

October XX, 2011

The Honorable Daniel Inouye, Chairman
The Honorable Thad Cochran, Ranking Member
The Honorable Patty Murray, Chairman, Transportation – HUD Subcommittee
The Honorable Susan Collins, Ranking Member, Transportation – HUD Subcommittee
Committee on Appropriations
S-128, The Capitol
Washington, DC 20150

The Honorable Harold Rogers, Chairman
The Honorable Norm Dicks, Ranking Member
The Honorable Tom Latham, Chairman, Transportation – HUD Subcommittee
The Honorable John Olver, Ranking Member, Transportation – HUD Subcommittee
H-307, The Capitol
Washington, DC 20150

Dear Members of the Appropriations Committee:

We the undersigned group of housing counseling organizations and supporters are writing to urge you to support funding for the HUD Counseling Assistance Program. Funding from this program allows our agencies to serve as a lifeline to millions of families struggling to save their home from foreclosure, as well as provide counseling to first-time homebuyers, renters, the homeless and seniors. We know first-hand the role a housing counselor can play in helping homeowners avoid foreclosure, educating first-time home buyers on the complexities of homeownership and assisting seniors evaluate the costs and benefits of a reverse mortgage. Therefore, we respectfully request you to **provide funding in the amount of at least \$60 million to the HUD Counseling Assistance Program in the FY 2012 budget** to prevent the elimination of critical housing services that are providing relief to families and our economy.

Housing counselors play an important role in helping homeowners navigate the complicated home buying process by exploring all potential financing options, which puts homeowners in the best position to achieve a sustainable home loan. We know that homeowners who have participated in housing counseling are more likely to stay current on their mortgage which means increasing access to housing counselors is an effective way to help our nation get out of its current housing crisis and to prevent anything like this from ever happening again. Further, experience shows that the loss of housing counseling services will leave a void that is likely to be filled by scam artists, most notably now with mortgage modification scams. The HUD Counseling Assistance Program is the only federal program that provides explicit support for households considering purchasing their first home, non-foreclosure post-purchase counseling, renter, and homeless prevention counseling, and reverse mortgage counseling for seniors. The elimination of funding translates into people not counseled, foreclosures not mitigated, mortgage modification scams not prevented, and housing hardships not repaired.

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Since 2006, HUD approved housing counseling agencies have provided assistance to over 11 million households, including pre-purchase counseling and education for more than 2.5 million households, of which nearly 600,000 purchased homes or became mortgage ready, post purchase non-foreclosure counseling to more than 1 million homeowners and foreclosure prevention counseling to nearly 4 million households (of which 1 million were supported through the NFMC program beginning in 2008). Four research studies separately conducted by the Joint Center for Housing Studies of Harvard University, The Urban Institute, Federal Reserve Board of Governors, and the National Council on Aging concluded pre and post purchase housing counseling helps preserve and maintain homeownership as well as provide a positive economic impact. At a time when many of the efforts to curb foreclosure rates have failed to meet their goals, the HUD Counseling Assistance Program has stood out as an effective and efficient use of resources.

All of our organizations recognize that tough choices must be made as part of your efforts to reduce the budget deficit. However, we remain in the midst of a severe housing crisis and the need for housing counselors continues to grow. Therefore, we strongly encourage you to support this vital program by including funding in the amount of at least \$60 million for the HUD Counseling Assistance Program in Fiscal Year 2012.

Thank you for your consideration.

Sincerely,

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