



OFFICE OF
HOUSING COUNSELING

HUD's Housing Counseling Program: The Importance of Research and Metrics

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Agenda

- Housing Counseling Research
- Office of Housing Counseling Data Collection
- How Research and Data Inform Program Decisions

HUD Office of Housing Counseling

“The mission of the Office of Housing Counseling is to help families to obtain, sustain and retain their homes. We will accomplish this mission through a strong network of HUD-approved housing counseling agencies and counselors.”

- HUD reaches more than 1 million families through a network of approximately 1,800 housing counseling agencies
- HUD monitors compliance, conflicts of interest, and the quality of housing counseling provided by these agencies
- HUD provides grant funding for qualified agencies

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U. S. Department of Housing and Urban Development**

What is the history of HUD housing counseling studies?

I. HUD Pre-Purchase Housing Counseling Demonstration (1979)

II. Recent series of HUD studies on housing counseling:

- The State of the Housing Counseling Industry (2008)
- Housing Counseling Outcome Evaluation: Foreclosure and Pre-Purchase Counseling Outcome Reports (2012)

III. The First-Time Homebuyer Education and Counseling Demonstration

- [The First-Time Homebuyer Education and Counseling Demonstration: Early Insights Report](#) (2016)
- [The First-Time Homebuyer Education and Counseling Demonstration: Baseline Report](#) (2017)

What are other housing counseling studies and experiments finding?

- HUD has reviewed around 50 studies of the program
- Most show positive correlation between housing counseling and better credit, reduced debt, greater savings, higher satisfaction with the mortgage process and fewer foreclosures
- A number of those studies have been experiments and have found positive effects on delinquencies on debt and lower odds of foreclosure, and reduction in mortgage default rates for FTHB with subprime credit or low-income FTHB

What are the goals of the HUD FTHB Homebuyer Education and Counseling Demonstration?

Objective:

- To measure the impact of offering homebuyer education and counseling to a sample of approximately 5,800 low-, moderate-, and middle-income prospective first-time homebuyers in 28 cities across the country.

Research Questions:

- To what extent does homebuyer education and counseling affect outcomes related to:
 - Preparedness and Search
 - Financial Capability and Management
 - Sustainable Homeownership

What is the HUD FTHB Homebuyer Education and Counseling Demonstration design?

Target Population

- Low-, moderate- and middle-income (less than 120% of AMI)
- Prospective first-time homebuyer
- Lender referred customers who had applied for pre-qualification/pre-approval/loan
- Anyone participating in a downpayment assistance or other program that required homebuyer education or counseling was excluded

Study Sample

- 5,854 LMMI, FTHB participants in 28 U.S. metropolitan areas

Study Design

- Randomized-Controlled Trial (RCT)
- 3 treatment groups (remote, in-person, and “choice”), 1 control group
- 3 Surveys: Baseline, 12-/18-month, and 36/60-month follow-up surveys
- 3 Types of Administrative Data: Biannual credit report and loan-origination and servicing data, service tracking data

What are the key takeaways of the Demonstration?

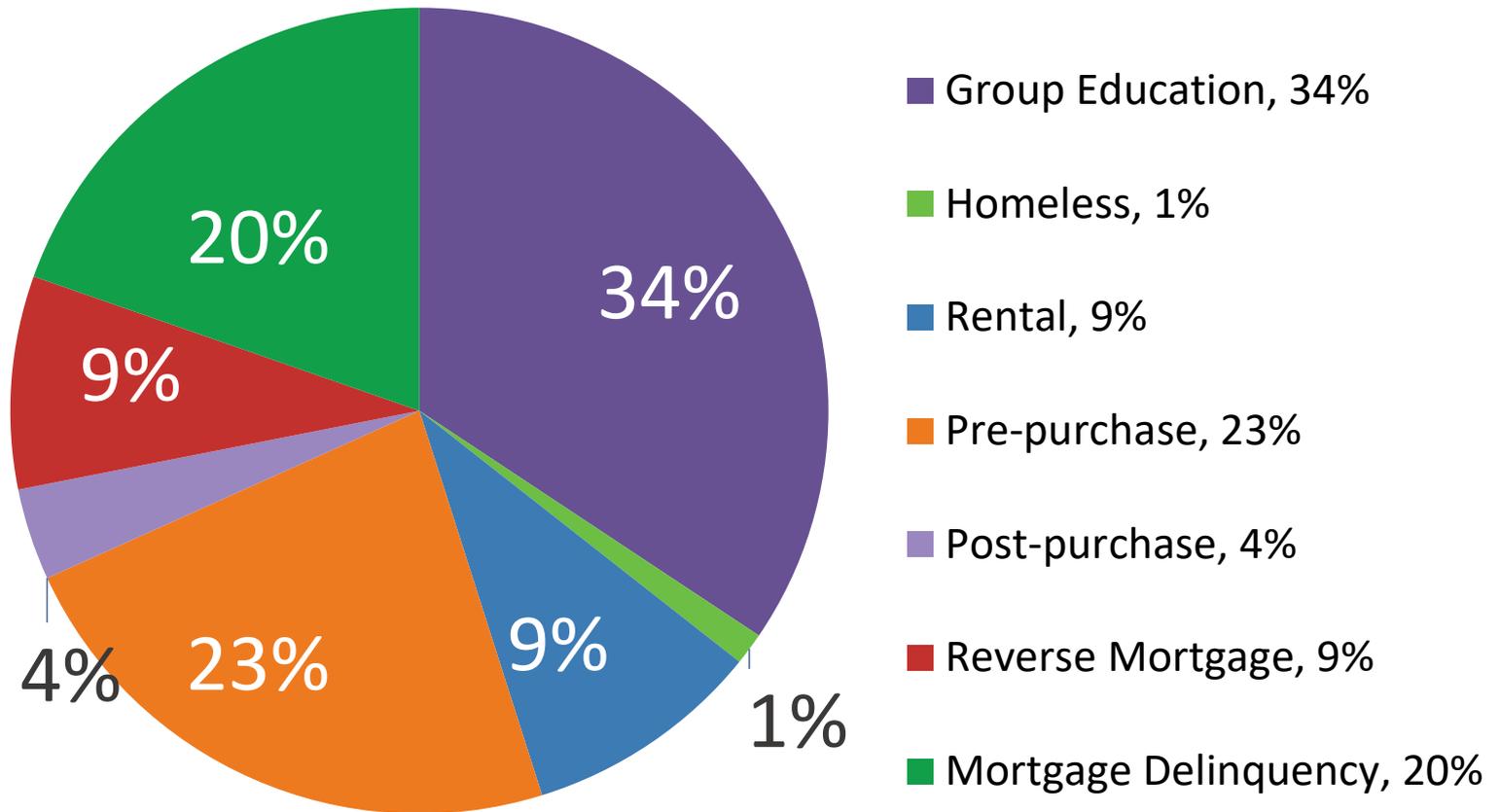
- HUD successfully implemented a large-scale randomized experiment
- This study is groundbreaking in its scale, experimental design, elimination of any selection bias, and expected length that the families will be followed
- Early findings show improved mortgage literacy, greater appreciation for communication with lenders, and improved underwriting qualifications

Sarah Gerecke

**Deputy Assistant Secretary,
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National Housing Counseling Activity FY 17



Total Counseling Activity – 1,121,957 Clients

The Impact of Housing Counseling Services (FY17)

345,612

- Worked with housing counselor to develop a sustainable household budget

309,706

- Received fair housing information

165,605

- Improved financial capacity

171,142

- Gained access to resources to help improve housing situation

Using Research and Metrics to Inform Program Decisions

- Research and data allow us to
 - Understand who uses these resources and for what purpose
 - Evaluate unmet needs and service gaps
 - Demonstrate the impact of the program
 - Assess the benefits to clients from the program
- Overall, metrics and research enable more effective program management and service delivery

Using Research and Metrics to Inform Program Decisions

Example: Research shows initiation and completion rates for housing counseling services vary based on delivery mechanism

- Training added to encourage agencies to use a wider variety of methods to deliver counseling

Example: Currently the demand and funding for services is shifting from foreclosure prevention to pre-purchase counseling

- Training may be required to ensure appropriate resources are available to meet this need

Using Research and Metrics to Inform Program Decisions

Example: Research suggests that there is a lack of awareness of the availability of counseling

- Selection bias research problem can be a program opportunity
- HUD has prioritized raising awareness and visibility efforts so that those who would benefit from program are aware of it



RECOVERING FROM A DISASTER?

TURN TO A HUD HOUSING COUNSELOR FOR HELP
Let's make home happen again.

A Housing Counselor will:

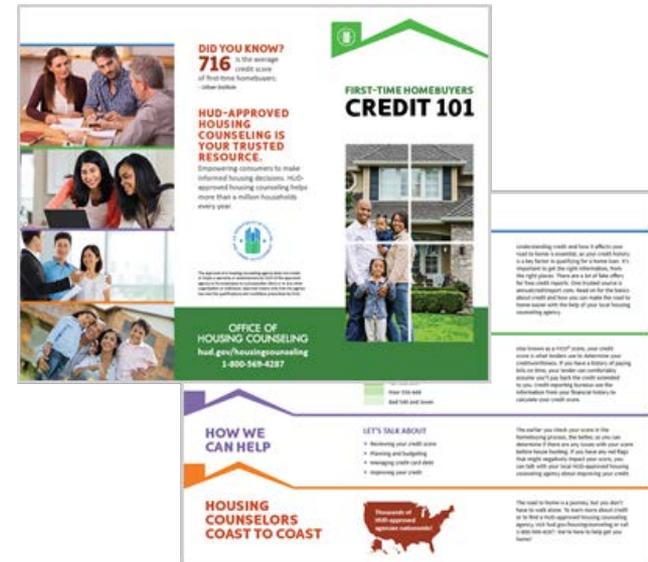
- Meet with you in person or over the phone
- Assess your housing, financial, and other issues caused by the disaster
- Discuss the best resources for assistance
- Connect you with local resources that may provide you with additional assistance
- Help coordinate deals with your lender, insurance company, and governmental agencies
- Help with necessary paperwork
- Reassure if financial and other needs to help you solve current problems or avoid future ones
- Stay with you through out the process of recovery

WE'RE HERE FOR YOU

Contact:
• www.hud.gov/HousingCounselor
• www.hud.gov/REPAIRS/First-Response-Program

By Phone:
• Call 1-877-568-2767 or 1-888-568-4242

By Email:
• HUD@HUD.gov
• HUD@HUD.gov



DID YOU KNOW? 716 is the average credit score of first-time homebuyers who fail to buy.

HUD-APPROVED HOUSING COUNSELING IS YOUR TRUSTED RESOURCE.

Empowering consumers to make informed housing decisions, HUD-approved housing counseling helps more than a million households every year.

OFFICE OF HOUSING COUNSELING
hud.gov/housingcounseling
1-800-568-4242

FIRST-TIME HOMEBUYERS CREDIT 101

Understanding credit and how it affects your first home is essential to your credit history. It's a key factor in qualifying for a home loan. It's important to get the right information, from the right places. There are a lot of loan offers. To know which is right, you should work with a professional mortgage lender. HUD-approved housing counseling can help you understand the credit and how you can make the most of your credit score with the help of your first housing counseling agency.

Also known as a credit score, your credit score is what lenders use to determine your creditworthiness. If you have a history of paying bills on time, your lender can confidently approve you for the credit you need to buy your first home. HUD-approved housing counseling can help you understand your credit score and how to improve it.

HOW WE CAN HELP

LET'S TALK ABOUT:

- financing your credit score
- planning and budgeting
- managing credit card debt
- improving your credit

HOUSING COUNSELORS COAST TO COAST

HUD-approved housing counseling is available in all 50 states, the District of Columbia, and Puerto Rico.

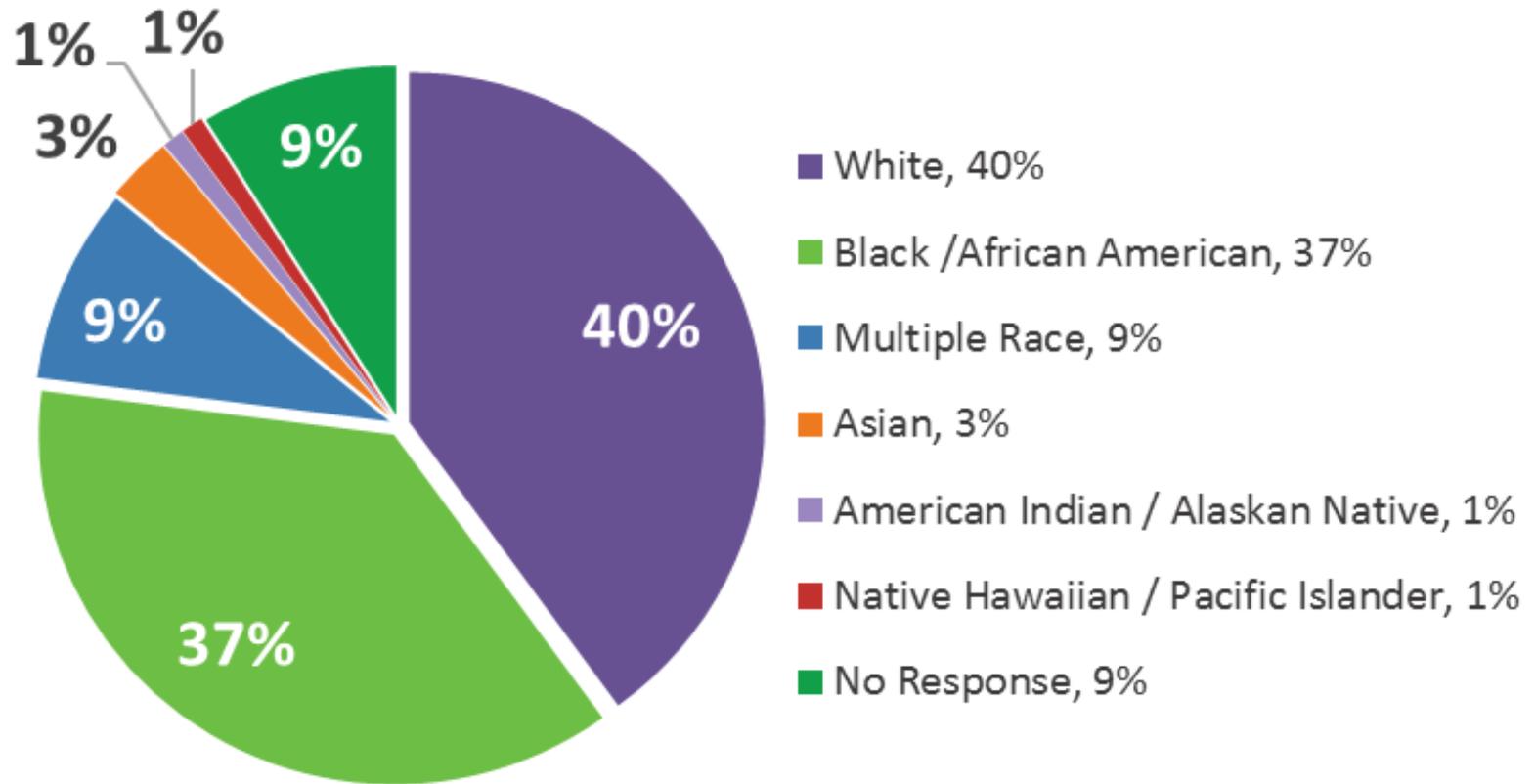
Using Research and Metrics for Policy and Scale

- HUD data elements mapped and adopted to meet mortgage industry standards (MISMO)
- Lending industry can now track housing counseling data
- HUD shares data and research with industry to encourage policies to support housing counseling in lending, renting, foreclosure prevention, and disaster recovery

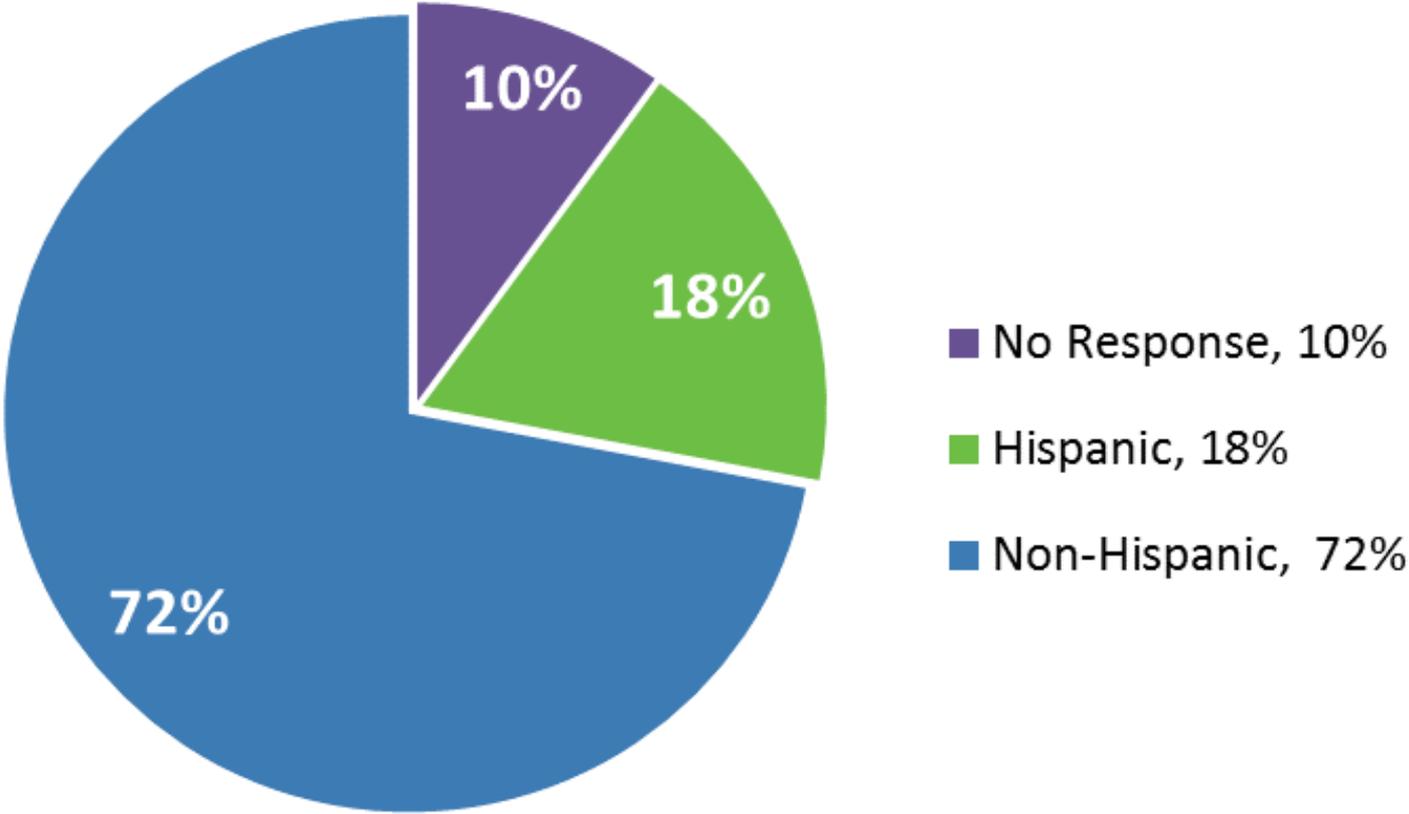
For More Information About Housing Counseling

- www.hudexchange.info/programs/housing-counseling
- Send questions to housing.counseling@hud.gov
- Or contact:
 - Dr. Marina L. Myhre, Office of Policy Development & Research
 - Marina.L.Myhre@hud.gov or 202-402-5705
 - Sarah S. Gerecke, Office of Housing Counseling
 - Sarah.S.Gerecke@hud.gov or 202-402-3453

Service Usage: Racial Demographics (FY 17)



Service Usage: Ethnicity Demographics (FY 17)



Service Usage: Income Demographics (FY 17)

