

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
2023 Appropriation	57,500	17,425	-	74,925	20,319	54,766
2024 Annualized CR	57,500	54,637	-	112,137	58,000	60,000
2025 President's Budget	57,500	-	-	57,500	58,000	65,000
Change from 2024	-	(54,637)	-	(54,637)	-	5,000

a/ 2023 Carryover includes \$17.3 million in carryover and \$37 thousand in recaptures.

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, building generational equity and wealth through responsible and sustainable homeownership, supporting eviction prevention efforts, and ensuring access to affordable rental housing for low- to moderate-income consumers and the unhoused.

BUDGET OVERVIEW

The 2025 President's Budget requests \$57.5 million for OHC, which is equal to the 2024 Annualized CR level. This level of funding includes \$53 million for program funding and up to \$4.5 million for administrative contracts. Funding at this level will allow approximately 4,040 HUD-certified housing counselors and 367 Home Equity Conversion Mortgages (HECM) certified housing counselors who provide direct services at over 1,550 HUD approved national, State and local Housing Counseling Agencies to assist consumers with education, advice, and support to make informed housing and financial decisions. Assistance provided by HUD-certified counselors, who are trained in homebuying, homeownership, loss mitigation, disaster preparedness, eviction prevention, homelessness prevention, scam and fraud avoidance, and credit counseling, ensures each household seeking assistance is better equipped to optimize their housing situation and achieve financial success.

The 2025 President's Budget will continue to provide direct support for Historically Black Colleges and Universities (HBCUs) and other minority-serving institutions (MSIs) in HUD's Housing Counseling program, expand homeownership through new mortgage origination in diverse markets, provide necessary training to housing counselors, and increase outreach to the next generation of new homeowners.

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

JUSTIFICATION

Housing Counseling Assistance

The 2025 Budget includes \$53 million for housing counseling grants. These funds will go to support grants to approved housing counseling agencies, as well as Training Grants, HUD's Homeownership Initiative, and HBCU/MSI Grants.

Grants to Housing Counseling Agencies

The President's Budget provides \$42.5 million to support approximately 1,535 HUD-approved housing counseling agencies, as well as training for counselors. Funding at this level is projected to serve one million consumers.

Agency partners provide quality counseling in the following areas: homeownership, financial budgeting, Home Equity Conversion Mortgages (HECMs), transitioning from homelessness to housing as well as homelessness prevention, rental housing, real estate wire fraud and scam prevention, eviction prevention, and fair housing. Funding at the President's Budget level allows housing counseling agencies to continue delivering counseling in a holistic manner, tailoring the counseling experience to the specific consumer's needs in varied counseling and education subjects.

Training Grants

The President's Budget provides \$2.5 million to conduct virtual and in-person training on subjects essential to the provision of effective counseling. This funding will enable specialized training that will prepare counselors to support expanded HECM counseling and to better understand property valuation bias so that they can effectively counsel clients on this topic. This effort directly supports the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) initiative, an Administration priority. In 2022, HUD's six training grantees provided approximately 800 virtual training sessions using \$2.8 million in grants. This activity supports the Fiscal Year 2022-2026 HUD Strategic Plan priority of improving customer service.

Homeownership Initiative

The President's Budget provides \$5 million to expand outreach to diverse markets and increase counseling services to historically underserved communities, including Asian American and Pacific Islander, Hispanic-Latino, Black, Native Alaskan, Tribal, and rural populations. This funding is specifically designed to advance HUD's goal of bridging the racial homeownership gap. HUD would expect to fund over 5,000 consumer housing counseling sessions through this program at the Guidance level of funding. This initiative supports the HUD 2022-2026 Strategic Plan priorities of increasing equity and homeownership.

HBCU/MSI Grants

The President's Budget provides \$3 million in support to housing counseling agencies that partner with HBCUs/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, 16 MSIs partnered with housing counseling agencies and were funded with a total of \$3 million in grants. Currently, there are over 700 federally designated MSIs within the United States. This effort will expand program participation by these institutions which, in turn, are opportunities for closing the racial equity gap and building generational wealth in their

communities. HUD projects this additional funding to support as many as 30 MSIs. This grant program supports the HUD 2022-2026 Strategic Plan priority of increasing equity.

Administrative Contract Services

The President's Budget provides up to \$4.5 million to support numerous administrative support efforts. A key feature of this funding is direct contract support for the national "Let's Make Home the Goal" Awareness & Outreach Campaign, which conducts outreach to targeted communities to promote sustainable homeownership and tenancy. The campaign has been successful in reaching target audiences in 15 cities across the country, with 20 million impressions or views, reaching 2.5 million people. The campaign also includes a public service announcement featuring Secretary Fudge that has had 35 million views in its first two months.

Key Assumptions

OHC expects public and stakeholder awareness and interest in housing counseling to increase due to outreach efforts currently underway.

Administration Priorities

This submission is responsive to the administration priority of Advancing Equity through the Federal Government and Transforming Federal Customer Experience and Service Delivery.

Stakeholders

OHC holds regular Federal Advisory Committee meetings to address stakeholder concerns. This committee is made up of individuals from numerous industries, including housing counseling agencies, intermediaries, mortgage companies, real estate companies, and home builders. It also includes representation from a wide variety of ethnic and racial backgrounds.

OHC is part of the Financial Literacy and Education Commission. Through this commission, OHC has collaborated with the Department of Education to increase understanding of student loan repayment options and with the National Credit Union Administration (NCUA) to increase awareness of appraisal bias. OHC continues to expand partnership opportunities with other agencies and industry partners such as the Federal Department of Insurance Corporation, the NCUA, and the National Association of Realtors on webinars, regional meetings, and other activities.

Operational Improvements

Throughout 2024, OHC will implement activities via two different contracts that will solicit greater feedback from consumers and help OHC predict future needs of consumers in the housing counseling arena. The Client Satisfaction Survey contract was awarded in late fiscal year 2023. This contract supports OHC's efforts to obtain feedback from consumers receiving housing counseling.

The Impact Methodology contract is expected to be awarded by Q3 2024. This contract will create a model to accurately predict demand for housing counseling services and to better understand the impact appropriated dollars have on the housing counseling industry and consumers.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2023 Budget Authority	2022 Carry over Into 2023	2023 Total Resources	2023 Obligations	2024 Annualized CR	2023 Carry over Into 2024	2024 Total Resources	2025 President's Budget
Housing Counseling Assistance	53,000	14,870	67,870	14,870	53,000	53,000	106,000	53,000
Administrative Contract Services	4,500	2,555	7,055	5,449	4,500	1,637	6,137	4,500
Total	57,500	17,425	74,925	20,319	57,500	54,637	112,137	57,500

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

The 2025 Budget supports the following legislative proposal 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 2025 President's Budget includes the appropriations language listed below.

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, to remain available until September 30, 2026, 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.

Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.