

May 17, 2011

Dear Representative:

We, the undersigned U.S. Department of Housing and Urban Development (HUD) housing counseling intermediaries, write to express our concerns about the recent cut in funding to the HUD Housing Counseling Assistance Program. We urge you to support President Obama's budget request for fiscal year 2012 that provides funding for this critical program.

It is our understanding that members of the House are required to submit their fiscal year 2012 appropriations requests by **Friday, May 20, 2011**. We strongly request that you submit a "program" (not an earmark) spending request under the "House Transportation-HUD appropriations subcommittee" jurisdiction for "HUD counseling program" that "supports the president's request" using this text:

Provide \$88,000,000 for HUD Counseling Assistance for contracts, grants, and other assistance excluding loans, as authorized under section 106 of the Housing and Urban Development Act of 1968.

Last year, HUD reported that over 2.1 million clients received one-on-one housing counseling from HUD-approved agencies. The grants provided under this program help the nation's households navigate the complex process necessary for sustainable homeownership by giving housing counseling agencies the resources to educate families on the responsibilities of homeownership, the importance of savings, and the need for responsible credit management. The grants also provided post-purchase counseling, renter counseling, reverse mortgage counseling for senior homeowners, and counseling for homeless individuals and families seeking shelter.

A recent report that examined housing research notes a trend across ten studies which indicates that homebuyers who receive pre-purchase counseling are less likely to default and more likely to prepay their mortgages. This evidence provides further proof that housing counseling provides tangible benefits to homeowners. Consequently, continued support for consumer education provided by the Housing Counseling Program would drastically help our nation move beyond the current housing crisis.

We have learned that funding may have been cut because some in Congress believe that there is redundancy between the HUD Counseling Assistance Program and the National Foreclosure Mitigation Counseling Program (NFMC). Although the current housing crisis has led both programs to provide assistance to homeowners facing foreclosure, it is important to note that the HUD Housing Counseling Program is the only federal program that provides direct support for the following services:

- Pre-purchase counseling and education for first-time homebuyers
- Reverse mortgage counseling for senior homeowners
- Renter counseling, including counseling for families transitioning out of homeownership
- Post-purchase counseling and education for homeowners
- Counseling for homeless individuals and families seeking shelter or other transitional housing

As a result of the overwhelming demand for and value of counseling services, we strongly urge you to support funding for the HUD Housing Counseling Program in fiscal year 2012. Should you have any questions, please contact Graciela Aponte, Senior Legislative Analyst, National Council of La Raza (NCLR), at (202) 776-1578 or gaponte@nclr.org.

Sincerely,

ClearPoint Financial Solutions, Inc.
HomeFree-USA
Homeownership Preservation Foundation
Hope Enterprise Corporation
Housing Partnership Network
Mission of Peace National Corporation
Money Management International
National Coalition for Asian Pacific American Community Development
National Community Reinvestment Coalition
National Council of La Raza
National Council on Aging
National Federation of Community Development Credit Unions
National Foundation for Credit Counseling
National NeighborWorks Association
National Urban League
NID-Housing Counseling Agency
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