

# Support Housing Counseling Programs

**From: The Honorable John Conyers, Jr.**

**Sent By: [Jamaira.Helm@mail.house.gov](mailto:Jamaira.Helm@mail.house.gov)**

**Date: 3/22/2017**

## Support Housing Counseling Programs

**Deadline: Wednesday, March 29, 2017 at COB**

**FY17 (last year) supporters for the HUD Housing Counseling Assistance (HCA) Program (71)**

*Adams, Becerra, Beatty, Beyer, Blumenauer, Bordallo, Brown, Brownley, Butterfield, Cardenas, Cicilline, Chu, Clarke, Clay, Cohen, Conyers Costa, Courtney, Cummings, Davis, Delaney, DeSauliner, Deutch, Edwards, Ellison, Esty, Foster, Frankel, Fudge, Garamendi, Green, Grijalva, Gutiérrez, Hastings, Higgins, Honda, Jackson Lee, Johnson, Kildee, Larson, Lee, Levin Lewis, Lieu, Lofgren, Lujan Grisham, Lynch, Maloney, Matsui, McGovern, McNerney, Moore, Norton, Payne, Pingree Plaskett, Pocan, Rangel, Richmond, Ruiz, Sanchez, Sarbanes, Scott, Smith, Takano, Tonko, Tsongas, Van Hollen, Welch, Wilson, Yarmuth*

Dear Colleague:

Please join us in supporting funding for housing counseling programs. HUD's Housing Counseling Assistance program has shown tremendous results in improving access to housing. From April 2009 through September 2016, HUD approved counseling agencies have directly served over 13.4 million Americans.

Recent research has consistently demonstrated that loans made to borrowers who have received pre-purchase counseling perform better than loans made to comparable borrowers who did not receive pre-purchase counseling. A 2013 study looked at 75,000 mortgages and found that borrowers who received pre-purchase counseling and education were one-third less likely to become seriously delinquent than similar borrowers who did not receive pre-purchase counseling and education. Additional studies found that homeowners receiving counseling had higher credit scores, less overall debt and lower delinquency rates. Expanding access to high-quality pre-purchase counseling provided by HUD-approved agencies will help ensure that the recovery in the housing market is happening in a smart and responsible way.

In addition, more than 3.6 million loans were delinquent or in some stage of foreclosure as of January 2015. Despite the progress made since the peak of the crisis this is still nearly double of

the pre-crisis levels. With more than 4.3 percent of all mortgages delinquent or in foreclosure, there continues to be a huge pool of homeowners who can benefit from foreclosure mitigation counseling. Helping these struggling homeowners avoid foreclosure is critical to stabilizing communities, maintaining the burgeoning recovery, and providing investors with better return on their investment than a costly foreclosure.

Please join us in supporting this critical assistance for American homeowners and families. The deadline to sign on is **COB, Wednesday, March 29, 2017**. Please contact **Yvesner Zamar** at [Yvesner.Zamar@mail.house.gov](mailto:Yvesner.Zamar@mail.house.gov) or extension 5-5126 with questions or to sign on to the letter.

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## Support funding the HUD Housing Counseling Assistance Program

Dear Chairman Diaz-Balart and Ranking Member Price,

As you develop the fiscal year 2018 Transportation, Housing and Urban Development, (THUD) and Related Agencies appropriation, we request your support of the critical HUD Housing Counseling Assistance program at the \$60 million funding level, which represents a \$5 million increase over the funding level approved by the House Appropriations Committee in fiscal year 2017. This program supports high quality, independent non-profit organizations to work directly with consumers to aid them in making informed financial decisions on both home purchases and home retention options. Even though the worst of the great recession may be over, housing counseling agencies continue to play a vital role assisting those still struggling with the remnants of the housing crisis and providing others vital access to housing.

The HUD Housing Counseling Assistance program has been the primary resource for millions of prospective and current homeowners, renters, and seniors each year to receive pre-purchasing counseling, foreclosure prevention counseling, and reverse mortgage counseling. From April 2009 through September 2016, HUD approved counseling agencies have directly served over 13.4 million Americans. All of this would not be possible without continued federal support. In addition to federal monies, these organizations leverage additional private funding, and continue to do more with less. Even though federal funds represent a declining portion of member revenues—they remain critical.

The appropriation for Housing Counseling has declined from its peak in fiscal year 2010 of \$87.5 to the current level of \$47 million in the most recent appropriations bill signed into law. This is at the same time that the other main source of federal assistance for housing counseling, the National Foreclosure Mitigation Counseling (NFMC) program was eliminated in FY 2017. The elimination of this program eliminated \$40 million in resources for housing counseling agencies while the demand for foreclosure prevention counseling and pre-purchase counseling remains high and often exceeds available resources.

Research by organizations such as the Philadelphia Federal Reserve, the Urban Institute, Freddie Mac, and HUD has shown that homeowners and prospective homeowners who receive counseling raise their credit scores, have lower delinquency and default rates, and less overall debt. The documented success of these federal housing counseling programs prove that they are an effective use of taxpayer dollars, and a needed investment for more people to have the ability to achieve a piece of the American dream —homeownership.

While foreclosures have declined since the depths of the financial crisis, there are many pockets throughout the country in which foreclosure remains a significant issue. According to a recent report from CoreLogic, currently 3.17 million, or more than 6.2% of the all homes with a mortgage currently have negative equity. The demand for housing counseling services remain high. In many cases, families seeking foreclosure prevention counseling are eligible for an affordable mortgage modification, but are unable to navigate the process without the help of counseling experts.

The financial crisis not only hurt those people that already had a mortgage, but it also made the next generation of homeowners hesitant to purchasing a home. These, primarily younger borrowers, search out housing counselors to help them increase their savings and raise their credit scores, so they may be more responsible borrowers and secure their first mortgage. Many of these young people are already straddled with student debt, and counselors provide them with the financial knowledge needed so they may make the best decision for themselves and their families.

Housing counselors and financial coaches help those in our communities who need the help the most. These programs are a critical need for millions of Americans, especially those from low- and moderate-income communities, particularly communities of color. The Housing Counseling Assistance program ensures that HUD-approved counseling agencies can continue to meet the needs of their local communities. As you work through the important appropriations process, we urge you to include funding of \$60 million for the HUD Counseling Assistance program.

Thank you for your consideration of our request, and we look forward to working with you throughout the process. The millions of families that benefit from working with a counselor hope they can count on your support for this important work.

Sincerely,

John Conyers, Jr.

Member of Congress