

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	Outlays
2020 Appropriation	53,000	7,370 ^a	-	60,370 ^{a/}	56,987	54,700 ^{b/}
2021 Appropriation	77,500	3,000	-	80,500	78,000	59,000
2022 President's Budget	85,900	2,500 ^{c/}	-	88,400 ^{c/}	86,000	70,000
Change from 2021	8,400	(500)	-	7,900	8,000	11,000

a/ Of this amount \$51,507 is anticipated recaptures

b/ Outlays differ from the Budget Appendix due to rounding.

c/ Carryover differs from the Budget Appendix due to rounding.

PROGRAM PURPOSE

The mission of the Department of Housing and Urban Development's (HUD) Office of Housing Counseling 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 supporting racial equity in homeownership, recovering from COVID-19, building equity and wealth through responsible and sustainable homeownership, supporting eviction prevention efforts, and assuring senior citizens are provided every opportunity to live independently and safely.

BUDGET OVERVIEW

The 2022 President Budget's requests \$85.9 million for the Office of Housing Counseling (OHC), which is \$8.4 million more than the 2021 enacted level. Funding at this level will allow approximately 4,000 HUD-certified Housing Counselors to assist those in need with professional, quality education, advice, and support to make informed housing decisions. Assistance provided by HUD-certified counselors, who are trained in homeownership, loss mitigation, homebuying, rental eviction prevention and homelessness, and credit counseling, assures that each homeowner or resident seeking help optimizes their stability and financial success.

The requested level of funding will permit OHC, through its network of approximately 1,750 housing counseling agencies, to support an estimated 1.102 million consumers, a slight (less than one percent) increase above the projected number to be served in 2021 based on cumulative client sessions reported through the second quarter.¹ Projections include the consideration of impact of COVID-19 on a family's financial situation and ability to meet mortgage payments and rents. OHC does expect a slight increase in counseling sessions as a result and agencies return to normal operations.

¹ The projection methodology involves analyzing previous years actual data to see how well it would have predicted client volume. The percentage difference between actual and projected clients are calculated, and the variance is applied to the desired future fiscal year to estimate total clients served. The current projection methodology uses data from 2013 to the present.

JUSTIFICATION

Grants to Housing Counseling Agencies, Fraud/Scam Awareness/Prevention and Training - \$61.4 million

The Budget will support grants to an estimated 1,150 HUD-approved agencies for housing counseling services.² The funding allows housing counseling agencies to deliver a holistic range of housing counseling and education services appropriate to national and local market conditions and individual consumer needs. 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; and
- Fair housing counseling.

Funding at this level will also support OHC's continued efforts to increase counseling capacity and services in minority and disadvantaged communities, including the anticipated facilitation of partnerships between existing counseling agencies and entities such as Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions (MIs). The goal of these efforts is to support those entities in expanding sustainable housing opportunities and build generational wealth in their communities.

Of the \$61.4 million requested, OHC proposes using up to \$2 million for grants to nonprofit and government organizations with experience providing housing counseling education. These grants help those organizations develop and update training modules that, once deployed, will strengthen the quality of housing counseling provided by HUD's network. HUD anticipates refining this estimate based on an updated assessment of training need and priorities at the time funds are enacted.

Administrative Contract Services - \$ 4.5 million

The 2022 President's Budget will support outreach and awareness efforts to improve data collection, reporting, and reduction 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.

Legal Assistance Grant Program - \$20 million

This program, first funded in the 2021 appropriation, will prioritize outreach and assistance to eligible low-income tenants in historically underserved populations facing eviction proceedings. HUD estimates that the program will provide between 10,000 and 40,000 renters with legal assistance (depending on the scope of assistance needed) targeting residents of areas with high rates of eviction.

² This includes grantees, sub-grantees, and competitive training grantees.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2020 Budget Authority	2019 Carryover Into 2020	2020 Total Resources	2020 Obligations	2021 Appropriation	2020 Carryover Into 2021	2021 Total Resources	2022 President's Budget
Housing Counseling Assistance	48,000	2,870	50,870	54,179	53,000	350	53,350	61,400
Training Grants	[3,000]	-	-	-	[2,000]	-	-	[2,000]
Certification Grants	500	-	500	500	-	-	-	-
Administrative Contract Services	4,500	4,500	9,000	2,308	4,500	2,797	7,297	4,500
Legal Assistance Grants	-	-	-	-	20,000	-	20,000	20,000
Total	53,000	7,370^{a/}	60,370^{a/}	56,987	77,500	3,147^{b/}	80,647	85,900

a/ Of this amount \$51,507 is anticipated recaptures

b/ Carryover differs from the Budget Appendix due to rounding.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

None.

APPROPRIATIONS LANGUAGE

The 2022 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] *\$85,900,000*, to remain available until September 30, [2022] *2023*, 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 [providing such] *awarding* grants from amounts provided under this heading, the Secretary may enter into multiyear agreements, as appropriate, subject to the availability of annual appropriations: *Provided further*, [That an additional] *That of the total amount made available under this heading*, \$20,000,000 (not subject to such section 106), to remain available until September 30, [2023] *2024*, shall be for competitive grants to nonprofit or governmental entities to provide legal assistance (including assistance related to pretrial activities, trial activities, posttrial activities and alternative dispute resolution) at no cost to eligible low-income tenants at risk of or subject to eviction: *Provided further*, That in awarding grants under the preceding proviso, the Secretary shall give preference to applicants that include a marketing strategy for residents of areas with high rates of eviction, have experience providing no-cost legal assistance to low-income individuals, including those with limited English proficiency or disabilities, and have sufficient capacity to administer such assistance: *Provided further*, That the Secretary shall ensure, to the extent practicable, that the proportion of eligible tenants living in rural areas who will receive legal assistance with grant funds made available under this heading is not less than the overall proportion of eligible tenants who live in rural areas. (*Department of Housing and Urban Development Appropriations Act, 2021.*)