



## SUPPORT FOR HOUSING COUNSELING ORGANIZATIONS

The economic crisis brought on by the COVID-19 pandemic will significantly impact American families as they experience unexpected health costs, reduced wages and enormous financial stress. Housing counselors are positioned to play an important role in helping families address these challenges and move towards financial wellness. However, the current crisis is causing major financial strain on non-profit counseling agencies. In order for families to have access this vital service in their time of greatest need, there is an immediate need for federal funding. Our request of policy makers is to:

**Provide \$150 million for housing counseling:** This funding will support HUD approved housing counseling agencies providing direct services for homeowners, homebuyers, renters, senior citizens, the homeless, and scam victims during the initial stages of this crisis, along with the training and technology upgrades needed to deliver these safely. The crisis precipitated by the COVID-19 pandemic is likely to start a dramatic increase in the need to support families facing eviction, foreclosure and navigating the many new programs being initiated by lenders of all types.

As with the foreclosure crisis, housing counselors will be on the front lines providing direct services to housing consumers. These critically underfunded agencies are going through the expensive transition to home-based and virtual delivery at a time when demand is high for the information, support, and counseling services they provide. Like employers everywhere, counseling organizations face the challenge of maintaining operations during this crisis and funding is needed immediately to prevent counseling agencies from being forced to lay-off counselors and reduce their capacity at the same time we are expecting to see a dramatic increase in the demand for services.

During height of the foreclosure crisis (FY2009, FY 2010), housing counseling agencies provided three million housing counseling units. This funding request will allow housing counseling agencies to ramp up to a capacity of two million units and along with the necessary technology and training.

Legislation should specify that:

1. Funds can be spent on delivering the full set of HUD housing counseling services. *Examples of these services are rental, foreclosure prevention, pre-purchase, credit, homelessness, and reverse mortgage counseling.*
2. Funds can be spent on equipment and technology to deliver services virtually as direct costs. *Broadband and equipment upgrades are important needs for small agencies and agencies in rural areas. Under the current HUD Housing Counseling Assistance NOFA, these are not allowed as direct costs and agencies have to incur major costs in equipment and technology.*
3. Funds can be spent on training. *Legislation should not limit the type of trainings to maintain flexibility. Training can include rental, foreclosure, delivery remote counseling utilizing improved technology, network security, and supportive options for the delivery of client services.*