industry. I know also as one of our senior members of the Housing Counseling Advisory Committee right being reappointed by Secretary Fudge. I'm curious about your observations about from today's session.
* You know, similar to just the previous comments, and just really the important you know, the I've always said it since day one, I wish it were mandatory. That first time homebuyers especially that segment of the market had to prepare themselves for homeownership through our wonderful homeownership counseling agencies, the HUD approved agencies. So, I've said that for many, many years, but just in working, you know, I think the importance I have said it's, it's, it's wonderful, we get communities of color or underserved populations into homes. But really, the importance that I've realized over the last 20 years of working in this segment is keeping them in their homes is really where the work begins and ends. And so, I think the partnership in servicing with the homeownership counseling agencies, and the education that they're offering, the current homeowners is really valuable. So again, you know, I'm a big fan of housing counseling agencies, I just wish that it were really on an educational platform. As a known asset to buyers of real estate in this country, a lot of people still don't know that the resources are available for them in their communities. So, I just wish there was a bigger push, even if it came from our model, the Independent Mortgage Bank, but just really the overall financial literacy aspect of teaching people how to become homeowners really just talked a lot more about the benefits of the free housing counseling agencies that were available to them.
* Tony, I'd like to if it's okay, ask you, in particular reaching out to the Native American population, tribal communities. I know we've been working very closely with organizations to spread the word about the homeownership Assistance Program and other issues. But what can what more can we be doing in partnership to reach tribal communities and residents?
  + Thanks, David. Yeah, it's a pretty tough issue. I know we've talked about over the last few months since I've been on the committee, I think it's there's kind of two-fold approaches, I think a lot of the groups that were speaking today, and, you know, great, great job from all the speakers and all the programs that we had highlighted today, doing a lot of great work. And it's great to hear about it. I mentioned a little bit ago, I didn't hear a lot about rural efforts. And I'm sure a lot of the programs today are doing those efforts in rural communities, too. I know some of them, it's just easier in some of the urban areas. So, to the extent I could follow up with any of the folks on the call, I'd be happy to talk about rural and Native America, Indian Country communities as well. So, it's one, I would just encourage all the groups on the call today and to work with tribes that you all have kind of geographic areas that you work with, and you're all looking for partners, tribes, or as partners aren't going to go anywhere, if they're in your geographic footprint, or they're going to be there. Each tribe has a housing program that often tries to get folks in those communities into homeownership opportunities. So, I would reach out to some of them as a possible partner and leverage what resources they have. But for your existing programs, just be aware that Native Americans, I think it's at least 50% are in urban areas, right? They're not in these tribal communities that are that are harder to reach, but they're already in kind of the communities that you're working in. So just be mindful of that be aware of when you're doing outreach and marketing that there's probably some segments still that you may not be reaching and happy to help facilitate that from our organization standpoint and other native organizations across the country.
* So wonderful hearing the different programs post mod counseling and the different sustaining homeownership programs we have heard about I think it is more important now than it has been previously, just because when we go back to the original crisis back in '08-'09, HAMP was around which allow people with modifications to get that temporary 2% mortgage rate. And then we saw this period of time where mortgage rates are up, we are at historic lows. So, modifications really were able to give some payment relief to people. But now what we're seeing mortgage rates are up the Freddie Mac mortgage modification rate, I think is over 5%, it's getting close to six. So, when people are getting a loan modification, now they are not getting that relief on the interest rate that they saw in the past. So, we need the thing, those tools like post modification counseling, just to make these modifications sustainable, and to give people the assistance they need, because they are not, they might not be getting the 2%, 2.75% modification rate they were over the past few years. So, it is going to be interesting to see what these modifications start to look like now with higher interest rates out there.
  + Yeah, thank you so much for raising that point. It is an issue of concern, of course, to consumer advocates across the country right now. In the past, of course, low interest rates have been a valuable tool in sustaining homeownership. And I know this is an area that the Office of Single-Family Housing at HUD is actively looking at right now. Because we want to do everything in our power to sustain homeownership for FHA borrowers, mortgage borrowers who are struggling right now. So, this is a definite area of focus at HUD and on HUD leadership.
* I just did want to chime in with some reaction here as well, David, just how truly impressive and collaborative, we've come as a community, from the intermediaries to the local housing counseling agencies and our trade partners here. I mean, it really is impressive work that we're dealing with to advance homeownership, and even to revisit the business model of housing counseling overall, our work has certainly called for housing counselors to be flexible and responsive to the needs of their communities, and to even continue to tap into continued education to be as knowledgeable as necessary to responding to the consumer needs. And so really just a fantastic demonstration, to your point, David, of how far we've come as a field and so very happy to see folks represent that change today.
* Agreed, agreed, and we have further to go. But that's part of professionalizing our industry, and also improving our ability to tap into emerging data, as well as technologies across the entire housing counseling community, which is an area I really look forward to ongoing discussion. I mean, many of the points being raised in both parts of our discussion today utilize new technology tools to promote efficiencies. And I think, as the housing finance industry and every industry that we work with is moving forward, we have to do as well as organizations, and even within HUD itself.

**Public Comment – David Berenbaum & Virginia Holman**

**Summary**: Ms. Holman started the Public Comment Portion of the meeting by explaining the rules and procedures.

**David Berenbaum Opened the floor for public comment**:

For those who are not familiar with the rules of a federal advisory committee or board, we are permitted to invite comments, but we cannot respond to comments during the meeting.

* **Vilma Lopez**

Thank you, good afternoon. I appreciate the opportunity to be part of this conversation. I am a real estate broker in Florida and North Carolina. And for the past eight years, I have been working on understanding how as a realtor and broker I can help my community for which I have trained myself in all the kinds of programs housing programs in Florida, especially where is my main state. And something like that caught my attention in the in the in the conversations today is that Branch's Real Estate program. I think that will be a great opportunity for realtors to reach out to the community without thinking on commissions. That has been my major setback on trying to reach out community working with local nonprofits and working with local organizations to help first time homebuyers to help buyers who want to use these funds to get a house as a first-time homebuyer. And in knowing the programs and explaining the programs and providing the information, it just it just opened an opportunity for them to start but they find blocks when they go to the realtor. The realtor doesn't know about these programs. And if there is an organization that works only with this opportunity will be great for homebuyers. That is my comment. It was a great learning experience today. Thank you.

* **Ray Carlisle**

Yes, thank you so much. I just want to make a brief comment about when the Office of Housing Counseling was first established under Carga Lathy (SP?) When she was head of a family actually, and then act and housing Commissioner. I never saw it being as proficient and ready to actually address the problems of affordable housing, homeownership and fair housing. I'm very encouraged by the comments that were made today by the industry. I'm just super impressed by David Berenbaum leadership and pulling this together and understanding how housing counseling works with FHA to help protect to FHA insurance fund and then and I'm looking forward to the near future that the that we'll be able to get more benefits from the FHA program by reducing it but keeping it fiduciary sound, thanks a lot.

* **Veronica Truell**

Thank you, good afternoon. So, I just wanted to say this was amazing. And one of the questions that I have, or it may be an observation more, is in working with a pastor, some faith-based organizations, they're often coming to me and asking, you know, how do we get a little more organized around getting people into homeownership? That's one thing that pastors are acknowledging, where's the down payments? Is there any is there a fund in particular, that is there for faith-based organizations? And then I did put in the chat, is there an office or director of FBO, faith-based org, that I can just kind of connect with so that I can, you know, gather some more information for the clergy that I'm working. So that was the this was great information. I've taken a lot of notes. And so, thank you, and I will reach out to Fifth Third Bank because I want to hear about that cohort. But other than that, that's my biggest thing, as I am getting a lot of questions from the faith-based organization being I'm also part of it. So, I want to just know how I can help that community better, and how we can move homeownership along for the folks in our communities.

* **Teresa Hunter**

Hi, I am Teresa Hunter, and I am in Omaha, Nebraska. And we're established in 1968 and became HUD certified in 1970 as a comprehensive housing counseling agency, and I've heard so many different things from the presenters. And I'll just say this was a wonderful venue. So, thank you so very much for this. So, it covered a lot of what I thought I was going to touch upon. So, I don't have anything to say but that I really loved all of the amazing programs that you're doing right now. I would like to suggest that we provide additional support for local housing counseling agencies I know the push is toward is toward becoming a part of a national intermediary. And but there are some people that are still working with local housing counseling, and I think that that, or counselors, and I would love to be able to receive additional support in that. Thank you.

* **Hillary Lehr**

Thank you so much Teshaunna and apologies for being in and out. Good afternoon, everyone. My name is Hillary Lehr. I'm the founder of a new startup called HousePlant Social Loans. And I'm also a student at the Harvard Kennedy School Taking policy courses to Understand how and where in the policy and housing affordability communities, we can partner to help increase the number of prospective homeowners who are able to use gifts like a wedding registry or even social loans, community based low interest loans to put towards their down payment. And there's so much amazing leadership in the housing affordability community. So, we're really looking for two things today. One is any feedback on existing programs that have tried to make it easier for homeowners to use gifts or loans from friends or family members to put towards their down payment? And secondly, any questions or policy considerations that may be prohibitive for this new model is trying to bring a crowdfunding approach to increase homeownership. Again, thank you so much to everyone in the community for all of your hard work on this issue. It's wonderful to be in community with you today. Thank you for having me.

* Thank you, Miss. Lehr, and if you contact our office directly, we're happy to follow up in response to both the affordable housing and crowdsourcing questions that you've raised. I'd like to afford Mr. Bruce Marks and opportunity under the public portion of our meeting to speak to the tribal issue he was trying to raise earlier.
  + Sure, so absolutely, I mean, we are we're working with tribes in in the Dakotas. And a big focus needs to be on the black belt in the rural communities. So, one of the things we are doing is we are taking our events, and we're doing those in the black belt in the rural communities. And we have a partnership with the support of HUD that we appreciate with working with the HBCUs. And that's very important. So as opposed to working with each one individually, we're working with them as a group. So, they can combine their resources and we can provide those services and have a homeownership office and advocacy office in each one of these HBCUs. But the tribes Absolutely. It's really important, they have got land that they can develop and want to develop and to build housing on. And we are working with them in the Dakotas, as I said, we want to expand that.

**Next Steps and Adjournment- David Berenbaum**

**Summary**: Mr. Berenbaum concluded the meeting with We will begin to plan for a meeting late this year with you. We are always interested in following up on suggested topics. We will begin some rulemaking later this year. Long anticipated rulemaking, for example, with regard to better serving tribal communities. And I hope at our next meeting, that that will have been introduced, and we can cover it and speak to you about it. Obviously, generically, because if we are in a public comment period, we have to also follow federal rules, but it will give you a briefing on the content of the rule if it is introduced. And again, we are open to your suggestions for focus areas. One of the areas that has been suggested is access, meaning with regard to persons with disabilities, to all of the programs that we offer, as well as the products that we offer. And I know a number of you have been suggesting other areas for us to cover as well.

**End of Webinar**