



OFFICE OF  
HOUSING COUNSELING

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

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# Agenda

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- 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

# **Marina L. Myhre, Ph.D.**

**Social Science Analyst, Program Evaluation Division  
Office of Policy Development and Research,  
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



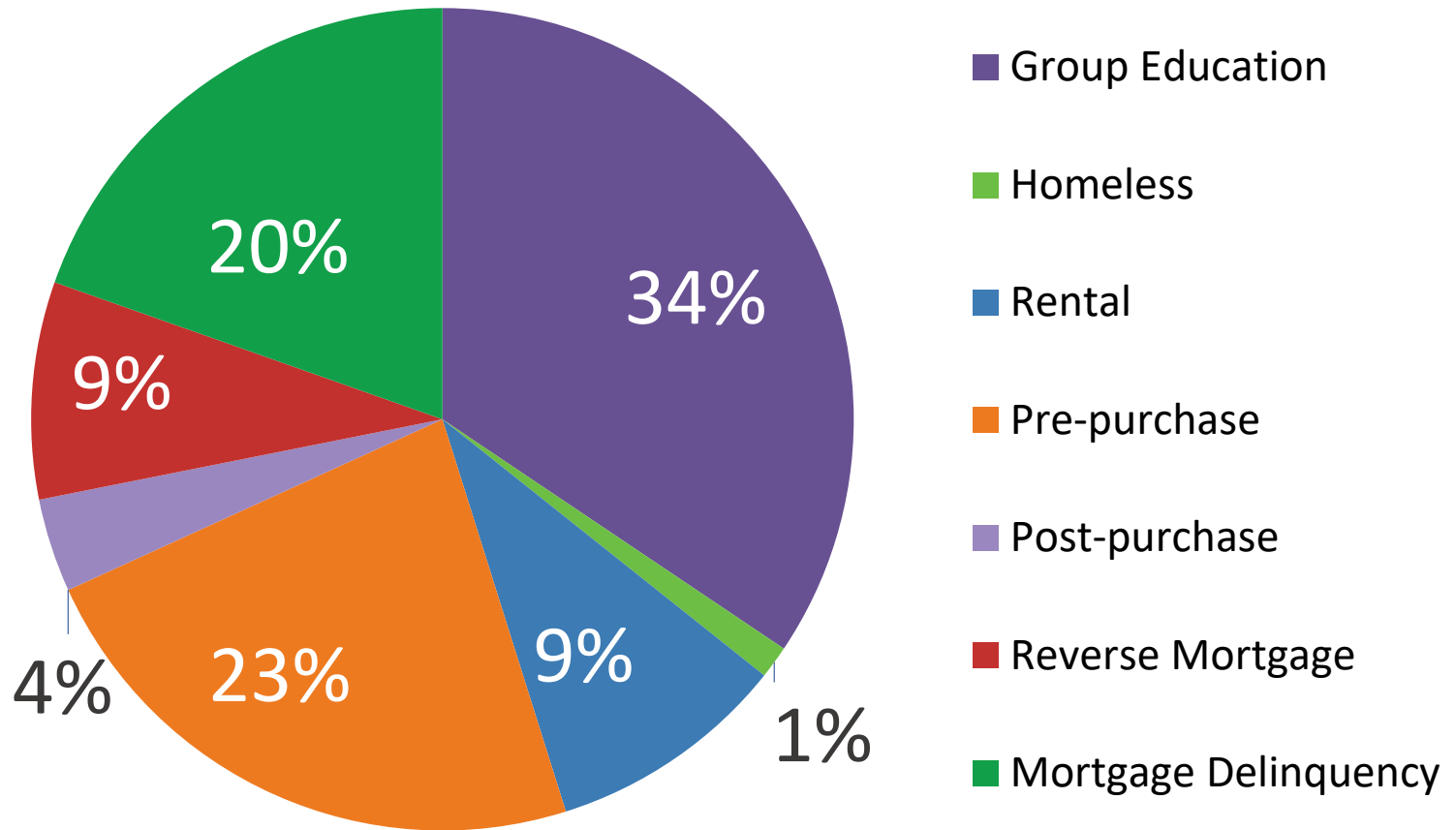
# What are the key takeaways of the Demonstration?

- 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,  
Office of Housing Counseling  
U.S. Department of Housing and Urban Development**

# Housing Counseling Service Activity (FY17)



**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

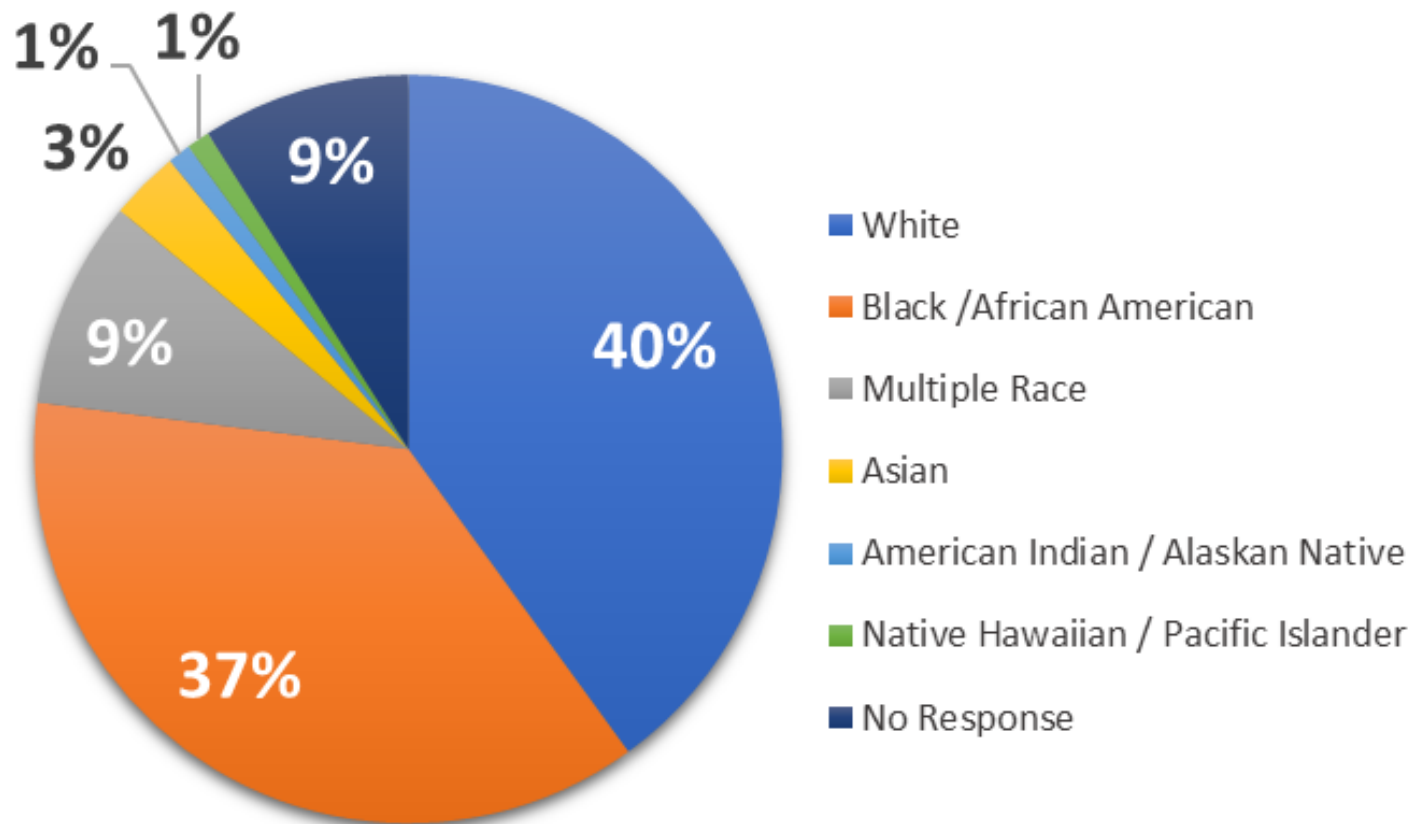
165,605

- Improved financial capacity

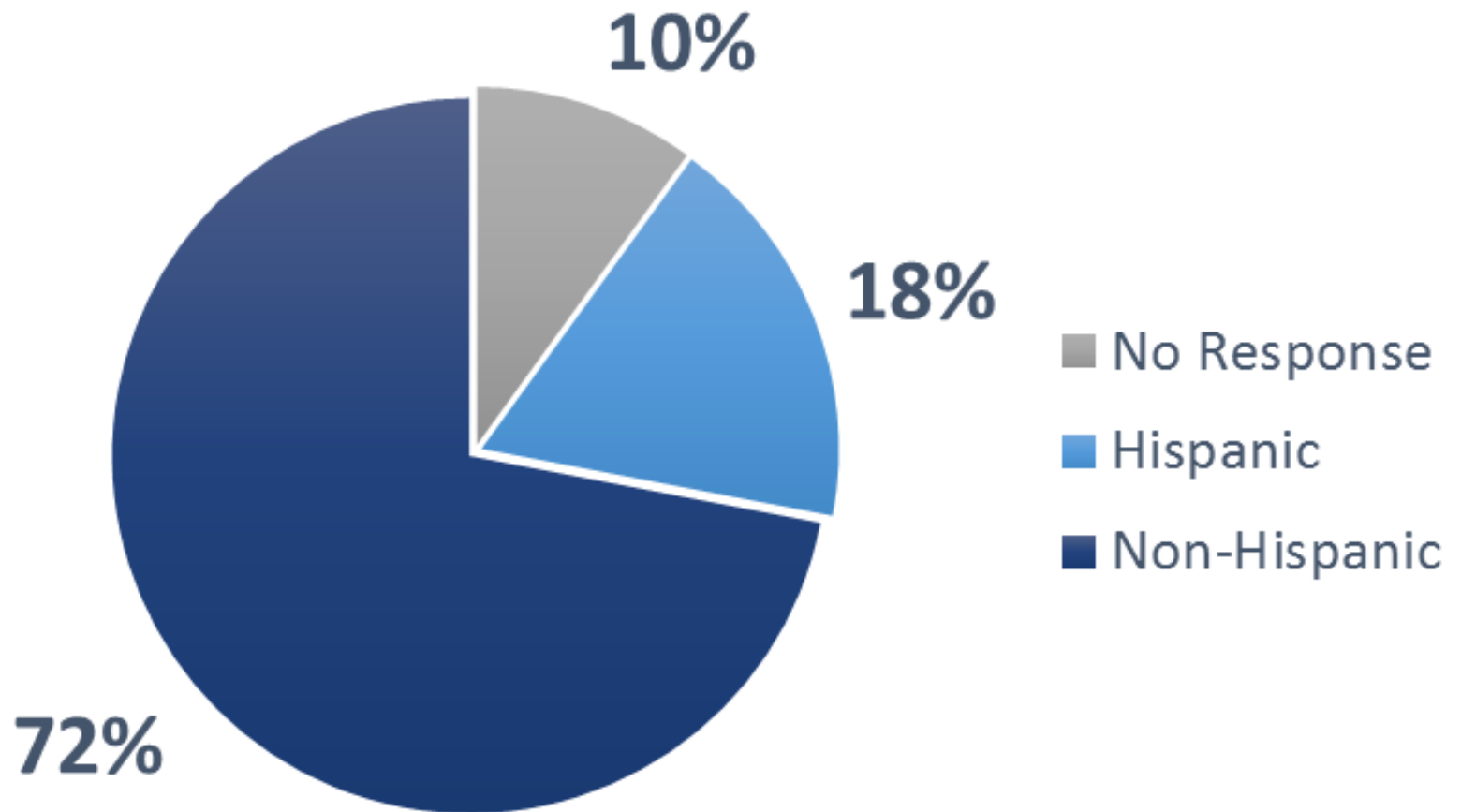
171,142

- Gained access to resources to help improve housing situation

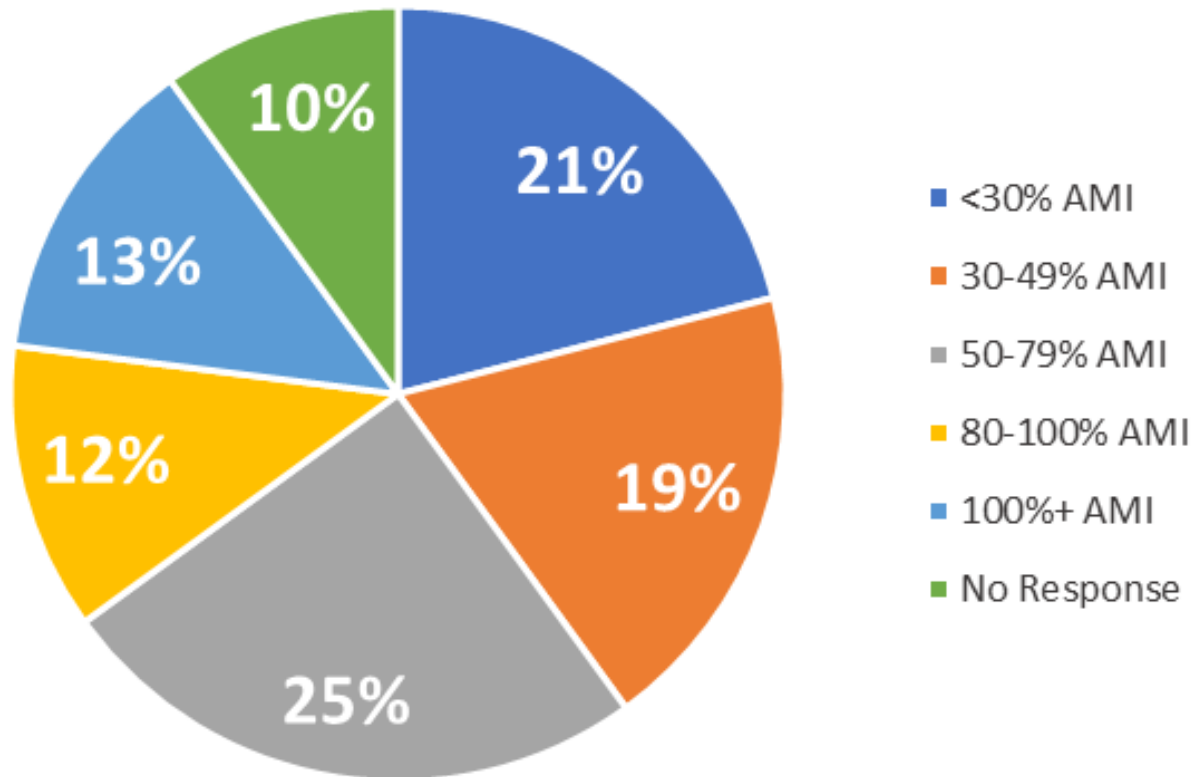
# Service Usage: Racial Demographics (FY 17)



# Service Usage: Ethnicity Demographics (FY 17)



# Service Usage: Income Demographics (FY 17)



# 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



# 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](http://www.hudexchange.info/programs/housing-counseling)
- Send questions to [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov)
- Or contact:
  - Dr. Marina L. Myhre, Office of Policy Development & Research
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  - Sarah S. Gerecke, Office of Housing Counseling
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