

Housing Counseling: Past and Future Trends

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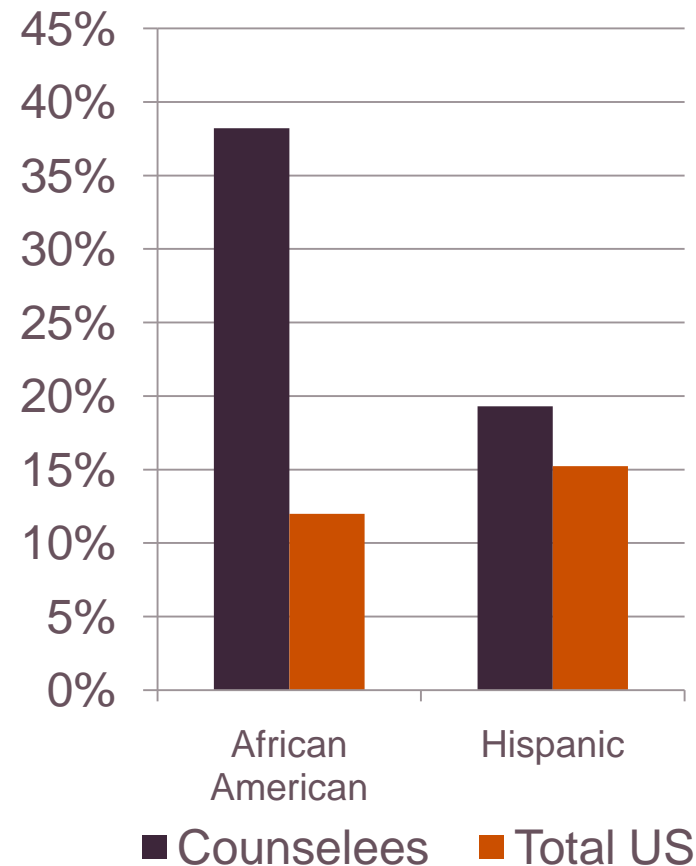
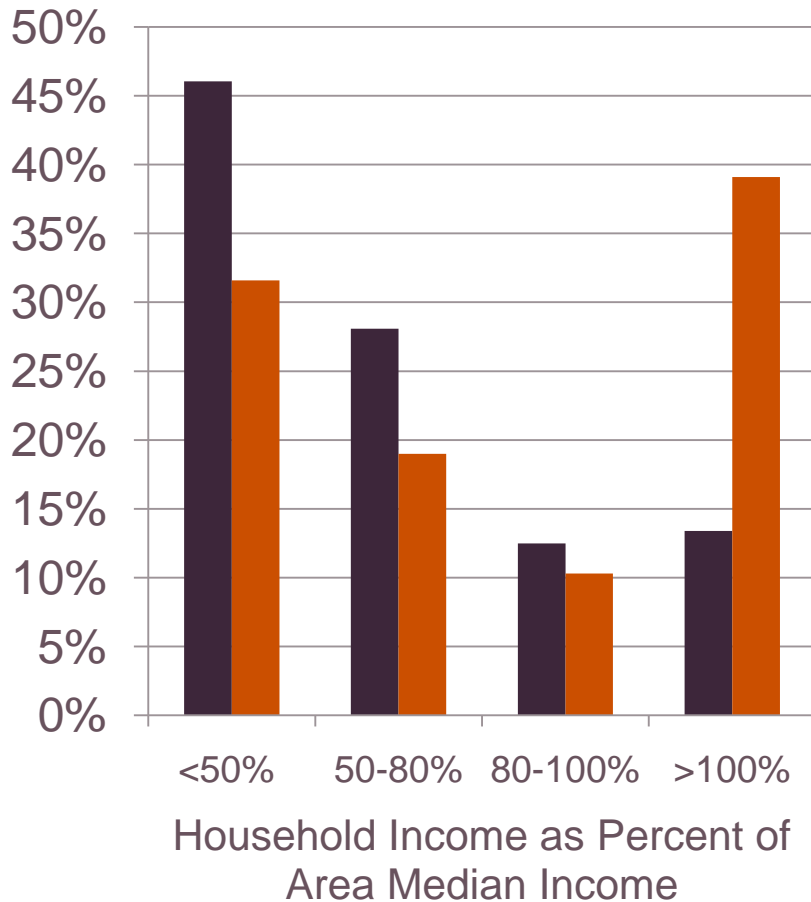
JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

HOUSING COUNSELING OVERVIEW

Housing Counseling Agencies Form a Broad and Diverse Network

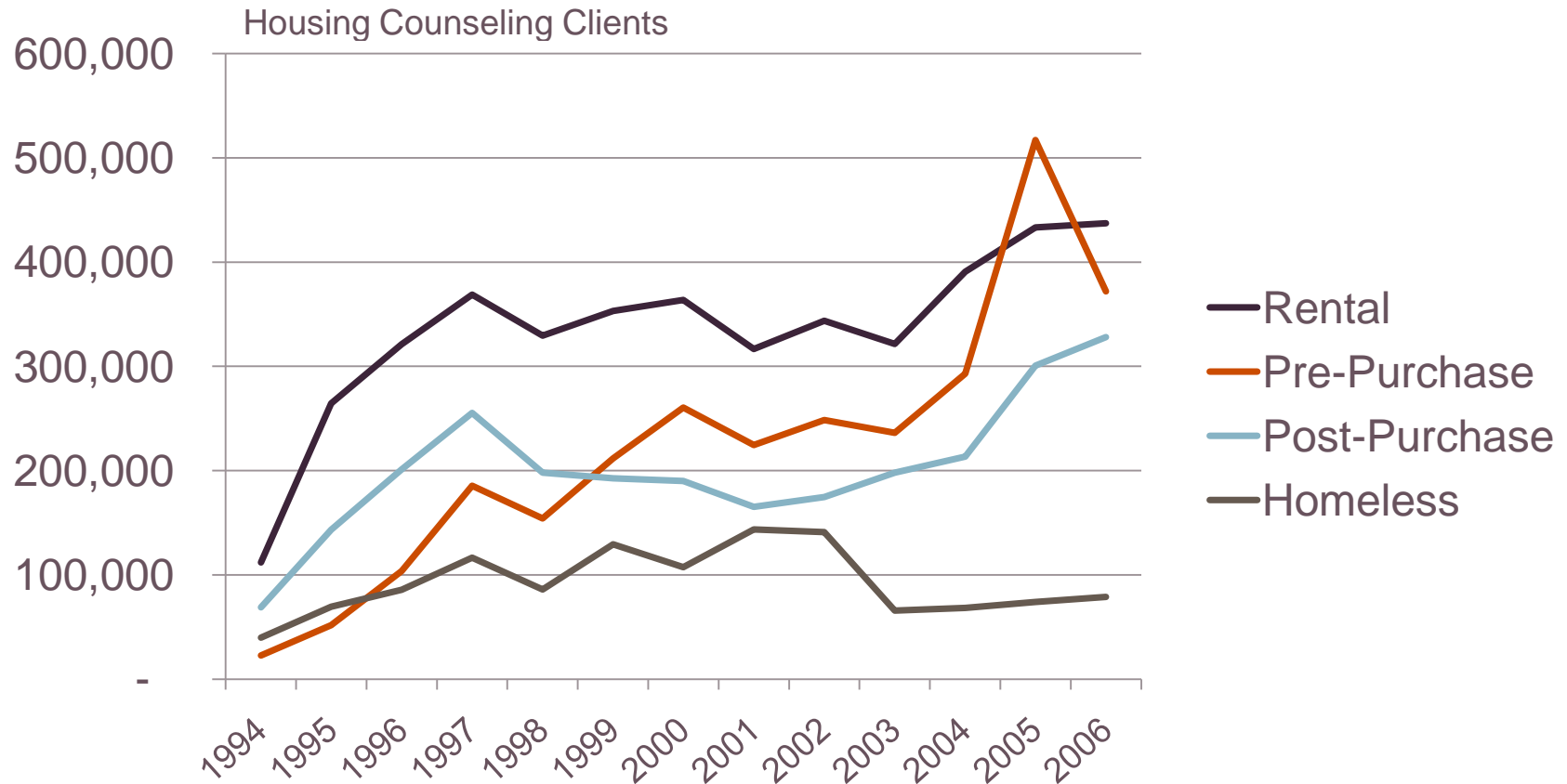
- As of 2008, there were 1,800 HUD approved counseling agencies with broad range of missions and services
- There was at least one counseling agency in nearly a third of all counties—which account for four-fifths of the national population
- HUD grants are the first or second largest funding source for nearly half of all counseling agencies—particularly for smaller agencies

Counseling Disproportionately Helps Disadvantaged Families and Individuals



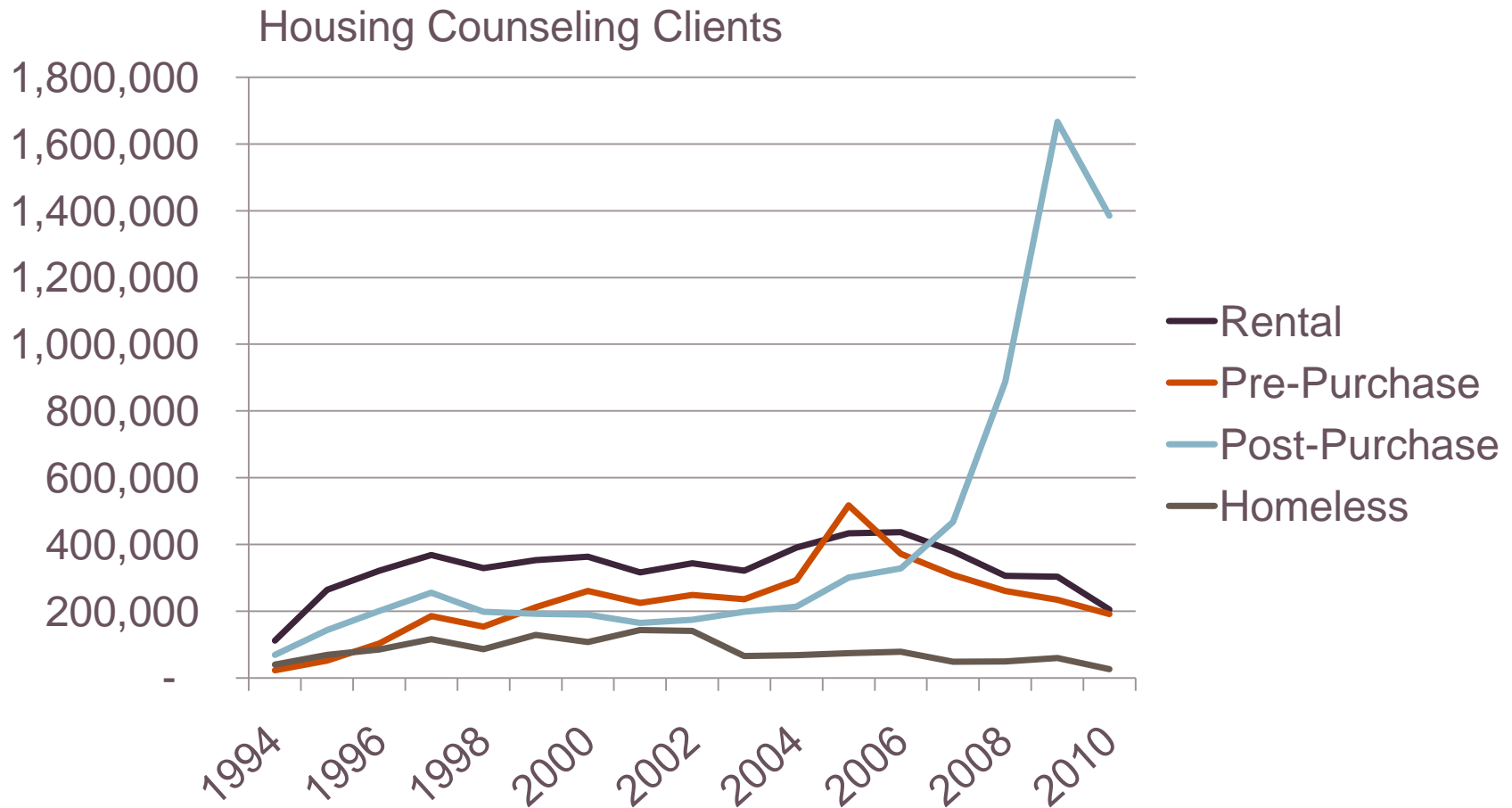
Source: *The State of the Housing Counseling Industry*, HUD, 2008; *Worst Case Housing Needs: 2009 A Report to Congress*, HUD 2011; US Census Bureau, Decennial Census 2010.

Rental and Pre-Purchase Housing Counseling Pre-Dominated Through Mid-2000s



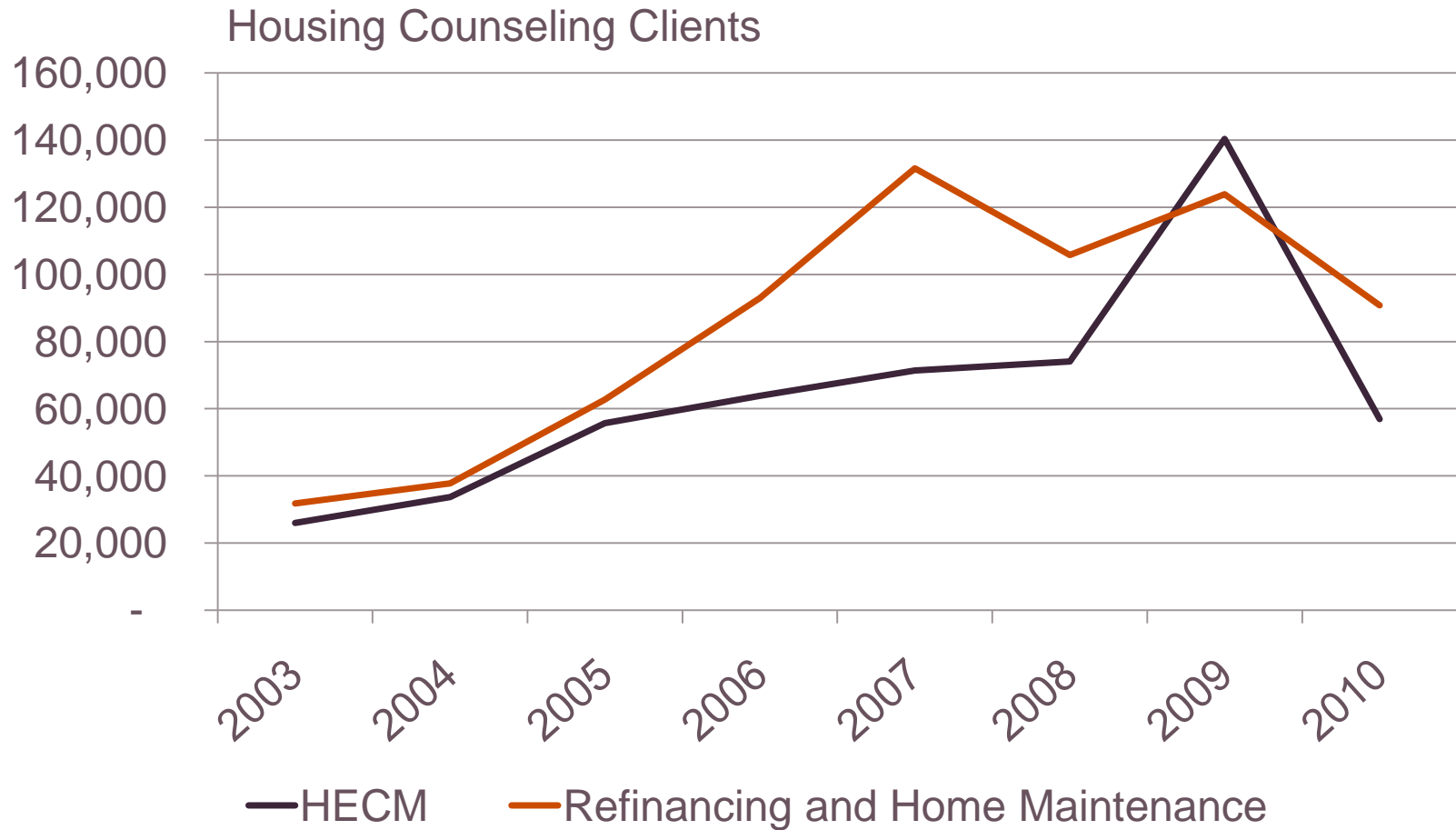
Source: *The State of the Housing Counseling Industry*, HUD, 2008.

Post-Purchase Counseling Has Skyrocketed Since 2007



Source: *The State of the Housing Counseling Industry*, HUD, 2008; HUD 9902 Annual Summary Reports.

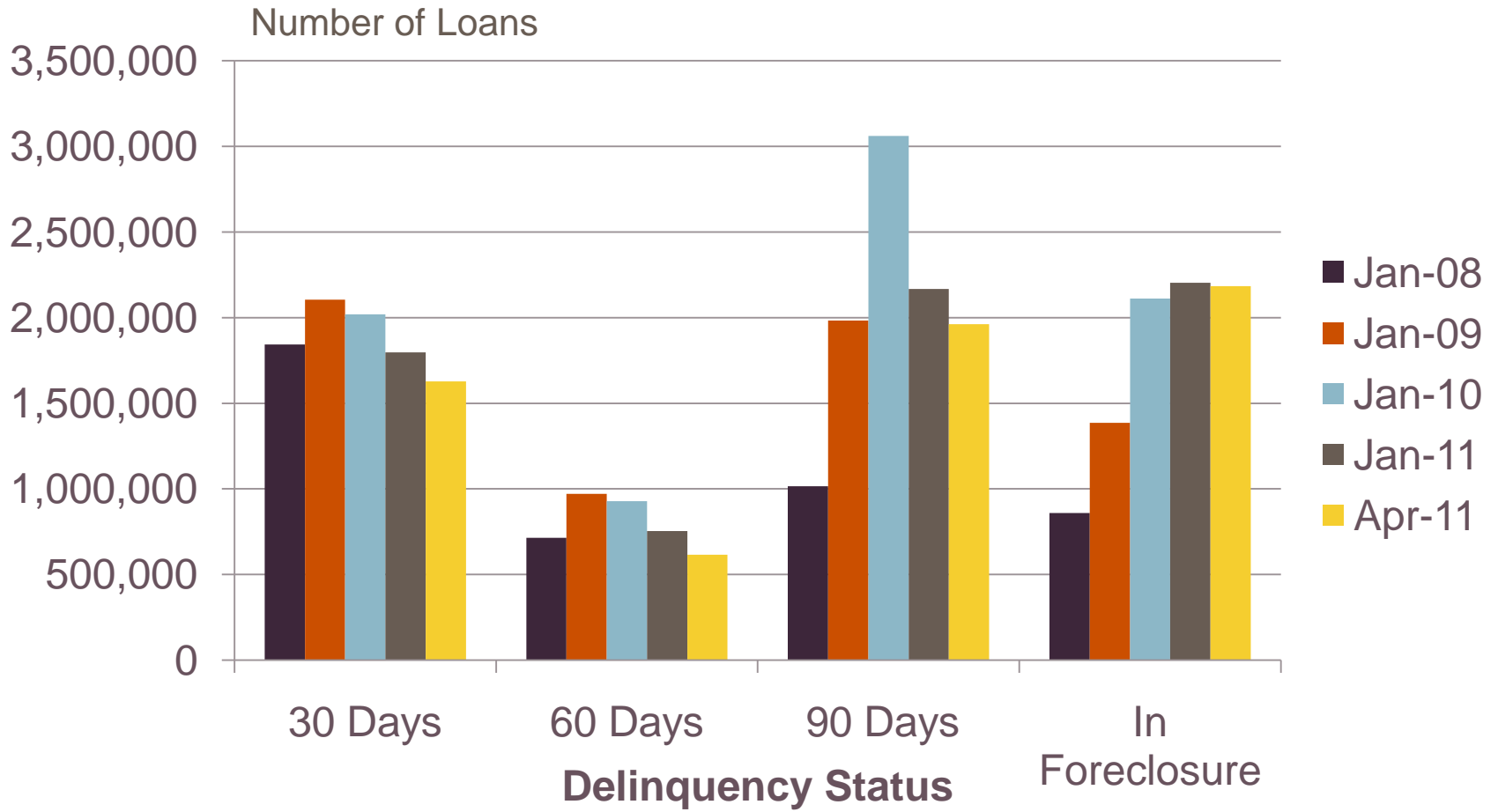
Counseling on HECMs and Refinancing and Home Maintenance Have Also Increased Sharply



Source: *The State of the Housing Counseling Industry*, HUD, 2008; HUD 9902 Annual Summary Reports.

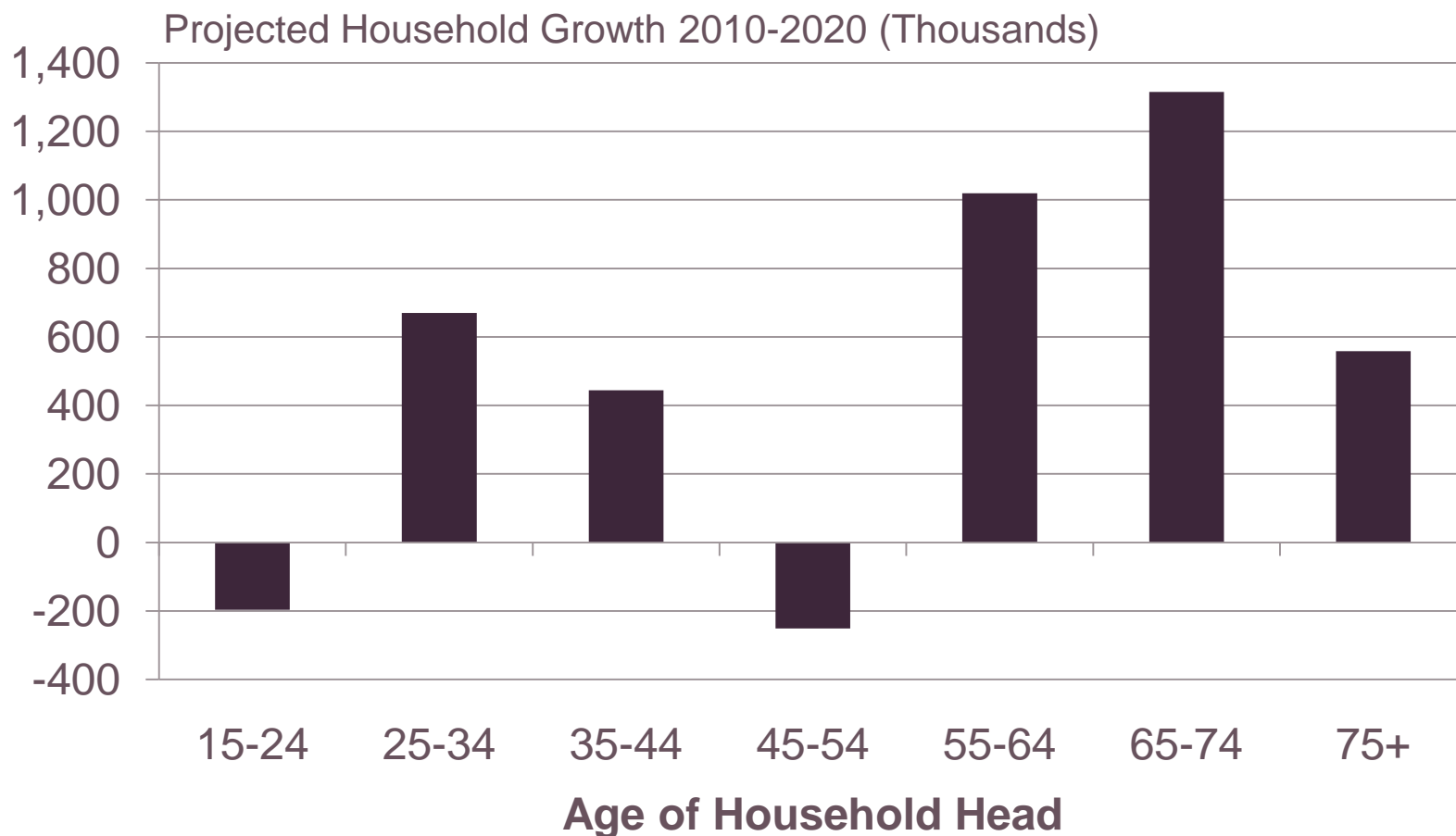
HOUSING COUNSELING OUTLOOK

In Near Term, the Number of Distressed Homeowners Remains at Very High Levels



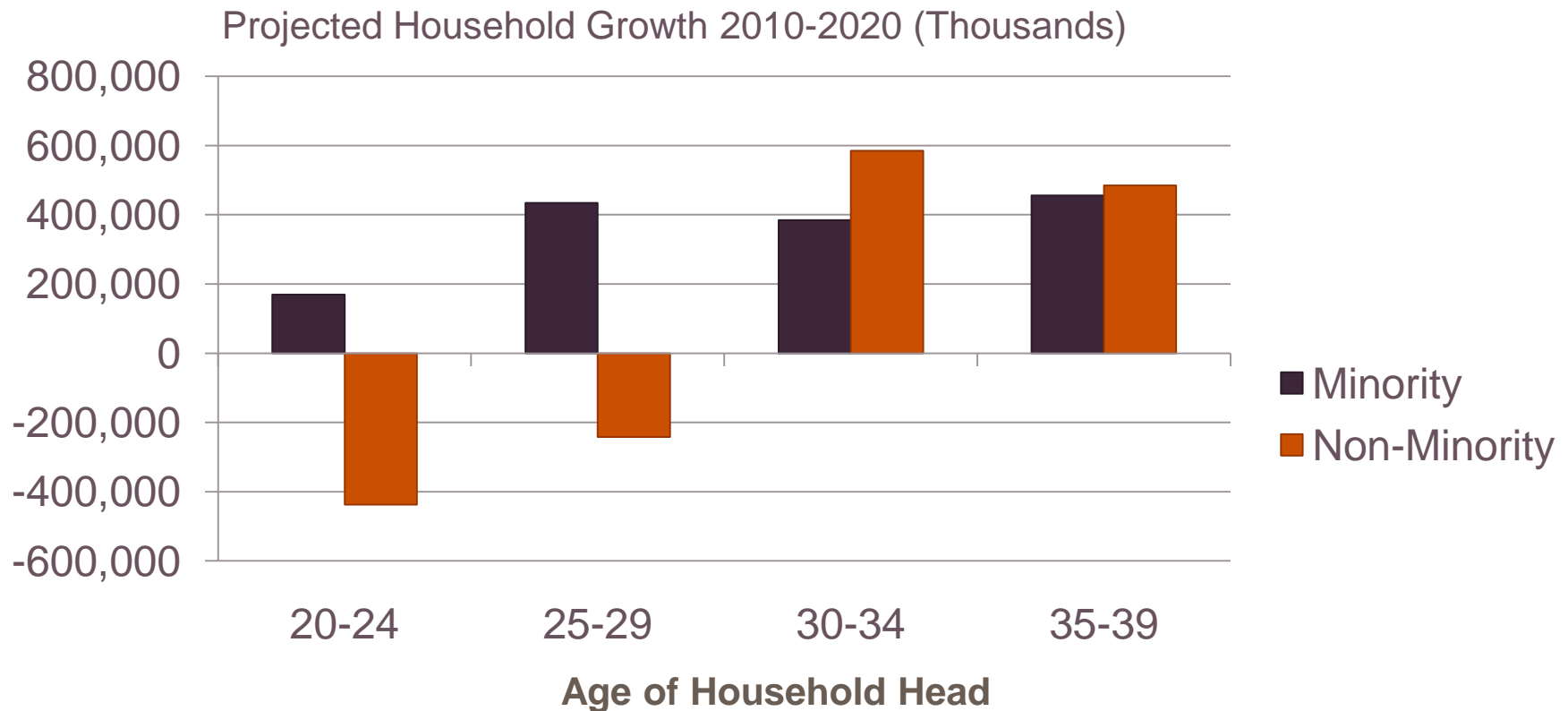
Source: LPS.

Counseling Demand May Be Spurred by Coming Increase in Younger and Older Households



Source: JCHS.

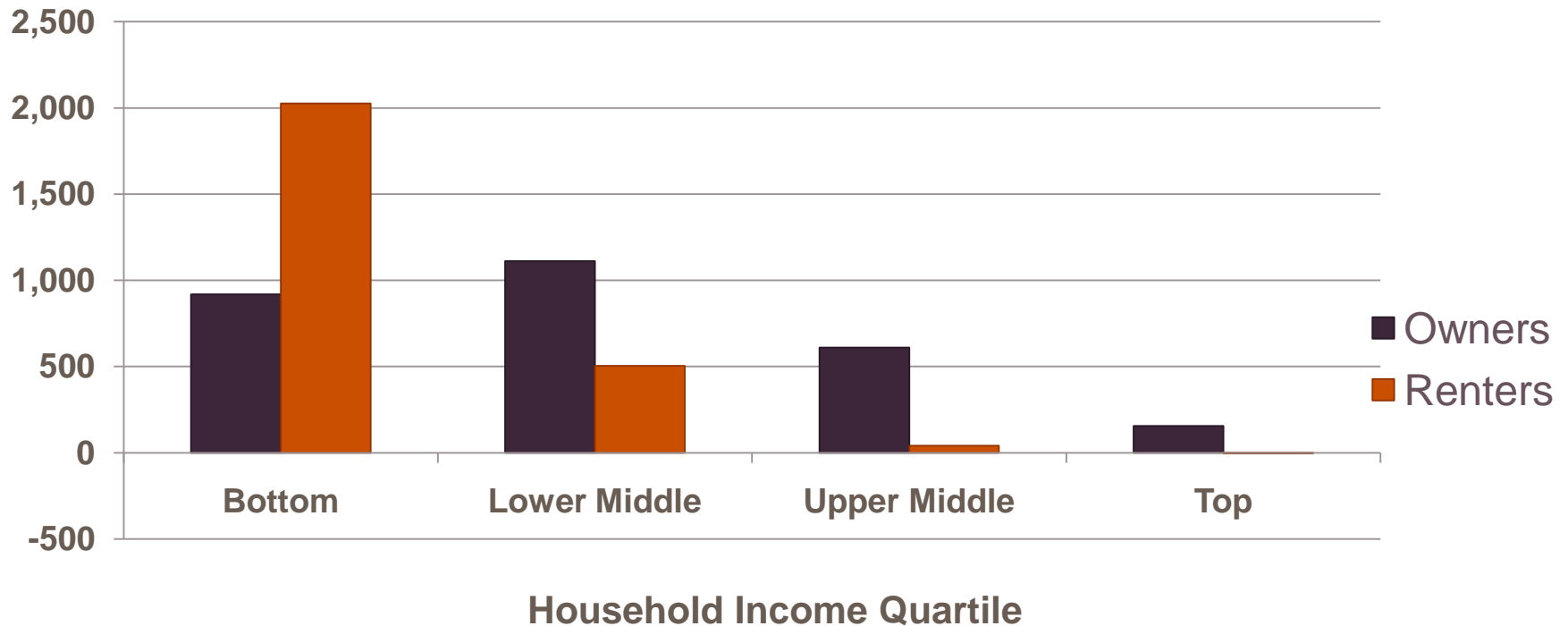
Minorities Will Account for Large Share of Young Household Growth



Source: JCHS, *State of the Nation's Housing 2011*.

Increasing Affordability Problems Suggest Greater Need for Owner and Renter Counseling

Increase in Households Paying More than 50% of Income for Housing 2001-2009 (000s)



Source: JCHS, *State of the Nation's Housing 2011*.

Section Two

RESEARCH ON PRE-PURCHASE COUNSELING EFFECTIVENESS

Research Limited by Significant Evaluation Challenges

- Experimental study design hard to implement
- Lacking control group, fair comparison groups are hard to identify
- Difficulties in obtaining outcome measures for both groups
- Great diversity in both nature of assistance and market context

Few Studies That Have Been Done Generally Find Positive Outcomes

- Study of Freddie Mac loans from late 1990s found a reduction in serious delinquencies (Hirad and Zorn, 2002)
- Study of several hundred loans made by one Ohio lender from 1990s found decrease in delinquencies and increase in prepayment (Hartarska and Gonzalez-Vega, 2005 and 2006)
- Study of national pool of CRA loans found no impact on delinquency and only slight increase in prepayment (Quercia and Spader, 2008)
- Most recently, a study of indepth counseling by one Indiana agency found significant reduction in delinquency (Agarwal, et al., 2009)

THANK YOU