

RESEARCH REPORT

Housing Counseling for Homeowners and Renters in Crisis

Lessons from the Housing Stability Counseling Program

Jung Hyun Choi

Sarah Gerecke

Matthew Pruitt

Janneke Ratcliffe

Mark Treskon

Katie Visalli

John Walsh

April 2025





ABOUT THE URBAN INSTITUTE

The Urban Institute is a nonprofit research organization that provides data and evidence to help advance upward mobility and equity. We are a trusted source for changemakers who seek to strengthen decisionmaking, create inclusive economic growth, and improve the well-being of families and communities. For more than 50 years, Urban has delivered facts that inspire solutions—and this remains our charge today.

Contents

Acknowledgments	iv
Executive Summary	v
1. Introduction	1
2. The Landscape of Housing Counseling and COVID-19	14
3. Program Design, Implementation, and Take-Up	25
4. Client Outcomes and Perceptions of Impact on the Field	54
5. Best Practices and Lessons for the Future	71
Appendix A. Intake Concentration	84
Appendix B. HSCP Targets	85
Appendix C. Local Geographies	87
Appendix D. Glossary	89
Notes	92
References	96
About the Authors	99
Statement of Independence	101

Acknowledgments

This report was funded by NeighborWorks America, a congressionally chartered, national nonpartisan nonprofit corporation. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.

We want to particularly thank NeighborWorks America for its rapid and thorough response to our many questions.

This report benefits from a thoughtful and independent review by a team of experts. We thank them for their commitment to this project, while noting that mistakes are those of the authors alone. The expert advisers are as follows:

- Genger Charles, Managing Director, Head of External Affairs and Impact Strategies, Amherst
- Diane Levy, Principal Research Associate, Urban Institute
- Stephanie Moulton, Professor and Associate Dean for Faculty and Research, Ohio State University
- Roberto Quercia, Trudier Harris Distinguished Professor, University of North Carolina at Chapel Hill
- Kathryn Reynolds, Principal Policy Associate, Urban Institute
- Peter Tatian, Senior Fellow, Urban Institute

Executive Summary

The COVID-19 pandemic posed global threats to health, employment, education, and housing. During the pandemic, both owners and renters were at grave risk of losing their homes through mortgage delinquency or nonpayment of rent. In response, federal and local interventions were implemented to promote housing stability, from moratoriums to assistance funding. This report focuses on one of those responses. As a part of the American Rescue Plan Act (ARPA), Congress allocated \$100 million to NeighborWorks America for the Housing Stability Counseling Program (HSCP) to strengthen and expand the nation's housing counseling capacity and to help people facing increased housing insecurity navigate and access available supports amid the pandemic.

Through HSCP, [NeighborWorks America](#), a congressionally chartered, national nonpartisan nonprofit corporation, provided \$88.6 million in grant funding to housing counseling intermediaries, state housing finance agencies, and NeighborWorks network organizations to provide housing counseling services to renters and owners at risk of housing instability attributable to the pandemic. HSCP was tailored to rapid delivery of services, training customized for the pandemic-induced housing crisis, and—unlike previous congressionally authorized emergency response housing counseling services, which had focused only on homeowners—also services for renters, who were especially vulnerable during the pandemic. All counseling provided under HSCP was done without cost to clients, who were especially vulnerable during the pandemic.

This report, commissioned by NeighborWorks America, describes HSCP design, analyzes the program's implementation, and describes housing counseling agency experiences while ramping up services in a time of crisis. The report also situates HSCP in the larger landscape of various pandemic response programs. Given the multiple housing stability interventions ultimately available, as well as the difficulty documenting changes in housing stability while counseling occurred, this report is not designed to establish a causal relationship between HSCP counseling and clients' housing stability. We do examine client outcomes counselors reported, and we use various methods to establish model practices and lessons for future housing counseling interventions during times of crisis.

This research allows us to glean actionable insights from NeighborWorks America's rapid implementation of HSCP that can inform future housing crisis responses via the nation's housing counseling infrastructure and how counseling can complement other interventions. The report can also shed light on the needs of renters facing housing instability during crises.

What We Found

- NeighborWorks America met and even exceeded the program’s statutory goals, reaching households the program was designed to reach. It distributed funds quickly to grantees and subgrantees and used up-front funding to build the capacity of housing counseling agencies to respond rapidly. It also successfully targeted households and communities of color and low-income households and communities, as required by statute.
- As of July 31, 2024, agencies receiving HSCP funds had counseled 91,443 unique households (both homeowners and renters). Homeowners and renters each accounted for half the clients, with renters being an important and successful new focus for housing counselors under HSCP.
- Outcomes largely were positive, though limitations in data availability complicated our ability to make definitive statements:
 - » Housing counselors helped just under 80 percent of renter and homeowner clients access direct financial assistance for housing stability, including referrals to emergency rental assistance, housing assistance funding for homeowners, and other state and local housing resources.
 - » Many HSCP renters gained access to nonhousing resources, such as social services and public benefits, which were the most common counseling outcomes for renters.
 - » Counselors served as intermediaries between clients and their landlords and servicers, initiating negotiations on behalf of a large share of clients or sending clients to their landlords or servicers with a plan. The most commonly reported outcome for homeowners was negotiation with a servicer.
- Congress and NeighborWorks America successfully targeted the program to reach those at great risk of housing instability.
- HSCP services were delivered via a trusted national network of housing counseling agencies who reached households in all 50 states and many territories. NeighborWorks America further ensured the quality of services delivered under the program.
- The overall program design (e.g., up-front payments for capacity building, extensive training, and support for technology upgrades and outreach) worked well, and the technical assistance NeighborWorks America provided to grantees reflected robust oversight, a dynamic feedback loop, and a nimble response to changing needs and implementation challenges.

- HSCP’s impact extended to housing counseling industry practice. Its training, standardized forms, and program-related support gave housing counselors tools and approaches they could use to serve clients in other contexts and in future programs.

Lessons Learned and Future Opportunities

NeighborWorks America’s response to the next crisis, along with that of other policymakers, can build upon lessons learned from HSCP in multiple ways:

- NeighborWorks America’s ability to respond quickly and mobilize housing counselors across the country is an effective approach to respond to unexpected crisis situations. When there are multiple emergency response measures, various agencies should work together and with other stakeholders to increase synergies and coordination and fully leverage the benefits of counseling.
- There are several opportunities to capture new insights into rental crisis counseling that arose from this program:
 - » NeighborWorks America can seek ways to further reduce reporting burdens and improve outcomes tracking by working with other counseling funders and providers to create alignment across the housing counseling industry on common demographic and outcome metrics.
 - » Various housing sector actors should work together to improve data collection in ways that could enable better tracking of renters’ outcomes and estimations of causal impact of housing counseling, and quantify the value counseling adds to landlords, property managers, lenders, and investors.
 - » NeighborWorks America can work with public, private, and nonprofit stakeholders to create a sustainable business model for rental counseling to maintain the capabilities that were enhanced during HSCP.
- NeighborWorks America should convene an industry-wide debrief on lessons learned and improvements for the future to inform future strategies.

Overall, HSCP promoted housing stability during the pandemic, connecting households to critical financial and social supports. Despite challenges, such as overlapping governmental aid programs and data fragmentation, the program expanded housing counseling capacity and targeted vulnerable populations. Policymakers rarely have the opportunity to look back once a crisis is over and analyze

what worked and what could be improved. NeighborWorks America's decision to conduct a program evaluation has provided important insights that will be useful during the next housing crisis.

1. Introduction

This section provides an overview of housing counseling, describes how NeighborWorks America's administration of HSCP built on and innovated the housing counseling field to respond to the COVID-19 crisis, situates HSCP in the broader landscape of pandemic housing stability policies, and lays out the approach of our evaluation. Each of these topics is explored in more depth in subsequent sections.

COVID-19, Housing Instability, and Housing Counseling

The COVID-19 pandemic posed global threats to health, employment, education, and housing. During the quarantine period, a stable home became an existential necessity as a place to nurse the ill, educate children, keep safe from outside contagion, and earn income. For many households, the shutdown and quarantine period that began nationally in March 2020 created a sudden shift from commuting to working from home. Essential employees who had to commute felt home was a safe haven for their household from the outside risks workers faced every day. At the peak of the pandemic, more than 30 percent of people who were tested had COVID-19, and the unemployment rate reached 14.8 percent.¹ Housing threats increased exponentially, and both owners and renters were at grave risk of losing their homes through pandemic-related mortgage delinquency or nonpayment of rent.

As part of its response to these threats, Congress allocated \$100 million to [NeighborWorks America](#) for the Housing Stability Counseling Program (HSCP) to strengthen and expand the nation's housing counseling capacity in response to pandemic-related housing threats.² NeighborWorks America, a congressionally chartered national nonpartisan nonprofit corporation with nearly 250 affiliates across the country, has experience running federally funded emergency response housing counseling grants, with prior responsibility for the National Foreclosure Mitigation Counseling Program (NFMC) in response to the 2008 foreclosure crisis.

As of December 2024, NeighborWorks America has provided \$88.6 million in HSCP grant funding to housing counseling intermediaries³ approved by the US Department of Housing and Urban Development (HUD), state housing finance agencies, and NeighborWorks network organizations⁴ for housing counseling services at no cost to clients, with remaining funding used for congressionally approved purposes, including administration, capacity building, and program oversight. By July 31, 2024, agencies receiving HSCP funds had counseled 91,443 households. Owners and renters each accounted for half the clients, with renters being an important new focus for counselors under HSCP.

This report was commissioned to the Urban Institute by NeighborWorks America to describe HSCP program design, analyze its implementation, and reflect on housing counseling agencies' experiences as they ramped up HSCP services in a time of crisis. The report gives additional focus to housing counseling services for renters because renters were especially vulnerable during the pandemic, and previous emergency response housing counseling services focused on homeowners. We present client outcomes counselors reported, but given the multiple housing stability interventions available at the time and the difficulty documenting changes in housing stability within the brief window where counseling occurred, this report cannot isolate a causal relationship between HSCP counseling and clients' housing stability. That said, it is important to understand what housing counseling is and to view HSCP in the larger landscape of various pandemic response programs.

BOX 1.1

What Is Housing Counseling?

Since 1968, housing counseling agencies have provided services to people facing homelessness, renters, first-time homebuyers, homeowners, and those at risk of foreclosure or eviction. The US Department of Housing and Urban Development (HUD) regulates a national Housing Counseling Program that reaches nearly 1 million households each year, offering group education and individualized housing counseling services for a wide range of housing needs and goals. The most common housing counseling services under the HUD program are prepurchase counseling and postpurchase nondelinquency counseling. By contrast, HSCP focused on households' pandemic-related housing needs, counseling services for renters, and counseling to prevent homeowners from default and foreclosure.

HUD sets federal standards for the content and process of providing housing advice to renters and homeowners seeking to overcome barriers to their housing goals. Housing counselors who pass an examination and are employed by a HUD-approved housing counseling agency are certified by HUD to deliver advice about budgeting, credit and savings, obtaining and maintaining a home or apartment, and preventing delinquency and foreclosure. HUD regulations are designed so that certified housing counselors must act in the client's best interests, avoid conflicts of interest, and keep up to date on the latest housing trends and scams. Independent studies have found housing counseling to be effective for renters, homebuyers, and homeowners (see chapter 2).

NeighborWorks America and HSCP

NeighborWorks America was congressionally chartered in 1978 as the Neighborhood Reinvestment Corporation. Its key features include approaching community development and housing challenges

through a partnership among private-sector, government, and nonprofit organizations and, as stated in its enabling act, “a non-bureaucratic approach...relying largely on local initiative for the specific design of local programs.” NeighborWorks America is a nonprofit organization whose board is made up of representatives of five federal agencies. It receives an annual appropriation, which it uses to support affordable housing creation and community development and to provide grants and technical assistance to support a network of approximately 250 chartered network affiliates known as NeighborWorks network organizations (or affiliates). Importantly, NeighborWorks America participates in the HUD Housing Counseling Program in several ways (as a HUD-approved national intermediary and as one of its national training providers to help counselors stay up to date with the latest housing issues and counseling techniques), but NeighborWorks America’s separate congressional charter has made it a useful vehicle for designing and rapidly deploying innovative and urgent housing counseling programs.

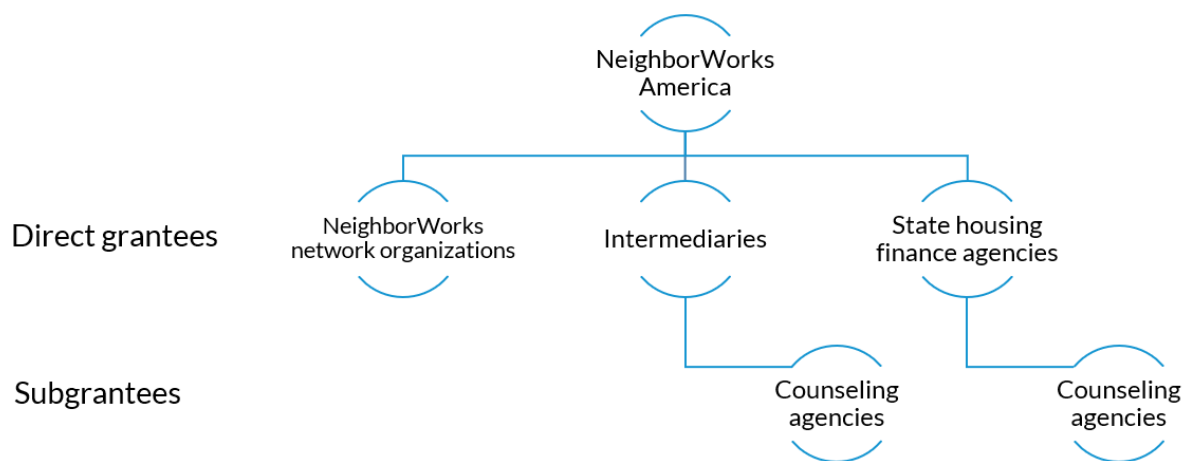
Congress has made special appropriations to NeighborWorks America to address emerging issues and to help in times of housing emergencies. Notably, NeighborWorks America designed and operated the NFMC, a congressional response to the 2008 Great Recession, which helped more than 2 million homeowners by substantially increasing the nation’s capacity for foreclosure prevention counseling over 10 years. In its capstone evaluation of the NFMC program, the Urban Institute reported that the program “helped standardize foreclosure counseling practices, and fostered stronger relationships among program administrators, housing counseling agencies, and loan servicers” (Scally et al. 2019, iv).

The pandemic posed urgent challenges for both homeowners and renters, and ARPA designated NeighborWorks America to create and administer HSCP. NeighborWorks America designed HSCP by building on its NFMC experiences and its traditions of designing programs to respond quickly and nimbly to underlying housing challenges—in this case, working through a large national network of housing counseling intermediaries and state housing finance agencies and NeighborWorks network affiliates.⁵ A simplified diagram of HSCP’s funding structure is presented in figure 1.1.

The counseling function is critical to helping clients talk through their challenges and finding solutions. They need to be able to talk with someone with no judgement regarding the challenges they are facing. This HSCP grant allowed the space for having those critical conversations with clients.

—Quarterly report, NeighborWorks network organization

FIGURE 1.1
Housing Stability Counseling Program Funding Structure



Note: Funds to NeighborWorks network organizations were limited to 15 percent of the total grant.

NeighborWorks America designed HSCP to build the capacity of housing counseling agencies to address these housing needs and to get services to people facing housing instability as quickly as possible. This report examines HSCP activities through July 31, 2024, and demonstrates how well NeighborWorks America built counseling capacity and provided reliable housing information and advice to those most in need.

More than 800 housing counseling agencies participated in HSCP, either as direct grantees or as subgrantees of intermediaries and state housing finance agencies. In addition to NeighborWorks network organizations, other participating organizations included HUD-approved housing counseling intermediaries, state housing finance agencies, and affiliates of those intermediaries and agencies.

The program was authorized through September 2025, with grantees receiving \$88.6 million in grant funds by December 2024. Agencies providing counseling under HSCP could use the money for

three purposes: (1) program-related support, or PRS (up to 30 percent of the grant could be used for outreach, capacity building, training, oversight, and data collection); (2) operational oversight (up to 7 percent of the grant could be used for back-office functions of intermediaries and state housing finance agencies); and (3) delivery of counseling services (at a fixed-rate fee-for-service). If the grantee did not wish to use its PRS or operational oversight funds for these purposes, they could use those funds to provide additional HSCP counseling.

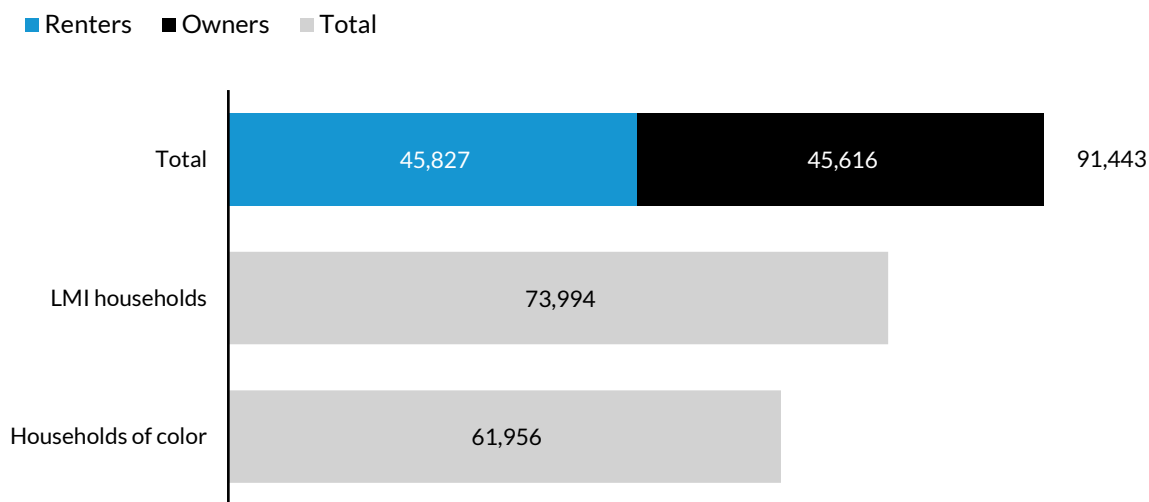
As the program administrator, NeighborWorks America hired staff members, provided extensive training for grantees, hosted a central website with standard forms for the program, provided technical assistance, and enhanced the online reporting system to accommodate HSCP reporting. An estimated \$11.4 million supported NeighborWorks America's expenses associated with the program's operations and training (this excludes PRS and operational oversight, which are part of the \$88.6 million awarded in grants). Overall, NeighborWorks America designed and ran HSCP so that funds were expended roughly a year earlier than Congress provided.

HSCP's Approach and Activities

To qualify for participation in HSCP, housing counseling agencies needed to meet basic HUD counseling standards (with some exceptions noted below). Every counseled client received budgeting assistance, a financial analysis, an action plan with steps the counselor and the client should take to achieve the client's housing goals, outcome tracking, and follow-up. HSCP counseling also had significant differences from standard HUD counseling. HSCP permitted participation by some organizations that were not HUD approved, a necessary expedient to increase rental counseling capacity as rapidly as possible. The program also developed a fee-for-service structure for grantees that ensured free services to all clients. NeighborWorks America forward-funded 35 percent of counseling awards. Agencies received 30 percent of their counseling award for PRS, of which 70 percent was included in those first disbursements so agencies could spend early in the program to increase their capacity and infrastructure under pandemic conditions. After grantees reported that they had provided enough counseling sessions to cover the forward-funded amount, NeighborWorks America released the next portion of the award. Through this model, agencies received funds quickly and received funds for each counseling session while ensuring federal funds were monitored appropriately. In implementing the program, NeighborWorks America developed a dynamic feedback loop between the counseling agencies and NeighborWorks administrators.

By statute, HSCP funds had to target people and communities with low incomes and high need. As of July 2024, HSCP had served 91,443 clients, including a nearly equal split of renters and owners (figure 1.2). Nearly 81 percent of clients served had low or moderate incomes, and 67.8 percent were households of color. Eighty-two percent of clients lived in target-area geographies,⁶ which were neighborhoods with high percentages of cost-burdened households or a high social vulnerability index and therefore housed families at high risk of housing instability attributable to the pandemic. The program emphasized the importance of counseling renters, a topic that was always permitted but historically less of a focus of the HUD housing counseling program.

FIGURE 1.2
HSCP Clients Served



URBAN INSTITUTE

Source: Urban Institute calculations of HSCP client data.

Note: HSCP = Housing Stability Counseling Program; LMI = low- and moderate-income.

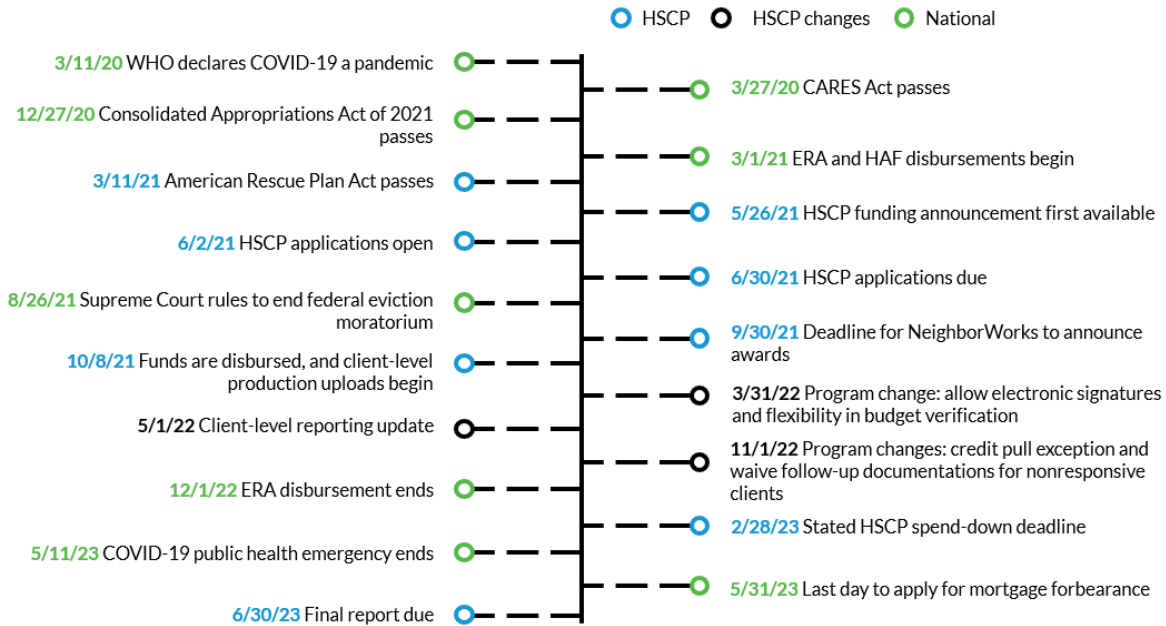
Instead of two or three clients a week, every single day there were people here all the time. So there was an increase in counseling services—a tremendous increase.

—Stakeholder interview, NeighborWorks network organization

Figure 1.3 shows the timeline of HSCP and dates of contextually relevant events. After the March 2021 signing of ARPA, NeighborWorks America quickly released the initial HSCP funding announcement in May 2021.⁷ Applications opened in June 2021, NeighborWorks America announced awards in September 2021, and funds were disbursed beginning that October, with seven months between congressional legislation and dollars getting to counselors.⁸ One hundred twenty-one organizations received awards directly from NeighborWorks America and participated in the program (7 received awards but did not end up participating and returned all their funds), including NeighborWorks network organizations (who were limited by statute to 15 percent of the total grant funds), HUD-approved housing counseling intermediaries, and state housing finance agencies (HFAs). Intermediaries and HFAs made subgrants to 690 subgrantees to provide counseling services directly. NeighborWorks America attributes the speed of its program design and deployment to its infrastructure and experienced staff.

FIGURE 1.3

HSCP Key Milestones and Timeline



URBAN INSTITUTE

Note: CARES Act = Coronavirus Aid, Relief, and Economic Security Act; ERA = Emergency Rental Assistance Program; HAF = Homeowner Assistance Fund; HSCP = Housing Stability Counseling Program; WHO = World Health Organization.

Other federal programs provided housing assistance during the pandemic concurrently with HSCP. Soon after the World Health Organization declared COVID-19 a pandemic on March 11, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, which included stimulus checks and started a national mortgage forbearance program. CARES forbearance remained an option for homeowners facing difficulty making their mortgage payments throughout HSCP’s performance period. A national eviction moratorium protected renters from July 2020 through August 2021, ending just before HSCP started. Most states enacted eviction moratoriums as well.⁹

The Emergency Rental Assistance Program (ERA) and the Homeowner Assistance Fund (HAF) were funded by the Consolidated Appropriations Act and ARPA. ERA and HAF funds were disbursed by the US Treasury Department to states starting in the first quarter of 2021. ERA and HAF rollout varied significantly by state. These direct assistance programs both helped and complicated the counseling for several reasons. First, the terms and process for clients to obtain direct assistance were confusing. Second, many clients believed counselors could provide ERA and HAF funds directly. In addition, some of the ERA jurisdictions permitted counseling as an eligible program expense so counselors could choose whether to fund the counseling sessions with ERA or HSCP.

Still, the direct cash assistance programs were designed to contribute to housing stability. By the end of 2022, states had distributed and spent down more than 80 percent of all ERA funds. At the same time, only 40 percent of HAF allocations had been obligated and 31 percent had been spent. As of the third quarter of 2024, 87 percent of the nearly \$10 billion HAF budget had been spent. But states spent these direct assistance funds at different rates. For example, by the end of 2022, Delaware, Massachusetts, Oklahoma, South Carolina, and Virginia had all spent more than 100 percent of their initial ERA allocations, whereas Idaho and South Dakota had spent less than half of their allocations.

Challenging Program Goals

Programs designed to address pandemic-related housing instability had to address multiple and competing interests, especially as the crisis was largely unexpected and urgent actions were needed to help households stay housed. The difficult housing stability policy goals the pandemic posed included the following:

- getting aid to recipients quickly while assuring that funds were spent as intended
- measuring impact while minimizing reporting burden on clients and counselors
- coordinating with other interventions as other complementary pandemic responses appeared, including eviction and foreclosure moratoriums and other direct assistance programs such as HAF and ERA
- building counseling capacity quickly while providing tailored and effective services to renters
- adapting to pandemic conditions, such as shifting service delivery from in person to online, dealing with clients in trauma and crisis, hiring and training additional staff during a pandemic, and keeping up with shifting national and state rules regarding eviction and foreclosure

Throughout this report, we will revisit these competing policy goals. In most cases, HSCP design choices represented a thoughtful solution to difficult problems.

Overview of This Evaluation

Research Scope and Questions

This research investigates several facets of HSCP design and implementation, client outcomes, and overall effect.

- Program design and implementation
 - » What outcomes did expanded rental counseling capacity have for clients, housing counseling agencies, and the housing counseling field?
 - » How did housing counseling services relate to or complement other pandemic-era supports and programs, such as direct assistance?
- Client outcomes
 - » What outcomes did clients receive from counseling?
- System outcomes
 - » What value did a national network of housing counseling agencies bring to the pandemic response toolkit?
 - » How effectively did HSCP increase the capacity of the housing counseling network to meet the pandemic housing crisis?
 - » What lessons are learned for future housing crisis responses?

Methods

To answer these questions, we used a mixed-methods approach. We used program administrative data provided by NeighborWorks America and other publicly available data to identify patterns regarding take-up, client characteristics, and client outcomes. We surveyed grantees for additional insights on how respondents perceived the program's implementation and impact. We interviewed NeighborWorks America staff members, program stakeholders, representatives of organizations that provided counseling directly or indirectly (through subgrantees), and clients about HSCP's structure, implementation, and effectiveness.

PROGRAM ADMINISTRATIVE DATA AND OTHER SUPPORTING DATA WE USED

NeighborWorks America provided data covering September 2021 to July 2024 that include detailed, anonymized information on clients, such as demographic and socioeconomic characteristics, financial

situation, and geographic location. The data also include information on program administration, and counselor-reported client outcomes.

We compared the clients’ socioeconomic and demographic characteristics over datasets, including the American Community Survey, Census Household Pulse Survey, and Treasury Department public data that provide information on ERA and HAF recipients.¹⁰

SURVEY

We surveyed 128 grantees in April 2024 (including 121 grantees that participated in the program plus 7 that accepted awards but ultimately returned them). Seventy grantees responded, for a response rate of 55 percent (table 1.1). Survey questions covered grantee perception of program design, implementation, and effectiveness.

TABLE 1.1
Survey Response Types

Respondent type	Count	Percentage
HUD-approved intermediary	15	21%
HUD-approved intermediary, NeighborWorks organization	2	3%
NeighborWorks organization	40	57%
State housing finance agency	13	19%

Source: Urban Institute analysis of the Housing Stability Counseling Program grantee survey.

Notes: HUD = US Department of Housing and Urban Development. Intermediaries made up 24.0 percent of grantees, NeighborWorks organizations made up 62.8 percent, and housing finance agencies made up 13.2 percent. See table 3.1.

INTERVIEWS

Urban conducted 34 interviews with program administrators, stakeholders, and clients to understand the program timeline and barriers to implementation (table 1.2). Urban contacted NeighborWorks America for a list of contacts for each grantee and subgrantee type, and Urban reached out to stakeholders via email. We wanted to reach (1) geographically diverse places, both in terms of regions of the United States and urban, suburban, and rural contexts; (2) agencies that served minority, low-income, and limited-English-proficient populations, a specific focus of the legislation; and (3) agencies with specialties in rental and homeownership counseling. Interviews of organizations and stakeholders were conducted between June 2023 and April 2024, and interviews of clients were held in July and August 2024.

For client interviews, we identified grantees and subgrantees from our interviews and asked them to forward our interview request to their client base. The clients then reached out to Urban researchers directly to minimize communication with their counselors or NeighborWorks America.

TABLE 1.2

Interviewee Types

Interview type	Number of interviews
Subgrantee organizations	1
NeighborWorks organizations	7
Intermediaries	7
State housing finance agencies	6
NeighborWorks staff	5
Other stakeholders	3
Clients	5

Source: Urban Institute analysis of Housing Stability Counseling Program interviews.

OTHER ANALYSIS

The research team also reviewed grantee reports and other documentation NeighborWorks America provided throughout the program, from internal memos to public communications to the program website.¹¹

Limitations

The report summarizes program trends, client characteristics, reported outcomes, and perceptions of impact on the field, but the research design is not intended to identify causal links between HSCP’s activities and participant outcomes. Isolating HSCP outcomes is further complicated by the fact that multiple government programs were simultaneously implemented to help homeowners and renters stay housed. Second, rental market data are highly fragmented compared with the mortgage market data (Choi, Goodman, and Pang 2022), and matching renters who received counseling with similar renters who did not receive counseling to compare outcomes was not part of this study’s design. Third, ERA and HAF awards, mortgage resolution, and landlord negotiations usually extended beyond the time when the client was meeting with the counselor.

To conduct an analysis that can identify causal outcomes, it might be beneficial for future programs to incorporate research design elements from the outset that facilitate comparisons between clients who received counseling and those who did not. But given the urgent need for support during the pandemic, this was not feasible for HSCP and was not part of this study’s design.

Finally, this report analyzes client data through an intake date of July 2024. Congress authorized HSCP through September 2025, so a few clients continued to be served after the date of this report. We do not feel the remaining numbers are significant.

The rest of this report investigates these issues in four main sections:

- Chapter 2 details what we already know about counseling and the context of the pandemic from past research.
- Chapter 3 focuses on HSCP implementation, from its design and structure to how it was actually carried out.
- Chapter 4 focuses on client and program outcomes.
- Chapter 5 presents takeaways and conclusions.

Policymakers rarely have the opportunity to look back over a program with perspective and data. NeighborWorks America has provided us the opportunity to understand how to expand a housing counseling program rapidly during a crisis, providing valuable lessons and insights for the future role of housing counseling during challenging times.

2. The Landscape of Housing Counseling and COVID-19

To understand the role of HSCP, it is important to first review the pandemic's effects on housing instability and the measures that were taken in response. HSCP did not occur in a vacuum. To understand the motivation, implementation, and role of HSCP during the pandemic, we need to discuss the context of housing counseling before HSCP, the pandemic's varied impacts on households, and the emergency responses to the pandemic. A combination of emergency responses during the pandemic, including housing counseling through HSCP, kept many people housed.

The Role of Housing Counseling

Housing counselors educate their clients and help them achieve housing-related goals. Purchasing a home and navigating housing crises are complex situations with serious ramifications for a household's physical, mental, and financial health. Historically, the most common type of housing counseling is preparation for homebuying. Almost half of all one-on-one counseling sessions reported to HUD since 2018 have been for prepurchase counseling or homebuyer education. But even when there is not a national crisis, housing counselors assist their clients with personal crisis situations. In 2019, for example, 21.6 percent of counseling sessions reported to HUD were to address mortgage delinquency or default.

Previous research has found that housing counseling improves clients' housing stability. Support and coaching after buying a home decreased recent homebuyers' likelihood of defaulting on their mortgage, especially if they had previously defaulted on nonmortgage debt (Moulton et al. 2015). Housing counseling is also effective in reducing defaults and foreclosures during crises, as witnessed during the 2008 financial crisis. Counseling through NFMC was instrumental in connecting underwater homeowners with federal, state, and local resources and significantly reduced clients' likelihood of default and foreclosure (Scally et al. 2019). Homebuyers who received prepurchase homebuyer counseling after the recession had lower serious delinquency rates than comparable borrowers without counseling (Li et al. 2016; Mayer and Temkin 2013).

NeighborWorks America was chosen to administer HSCP in large part because of its success with NFMC during the foreclosure crisis. Previous Urban research found that in addition to achieving

greater housing stability for homeowners, the NFMC program increased the counseling capacity of grantees and subgrantees that participated in the program. Many participants expanded their staff, adopted more efficient practices they learned from NFMC, and built lasting networks and partnerships (Sally et al. 2019).

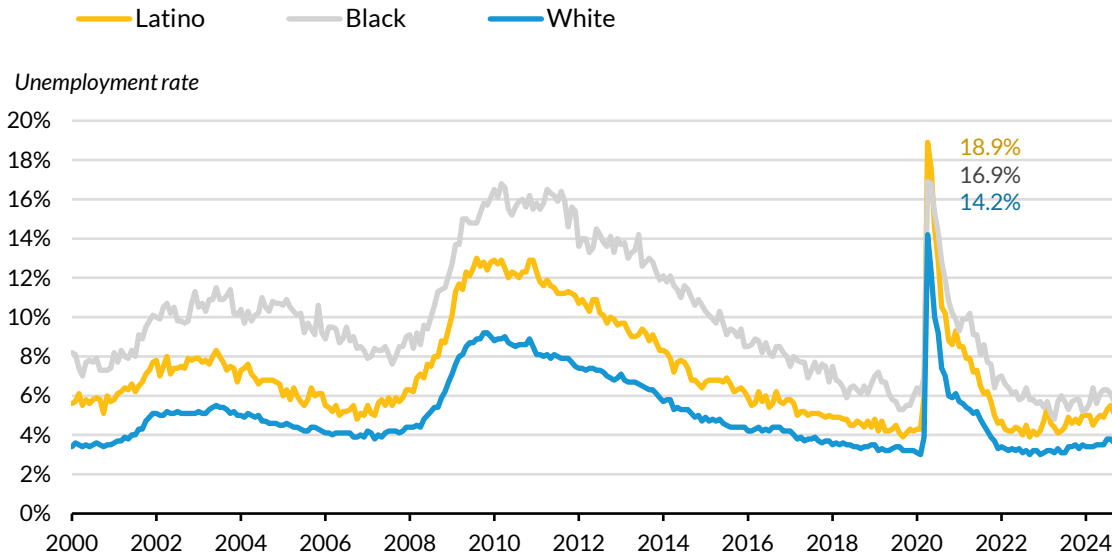
But housing counseling sessions for renters are less prevalent than counseling for homebuyers or homeowners, even as rental counseling has been shown to have positive outcomes (Walsh et al. 2020). In the first quarter of 2020, only 12.3 percent of individualized HUD housing counseling sessions were focused on rental issues.¹² At the start of the pandemic, industry experts were doubtful that counseling agencies could meet the expected demand for rental counseling sessions, in large part because funding for this type of housing counseling was sparse (Walsh et al. 2020). HSCP explicitly provided funding for rental counseling during the pandemic, which might have been instrumental for renters' housing stability.

The Need for Housing Counseling during the Pandemic

The pandemic devastated finances for many households. National unemployment skyrocketed from 4.4 percent in March 2020 to 14.8 percent in April 2020. This unemployment spike was more drastic for Black and Latino workers than for white workers (figure 2.1). Because of high unemployment and reduced income, by the end of 2020, 11 million households were severely behind on their rent or mortgage (Wong 2021). These households were disproportionately low-income households, renters, and people of color (Lake 2020).

FIGURE 2.1

Unemployment Rates, by Race or Ethnicity



URBAN INSTITUTE

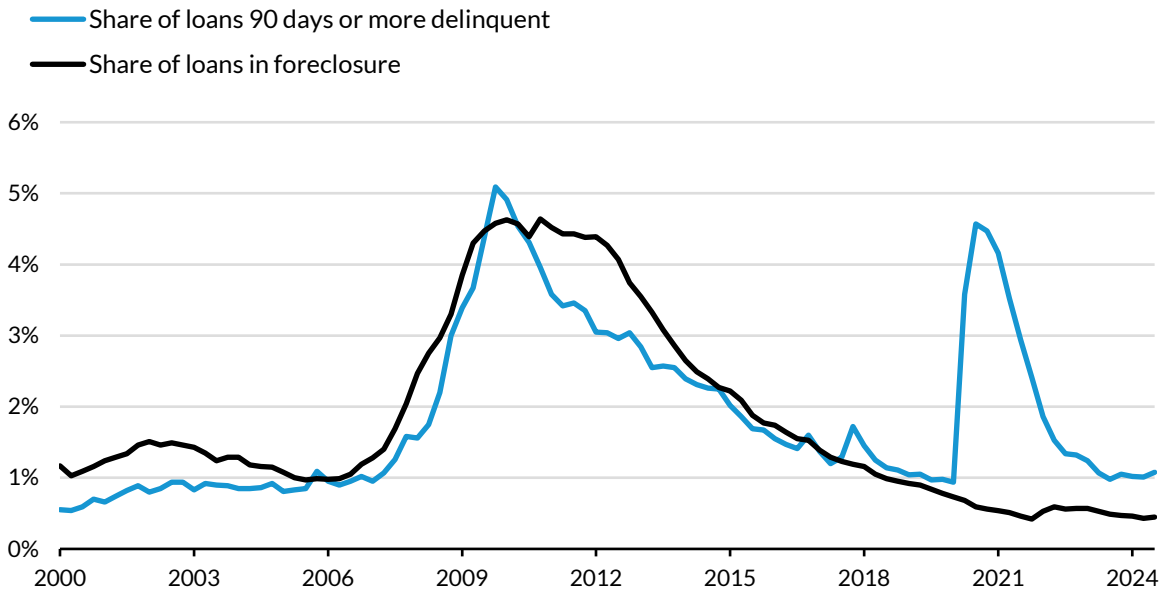
Source: US Bureau of Labor Statistics, Current Population Survey.

Note: Data are seasonally adjusted and are current as of November 2024.

Yet emergency response programs—including direct financial assistance to help owners and renters, as well as various eviction and foreclosure moratoriums—kept people housed. Foreclosures did not jump during the pandemic, despite a sharp increase in the seriously delinquent share of homeowners (figure 2.2). Evictions were similarly low during the pandemic. The Eviction Lab tracked eviction filings in 31 cities and observed 800,000 fewer eviction cases, or a 57.6 percent reduction, between the start of the COVID-19 pandemic in March 2020 and the end of 2021.¹³

FIGURE 2.2

Foreclosure and Delinquency Rates

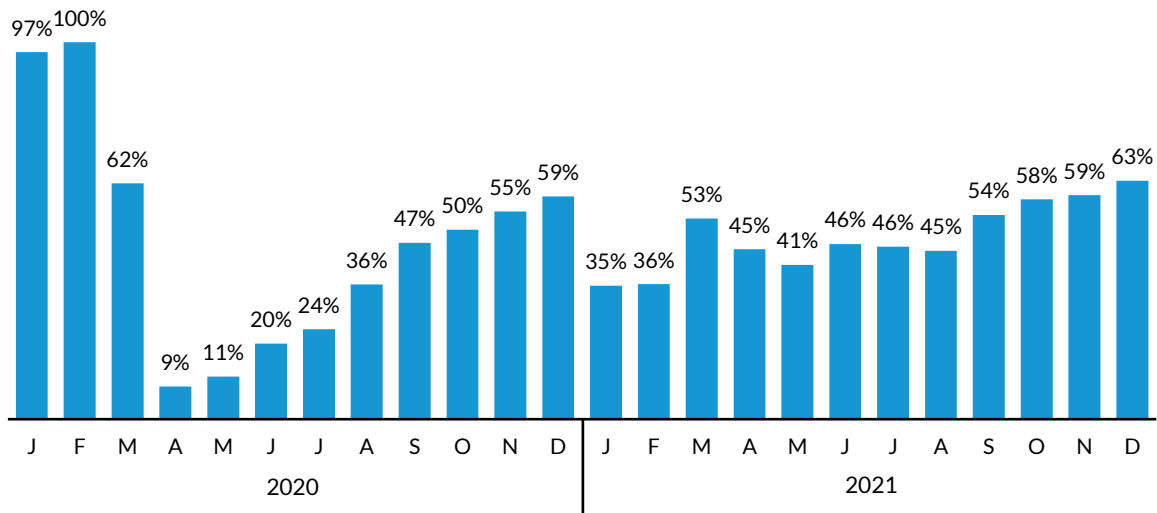


URBAN INSTITUTE

Sources: Mortgage Bankers Association, US Treasury Department, and Urban Institute calculations.

FIGURE 2.3

Eviction Filing Increases Relative to the Historical Prepandemic Average



URBAN INSTITUTE

Source: Peter Hepburn, Jacob Haas, Nick Graetz, et al., "Protecting the Most Vulnerable: Policy Response and Eviction Filing Patterns during the COVID-19 Pandemic," *RSF: Russell Sage Foundation Journal of the Social Sciences* 9, no. 3 (May 2023): 186, <https://doi.org/10.7758/RSF.2023.9.3.08>, figure 1.

Note: Letters on the horizontal axis refer to months.

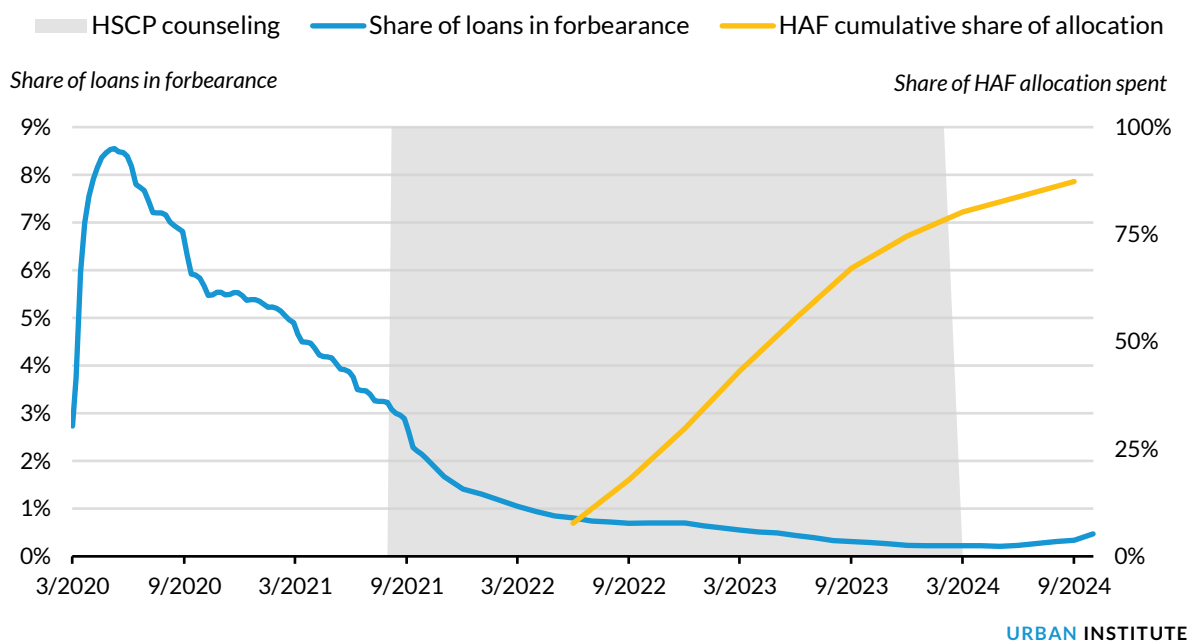
Assistance for Homeowners

The CARES Act made forbearance available to any homeowner with a federally backed mortgage who had difficulty making their housing payments simply by contacting their servicer to request it, from March 2020 through May 2023. At the height of use in June 2020, 8.6 percent of all loans were in forbearance (figure 2.4). Mortgage forbearance likely prevented more than 500,000 foreclosures during the pandemic (Goodman and Zhu 2024b).

Congress created the Homeowner Assistance Fund through the Consolidated Appropriations Act in December 2020 and allocated \$10 billion for direct assistance to homeowners who had trouble making their mortgage, utility, or other housing payments during the pandemic. From the second quarter of 2022 through the second quarter of 2024, more than 3 million homeowners received HAF assistance. Participants that disbursed HAF funds could also spend up to 5 percent of their HAF allotment on homeowner counseling.¹⁴ HAF was similar to the Hardest Hit Fund, which reduced homeowners' mortgage payments during the 2008 financial crisis and significantly reduced mortgage defaults (Moulton et al. 2020). HAF funds were distributed after forbearance expired and most borrowers who used forbearance had transitioned out of it.

FIGURE 2.4

HAF Spending Relative to the CARES Act Forbearance Period



Sources: Mortgage Bankers Association, the US Treasury Department, and Urban Institute calculations.
Notes: CARES Act = Coronavirus Aid, Relief, and Economic Security Act; HAF = Homeowner Assistance Fund; HSCP = Housing Stability Counseling Program. The forbearance share is as of October 31, 2024, and HAF spending is as of the second quarter of 2024.

NeighborWorks America distributed HSCP funds quickly after appropriation, so that HSCP counseling sessions started in the last quarter of 2021 and had mostly wrapped up by the first quarter of 2023 (chapter 4). During the time when HSCP was most active, CARES Act mortgage forbearance was winding down and HAF was getting started. HSCP counseling sessions might have played a significant role in helping homeowners most in need of assistance during the pandemic navigate the transition between these resources.

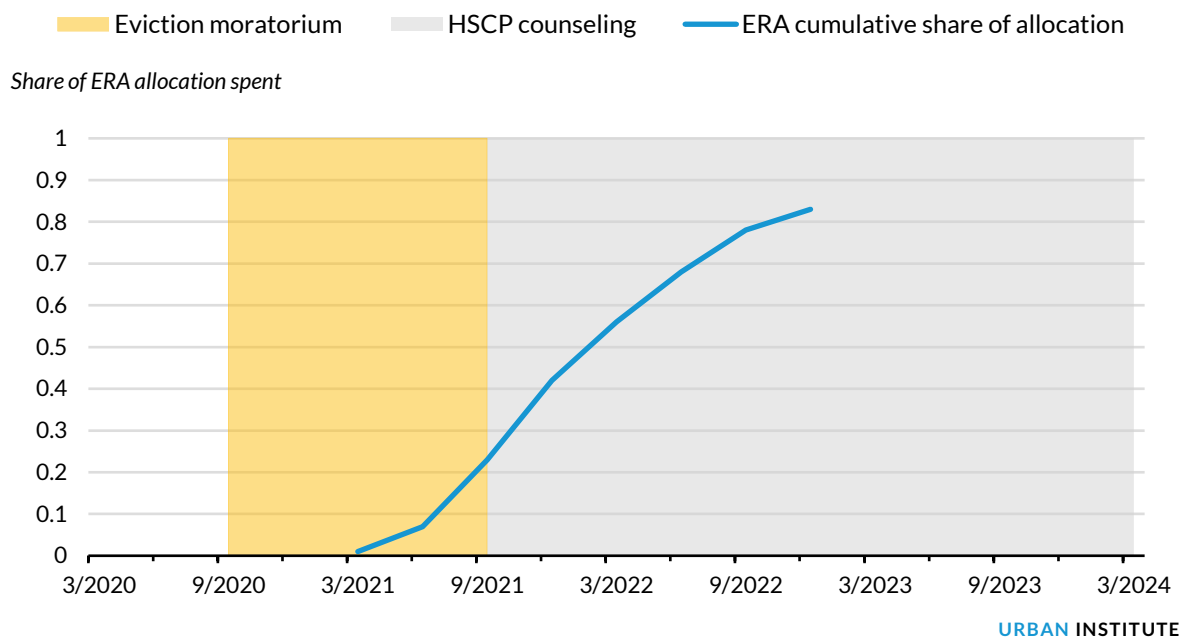
Assistance for Renters

Congress instated a national eviction moratorium through the CARES Act. Landlords with federally backed mortgages were not allowed to evict tenants for nonpayment of rent from March 2020 through August 2020. The Centers for Disease Control and Prevention (CDC) also declared an eviction moratorium which started in September 2020 and, after a few extensions, ended after being struck down by the Supreme Court in August 2021 (McCarty and Perl 2021).¹⁵ The CDC’s eviction

moratorium applied to all renters,¹⁶ rather than just those in properties with federally backed mortgages.

FIGURE 2.5

Emergency Rental Assistance Program during and after Federal Eviction Moratoriums



Sources: US Treasury Department Emergency Rental Assistance Program quarterly reports and Urban Institute calculations.
 Note: ERA = Emergency Rental Assistance Program; HSCP = Housing Stability Counseling Program.

Congress appropriated nearly \$46 billion through the Consolidated Appropriations Act in December 2020 for the Emergency Rental Assistance Program for direct financial assistance to struggling renters during the pandemic.¹⁷ In 2021 and 2022, more than 7.2 million renter households received assistance paying their rent from ERA. Black and Latino households were disproportionately likely to experience housing instability and to receive ERA funds (Graetz et al. 2023).¹⁸ Agencies that received ERA funds from the Treasury Department and disbursed them to households could spend up to 10 percent of their allocation on housing stability services, including housing counseling.¹⁹

Importantly, ERA was the first national program to prevent eviction by providing cash assistance to renters, and it carries its own lessons. A lack of awareness and burdensome documentation requirements slowed disbursement at the beginning of ERA.²⁰ Program funds were also spent quickly, and many renters who needed assistance could not get it (Kneebone 2024). Additionally, there was a double take-up barrier in getting assistance to renters because assistance needed to reach renters and be accepted by landlords (Aiken, Ellen, and Reina 2023). In response to these challenges, many

programs loosened documentation requirements and allowed for payments to go to renters if their landlords were not responsive or chose not to participate (Aiken et al. 2022). Once the Treasury Department made the income verification processes for ERA more flexible by waiving documentation requirements, housing counseling agencies were more successful in connecting renters with funds (Aiken et al. 2021; Housing Partnership Network 2021). These challenges underscore the value of knowledgeable counselors in helping renters access these benefits.

HSCP counseling sessions started immediately after the federal eviction moratoriums ended and overlapped with most of the duration of ERA spending. During this time, renters likely would have needed help keeping their housing after the moratorium, especially if they had missed payments. At the same time, ERA funds were only recently being disbursed, and many renters needed help finding and applying for this new resource.

BOX 2.1

Renters Were Disproportionately Likely to Experience Housing Instability during the Pandemic

Renters felt the financial strain of the pandemic more acutely than homeowners. Renters were more likely to be cost burdened before the pandemic hit, less likely to have sufficient savings to weather financial hardship, and more vulnerable to housing instability.^a Renters were also more likely to be working in industries that were directly affected by shutdown orders, and a disproportionately higher share of renters lost their jobs at the beginning of the pandemic.^b

Not all renters faced an equal risk of eviction. Each state distributed its ERA funding at a different pace, and after the federal eviction moratorium was halted in August 2021, only a few states and localities retained eviction protections.^c Recovery times also differed by locality. Some places were still experiencing pandemic-induced high unemployment rates after most of the US had recovered and most federal aid had expired.^d The effects of renter counseling might have differed by geography, especially in places with slow ERA and HAF rollout, no eviction protections, and high unemployment rates.

Rental assistance also provided crucial support to landlords who were affected by the pandemic.^e When renters could not make their rental payments, their landlords could not collect their expected income. This was especially detrimental for small “mom and pop” landlords who own more than a third of rental units and the majority of naturally occurring affordable rental stock.^f Small landlords were also particularly vulnerable to the pandemic, as their tenants were more than 20 percent more likely to be behind on rent in 2020 than in 2019.^g Critical policies that kept homeowners housed over the pandemic such as HAF did not apply to rental properties, and rental properties are less likely than owner-occupied properties to be secured with a federally backed mortgage, so pandemic-era homeowner relief such as CARES Act forbearance was not available to owners of small rental buildings.^h But only about half of small landlords who lost rental income and a third of renters who experienced difficulty paying rent knew about ERA in early 2021.ⁱ Counseling to help connect renters with resources during the pandemic potentially also played a crucial role in the stability of small landlords.

^a Jung Hyun Choi, Laurie Goodman, and Jun Zhu, “We Must Act Quickly to Protect Millions of Vulnerable Renters,” *Urban Wire* (blog), Urban Institute, March 25, 2020, <https://www.urban.org/urban-wire/we-must-act-quickly-protect-millions-vulnerable-renters>.

^b Whitney Airgood-Obrycki and Sophia Weeden, “Six Takeaways from *America’s Rental Housing 2024*,” *Housing Perspectives* (blog), Joint Center for Housing Studies of Harvard University, January 25, 2024, <https://www.jchs.harvard.edu/blog/six-takeaways-americas-rental-housing-2024>.

^c “Tracking Emergency Rental Assistance Distribution and Eviction Protections,” Urban Institute, last updated April 26, 2022, <https://www.urban.org/renters-and-rental-market-crisis-working-group/tracking-emergency-rental-assistance-distribution-and-eviction-protections>.

^d Michael Neal and Daniel Pang, *How Newark, New Jersey, Provides a Template for Targeting the Homeowner Assistance Fund* (Washington, DC: Urban Institute, 2021).

^e National League of Cities, “Incentivizing Landlords to Advance Eviction Prevention” (Washington, DC: National League of Cities, 2023).

^f Kathryn Reynolds, Leiha Edmonds, and Erika C. Poethig, *Innovative Financing Approaches for Affordable Rental Housing in the Chicago Region* (Washington, DC: Urban Institute, 2019).

^g Elijah de la Campa, *The Impact of COVID-19 on Small Landlords: Survey Evidence from Albany and Rochester, New York* (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2021).

^h Jung Hyun Choi and Caitlyn Young, “Owners and Renters of 6.2 Million Units in Small Buildings Are Particularly Vulnerable during the Pandemic,” *Urban Wire* (blog), Urban Institute, August 10, 2020, <https://www.urban.org/urban-wire/owners-and-renters-62-million-units-small-buildings-are-particularly-vulnerable-during-pandemic>.

ⁱ Laurie Goodman and Jung Hyun Choi, “Landlords and Tenants Need More Information on Rental Assistance and Eviction Moratorium Policies,” *Urban Wire* (blog), Urban Institute, March 9, 2021, <https://www.urban.org/urbanwire/landlords-and-tenants-need-more-information-rental-assistance-and-eviction-moratorium-policies>.

Housing Counselors Adapted to Changes over the Pandemic

Social distancing, combined with widespread job loss and rapid legislative changes during the pandemic, required the housing counseling industry to adapt. Housing counselors often addressed crisis situations during the pandemic, such as pending evictions, landlord harassment, missed payments, and cash assistance and legal aid (Boshart and Fiol 2023). Housing counselors who worked with renters during the pandemic provided information about tenant rights and fair housing, helped clients access pandemic-specific resources such as ERA and eviction moratoriums, helped clients find new housing, and communicated directly with landlords (OPDR 2024). Partnerships between housing counseling agencies and local institutions improved renters’ and homeowners’ access to housing counseling and emergency funds, such as outreach through community events, additional funding from philanthropic foundations, and partnerships with other nonprofits that specialize in serving specific communities (Housing Partnership Network 2021). Virtual sessions allowed counselors to reach clients across wider geographic regions and reduce transportation costs and time (Galvez, Anoll, and Boshart 2021). But in rural areas, virtual counseling could be a barrier when households lacked broadband access (Aiken, Ellen, and Reina 2023).

NeighborWorks America designed HSCP with two important flexibilities that maximized the number of counselors that could deliver housing counseling services during the crisis. First, NeighborWorks America could allow organizations, particularly state HFAs and some subgrantees, to participate without being a HUD-approved housing counseling agency as long as they met basic HUD housing counseling standards for the 12 months before program launch. This allowed some networks and organizations with expertise in rental counseling to participate in HSCP. Second, NeighborWorks America allowed counselors working toward the new HUD certification requirement to qualify for HSCP so that funds could be distributed while agencies and counselors were pursuing HUD certification (Boshart and Fiol 2023). This flexibility allowed agencies to get their programs off the ground and start providing critical counseling faster. The HUD housing counseling model also called for

a full client budget, financial analysis, and affordability plans for rental counseling during the pandemic, which worked against renters' immediate needs for cash assistance and legal defense during the crisis (Galvez, Anoll, and Boshart 2021).

The body of evidence above collectively reveals several findings. Emergency response programs such as the eviction moratoriums and ERA for renters and mortgage forbearance and HAF for homeowners prevented foreclosures and halted evictions during the pandemic. Housing counselors played an important role connecting households with these resources and have reduced housing instability in previous crises that threatened housing stability. At the same time, many factors made housing counseling difficult during the pandemic, such as remote work, high demand, and crisis situations. This study aims to highlight how the infusion of counseling funding for homeowners and renters from HSCP influenced housing stability, as well as what we can learn about program design and implementation during a crisis.

3. Program Design, Implementation, and Take-Up

This chapter provides an overview of HSCP’s design, implementation, and take-up, with an eye toward how NeighborWorks America worked to meet the program’s statutory goals, expand the capabilities of housing counseling organizations to meet the demands of pandemic housing conditions, and reach renters and owners most in need of counseling services.

Program Design

HSCP required a complex design, addressing several programmatic components:

- funding allocations and methods of paying for services
- building the counseling infrastructure to customize services to the pandemic’s unique demands and, in particular, strengthening and expanding services to renters
- providing for marketing and outreach so that those most at risk for housing instability would be aware of HSCP services
- ensuring that funds were spent appropriately, without waste, fraud, or abuse

This section evaluates how NeighborWorks America designed HSCP based on these considerations. NeighborWorks America applied several lessons from NFMC and stakeholder discussions in 2021 to help grantees and subgrantees meet the needs of households in imminent crisis, such as (1) supporting capacity building for housing counseling agencies to meet demand, (2) ensuring the program fits renter households’ needs, (3) enhancing trainings and other resources for counselors to navigate rapid housing market shifts during the program, and (4) reducing excess time on program monitoring and reporting for grantees and subgrantees.

HSCP Counseling Levels and Funding Approach

When grantees applied to NeighborWorks America for HSCP, they submitted funding requests based on the number of clients they expected to serve. NeighborWorks America evaluated these performance proposals and the grantees’ past performance to determine award amounts. If applicable, grantees then distributed their awards to their subgrantee networks of housing counseling agencies. Awards were

broken out in three parts: program-related support, operational oversight (for intermediaries and state HFAs), and fee-for-service payments.

As with the NFMC, HSCP used counseling “levels” to structure and reimburse activities.

- **Level 1** involves intake and assessment, where the counselor or intake specialist asks the client about the reason for housing instability, performs triage, collects demographic information, walks through a budget and action plan, and pulls (or waives) a credit report. This level does not need to be performed by a HUD-certified counselor. The fee the grantee or subgrantee earns is \$200.
- **Level 2** follows level 1 (though it could be done in the same session) and focuses on reviewing a client’s budget and actions taken. Actions taken included communication with the landlord or servicer, referral to financial or nonfinancial assistance programs, or discussions about relocating to new housing (NeighborWorks America 2021). The fee the grantee earns is \$500.
- **Level 3** consists of follow-up, to be undertaken 30 to 60 days after completing levels 1 and 2. A program adaptation allowed agencies to collect a fee without a client response. The fee the grantee earns is \$50.

HSCP thus used a fee-for-service model linking payment to grantees to the actual services provided through the three counseling levels. Grantee opinions on this approach were generally positive. According to the grantee survey, 45 percent of respondents strongly preferred fee for service (another 15 percent slightly preferred it), and 12 percent strongly preferred cost reimbursement models (14 percent slightly preferred this option, and 14 percent did not have a preference).

One advantage of this approach was that it linked payment to actual activities, as one HFA described in an interview: “Providing a fee-for-service model provides a tremendous advantage for programs and advisors of housing counseling services.... It actually incorporates a number of the expenses that go into counseling.” Reincorporating the level structure and fee-for-service models from NFMC helped organizations familiar with NeighborWorks America requirements get off the ground quickly when the need was urgent. One NeighborWorks staff member said, “I think we felt very strongly these funds were made available in response to the pandemic and we needed to get the funds out quickly.”

Some did find this approach challenging; part of that was attributable to requirements around documentation and level requirements. One intermediary interviewee said, “Some subgrantees felt like this program required them to restructure their counseling program and that some levels requirements

felt redundant and did not necessarily work with the needs of the client or urgency of certain situations.” But even this interviewee noted benefits of the system: “Despite this, a few subgrantees noted that the triage system was very helpful and brought stability to their counseling process, especially those with newer counselors/staff.”

Disbursement and Reallocation

One of the keys to NeighborWorks America’s success in getting the counseling up and running quickly was the use of advance payments.²¹ When grantees applied for HSCP funding, NeighborWorks America had them identify (1) an estimated share of clients served who would be people of color and low-income people and (2) an estimated number of clients served in the targeted geographic area as part of their awards criteria. NeighborWorks America adjusted these goals to align with the final award amounts and then monitored grantees’ reported progress toward these targets.

Because the extent of pandemic need was unknowable at the beginning of the program, NeighborWorks America included various steps to ensure funds were allocated to the grantees with the greatest ability to spend them. Actual counseling demand was further affected by the availability of HAF and ERA and the state status of foreclosure and eviction moratoriums. NeighborWorks America also had to ensure that the funds paid out in advance were not misspent.

In some cases, NeighborWorks America deobligated funds from grantees. Per the funding announcement, “If, at NeighborWorks’ sole determination, Grantees do not show substantial progress toward meeting their counseling goals, NeighborWorks reserves the right to recapture or de-obligate funds” (NeighborWorks America 2021, 23) The three main triggers for recapture were voluntary withdrawal, inadequate production, and inadequate compliance.²²

As of September 2024, about \$20 million had been reallocated through voluntary withdrawal, partial deobligation, and inadequate performance. Although this number is significant in a \$100 million appropriation, reallocation was also the result of a design feature that enabled quick rollout while maintaining flexibility. NeighborWorks America’s methodology of setting targets based on a formula but then adjusting grants to meet benchmarks ensured that funding was available for those with the most clients.

The reallocation of PRS and operational oversight funds was more problematic, as these funds were often spent for infrastructure costs (e.g., systems upgrades to allow for video conferencing) or for expenses associated with marketing and outreach (grantees needed to return PRS funds that did not tie

back to counseling production, and grantees had up to 18 months to provide production before funds would be recaptured or deobligated). One grantee recounted that its use of PRS funds for outreach did not lead to substantial client volume, so upon recapture, they lost money on their efforts. It is worth considering whether verified up-front costs essential to building capacity and reaching the target market should be considered a necessary investment rather than eligible for recapture if the number of clients is lower than projected. Part of this problem came from limited data on the volume and location of households in need of financial support or housing counseling, especially in the rental market.

Program-Related Support and Operational Oversight

Beyond fee-for-service payments, grantees received up-front funds and funding for other program-related and operational support costs. NeighborWorks America established compliance provisions for grantees and subgrantees to receive up to 30 percent of their award as forward funding to meet initial demand for PRS, and intermediaries and HFAs received another 7 percent of their counseling award to administer and oversee their networks of subgrantees.

HSCP permitted other allowable expenses regarding PRS and operational oversight. PRS could be used to implement systems, pay for training or outreach, purchase or lease equipment and software, and for other tasks that arose from the counseling itself. Grantees and subgrantees reported that these funding supports contributed to HSCP's objectives to distribute funds quickly.

The PRS funding was critical. The administrative funding was great, but the PRS funding allowed us to provide substantial quality control and data reporting to the process. Too often we are funded for the work but not for improvement, scaling, and efficiency. This grant was thoughtfully put together, and we greatly appreciate it!

—Quarterly report, intermediary

Pivoting to Rental Counseling

NeighborWorks America and HSCP grantees and subgrantees faced several challenges expanding renter counseling in a short period. Rental markets are fragmented and difficult to standardize across communities when compared with homeownership programs, which have more national actors. As one

program administrator put it, “The mortgage industry and banks, they had lessons [from the foreclosure crisis] learned to build off of. And they put in place a moratorium and came together and were trying to be responsive to their borrowers. But it was really hard on the rental side because you had 50 states and different policies.”

NeighborWorks America supported agencies’ efforts to expand services to renters in several ways. As of November 2024, NeighborWorks America offered three courses focused on rental counseling: (1) a two-part course focused on rental eviction intervention, (2) a rental housing counseling certification, and (3) crisis responses to the pandemic through rental counseling and eviction prevention. The latter course provided specific resources on direct assistance programs and eviction moratoriums during the HSCP rollout.²³

These efforts helped several agencies start or expand renter counseling. According to the HSCP grantee survey, 97 percent of respondents engaged in homeowner counseling before HSCP, while only 68 percent provided renter counseling and 32 percent offered homelessness counseling. The share who engaged in renter counseling under HSCP increased to 79 percent, and the share engaged in homelessness counseling increased to 41 percent. And that renter volume could be significant: for four of the nine survey respondents who reported starting renter counseling during HSCP, renter counseling made up at least 50 percent of all counseling volume.

Grantees and subgrantees we interviewed noted the value of adding rental counseling to their services and highlighted the importance of quick training from NeighborWorks America to get counselors up to speed on working with renters. Several of these interviewees who expanded their rental counseling services through HSCP emphasized the need to establish connections to landlords, leasing offices, and local governments providing direct financial assistance to reach renter households directly. Reaching a new client base required organizations to rethink their outreach, and these new partnerships raised awareness of NeighborWorks network organizations for renters needing assistance.

Our organization had not served rental or homeless clients in the past. Like several other organizations, we propelled into assisting this community by way of COVID-19. To pivot to rental counseling, we had to ensure that our team members were trained in order to help with the influx of customers. Training had to happen immediately and quickly.

—Quarterly report, NeighborWorks network organization

Technical Assistance, Training, and Support

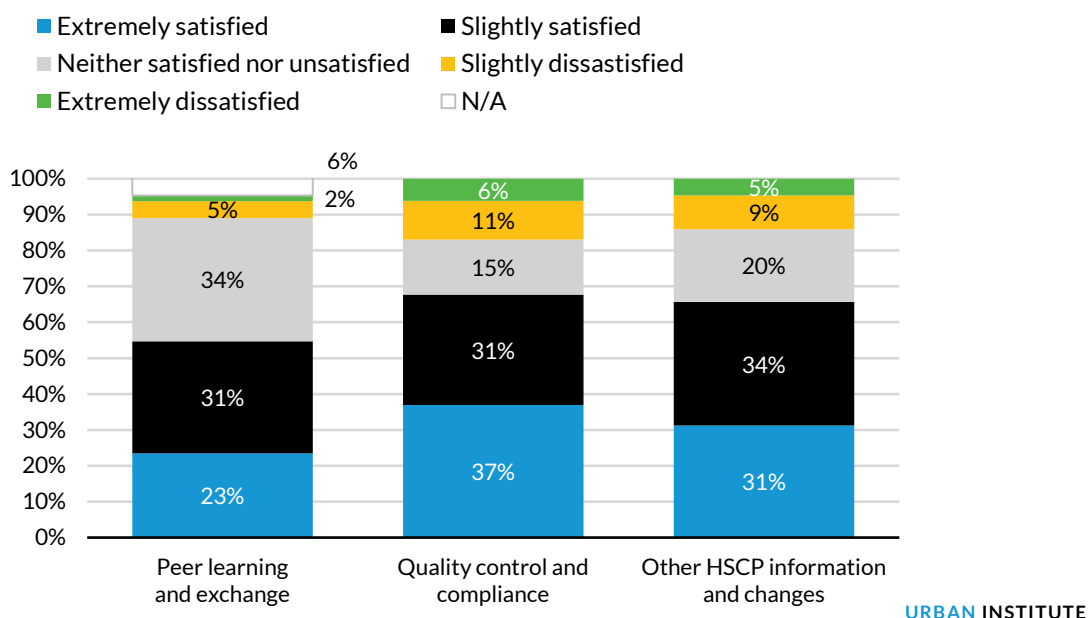
NeighborWorks America put significant effort into providing technical assistance, training, and support to grantees through various opportunities, from individualized emails and one-on-one check-ins to monthly office hours open to grantees. The grantee resources page on the HSCP’s website provided a central and easily accessible repository of resources.²⁴

Grantees took advantage of these opportunities: 77 percent of survey respondents reported accessing conference calls, 88 percent reported accessing webinars or office hours, and 65 percent reported accessing the program website or Basecamp, the HSCP grantee and subgrantees’ project management software (50 percent reported accessing all three). Grantees were generally satisfied with the technical assistance NeighborWorks America offered: 50 percent reported being extremely satisfied and another 29 percent reported being slightly satisfied (figure 3.1).

About two-thirds of survey respondents reported being extremely or slightly satisfied with technical assistance around quality control and compliance and on other HSCP information and changes (68 percent and 66 percent, respectively). The breakdown for peer learning and exchange differed, mainly because a larger share reported not having an opinion (34 reported being neither satisfied nor unsatisfied, and another 6 percent reported not applicable).

FIGURE 3.1

Satisfaction with Technical Assistance



Source: HSCP grantee survey.

Notes: HSCP = Housing Stability Counseling Program. The question was, How satisfied were you with the opportunities provided through the HSCP program for technical assistance on the following topics (regardless of whether received through website, webinars or calls)?

In addition to program-specific resources for grantees to subgrantees, NeighborWorks America expanded access to its in-person and virtual course offerings with HSCP funding. Although Congress did not require NeighborWorks America to fund training, it allocated HSCP funding for new trainings and expanded access to existing courses. NeighborWorks America believed this emphasis on training could help grantees and subgrantees expand their counseling programs quickly and navigate rapid housing market shifts during the program.

NeighborWorks America also leveraged program funding to make these trainings financially and geographically accessible for HSCP’s grantees and subgrantees. NeighborWorks America offered these courses as webinars and in person, either through stand-alone, faculty-led courses or as part of their national NeighborWorks training institutes. Ultimately, NeighborWorks America provided 2,441 partial- or full-tuition scholarships to cover course materials or travel expenses for in-person and webinar courses. Congress did not require funding to expand the amount of and access to relevant trainings, but this emphasis equipped grantees and subgrantees with resources to navigate the rapid shifts in housing markets during the program and did not detract from program targets and other statutory requirements.

Grantees valued training and technical assistance. One intermediary agency reported that to prioritize “building rapport and establishing a supportive environment for open sharing, staff underwent training on empathy, active listening, and confidentiality to ensure effective communication with sensitive financial information.”

Finally, the value of the technical assistance went beyond one-way communication of the program to grantees by providing a conduit for discussing program challenges, which led to changes to processes and systems in response to those discussions.

Client Outreach and Building Awareness

Grantees and subgrantees could use PRS funding on local marketing and outreach. Although not a representative sample, most of our client interviewees heard about HSCP through word of mouth or through community networks.²⁵ A few housing counseling agencies partnered directly with housing stakeholders, including landlords and leasing offices. This strategy was particularly helpful for interviewees looking to recruit more rental clients. Counselors also tried to maintain an active presence in their communities, partnering with faith leaders, libraries, universities, and other anchor institutions. Finally, some subgrantees increased their social media presence to reach younger clients at the start of the program.

One HSCP program administrator described the outreach challenges in an interview: “It’s hard when you’re in crisis to read the newspaper and go online and think ‘what applies to me?’ and go about it. And so the housing counseling agency plays this really important role of being a resource.” Efforts to make program information accessible came up repeatedly in interviews, as one intermediary described the lengths their organization pursued to reach more clients: “When we looked at the outreach and considering literacy rates, how do we communicate the program? Do we make it text-heavy? Do we use infographics?”

Program Oversight, Monitoring, and Reporting

PROGRAM OVERSIGHT

Interviewees reported that NeighborWorks America has a reputation in the industry for conducting rigorous and thorough compliance testing, and HSCP featured extensive compliance measures. NeighborWorks America published program guidelines in the funding announcement, the grantee agreement documents, and the HSCP default and remedy policy.

NeighborWorks America required all grantees to send recent audited financial statements and required subgrantees to complete independent audits. When necessary, NeighborWorks America used financial management history in the audits to make award decisions and maintained the right to impose more conservative disbursement schedules based on information in the audited financial statements (NeighborWorks America 2021). As such, NeighborWorks America held back the first round of disbursement if it found a deficiency or finding that might be relevant to administering HSCP. This withholding delayed grantees and subgrantees from administering the program until they resolved the deficiencies. Some grantees thought the resolution of audit issues took too long, while on the other hand, NeighborWorks America took its stewardship of federal funds seriously. Despite reported instances of NeighborWorks America holding back funding, program administrators noted high levels of compliance when they distributed the first round of funding.

Grantees submitted annual audits for NeighborWorks America to monitor compliance throughout the program, per HSCP's funding announcement. In the program's latter stages, NeighborWorks America contracted with Booth Management Consulting, a third-party audit firm, to test the reported production of a set of the HSCP direct grantees and subgrantees. Booth followed federal guidelines under 2 C.F.R. 200 to ensure grantees had proper accounting for the funds received and followed HSCP guidance for serving clients. By reviewing a selection of client files, Booth tested 70 grantees (consisting of a mix of HUD-approved intermediaries, state HFAs, and NeighborWorks network organizations) that represented approximately 85 percent of the total HSCP funds awarded. A total of \$5,100 was recaptured because of noncompliance. Recaptured funds were then reallocated to eligible grantees during the third and final round of HSCP grant awards.

PROGRAM MONITORING AND REPORTING

One important facet of HSCP was that NeighborWorks America used a different online reporting system than it had for NFMC. For many grantees who were not NeighborWorks network affiliates, HSCP was the first time they used this online reporting system. Reporting client data on the online reporting system proved to be a learning curve, and many grantees and subgrantees found it challenging.

After organizations compiled their client records on their internal counseling tracking system (CounselorMax, for example, was a common client management system many housing counseling agencies used), grantees would upload a data template to the online reporting system portal. Some grantees and subgrantees reported that flags would come up and prevent organizations from

submitting their data through the online reporting system or required time to manually overwrite the flags.²⁶

Grantees also reported that data reporting was more time-consuming than expected. One grantee stated, “Easily we had to probably double the time requirement that we had projected, at least.” Another HFA grantee discussed the time commitment involved in data entry: “I think the hard part is the amount of funding we received for administration oversight was far less than what I was billed and so we had to use internal funds for me to be able to do that work and oversight.”

NeighborWorks America was responsive to feedback and made several changes to requirements and systems throughout the program. This included amending the credit report requirements in November 2022 and allowing grantees to report clients retroactively, removing some of the flags in the online reporting system that added burdens for organizations, allowing counselor notes to verify services, allowing clients to submit photos of documents, and ultimately waiving the requirements for client credit scores.

Grantees we interviewed appreciated that NeighborWorks America addressed concerns and made changes but noted that at the beginning of the program, many subgrantee counseling organizations, particularly smaller ones, “operated out of fear of compliance” and would not report some counseling sessions to NeighborWorks for their fee-for-service if they were not sure whether it qualified for a level 1 or level 2 session or they could not collect all the necessary client information. As one intermediary put it, “A lot of the agencies are small, and they’re very risk-averse. So, they won’t touch something if we can’t give them specific guidance in writing. I think there was a lot of guidance initially that was verbally communicated by NeighborWorks but not necessarily found in the program guidance until later on.”

The timing of these changes also had ramifications for how programs billed their work, particularly in counting clients who were not deemed previously eligible. One intermediary described in an interview how their counseling network had already billed activities to other programs before NeighborWorks clarified their reporting requirements: “It was a good thing that NeighborWorks took into consideration the questions and challenges brought up by grantees, but some of those changes got implemented a little too far into the program, where even though subgrantees could look back and bill some of those clients to the program, by that time, they already found other places to bill those [clients].”

Overall, NeighborWorks America used its expertise and institutional memory with programs such as NFMC to design HSCP. Launching a program during a national shutdown and health crisis was particularly challenging. NeighborWorks America struck a reasonable balance between distributing

funds quickly, building capacity for rental counseling, adapting to pandemic conditions, compliance, responsible use of federal funds, and flexibility.

Program Implementation

This section looks at how grantees implemented the program and what changes to routine housing counseling services HSCP ushered in. We review how HSCP expanded housing counseling services and how grantees and subgrantees engaged with clients during and following the program.

HSCP helped grantees and subgrantees enhance their processes to recruit clients and manage their activity. The changes NeighborWorks America made during HSCP reduced reporting burdens for grantees and subgrantees. Still, nearly 70 percent of survey respondents had trouble monitoring their progress toward the overall targets set at the beginning of the program. HSCP also provided an opportunity to connect counseling services to other direct financial assistance programs and nonhousing resources. This, in addition to offering flexible intake options to meet in person and virtually, helped participating organizations expand their client base.

How HSCP Changed Grantee Practices

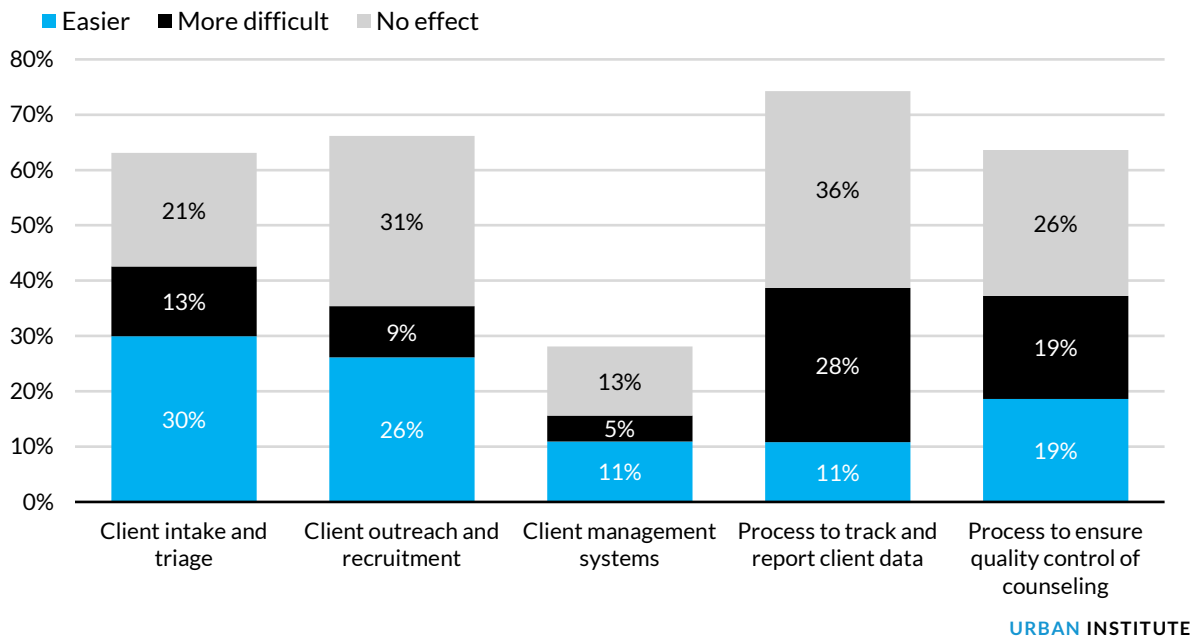
NeighborWorks America provided various resources to help grantees to adjust to the needs of clients with pandemic-related housing instability, including specialized data collection and reporting. Its central website at www.stablecommunities.org²⁷ featured model documents, trainings and webinars, office hours, policy guidance, and reporting information.

Figure 3.2 shows survey responses to two related questions: the first question (shown as a total percentage) was whether the organization reported that it changed some processes and systems to comply with HSCP. The second question (with answers shown in the colored bars) was about how organizations characterized the changes effect on their ability to serve clients. The most-cited change was tracking and reporting client data, which about three-quarters of respondents stated they had done. About two-thirds of respondents reported making changes to client intake and triage, client outreach and recruitment, and quality control processes (with only 28 percent reporting changes made to client management systems).

Across all examples, about half of respondents reported the changes had no effect on their ability to serve clients. Of those that did report changes, the perception of those changes varied. Larger shares

reported that changes to client intake and triage and client outreach and recruitment made it easier for them to serve clients. The effects of quality control were mixed, and the process to track and report client data was perceived comparatively negatively.

FIGURE 3.2
Effects of Program Changes on Grantees' Ability to Serve Clients



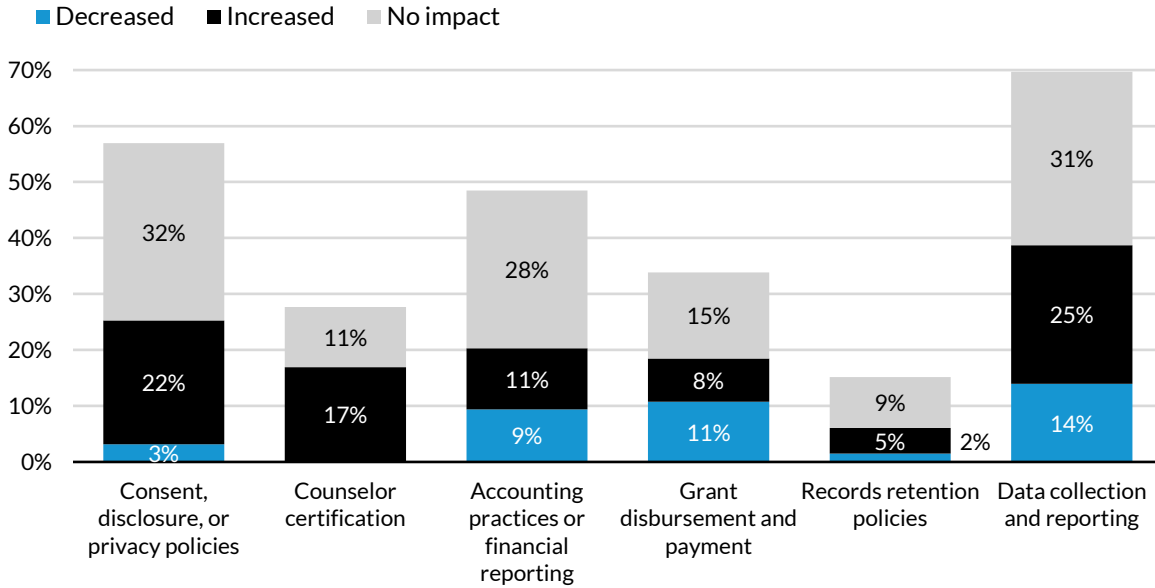
Source: Housing Stability Counseling Program grantee survey.

Note: Overall percentage responses to shares of respondents who made a given change: 40 responses for client intake and triage, 43 responses for client outreach and recruitment, 18 responses for client management systems, 48 responses for process to track and report client data, and 41 responses for process to ensure quality control of counseling.

The survey also asked about changes to administrative processes and procedures to comply with HSCP standards (figure 3.3). The most common change was to data collection and reporting, followed by changes to consent, disclosure, and privacy policies and accounting practices and reporting. A sizeable share of agencies reported these had no impact on carrying out the processes. Of those that did report an effect, the nature of that effect differed. Changes to consent, disclosure, and privacy; certification; records retention (though less often cited as a change); and data collection and reporting were more likely to be perceived as increasing effectiveness, while assessments of accounting and financial reporting and grant disbursement were more mixed.

FIGURE 3.3

Effects of Program Changes on Organizations' Effectiveness in Carrying Out the Changed Administrative Process



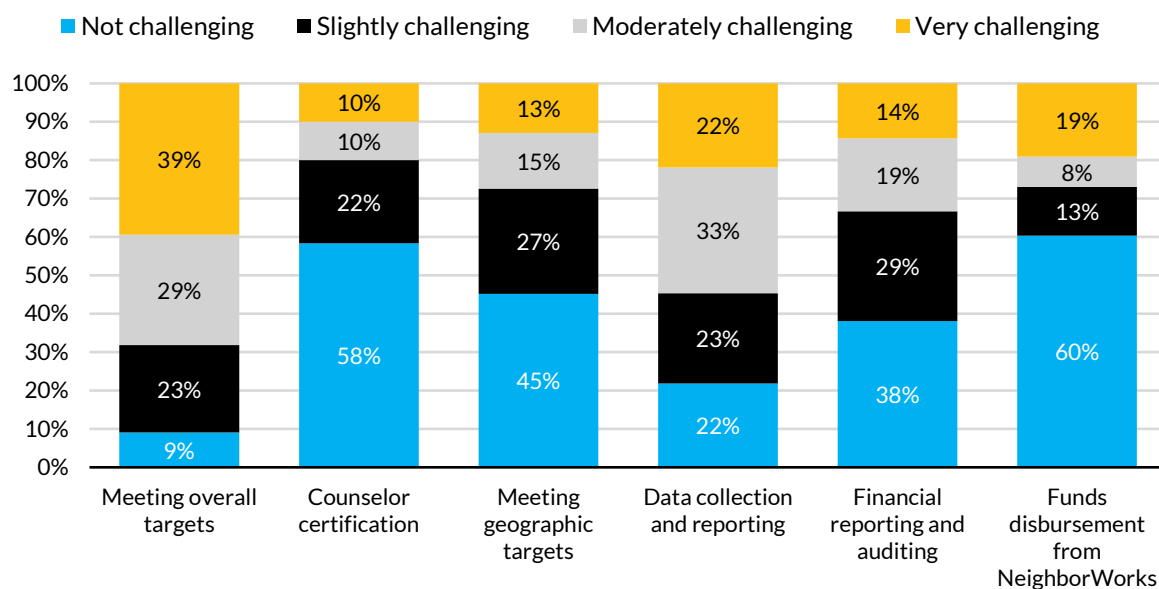
URBAN INSTITUTE

Source: Housing Stability Counseling Program grantee survey.

Note: Overall responses to shares of respondents who made a given change: 36 responses for consent, disclosure, or privacy policies; 18 responses for counselor certification; 31 responses for accounting practices or financial reporting; 22 responses for grant disbursement and payment; 10 responses for records retention policies, and 45 responses for data collection and reporting.

The most common compliance challenges were related to meeting overall targets and data collection and reporting (figure 3.4). The concerns that grantees expressed might be related to the way NeighborWorks America set goals and recaptured funds. By contrast, only 25 percent of respondents reported that meeting geographic targets was very or moderately challenging.

FIGURE 3.4
Compliance Challenges



Source: Housing Stability Counseling Program grantee survey.

Some grantees noted the tension between providing funding quickly and providing adequate support and guidance for subgrantees. Grantees similarly felt tension between nimble program modifications, adapting to ERA and HAF and moratorium conditions, and providing clear direction to counselors. The grantees we spoke with noted the urgency to disburse the funds and stabilize housing counseling agencies, but some interviewees noted they would have liked additional resources after NeighborWorks America finalized the program design to support their subgrantees. We heard from a couple of grantees that familiarizing themselves and their subgrantees with changing program requirements in real time was challenging.

I didn't feel as comfortable relaying the program and really getting staff going with it because we weren't really clear ourselves. So once we had a better handle on it, then production started going.

—Stakeholder interview, intermediary

Engaging Clients during Severe Housing Instability

Counselors emphasized the value of counseling to assure long-term financial and housing stability, but grantees and subgrantees noted that many HSCP clients were seeking immediate financial relief. Counselors often paired their services with direct financial assistance programs while they were available to help their clients access immediate relief and provide counseling to build a long-term plan for stability. Some client interviewees were confused by the pivot to financial literacy topics but appreciated the counseling services they received in the long run and noted that these services were “transformational.” One client said, “I was basically going in for the assistance part. So, once she started talking about financial situations and stuff like that, I did get a little discouraged because I thought this was supposed to help toward rental assistance at the moment. But I still continued to go, and I’m thankful that I did go because I did learn a few things that wouldn’t benefit me in a way, but it actually has.”

According to HSCP’s funding announcement, counselors worked with clients to create documents at each level of the program (NeighborWorks America 2021). For level 1, clients prepared an action plan to resolve their housing crisis and prepared a “crisis budget” to identify immediate needs and necessities using NeighborWorks templates. For level 2, housing counselors completed a budget verification using clients’ pay stubs and credit scores, though NeighborWorks America expanded the eligible budget verification documents to include counselor notes and email correspondence based on grantee feedback. Counselors also documented verification of action taken on behalf of the client, which involved counselors working with the client and, in some cases, their landlords or servicers to help resolve disputes (NeighborWorks America 2021). In practice, clients’ acute needs often made the counselor’s role difficult, requiring a broad range of topical knowledge and problem-solving skills.

Studies cited in chapter 2 confirm that counselors played a valuable role helping clients navigate ERA and HAF. Moreover, our interviews suggest that the interest in financial relief brought many clients to counselors. Some clients were disappointed when they realized the counseling agency did not manage ERA or HAF programs directly but only assisted with the application and referral process. Recruiting clients through direct assistance incentives became less impactful as ERA and HAF programs ended. The wind-down of financial assistance might also have made clients less responsive to follow-up sessions with counselors. One interviewee at a NeighborWorks network organization said, “The immediate success was when they were assisted, they were happy. So that’s when counselors needed to capture that: follow up, document, things like that. It was towards the end where there was no mortgage assistance or no rental assistance that counselors would call. Sometimes they’d get answers, sometimes they didn’t. So it was a little struggle at the end trying to close out the file so they would get credit for it.”

In addition to HAF and ERA, counselors connected owners and renters to other important financial and nonfinancial housing resources. Counselors referred clients to other community-based programs for direct financial assistance and nonhousing resources, including food pantries, mental and physical health services, cleaning supplies, and employment referrals.

Many clients were difficult to find resolutions for. They often were unwilling to accept options that would result in some loss but provide them more of a safety net, which would lead us to an often difficult battle of trying to get the client a specific outcome that they desired but was unlikely for the mortgage servicer/lender to agree to. Our team had to carefully choose their words and help educate clients on the often difficult choices ahead of them. We were able to find success through continued practice and investigation of all available options, helping provide clients with a clearer vision of the choices available to them and guiding them through their chosen path.

—Quarterly report, NeighborWorks network organization

NeighborWorks America provided guidance and educational resources to enable counselors to adapt to clients' needs. Clients we interviewed told us their first few sessions focused on their crisis situation and then broadened out to long-term financial literacy strategies. One client said in their interview, "The first meeting was basically about me getting help with rental assistance, and then it went to financial literacy and credit building, helping me build credit."

For [one subgrantee], it was challenging to encounter clients who were in crisis, at risk of homelessness, and looking for immediate financial assistance. In order to serve them, [they] made every effort to reach out to local partners who could provide rental assistance, emergency shelters, legal assistance, and local government programs for rental assistance. They also connected clients to their other programs, which provided clients with utility assistance, food pantries, job training, and employment assistance.

—Quarterly report, intermediary

Clients received hands-on support when enrolling in HSCP and in obtaining documentation for various types of assistance. One client stated, “They assisted us with helping us do the application. As far as whatever documents we needed, if we weren’t able to get it, they would help us get whatever documents they needed.” Another client noted how helpful the organization was: “They actually did most of the work for me.” Another noted their counselor left the intake forms outside the housing counseling agency’s door (because of the pandemic) to be mailed back. These quotes suggest that housing counselors carried a lot of the burden of reporting and documentation requirements on behalf of their clients. All the clients we spoke with appreciated the hoops counselors jumped through to support them (though we had a limited sample). One client said, “I’ve never had an individual who doesn’t know me care so much.”

Grantees and subgrantees also faced challenges collecting some of the documentation NeighborWorks America requested—particularly credit reports and pay stubs. Most grantees and subgrantees we interviewed said that issues around obtaining credit reports was one of the largest barriers to moving clients through the counseling levels. Some interviewees questioned the need and value of some of these requirements. NeighborWorks America removed this requirement for HSCP in November 2022.

We weren't funding [the client], so why do you need a pay stub? What do you need the credit reporting for? I know we're doing a budget analysis as a counselor, and you do need those verified documents. But when you're dealing with a client who's literally on the edge trying to survive and now you want them to run and find documents. And then once you get the documents, you still need to go somewhere else to get the funding for your home, that's a lot for a client.

—Stakeholder interview, housing finance agency

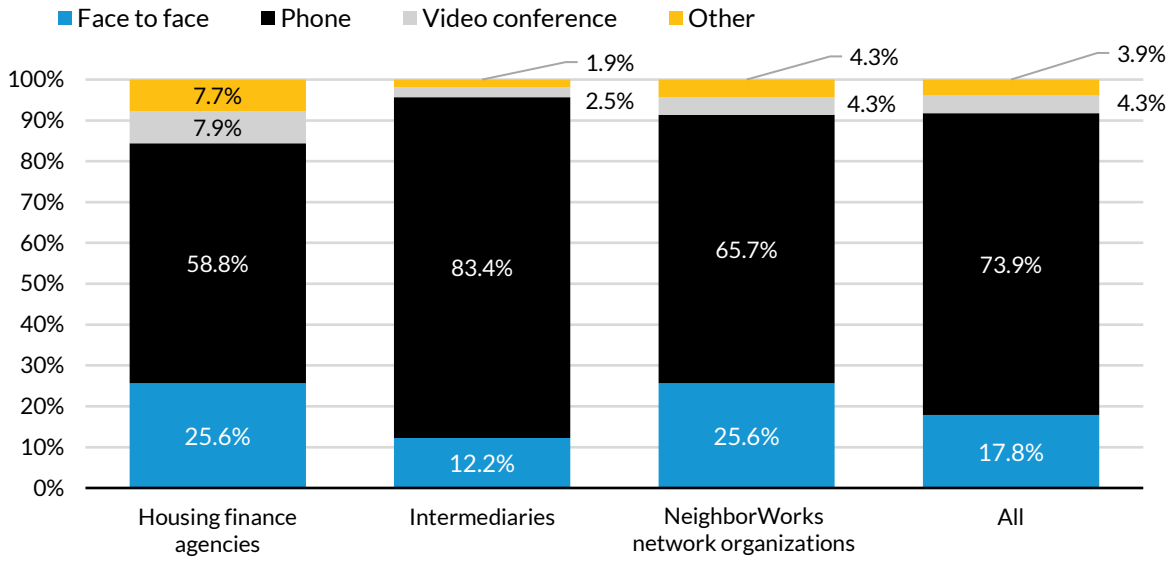
Methods of Communication

The pandemic forced counseling agencies to change the methods they used to communicate with clients, at least during the shutdown. Most counseling was delivered through phone calls (about 66 percent of renters and 74 percent of homeowners who received counseling). NeighborWorks network organizations were generally more likely than other types of grantees and subgrantees to engage in face-to-face counseling. This was particularly notable for renter counseling. For homeowner counseling, housing finance agencies had the same share of face-to-face counseling as did NeighborWorks network organizations. Moreover, although it is promising to modernize delivery, especially in hard-to-reach and underserved areas, video counseling was still rare, with only 15 percent of renters and 4 percent of homeowners choosing that communication mode (figure 3.5).

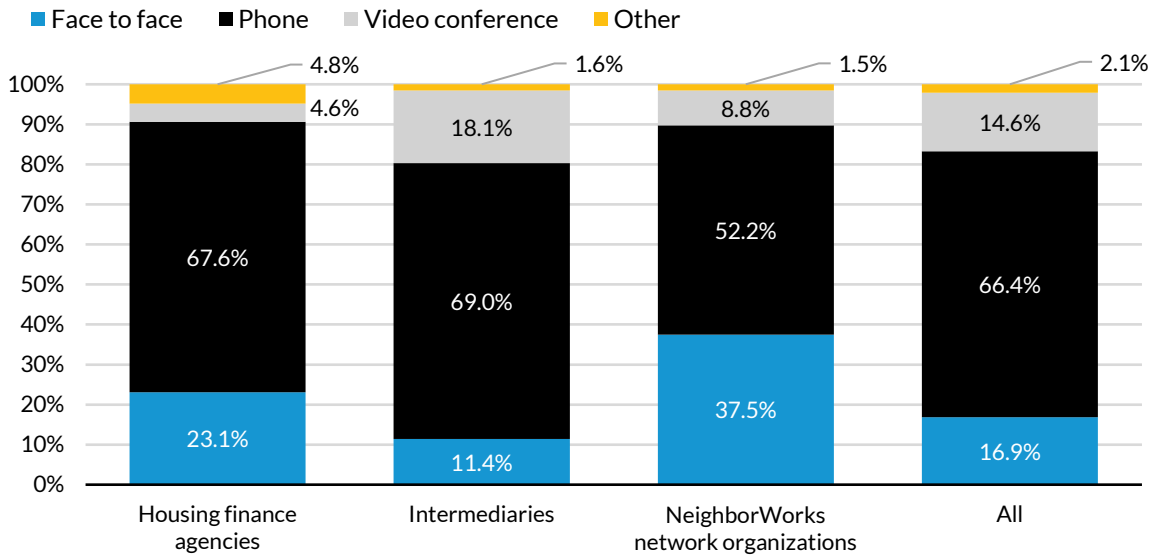
FIGURE 3.5

Client Communication Mode

Homeowners



Renters



URBAN INSTITUTE

Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

Ultimately, implementing HSCP helped participating organizations enhance their capacity to recruit clients and report meaningful engagement during the program. Responding to grantee and subgrantee feedback, NeighborWorks America removed the key programmatic barriers that intimidated clients facing crisis situations from entering the program. This helped housing counseling

agencies serve clients' needs while reducing the amount of time and resources needed to report their activity. Additionally, HSCP offered flexible intake options for clients, though smaller NeighborWorks network organizations and HFAs still had higher shares of clients meeting face to face during the reporting period. HSCP helped organizations strengthen their practices to meet demand, and the takeaways that participating organizations learned can inform best practices moving forward.

Client Take-Up

This section focuses on overall client take-up over time and by grantee type. It then analyzes client type by tenure, by housing instability status, and by program target (as NeighborWorks America was required by Congress to target 40 percent of program funding for households of color and low-income households or clients living in neighborhoods with high shares of households of color and low-income households).

NeighborWorks America was aware at the beginning of the program that HSCP counseling would be available to a limited number of households because of budget limitations. Assuming that 30 percent of the \$88.5 million for awards was spent on PRS and 6 percent was spent on operational oversight, the remaining \$56.64 million could be used to provide level 1, level 2, and follow-up counseling at \$800 per client for 70,800 clients.²⁸ This would cover a small share of the total number of people affected by the pandemic. For example, the total unemployment volume increased from 6.2 million to 20.6 million people from the first quarter to the second quarter of 2022.²⁹ To achieve the greatest impact with a limited budget, NeighborWorks America and HSCP grantees had to target counseling to the households and neighborhoods most severely affected by the pandemic.

As of July 31, 2024, agencies receiving HSCP funds had counseled 91,443 households. Owners and renters each accounted for half of the clients (45,827 renters and 45,616 owners), the 73,994 low- and moderate-income households made up 81 percent of all clients, and the 61,956 households of color made up 67 percent of all clients.

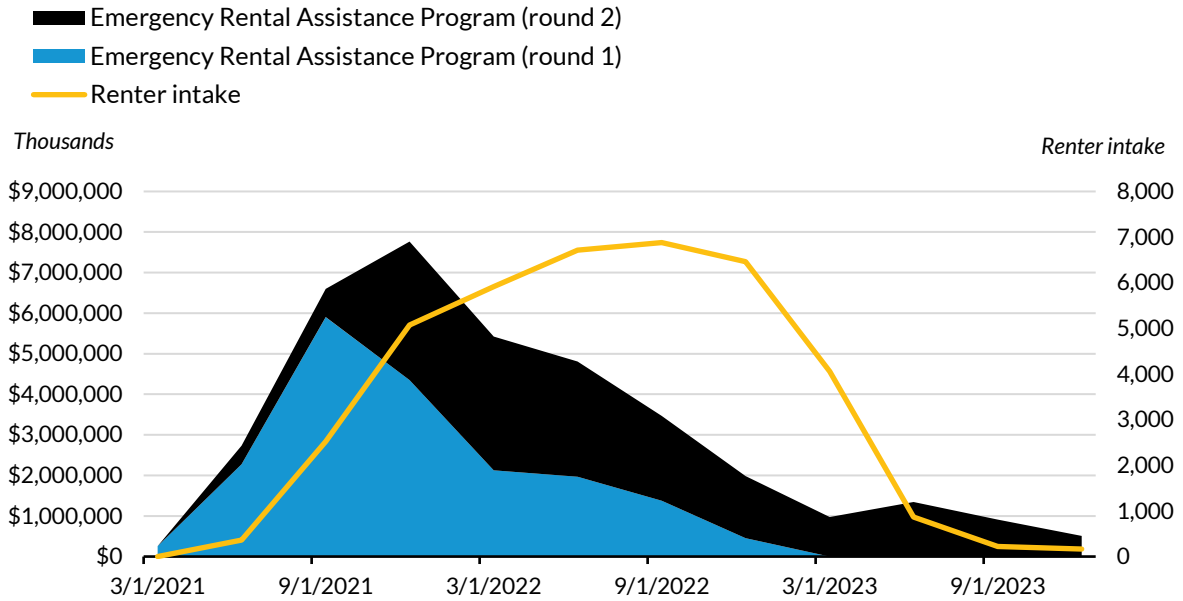
Getting up to Speed Quickly

NeighborWorks America acted quickly to roll out HSCP funding following the March 2021 signing of ARPA, announcing awards in September and disbursing funding in October. On the renter side, the rise in intake coincided with the deployment of ERA funds. HAF ramped up slightly after HSCP reached its peak of owner intake (figure 3.6).

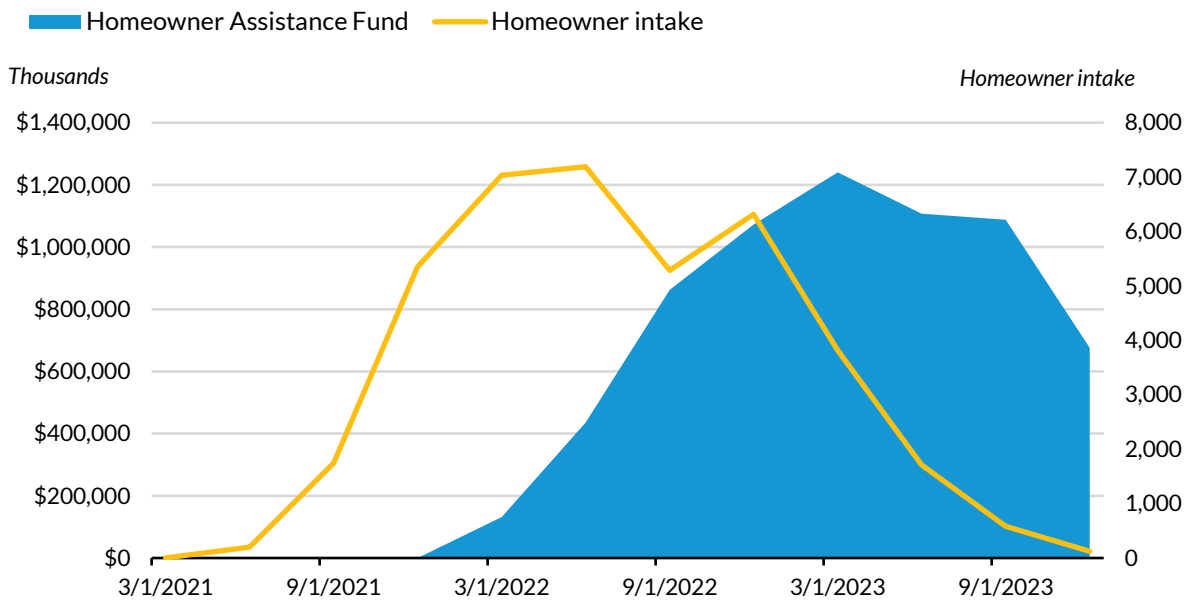
FIGURE 3.6

Housing Stability Counseling Program Client Intake Compared with the Emergency Rental Assistance Program and the Homeowner Assistance Fund

Renters



Homeowners

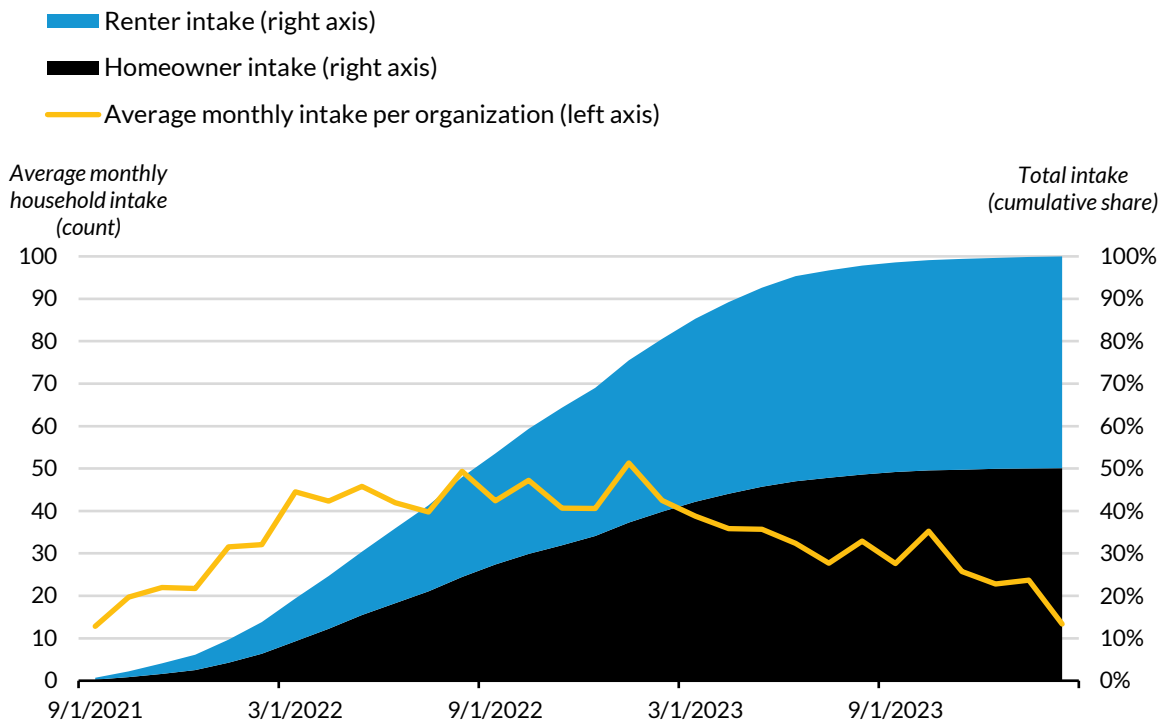


URBAN INSTITUTE

Sources: Urban Institute calculations of Housing Stability Counseling Program client-level data and US Treasury Department data.

Intake of clients ramped up quickly, with the cumulative intake (i.e., both renter and homeowner clients) reaching 50 percent of the total within the first 10 months (July 2022). By 2022, HSCP organizations (direct grantees) were averaging intake of 50 households per organization per month, which peaked in January 2023 at 51.3 households (figure 3.7). The median monthly intake includes rolled-up counts from subgrantees, reflecting all clients going through the direct grantee either directly or indirectly.

FIGURE 3.7
Client Intake Volume over Time and Average Monthly Intake per Organization



URBAN INSTITUTE

Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

By Grantee Type

There were 121 grantees in the HSCP data and 690 unique subgrantees at the time of the first grant allocation.³⁰ Sixty-three percent of grantees (by number of grantees, not dollars awarded) were NeighborWorks network organizations, 24 percent were intermediaries, and 13 percent were state HFAs (table 3.1). Seventy-five percent of grantees (91 organizations) served both owners and renters; 21 percent (25 organizations) served only owners, and 4 percent (5 organizations) served only renters.

Each type of grantee brought different strengths and attributes to the program. State HFAs are public bodies with a statewide focus, HUD housing counseling intermediaries are experienced administrators of regional and national networks, and NeighborWorks network organizations reflect the congressional charter to rely on local initiatives for the design of local programs. As noted above, Congress limited HSCP funding going toward NeighborWorks network organizations to 15 percent of total grant funds.

TABLE 3.1
HSCP Grantee Type

	Number of grantees	Share of grantees	Award amounts (millions)	Share of award amounts
Housing finance agency	16	13.2%	\$22.6	25.7%
Intermediary	29	24.0%	\$52.6	59.7%
NeighborWorks affiliates	76	62.8%	\$12.9	14.6%
Total	121	100.0%	\$88.1	100.0%

Source: Urban Institute calculations of HSCP client-level data.

Note: HSCP = Housing Stability Counseling Program.

On average, grantees each served about 756 clients over the course of the program at the time of this analysis (table 3.2), and the median number of clients served was 172, suggesting that a few organizations served a disproportionately high number of clients. Intermediary networks reached the most clients, followed by HFAs. NeighborWorks network organizations accounted for a high number of total organizations in HSCP, but the number of clients they served was substantially smaller compared with HFAs and intermediaries. Overall, HFAs served 24.6 percent of the clients, intermediaries served 62.6 percent, and NeighborWorks network organizations served 12.8 percent.

TABLE 3.2
Client Volume, by Organization Type

	Average	P10	P25	Median	P75	P90
All	756	28	76.0	172.0	801.0	2,901
Housing finance agencies	1,405	85	142.5	726.5	2,988.5	3,764
Intermediaries	1,975	473	801.0	1,345.0	2,904.0	4,383
NeighborWorks affiliates	153	22	49.0	100.5	175.0	336

Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

Notes: P refers to percentile. P10 is the 10th percentile

The types of counseling organizations that participated in HSCP varied by state. Certain states had staple institutions that might have driven the volume of HSCP clients. Among the 10 most-populous states, Illinois, North Carolina, and Pennsylvania saw HSCP volume concentrated in a single HFA. Other states with fewer counseled clients relative to the population, such as Michigan and Texas, did not have

a stand-out organization in terms of share. Several small states saw an extremely high share of households counseled by a single organization (in both Montana and South Dakota, more than 95 percent of clients were counseled by just one agency). See appendix A for details.

By Client Type

This section presents an overview of participant characteristics, including tenure, measures of instability and crisis, and information on targeted populations and geographies. In sum, we find that HSCP disproportionately reached households with low incomes, households of color, and those who were facing housing instability.

The statutory language for HSCP highlighted that no less than 40 percent of funds were to be provided for counseling services to households of color and low-income populations facing instability (per the authorizing statute, examples of instability were “eviction, default, foreclosure, loss of income, or homelessness”) or in neighborhoods with high concentrations of households of color and low-income households. This meant renters were a key element of HSCP.

The incorporation of renter households is particularly notable. Although some organizations had already conducted renter counseling, it was a new activity for other organizations that required distinct approaches from homeowner counseling.

This HSCP program was our introduction to helping renters stay housed. We have been providing foreclosure prevention counseling for 15+ years. Our experience has been positive, and our understanding of the immediate need and stress these families face daily has opened our eyes to how difficult it has become to be and stay financially stable. Helping renters is challenging and rewarding because when we are able to help, these families can focus on improving their lives in other areas such as education, income generation, relationships, and health.

—Quarterly report, NeighborWorks network organization

Furthermore, the dynamics and challenges of renter versus homeowner counseling varied substantially.

Rental counseling's timeline for eviction prevention is shorter than that of a foreclosure timeline so there was more sense of urgency than with foreclosure. This was one of the biggest challenges we faced was helping rental clients achieve their goals of finding affordable rental units. There was no availability of low-income housing, and market-rate units were well above affordability. Once Emergency Housing Vouchers and other subsidy programs became available, we were able to help clients meet their housing goals.

—Quarterly report, NeighborWorks network organization

CLIENTS FACING HOUSING INSTABILITY

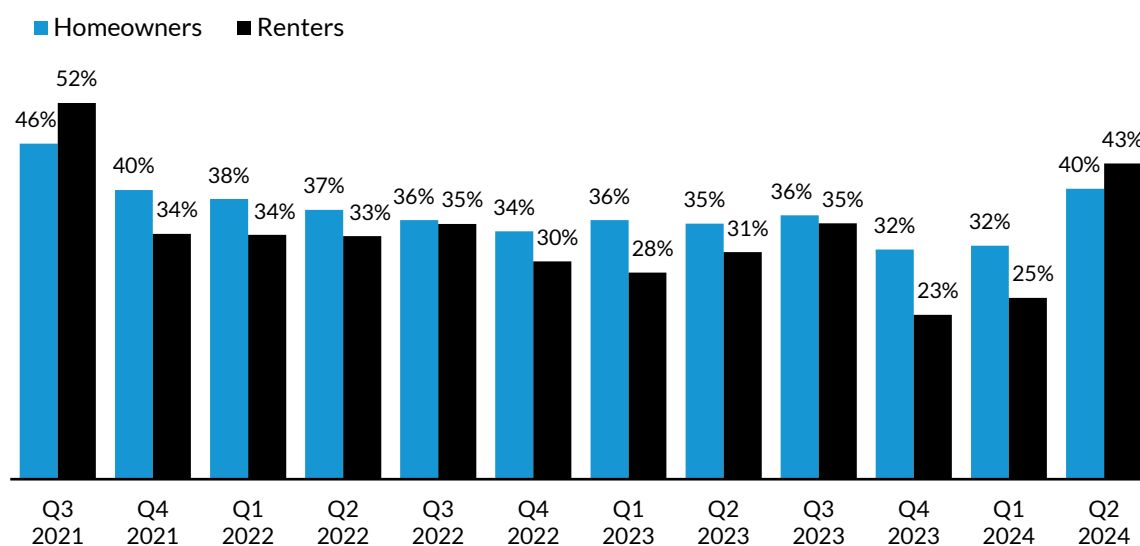
Clients who received HSCP counseling were more likely than the population as a whole to be behind on rent or mortgage payments. Half of HSCP renters were delinquent on housing payments compared with 14.9 percent of renters in the June 2022 Census Household Pulse Survey data; 82.2 percent of HSCP homeowners were delinquent compared with 6.3 percent of all homeowners in the Household Pulse Survey. About a third (31.7 percent) of HSCP renters and 35.9 percent of HSCP owners were reported by their counselors to be in a crisis situation when they entered counseling. NeighborWorks America considered a client to be in a crisis situation if they had an urgent situation (e.g., a foreclosure or eviction notice in hand), insufficient funds to cover needs (e.g., utilities or health care costs), or another pressing situation the agency identified. The share of households entering the program in crisis declined over time, as the pandemic's economic impact decreased (figure 3.8).

Homeowners account for about two-thirds of US households.³¹ If we apply the share of households facing delinquency from the Household Pulse Survey to the number of households who own or rent, respectively, the number of renters facing delinquency was about 23 percent higher relative to homeowners facing delinquency. The 1:1 ratio of renters and homeowners in HSCP suggests that HSCP ideally could have served more renters, but because housing counseling for renters experiencing housing instability was largely unavailable before the pandemic, it is notable that HSCP was able to serve more than 45,000 renters in such a short time.

Research shows that many struggling renters prioritize rent payment and use a variety of resources when they cannot pay rent, including borrowing from family members, taking out loans (Airgood-Obrycki et al. 2021), and reducing spending in other areas.³² Additionally, among homeowners, HSCP counseling was disproportionately provided to delinquent homeowners who were not in forbearance,

suggesting the program reached homeowners who were struggling the most. Despite the ease of obtaining forbearance, 47 percent of delinquent owners reported that they were not in a forbearance agreement when they entered counseling. This share is much higher than overall delinquent homeowners not in forbearance,³³ suggesting that prior networks and experiences are likely to have helped counselors reach out to homeowners with less information and those facing greater struggles.

FIGURE 3.8
Share of Households Entering HSCP in Crisis



URBAN INSTITUTE

Source: Urban Institute calculations of HSCP client-level data.

Notes: HSCP = Housing Stability Counseling Program; Q = quarter. Client-level data provide an indicator of whether the household was in a crisis situation, which the counseling agency reports.

For both owners and renters, income loss was the leading reason cited for housing instability; it was true for 74.6 percent of renters and 60.0 percent of owners. For renters, eviction was the next most frequently mentioned reason (25.8 percent), followed by homelessness (10.5 percent). For homeowners, mortgage default was second (25.0 percent), followed by foreclosure (14.7 percent); 0.02 percent of homeowners mentioned homelessness.

CLIENT AND GEOGRAPHICAL TARGETS

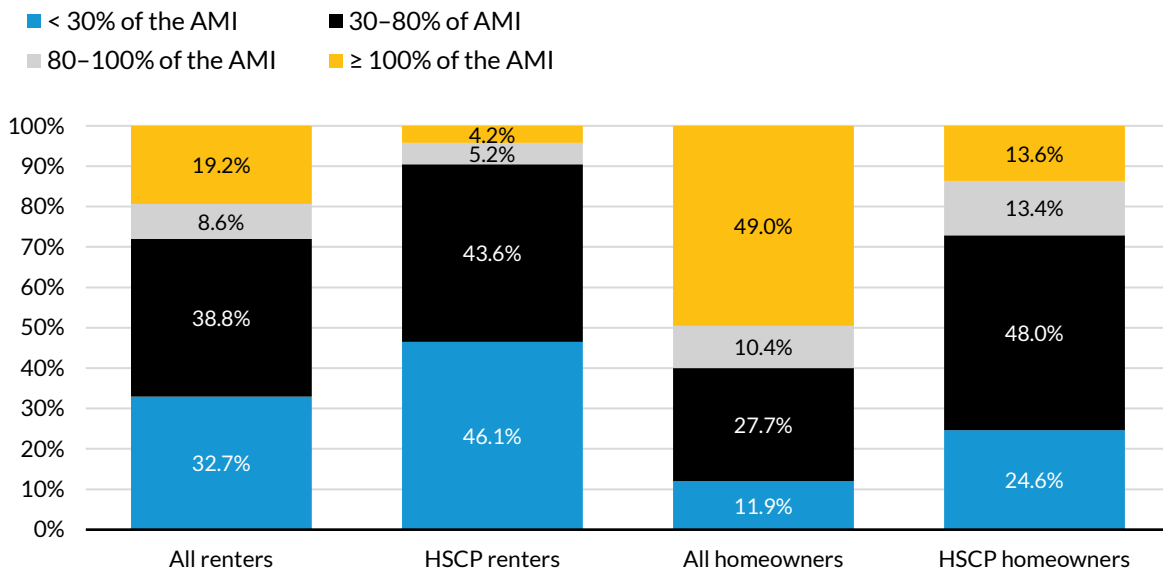
The legislation establishing HSCP required NeighborWorks America to target 40 percent of program funding for households of color and low-income households or clients living in neighborhoods with high shares of households of color and low-income households. The program greatly exceeded these statutory targets, as shown in the client characteristic figures below. Overall, the program successfully

targeted households and communities of color and low-income households and communities and reached a vulnerable population.

To meet this statutory requirement, grantees and subgrantees established targets to serve households of color and low-income households in their HSCP applications, and NeighborWorks America, upon request, allowed grantees to use PRS funding for targeted marketing and outreach. See appendix B for more information about NeighborWorks America’s geographic targeting methodology. See the Program Design section for a description of marketing and outreach.

Income. HSCP disproportionately served low-income households and households of color. Extremely low-income homeowners (earning less than 30 percent of the area median income) represented more than double the share of the HSCP homeowners than they do of the total US homeowner population (figure 3.9).

FIGURE 3.9
Household Distribution, by Income



URBAN INSTITUTE

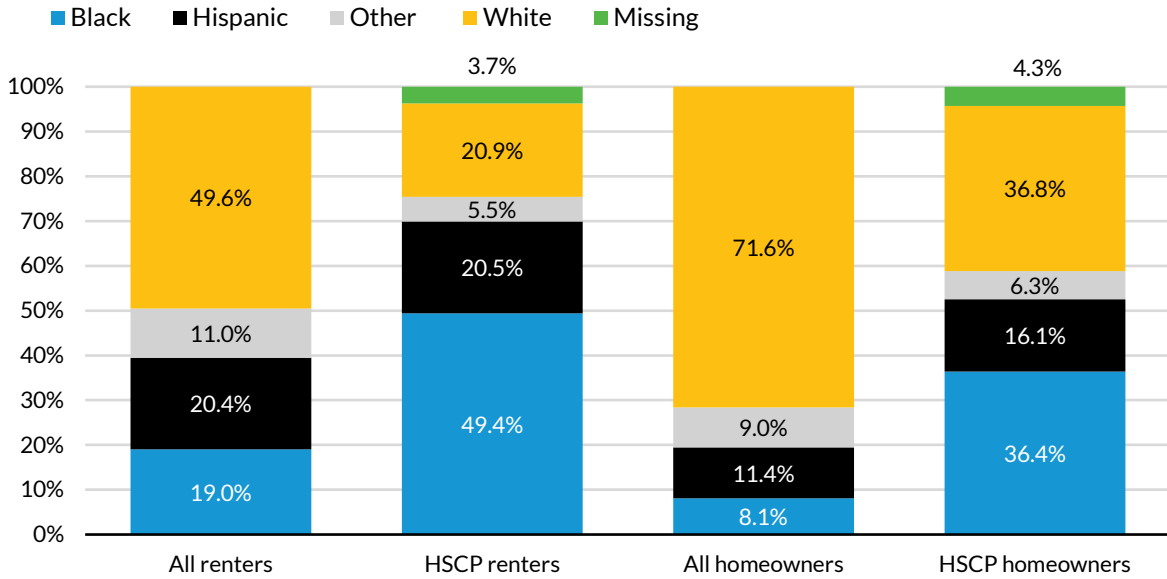
Sources: HSCP client-level data and 2022 American Community Survey data.

Note: AMI = area median income; HSCP = Housing Stability Counseling Program.

Race and Ethnicity. Black and Hispanic households composed a larger share of the HSCP population than in the US overall (figure 3.10). The share of Black households among HSCP renters was also significantly higher than among ERA and HAF recipients, though the share of Hispanic households was similar to ERA or HAF recipients for both owners and renters. About 50 percent of HSCP renters were

Black households, compared with 40 percent of ERA recipients. More than 36 percent of HSCP owners and 35 percent of HAF recipients were Black households. Hispanic households accounted for 20.5 percent of HSCP renters, 19 percent of ERA recipients, 16.1 percent of HSCP owners, and 18.4 percent of HAF recipients.

FIGURE 3.10
Household Racial and Ethnic Composition



URBAN INSTITUTE

Sources: HSCP client-level data and 2022 American Community Survey data.

Note: Other includes Asian American or Pacific Islander, American Indian or Alaska Native, and two or more races.

By Location. Congress intended that HSCP services be accessible to anyone affected by pandemic-related housing instability. HSCP grantees reached clients in all 50 states and Puerto Rico. The volume of counseling by state largely reflected the population, with some outliers, such as Illinois, which had a disproportionately large share of counseling sessions relative to its population, and California, Michigan, and Texas, which were lower than would be expected based on population.

This broad reach was possible because grantees had an extensive network of subgrantees, collectively partnering with 690 subgrantees across the country. Counselors could meet with clients in person, by phone, or virtually. A close study of one metropolitan area confirms previous research that clients tend to meet with the counselors located physically near them, even if the counseling is conducted by telephone or online (appendix C).

NeighborWorks America also created targeted geographies for HSCP grantees to comply with the statutory requirements to serve households and communities of color and low-income households and communities. NeighborWorks used two data sources to identify HSCP's targeted geographic areas: (1) US Census Bureau data to calculate the share of renters and homeowners paying more than 30 percent of their income on housing and (2) the CDC's Social Vulnerability Index to measure other economic and social conditions at the county level (NeighborWorks America 2021).

NeighborWorks America evaluated grantees' capacity to deliver services in targeted geographic areas—and low-income households and households of color more broadly—when determining award allocations. These targeted geographic areas provided flexibility for grantees to serve a broad client base while still identifying the highest areas of need to serve clients going through crises—helping HSCP reach its statutory requirements to reach low-income homeowners and renters and homeowners and renters of color. Overall data show that HSCP clients were somewhat more concentrated in these geographies: 85 percent of clients overall, 83 percent of homeowners, and 87 percent of renters.

The share of clients in target geographies varied by state, as did the share of a given state's counties that were target geographies. In some states, all or nearly all counties were targets. Other states had very few targeted counties (appendix B).

Takeaways

HSCP's design and implementation produced client take-up that exceeded statutory requirements. NeighborWorks America designed the program in short order, distributed funds quickly to grantees and subgrantees, and used up-front funding to help housing counseling agencies respond to households threatened by housing instability. The rapid launch presented some initial challenges with data reporting and program requirements, but NeighborWorks America's responsiveness to grantee and subgrantee feedback helped improve service delivery. Finally, concurrent direct financial assistance programs, eviction and foreclosure moratoriums, and increased adoption of rental counseling in the counseling industry affected and were affected by HSCP's implementation.

4. Client Outcomes and Perceptions of Impact on the Field

This chapter examines client outcomes and discusses the broader perceived impact the program had on the housing counseling industry from our interviews and surveys. Our analysis of client outcomes relies heavily on HSCP data. The data do not describe the long-term impacts of counseling but rather are reflective of the immediate and measurable situational changes that households experienced while in counseling and the several months following completion, as reported to the housing counselor. Our analysis of HFPC client outcomes data finds the following:

- Grantees were unable to assess final outcomes³⁴ for approximately one in five clients in the HSCP client-level data at any counseling level. This share was greater among renters (25.7 percent) than among homeowners (12.2 percent).
- Just under 80 percent of all households in HSCP worked with their counselor on accessing direct financial resources, such as ERA or HAF.
- Gaining access to nonhousing resources (e.g., social or legal services, public benefits, Social Security, and Medicaid) was another common counseling outcome reported for HSCP renters and homeowners.
- Just above 16 percent of the outcomes reported for homeowners who entered HSCP in crisis indicated that counseling resulted in forbearance or partial claim.

Our examination of HSCP's impact on the field focuses on responses to grantee survey questions. Responses indicate that HSCP affected the field in several ways, from counseling practice overall to programmatic elements such as grant disbursement approaches and documentation.

Client Outcome Reporting during HSCP

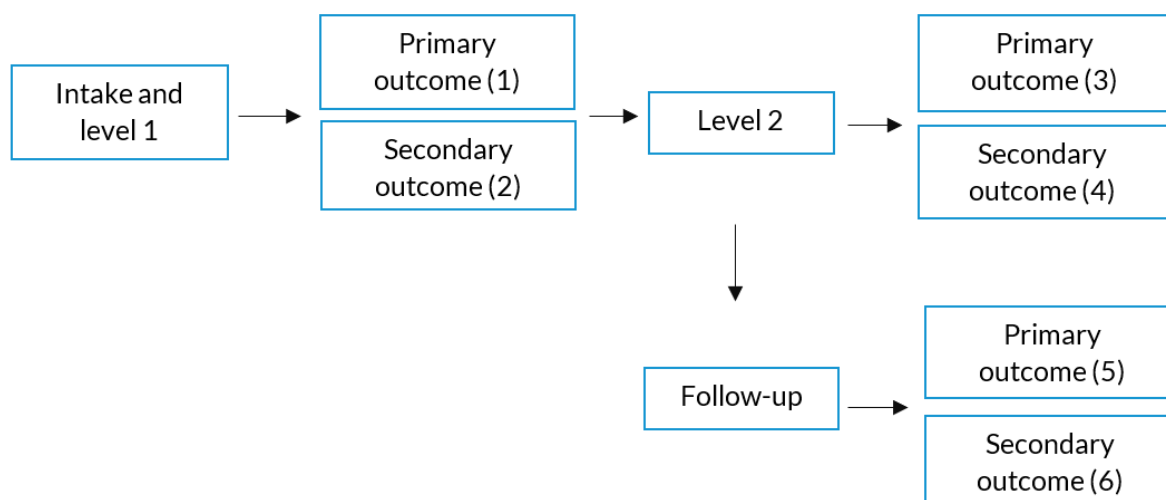
Grantee Outcome Data Collection

The client-level data collected over the course of HSCP include information on the outcomes clients experienced during their counseling and in the period between the end of counseling and counselor

follow-up. Counseling agencies were allowed to report 2 counseling outcomes from a list of 24 possible outcomes at each stage of the process (i.e., level 1, level 2, and follow-up). If a client completed level 1 and 2 and had a successful follow-up, they could have as many as 6 different outcomes reported in these data (figure 4.1). Most of the outcome options are specific to household tenure, with renters having distinct options from homeowners.

FIGURE 4.1

Client Outcome Reporting Process during Housing Stability Counseling Program Counseling



URBAN INSTITUTE

Note: The numbers in parentheses indicate the cumulative outcome count that step represents for a client if all outcomes are filled in.

These outcome options describe events that happened to the client at the end of the corresponding counseling level. For example, one common result is “counseled and gained access to non-housing resources (social or legal services; public benefits; Social Security; Medicaid).” But the most frequently reported option in the outcome data in the primary outcome was “Outcome not yet achieved/unknown,” which counselors selected when their client outcome was yet to be determined. In the secondary outcome, “not applicable” was most commonly reported in cases when the outcome was not yet achieved or only one outcome was reached through counseling.

Table 4.1 describes the outcome data that were reported at each counseling level. The second data column, cumulative reported outcomes, shows the total reported outcomes, which we consider to be any option other than “Outcome not yet achieved/unknown.” This count is larger than the count of total clients at each level because each client can have multiple outcomes.³⁵ The third and fourth data columns show the count and share of total clients at each level that had at least one reported outcome.

The final two columns show the count and share of clients that never had a reported outcome at each level.

TABLE 4.1
Reported Outcome Counts, by Counseling Level

	Clients	Cumulative reported outcomes ^a	Clients with any outcomes reported	Client share with any reported outcomes	Clients with no reported outcomes	Client share with no reported outcomes
Level 1	91,426	127,930	74,132	81.1%	17,294	18.9%
Level 2	77,363	120,904	64,877	83.9%	12,486	16.1%
Level 3	67,851	115,648	58,985	86.9%	8,866	13.1%
All	91,426	395,916	74,132	81.1%	17,294	18.9%

Source: Housing Stability Counseling Program client-level data.

Note: Many counselors reported the same outcome at multiple points for clients.

^a Excludes “outcome not yet achieved.”

For just below 19 percent of clients, grantees never reported an outcome other than “not yet achieved/unknown” or “not applicable” at any counseling level, resulting in no meaningful outcome information being available for these HSCP clients. This share of clients with no outcome was higher for renter households (25.7 percent) than for homeowner households (12.2 percent).

REASONS FOR NONREPORTING

According to grantee reports, common reasons for reporting “outcome not achieved/unknown”³⁶ for renters included waiting on a rental assistance program’s decision, being stuck on long direct assistance or housing waiting lists, gaining new employment, or client failure to follow up. A past survey finds evidence of the slow distribution of ERA, especially for lower-income renters, which is beyond counselors’ control.³⁷ Outcomes depend on the timeline of each case, which can be lengthy depending on the counseling goal. For example, a basic loss mitigation review and decision can take at least 60 days, and in cases where “outcome not yet achieved” was reported, those clients’ loss mitigation might have just taken more than 90 days in the follow-up period. “Closing out a foreclosure case in 90 days is rare,” wrote one NeighborWorks organization in its quarterly report. Eviction is also a lengthy process that is difficult to capture a short time after counseling.

At the time of reporting, the outcome was not achieved. However, the renter had a court date after June reporting and was being evicted. The coach attended court hearing, but the rental was uninhabitable. Coach continued to work with renter, and he received a housing choice voucher after spending his own money on a motel room for a considerable amount of time.

—Quarterly report, NeighborWorks network organization

Sometimes, outcomes for clients with complicated cases might be systematically undercounted, especially if they have multiple goals. The quote in the NeighborWorks America quarterly report cited below shows how expansive the “outcome not yet achieved” option could be in the data. In this case, because the outcome was a predetermined goal with multiple dimensions set by the client and counselor and because part of this goal was met during counseling, but not all dimensions of the goal were satisfied, the counselor reported “outcome not yet achieved.”

One of our clients where we reported “outcome not yet achieved,” the client received assistance with their mortgage, which was in part their goal, but their ultimate goal was to be current with mortgage AND arrears. So their full outcome was not yet achieved.

—Quarterly report, NeighborWorks network organization

Because of these limitations, reporting on outcomes can miss important milestones for many clients and make it more difficult to evaluate overall program success. Therefore, we urge a cautious interpretation of the finding that shows about one in five clients did not have an outcome at the final counseling level. In the sections below, we summarize the cases where grantees and subgrantees did report outcomes for clients and examine patterns between reported outcomes and client characteristics.

Reported Client Outcomes

Tables 4.2 and 4.3 show the number of times a counselor reported each outcome in the data (either as a primary or secondary outcome) at all levels of counseling for renters and homeowners. A single client can contribute up to six counseling outcomes, which is why these counts are larger than the number of total clients. If a client had the same outcome option reported multiple times, it is counted only once. These tables exclude records for clients who never had a specific reported outcome. Outcomes reported are broken out by whether the households were reported as entering counseling in a crisis situation or not. Counselors selected the designation of a crisis situation, and examples, as defined by NeighborWorks America guidance, included “a pending eviction, a pending foreclosure sale date, insufficient funds to cover basic needs such as utilities or medications, or other situations identified by the client and/or agency.”

The most common outcome for renters overall (table 4.2) was gaining access to nonhousing resources (34.0 percent of renters not in a crisis situation and 21.0 percent of those in crisis), which included social or legal services, public benefits, Social Security, and Medicaid. Among renters who entered counseling in crisis, the most common outcome category was negotiation with or referral to the household’s landlord (23.9 percent) which was significantly higher than the share among renters not in crisis (10.3 percent). Clients in crisis were more likely to have outcomes associated with resolving a crisis situation than those not in crisis, including landlord negotiation, receiving ERA, transitioning to a new rental unit, and avoiding an eviction. For renters not in a crisis situation, debt management stands out; it follows that clients not in a crisis would be more likely to focus on this activity than a shorter-term activity focused on crisis management.

TABLE 4.2

Renter Outcomes, by Crisis Situation

Outcome	In a Crisis Situation		Not in a Crisis Situation	
	Count	Share	Count	Share
Gained access to nonhousing resources	3,737	21.0%	11,329	34.0%
Landlord negotiation or referral	4,242	23.9%	3,426	10.3%
Counseled on debt management	633	3.6%	6,446	19.3%
Received emergency rental assistance	2,592	14.6%	2,630	7.9%
Avoided eviction or put on hold	1,522	8.6%	1,543	4.6%
Rent brought current (private or public funds)	1,372	7.7%	1,324	4.0%
Withdrew	598	3.4%	1,801	5.4%
Transitioned to new rental or move-out initiated	1,008	5.7%	1,167	3.5%
Other	437	2.5%	1,084	3.3%
Repayment plan or partial claim	402	2.3%	1,083	3.2%
Occupied emergency, transitional, or permanent housing	616	3.5%	579	1.7%
Rent brought current (no rescue funds)	299	1.7%	593	1.8%
Avoided eviction or put on hold (final outcome unknown)	212	1.2%	135	0.4%
Lease renewal	29	0.2%	72	0.2%

Source: Urban Institute calculations of Housing Stability Counseling Program client data.

Note: "Other" includes three levels of rent burden: spending up to 30 percent of income on rent, spending from 31 to 50 percent of income, and spending at least 50 percent of income.

Table 4.3 shows the outcomes reported for clients who owned their homes. Among these clients, being referred to a servicer with a plan or entering a negotiation with a servicer accounted for more than 25,000 primary and secondary outcomes, or 53 percent of all outcomes for homeowners. The next most common outcome for homeowners overall is gaining access to nonhousing resources. But homeowners not in crisis were more likely to be reported as gaining access to nonhousing resources (17.4 percent) than those in crisis (9.9 percent). Alternatively, homeowners in crisis were more likely to have reported outcomes of receiving a forbearance, modification, partial claim, or repayment plan (16.1 percent).

TABLE 4.3

Homeowner Outcomes, by Crisis Situation

Outcome	In a Crisis Situation		Not in a Crisis Situation	
	Count	Share	Count	Share
Servicer plan or negotiation	11,146	55.00%	17,311	51.32%
Gained access to nonhousing resources	2,011	9.92%	5,882	17.44%
Forbearance or modification, partial claim, or repayment plan	3,254	16.06%	3,822	11.33%
Brought mortgage current (with rescue funds)	1,757	8.67%	2,897	8.59%
Withdrew	488	2.41%	1,044	3.10%
Brought mortgage current (without rescue funds)	557	2.75%	965	2.86%
Debt management	143	0.71%	759	2.25%
Other	178	0.88%	252	0.75%
Foreclosure, short sale, or deed in lieu of foreclosure	231	1.14%	175	0.52%
Bankruptcy	181	0.89%	172	0.51%
Sold (not short sale)	125	0.62%	137	0.41%
Arrearage cancelled or waived	47	0.23%	125	0.37%
Refinanced	35	0.17%	121	0.36%
Occupied emergency, transitional, or permanent housing	80	0.39%	30	0.09%
Transition to rental	31	0.15%	37	0.11%

Source: Urban Institute calculations of Housing Stability Counseling Program client data.

Notes: “Other” includes: spending up to 30 percent of income on rent [“rent” was the listed category for this for homeowners], spending from 31 to 50 percent of income, and spending at least 50 percent of income.

During the pandemic, the loss mitigation toolkit for homeowners was broadened to include forbearance and new options for repayment plans and modifications. The high share of owners who were facing a crisis and were reported as receiving this kind of assistance suggests that counselors were engaged in helping owners work with their servicers to figure out which options best worked for the owner’s situation. It is also notable that “plans and negotiation with a servicer” was commonly reported regardless of whether homeowners were in a crisis. Many counselors also reported that their client’s mortgage was brought current, either through rescue funds or without financial resources. Outcomes achieved by substantially more homeowners not in crisis compared with those in crisis were “gaining access to nonhousing resources,” withdrawals from counseling (a similar pattern to renter households), debt management, and “other” outcomes.

The biggest challenge was ensuring the client knew that it would be okay in the end, whether it meant budgeting for a few months, or realizing that maybe the client is living above his/her means and getting into a more affordable home. It is difficult to hear that you have to change your lifestyle, let alone talk to someone who is already going through a crisis, that things will need to change. Having housing counselors who know HOW to speak to someone is very vital, and our organization was lucky enough to have those on staff.

—Quarterly report, NeighborWorks network organization

Limitations Attributable to Reporting

The limitations present in the outcome information reported during HSCP make it difficult to draw definitive conclusions about the program’s impact on counseled households. There is no comparison group against whom to compare these results. Ideally, we would want to know what would have happened to these clients if counseling was unavailable by comparing the clients in the HSCP data with similar clients who did not receive counseling. Additionally, the high number of unknown outcomes highlights that we simply do not know what the final resolution was for many clients. Despite data limitations, the HSCP client-level data help us understand various immediate outcomes that housing counseling led to for renters and homeowners facing housing instability during a crisis.

Access to Direct Financial Assistance for Housing Stability

HSCP counselors were required to report a stand-alone variable indicating whether the client received financial housing resources and, if so, the source of those resources. This was considered a primary or secondary outcome, but outside the outcome variables, this indicator provides one of the few insights into the intentions and goals established between counselors and clients. Direct financial resources, such as HAF and ERA, were critical tools for struggling renters and homeowners during the pandemic, and HSCP counselors reported frequently helping clients connect to these resources. Table 4.4 shows the share of clients that counselors reported assisting with access to direct financial resources, broken out by the type of resource pursued. The data indicate that counselors worked with clients on reaching the types of financial assistance reported but does not indicate whether that connection was successful. For renters, state and local resources were the financial resources that counselors most frequently

helped clients access, followed by ERA. For homeowner clients, counselors were most likely to help clients access HAF, followed by state and local resources.

TABLE 4.4

Share of Clients Assisted with Access to Financial Resources for Housing Stability, by Resource Type and Household Tenure

	Renters		Homeowners	
	Number	Share	Number	Share
State and local resources	19,260	42.0%	13,788	30.2%
Emergency rental assistance	12,755	27.8%	193	0.4%
Private	951	2.1%	1,497	3.3%
Homeowner Assistance Fund	703	1.5%	20,221	44.3%
Other	853	1.9%	1,091	2.4%
Not applicable	11,303	24.7%	8,826	19.3%

Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

The high share of HAF-assisted homeowners is driven in part because many participating HFAs both ran HSCP counseling networks and were also primarily responsible for delivering HAF funds during the pandemic. Housing finance agencies accounted for 32 percent of all homeowner counseling sessions but 41 percent of all sessions where the client was assisted with accessing HAF.

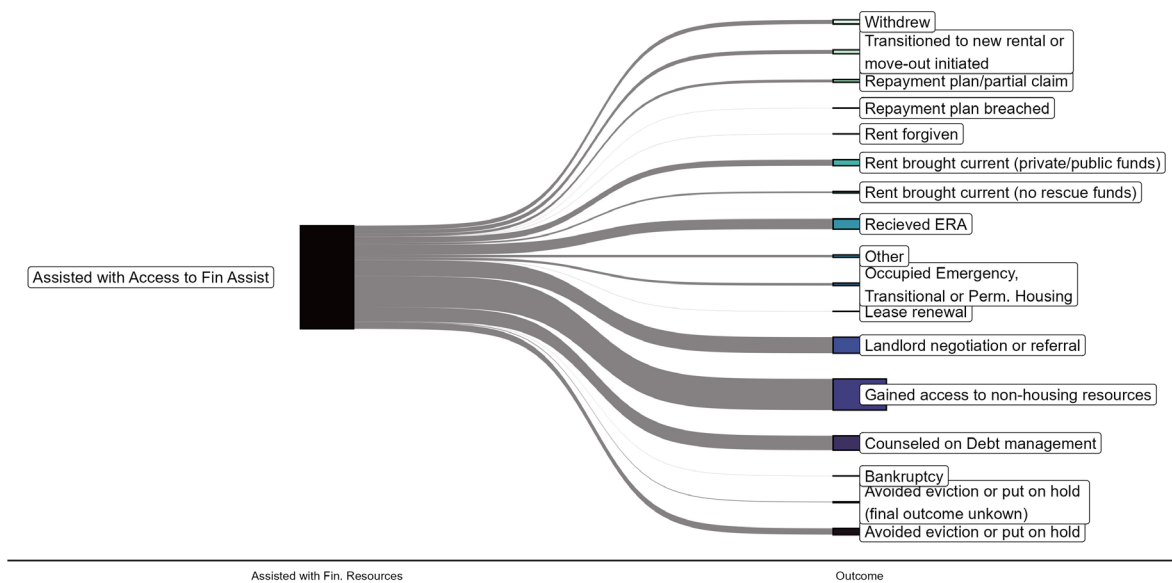
REPORTED OUTCOMES FOR ASSISTED CLIENTS DURING COUNSELING

Figures 4.2 and 4.3 show the outcomes reported for clients who received help accessing financial resources. These outcomes are likely incomplete because of data quality issues, and we exclude households that did not report any specific outcomes. But clients who were reported as receiving assistance with access to financial resources were more likely to have outcomes reported than those who did not receive this assistance during counseling. For these plots, the thickness of the gray lines represents the number of clients that had that outcome reported. The same household can be in multiple buckets because counselors could report multiple outcomes per client.

For renter households that were helped with financial assistance (figure 4.2), the largest categories for outcomes included gaining access to nonhousing resources, landlord negotiation or referral, debt management counseling, and receiving ERA. Multiple outcome categories—“received ERA” and “rent brought current (private/public funds)” —show that there were numerous cases where renter clients were assisted with access to direct financial resources and successfully connected before the end of counseling. Receiving resources, either financial or nonhousing and nonfinancial, represented a much higher share of the composition of total outcomes reported for renter households that were assisted with access to financial resources than for those that did not receive assistance.

FIGURE 4.2

Outcomes for Renters Assisted with Access to Direct Financial Resources

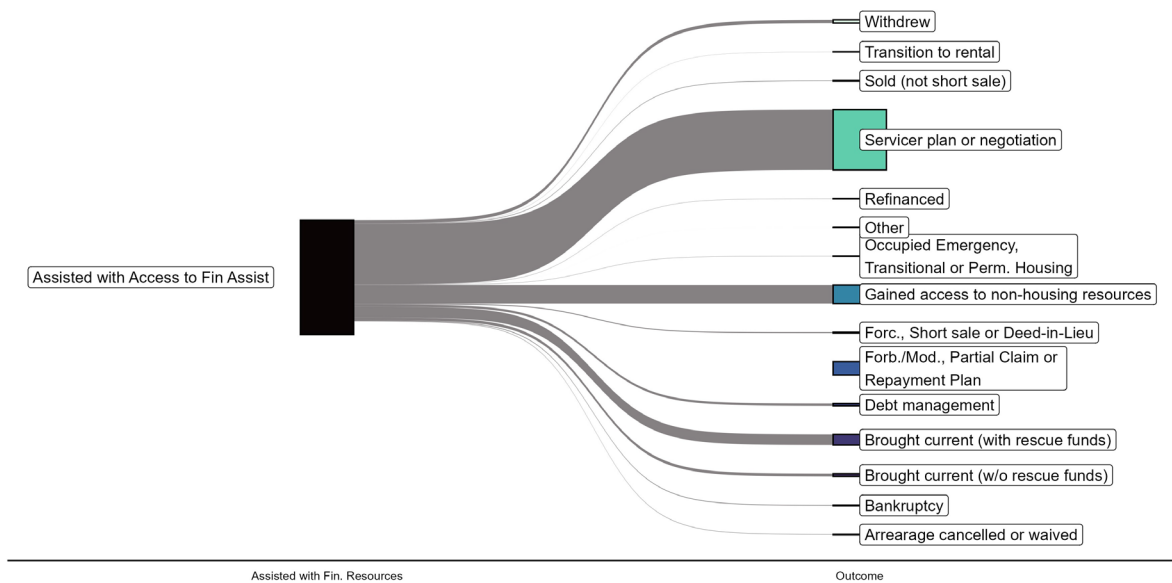


Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

For homeowner households that received financial assistance (figure 4.3), the largest categories for outcomes included entering a servicer plan or negotiation; gaining access to nonhousing resources; entering forbearance; receiving a modification, partial claim, or repayment plan; and bringing a mortgage current with rescue funds. That final category—“brought mortgage current (with rescue funds)” —shows there were numerous cases where homeowner clients received assistance from their counselor on accessing direct financial resources, which resulted in a successful connection before the end of the counseling period. As was the case with renters, receiving resources—either financial resources or nonhousing or nonfinancial resources—represented a higher share of the composition of total outcomes reported for homeowner households that were assisted with access to financial resources (31.9 percent) than for those that did not receive assistance (19.9 percent).

FIGURE 4.3

Outcomes for Homeowners Assisted with Access to Direct Financial Resources



Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

Suggestions for Future Data Collection

With the hindsight from evaluating the outcome information in the client-level data, certain changes come to mind that could improve the usefulness of future data collected from counselor reporting. These suggestions are described below.

ENCOURAGE INDIVIDUAL OUTCOME REPORTING

Some counseling agencies did not report specific outcomes when clients had complex or multidimensional goals, such as a client who was trying to obtain rental forgiveness while looking to connect with nonhousing resources. It would be meaningful to know whether either of these outcomes was achieved, independent of one another. A future reporting system should make it clear that counselors should report all the components of a client’s goals as independent outcomes. Reframing the “outcome not yet achieved” options could encourage this. For example, if it read as “Client has no reportable outcomes,” counselors might be reminded that they should use this option only when there is nothing to report. NeighborWorks America could also consider allowing for multiple selections of outcomes rather than making counselors choose between only two options.

IMPROVE RENTAL OUTCOMES REPORTING

Outcomes reporting was particularly challenging for renters. Homeownership delinquency counseling is a better-established activity, and there is clearer industry-wide understanding of the potential outcomes and pathways. Perhaps it is more linear too. The HSCP experience reveals information about renters' pathways through housing instability, and the lessons learned can help structure clearer, more consistent categories for future use. NeighborWorks America should work with industry partners to develop consistent outcomes for rental counseling that can be used across programs.

ALLOW FOR GREATER FLEXIBILITY IN OUTCOME OPTIONS

Editing the list of counseling outcome options to make sure the language is broad and flexible while providing fewer choices might also increase reporting. Specifically, administrators should avoid making outcome options that are conditional. For example, the option "brought mortgage current (with rescue funds)" makes it seem as though if a client received rescue funds that were less than what they needed to resolve their delinquency, this category would no longer be applicable. Additionally, allowing counselors to submit their own outcomes when the options listed were not applicable would reduce the number of times counselors failed to report.

DEVELOP MANDATORY OUTCOME REPORTING CATEGORIES

Developing outcome options that every counselor reports on could help build a more robust picture of counselor outcomes. One way to do this is by developing categorical responses for outcome options that counselors select from, such as yes-no responses on important selected outcomes.

IMPROVE FOLLOW-UP DATA

It is difficult to remain in contact with households after they are finished with counseling, but extending the amount of information available about households after they complete counseling would increase the value of outcomes reported and provide greater information on counseling's long-term results. It is likely that some key outcome variables (e.g., an eviction, foreclosure, or housing transition) are happening after the follow-up is complete and are not being captured. Providing households incentives to continue to report updates to their counselors for an extended period after counseling would greatly increase the outcomes reported. Providing a financial reward, for example, to households that report after counseling ends could increase the likelihood of long-term reporting.

HSCP's Impact on the Field

HSCP also had impacts on the housing counseling field, such as increasing the capacity of housing counseling networks. According to one program executive, having more funding and expanding who could be served was “a game changer.” At a basic level, this meant counseling agencies could engage in a broader range of counseling activities. Several organizations started offering renter and homelessness counseling services during HSCP.

Increasing the Housing Counseling Network's Capacity

HSCP reached more than 91,000 clients between September 2021 and July 2024, nearly exhausting the appropriated funds. Overall, \$88.6 million in grant awards were made, and NeighborWorks America has used an additional \$11.4 million to support its infrastructure, oversight, training, and operational costs, including the cost of this evaluation. NeighborWorks America did not collect data about the amount of rental counseling and mortgage delinquency counseling HSCP grantees and subgrantees did before the program started, so we do not have a baseline for measuring whether organizational capacity increased (though many survey and interview respondents said that it did). In addition, there were numerous funding sources for housing counseling during this period, with different data reporting requirements, including some ERA and HAF state programs, and the regular HUD Housing Counseling Program. Understandably, the time involved with attempting to isolate the impact of HSCP counseling on all the counseling occurring at this time might have been burdensome, given the urgency of implementing pandemic response programs.

Beyond direct client service, HSCP's impact extended to the field at large, as its training, standardized forms, and PRS provided enduring capacity for housing counselors to serve clients. This systemic contribution underscores HSCP's significance beyond the number of clients counseled. Survey responses and interviews indicate that program contacts were generally positive about the program's overall impact on clients, communities, and other stakeholders.

The HSCP funding had a tremendous impact. In many communities, there has been little to no funding specifically designed to support counseling of distressed renters and homeowners; and while HAF and other funds were provided for financial assistance, the ability to guide the renter or homeowner towards a sustainable outcome would not have been available nationwide if not for HSCP. The ability to provide counseling to these families turns short-term financial support into a [lifeline] that will have an effect long after the dollars have been exhausted. HSCP funding allowed [the hiring] of new counselors, help homeowners and renters and avoid homelessness. It also helps to establish robust marketing and outreach campaigns, which expanded awareness of both counseling and statewide financial assistance. Far too many distressed families who were unaware that this type of support even existed were also the beneficiary of this program.

—Quarterly report, intermediary

But some noted that program costs and the broader economic context limited its impact.

The HSCP funding or aspects of the program did not have significant impact, due to the following reasons.

- 1. The funding was not enough to compensate the work of the counselor assisting homeowners through the loss mitigation process.*
- 2. The impact of the program was not significant because of the COVID-19 pandemic, where homeowners were laid off, lost jobs, and self-employed homeowners suffered extreme loss of income. These factors did not allow them to receive a modification, and applying for the HAF funds became a total problem for homeowners.*

—Quarterly report, NeighborWorks network organization

Other HSCP Impacts on Housing Counseling Programs and Practice

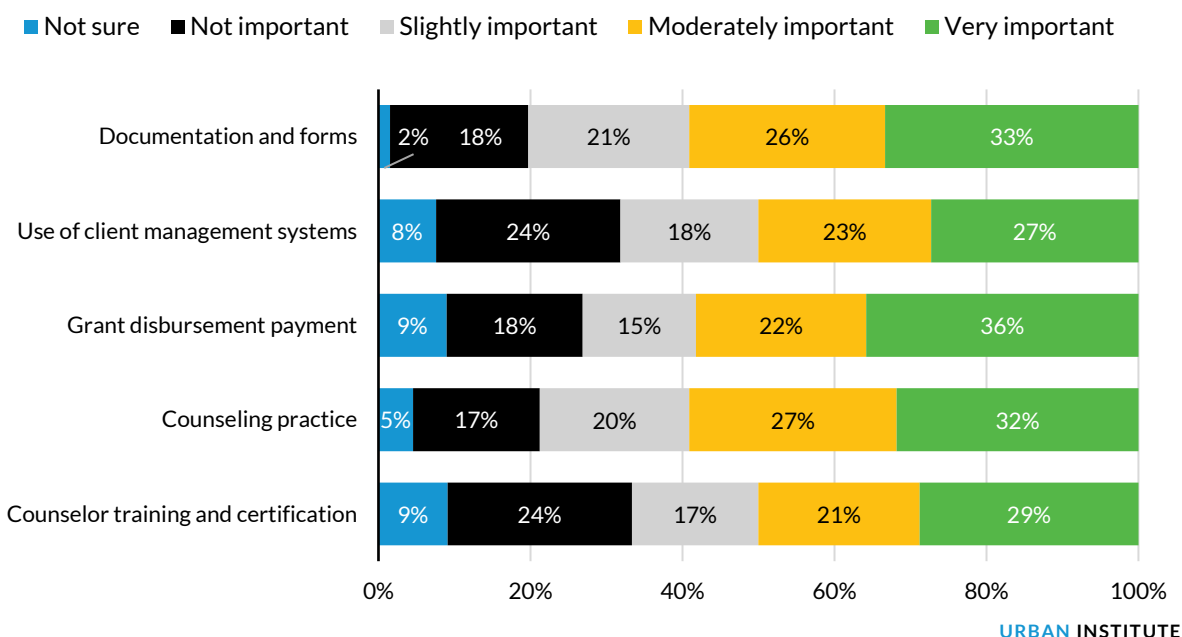
Grantee survey respondents reported impacts on how the program's execution and administration improved the housing counseling field's effectiveness (figure 4.4):

- Just under 60 percent of respondents reported that grant distribution payment and documentation and forms were moderately or very important for improving the housing counseling field's effectiveness.
- Similarly, just under 60 percent of respondents reported that HSCP counseling had a moderately or very important impact on field effectiveness (32 percent responding it was "very" important, and another 27 percent reporting it was "moderately" important).
- About 50 percent of respondents reported that counselor training and certification and use of client management systems were moderately or very important for improving the field's effectiveness.

Grantees also reported HSCP had an impact on relationships with key actors: 50 and 48 percent of respondents, respectively, indicated the program was very or moderately important for improving the effectiveness of interactions with landlords or renters. Forty-two percent responded the program was very or moderately important in improving the effectiveness of interactions with servicers or landlords.

FIGURE 4.4

Importance of HSCP in Improving the Effectiveness of the Housing Counseling Field



Source: HSCP grantee survey.

Notes: HSCP = Housing Stability Counseling Program. The question was, How important, in your opinion, was HSCP in improving the effectiveness of the housing counseling field?

The survey also asked respondents to reflect on how organizational capacity has changed for grantees in the event of a future crisis. Fifty-five percent of respondents reported they were more prepared to run a similar program in a future crisis, while 44 percent reported having about the same level of preparation (one respondent reported thinking they were less prepared). Respondents reporting being more prepared was highest among HUD-approved intermediaries (66 percent) compared with 55 percent of NeighborWorks network organizations and 40 percent of state HFAs.

For outreach, 48 percent of respondents reported being more prepared to conduct a future outreach campaign to inform a wide audience on available services during a crisis, while 52 percent reported they had about the same level of preparedness. By organization type, 31 percent of HUD-approved intermediaries reported being more prepared, along with 55 percent of NeighborWorks network organizations and 45 percent of state HFAs.

Without these funding dollars, we would have been unable to serve the clients, as funding has decreased significantly. Chances are more clients would have lost housing and become homeless without this funding. This program has helped us become familiar with landlords, and landlords become familiar with us as an organization. When we refer a client that we have worked with to a landlord, they are more likely to rent to them.

—Quarterly report, NeighborWorks network organization

Conclusions: Counselor-Reported Client Outcomes and Impact on the Field

Our data analyses highlight the role of counseling on addressing clients' concerns about housing instability. Many renters and homeowners gained access to financial or housing resources because of counseling. We also found that renters and homeowners benefited differently based on their needs and the services provided. A significant portion of renters gained access to nonhousing resources, such as social services and public benefits, which were the most common outcomes.

Positive but nondefinitive outcomes, such as entering negotiations or accessing additional resources, were also common. Limitations in data collection, such as a high share of outcomes reported as “not yet achieved” or “not applicable” underscore the challenges in capturing HSCP's full impact, particularly for complex cases or those requiring prolonged resolution.

Overall, HSCP promoted housing stability during the pandemic, connecting households to critical financial and social support. Despite challenges, such as overlapping governmental aid programs and data fragmentation, the program expanded counseling capacity and targeted vulnerable populations. These insights demonstrate the value of integrated housing counseling in future crisis responses and identify areas for improved data collection for a more rigorous causal examination of the program's impact.

5. Best Practices and Lessons for the Future

HSCP was only one part of a deep and complex response to the pandemic. Overall, counselors reported that HSCP increased their counseling capacity and helped clients deal with housing insecurity. This section discusses factors that contributed to HSCP's success and can be replicated or built upon for future use of housing counseling as part of a comprehensive response to disasters, whether natural, manmade, or health related.

What Worked

HSCP funds were deployed quickly, thanks to NeighborWorks America's nimble grantmaking and capacity-building strategies. NeighborWorks America made awards to grantees six months after the legislation was enacted. Stakeholders from NeighborWorks America, HUD, Congress, and counseling agencies were aligned around the urgency of distributing funds to counseling agencies to quickly deliver services to clients at risk of housing instability from the pandemic. Some policymakers expressed concerns about insufficient nonprofit housing counseling capacity, but the HSCP experience validated that housing counseling agencies with adequate funding could hire, train, design a program, reach out to clients, and deliver valuable services quickly.

To fund expanded counselor capacity, one-time and up-front costs are a wise investment. HSCP provided training and program support resources to help counselors respond to changing needs, and NeighborWorks America addressed the risk of wasting such funding by its quality control and funding procedures. Housing counseling agencies incurred costs to convert to phone-based or remote service delivery, to set up and train staff members on new reporting and data collection, to rent for expanding staff and space, and to fund other back-office functions. Administrative funding should be sufficient to cover necessary administrative costs, with adequate oversight and guidance to ensure the funds are spent responsibly. We recommend future programs acknowledge that funds used for these validated purposes will not be recaptured or reallocated.

HSCP exceeded statutory goals to reach low-income people and communities and households and communities of color. Nearly 81 percent of clients served had low or moderate incomes, and 67.8 percent were households of color. Eighty-two percent of clients served lived in target-area geographies.

As expected, HSCP provided housing counseling services to renters and owners in all 50 states, the District of Columbia, and Puerto Rico. The existing housing counseling national platform already served low-income households and households of color at rates exceeding national averages, but NeighborWorks America's creation of targeted geographies, its grant application and award design, and its focus on outreach and marketing were important contributing factors. As a result, HSCP greatly exceeded the statutory targets for serving low-income people and neighborhoods and people and neighborhoods of color. By emphasizing the importance of marketing and outreach, and making available PRS funds, NeighborWorks America provided necessary tools for housing counselors to reach households most likely to suffer from housing instability attributable to the pandemic.

The Program Delivered Crisis-Level Services to Clients in Need

HSCP played an important role in addressing clients' needs for housing stability during the pandemic and afterward. We documented several important outcomes in chapter 4 that both counselors and clients attributed to the counseling delivered by HSCP. The most common role counselors served was connecting clients to financial and nonhousing resources, a critical need during the pandemic.

Negative counseling outcomes, such as eviction, foreclosure, or indications of displacement, were rarely reported for renter or homeowner clients. For many clients, despite the brief period when they were in counseling, the counselors reported a long-term resolution to their housing instability (often combined with supplemental direct assistance and various moratoriums).

Housing counselors served as connectors and problem solvers, helping families under stress find both temporary and long-term solutions to their housing instability.

HSCP funding allowed our HUD-certified housing counselors to provide more targeted, in-depth crisis housing counseling to households facing instability, with the ultimate goal of continued housing sustainability. Before HSCP funding, crisis eviction and foreclosure prevention counseling sessions were focused on immediate, short-term resolutions to keep clients housed. HSCP gave us the funding to support our counselors, allowing them to spend more time and be more intentional with counseling sessions. We were able to work with clients to not only get out of crisis but also to develop more long-term action plans and be more proactive in preventing housing instability going forward.

—Quarterly report, NeighborWorks network organization

The Program Rapidly Increased Housing Counseling for Renters

HSCP expanded services to renters. For many grantees and subgrantees, these were new or greatly expanded business lines. This essential program pivot was possible because of several factors, including up-front funding of PRS, training, model forms, and housing counseling agencies' past experiences responding to disasters and the mortgage crisis.

HSCP funding significantly impacts our ability to serve our rental and unhoused clients. This program provided positive results during an unprecedented period where the need for rental assistance and possibilities of homelessness increased due to the pandemic and the prolonged effects of the pandemic. Prior to HSCP funding, the focus on counseling clients relating to homelessness and rental housing concerns were not focal points of housing counseling. The program allowed for targeted training for our counselors focusing on nontraditional housing issues. Also, we were able to increase our outreach and marketing to communities/demographics with these specific housing needs.

—Quarterly report, intermediary

The Program Trained the Counseling Industry on Pandemic-Relevant Issues

NeighborWorks America invested heavily in training, and many of the trainings developed for HSCP will continue to be available to counselors after HSCP ends. Training topics covered a full range of housing-related topics, from ones designed to navigate foreclosure and eviction processes with clients and working within a disaster or crisis environment, to more general trainings on topics relevant to renters and owners, to ones focused on program management and compliance. The level of training and expertise required to serve pandemic-affected clients cannot be overstated. Counselors had to be familiar with myriad federal, state, local, and private programs to address housing instability. Counselors connected clients to complicated changes to foreclosure and eviction procedures and to ever-changing rules regarding direct assistance through HAF, ERA, and similar programs.

The Program Provided Crucial Resources for Outreach and Marketing

Outreach was an important program element. Many clients were not aware of programs and services available to assist them, especially in stressful times. Many groups used HSCP PRS for marketing and outreach, and partly as a result, the program reached clients who were likely to be hit hard by the pandemic. HSCP explicitly encouraged grantees to use resources for outreach and marketing, so that households most at risk of pandemic-related housing instability could be aware of free counseling services available. Shutdowns meant that traditional counseling marketing (e.g., flyers, door knockers, and attendance at community meetings) was going to be less effective, and so many agencies pivoted to social media campaigns.

The Program Ensured Counseling Quality and Built Trust

HSCP leveraged counselors' expertise, independence, and trust. Direct housing assistance programs, such as ERA and HAF, attracted scammers who sought to victimize vulnerable residents threatened with housing instability.³⁸ By building on the HUD housing counseling network, clients were assured of the reliability of the services and information provided under HSCP.

NeighborWorks America stood behind the quality of the services delivered under HSCP, with standards that address counselor expertise and training and prevent conflicts of interest. NeighborWorks America launched a central website for the program and posted model documents and forms that were quickly adopted. The organization rolled out training for counselors in trauma-informed service delivery, eviction prevention, and service provision by telephone or video conferencing modes. HUD, states, and other direct assistance providers underscored the value of

housing counseling. As a result, clients felt comfortable with their counselors during stressful times, and counselors had the skills to pivot from prepurchase counseling to foreclosure and eviction prevention counseling.

Counseling content was also flexibly adjusted to better meet clients' needs. Housing counseling has several elements, including intake, budgeting, financial analysis, action plan, and follow-up. Because of the traumatic and crisis nature of housing instability during the pandemic, many counseling agencies adjusted their programs to deemphasize long-term strategies (e.g., improving use of credit) and instead focus on immediate housing needs, such as connecting the client to direct rental or ownership assistance. NeighborWorks America clarified that a detailed, independently verified household budget and analysis of credit history, for example, were not required to comply with counseling requirements. This clarification did not occur as early as probably needed but was appropriate, given the nature of clients' pandemic housing needs. NeighborWorks America built feedback loops between program design and delivery. HSCP's website, training, office hours, and other mechanisms quickly triggered program adaptations during rapidly changing conditions both in homes and nationwide.

The Program Maximized the Benefits of Existing Structures

Because HSCP built on an existing delivery system, services were available quickly in communities across the US. This speed was especially impressive because it occurred during pandemic shutdowns and required adjusting to virtual rather than in-person meetings. It took just six months from President Biden signing APRA, which allocated funds for HSCP, to NeighborWorks disbursing initial funds to grantees.

- **Using the national housing counseling network.** The national network of HUD-approved housing counseling agencies is held to appropriately high standards by both HUD and NeighborWorks America. Counselors are certified and trained and must act in the client's best interests. Housing counseling agencies adjust their staffing and service delivery to meet the needs of the communities and people they serve. Housing counseling agencies are well positioned to be part of any emergency response where housing is threatened.
- **Using NFMC as a model.** Counseling organizations were familiar with features of the NFMC program model, adjusting quickly to the fee-for-service structure and the reporting requirements.

The Program Was Flexible

NeighborWorks America recognized that many aspects of the pandemic were unpredictable and constantly changing. The program adjustments and changes, though sometimes frustrating for grantees, testify to the strong feedback loop NeighborWorks America built with its grantees, responding quickly to most problems as they arose. NeighborWorks America's program website, www.stablecommunities.org, was an important tool for NeighborWorks America staff members and housing counseling agencies to communicate changes and share resources.

The scope and severity of most crises are unclear at the outset. By allowing housing counseling agencies to tailor marketing, outreach, and services to their community needs, HSCP was able to pivot and reach households most in need. Funding should be distributed with the understanding that reallocations might be necessary down the road.

The Program Created Value for Multiple Stakeholders

The value of HSCP was realized by clients, government officials, policymakers, private lenders, and private landlords. After the Great Recession, the housing counseling industry forged strong relationships with the government and lenders to deliver effective services to homeowners facing foreclosure (Sally et al. 2019). Responding to renters facing eviction because of pandemic-related health and job loss, HSCP provided funding, tools, and training to build housing counseling capacity to reach renters. Several grantees forged creative alliances with landlords and property managers to reach renters at risk of losing their homes. Other grantees partnered with local governments to administer or assist in the administration of ERA payments. Outreach and marketing resources made clients and other stakeholders aware of the additional services housing counseling agencies could provide. These partnerships were valued by counselors, government officials, and housing industry stakeholders and should be models for any agency engaged in rental counseling.

HSCP might have had important spillover benefits as well. Stakeholders told us that communities and cities benefit when foreclosures and evictions are avoided by keeping property values steady and preserving the tax base (Schuetz, Been, and Ellen 2008). Lenders, servicers, landlords, and real estate investors benefit by avoiding expensive eviction and foreclosure processes and the financial losses that result. One stakeholder said, "Stable housing is a social determinant of health, so [HSCP] might have community effects."

What Could Improve

Easier Reporting

Many grantees said reporting was a challenge. The range of outcome categories reported for HSCP was broader than those reported to other counseling funders. This range had strengths and weaknesses: more options and reporting outcomes at every level complicated the process but allowed for an examination of different outcomes for renters and owners. Different data reporting options, such as allowing for multiple outcomes or combining some outcome categories, could help streamline and add flexibility to report on outcomes more fully. Additionally, NeighborWorks America required grantees to fill in 43 fields to get a comprehensive picture of client characteristics, program administration, and client outcomes. They could review the importance of the variables collected and reduce the number of fields to be reported to make reporting easier.

Coordination with Other Crisis-Response Programs

Congress chose NeighborWorks America to administer the program, and NeighborWorks America designed the program and got the money out quickly. NeighborWorks America sought and received program input from HUD and met to coordinate HSCP with the standard HUD Housing Counseling Program. But HSCP activity counts were not identifiable in the HUD numbers, and HSCP outcome measures differed from HUD's measures. Future crisis response counseling programs should make sure the crisis program activity is measured consistently so that it is possible to compare the program's impact on other counseling programs and cumulate the total counseling resources that were deployed during a crisis from various sources.

Although NeighborWorks America met regularly with HUD, the Treasury Department, and HAF and ERA providers, closer coordination in program design could have additional benefits: oversight and audit reviews might be delegated rather than duplicated, outreach could be designed with consistent messaging, and direct assistance programs such as ERA and HAF could have provided incentives for housing counseling more widely.

Sustainable Funding for Families in Crisis Going Forward

Although the time-limited HSCP funding is evaporating, the need for housing stability, especially for renters, continues. HSCP was designed as a one-time response to a health crisis. But as the pandemic

abated, most forms of housing assistance evaporated, including HAF, ERA, and federal and state eviction and foreclosure moratoriums. Eviction rates have returned to their prepandemic levels.³⁹ And homeowners at risk of losing their homes continue to need foreclosure prevention counseling. The annual HUD appropriation for housing counseling and the appropriation to NeighborWorks America should be increased slightly so that the additional infrastructure built for the crisis (e.g., archived training, maintenance of virtual counseling technology, and continued best practices in eviction prevention rental counseling) can be maintained after the crisis has passed.

Infrastructure needs to be built up and taken down every time there's a crisis. Same thing as the 2008 crisis—lots of ramp-up, then the money peters out.... The ebb and flow of counseling funding is a deep problem in the industry.... How much quicker would the COVID crisis have been resolved if the housing counselors hadn't needed to spend so much time ramping up or relearning.

—Stakeholder interview, policy adviser

Funding for foreclosure work post housing crisis has become more and more of an issue. As HUD funding has levelled off and even decreased over time, programs such as this are huge for gap funding for most organizations to staff even one FTE to do foreclosure assistance work. As state HAF programs sunset in 2024, there is likely going to begin to be a need for much more foreclosure work in the current interest rate environment, where loan modifications are routinely not offered or, if offered, will result in a significant increase in the monthly mortgage payment for already strapped consumers.

—Quarterly report, intermediary

Recommendations for the Future

HSCP leaves a legacy for tens of thousands of families who were counseled to avoid foreclosure and eviction attributable to the pandemic and the agencies who served them. The program offers lessons for policymakers and housing counseling programs in general and lessons that could apply in future crises.

Sustaining the Expertise and Capacity for Rental Counseling

Recognizing the heightened risk of eviction renters faced during the pandemic, HSCP increased the capacity of housing counseling agencies to help renters at risk of housing loss or homelessness. The program provided training, encouraged hiring, and created model forms and documents to assist. The capacity building was informed by the experience NeighborWorks America had from building the capacity of foreclosure counseling during the 2008 mortgage crisis. Moreover, housing counseling agencies created new partnerships with government agencies administering rental assistance and with private landlords. These agencies also created new capacity and skills to serve clients at risk of homelessness.

But HSCP is a temporary solution to a temporary problem. This evaluation makes the case that rental counseling and counseling for those at risk of homelessness are important and valuable. But they are unlikely to be sustained in the short term unless the normal HUD counseling appropriation, the appropriation to NeighborWorks America, and other funding sources increase. In the long term, NeighborWorks America, HUD, the real estate industry, and consumer groups should document the value of rental counseling and work toward potential business models that are sustainable with less public support.

It's hard to build a [rental counseling] business model. A lot of our work in homeownership counseling is subsidized by lenders...[But there is] no large institution/industry to back rental counseling.

—Stakeholder interview, policy adviser

Some emergency rental interventions, including direct financial assistance and eviction moratoriums, can have unintended consequences and should be tailored situationally. But rental counseling is a broad service category guiding clients through identifying and obtaining units, managing budgets and debt, negotiating payment agreements, and helping renters find another place to live if they cannot afford their rent, with a focus on the rights and responsibilities of tenancy. The experience of HSCP (and the use of housing counseling in some disaster recovery plans) argues for the need to keep basic rental counseling expertise on hand and to continue to research its effectiveness. Investments and

partnerships developed to further renters' needs could outlast HSCP, but a larger housing counseling program to more fully address renters' needs appears justified.

Create Future Crisis Response Programs

The federal government has wisely looked to housing counseling agencies to provide services for day-to-day housing needs and for extraordinary crisis situations, including natural disasters, the foreclosure crisis, and the COVID-19 pandemic. The response to the next crisis should build upon the experience of HSCP to maximize efficiency and effectiveness of future responses.

- **Build on the national housing counseling network.** The national network of HUD-approved housing counseling agencies and state HFAs is held to appropriately high standards by both HUD and NeighborWorks America. Counselors are certified and trained and must act in the client's best interests. Agencies can adjust their staffing and service delivery to meet the needs of the communities and people they serve and are well positioned to be part of any emergency response where housing is threatened. NeighborWorks America expanded grantee eligibility slightly to take advantage of much-needed rental counseling capacity and state HFAs who were not participating in the HUD program. NeighborWorks America's insistence that all grantees meet basic HUD standards as outlined in the funding announcement maintained quality while expanding capacity.
- **Increase coordination between various emergency response programs.** Studies in chapter 2 showed that states that designed their pandemic relief programs using nonprofits deployed funds to clients faster than those using government entities. Future programs could increase efficiency using a more coordinated response among federal, state, and local governments with housing counseling agencies, including a common application for assistance. Some interviewees did not want the process slowed down by requiring counseling before receiving assistance, but others felt that local officials were often unaware of the value a housing counseling program could bring, even something as simple as making clients aware of the assistance or providing help navigating the application process. At the very least, future direct assistance programs could recommend housing counseling as a complementary program. For example, direct assistance sources could ensure counseling agencies are trained on the application process and have an escalation contact in the event of a problem, similar to protocols put in place during the mortgage crisis. Coordination can also occur by including housing counseling agencies to be part of emergency response planning.

Access to program-related support and counseling funds through this grant has enabled our agency and our subgrantees to grow and strengthen our services in a variety of ways. We have been able to hire and train additional staff to meet the growing demand for housing assistance, as well as increase our resources to be able to access clients in need. We have been able to implement quality assurance procedures to ensure that the counseling that our clients have received meets or exceeds guidelines and expectations. This funding has allowed us to improve our technology in our client management systems, upgrade equipment, and improve data collection and reporting. It has also allowed us to create collaborations among subgrantees and intermediaries, therefore further increasing the positive impact to our communities.

—Quarterly report, intermediary

- **Convene an industry-wide debrief on lessons learned and improvements for the future.** A conference that includes stakeholders in housing counseling, all levels of government, the real estate industry, NeighborWorks America, HUD, Congress, and the Treasury Department might come to some consensus on future program design and implementation and standards for using housing counseling as one tool to contribute to housing stability.

Highlight Future Research Needs

Given the urgent need to quickly set up a program during the pandemic, HSCP was not structured in a way that set up a comparison group between people who received counseling and those who did not. Building these components into the beginning of future programs and data collection efforts could allow for a fuller understanding of impact.

- **Improve data.** Improved data regarding household instability risk and housing counseling outcomes (particularly for renters) would improve policymakers' ability to estimate the number, location, and types of households most at risk of losing their homes to estimate the amount of support needed. A national measure of renter delinquency and eviction would allow a quicker and targeted response more on par with the response to homeowner instability, which has useful, cumulated metrics for owners with delinquencies or facing foreclosure.

- **Identify and standardize the best common outcomes metrics.** HUD currently measures 19 outcomes from counseling for all 9 types of counseling, with a sense that many of these outcomes are underreported. NeighborWorks created 24 separate outcomes for homeowners and renters for HSCP, some of which were more useful and relevant than others. Efforts should be made to reconcile the various outcome measures, select the most relevant, and train counselors on how and when to capture outcome data. Where possible, these counselor-reported outcomes should align with commonly used industry metrics, or common metrics should be improved to lay a foundation for future randomized studies that measure the impact of housing counseling. Outcome data for foreclosure prevention counseling has been firmly established, but renter outcomes follow different paths. There is a need to continue to develop the field's ability to create clear, mutually exclusive outcome measures. Renters are also harder to track against long-term outcomes, and the field can iterate on methods to find out what happens months after eviction prevention counseling.
- **Explore national standards for rental practices.** The mortgage crisis prompted standardization in foreclosure mitigation and response by lenders. Perhaps the pandemic will prompt a similar set of minimum standards for leasing practices, addressing nonpayment and the eviction process. In particular, a study of eviction prevention best practices could quantify the costs and benefits of renter counseling, eviction moratoriums, and direct rental assistance through ERA. We would hope to see a consensus develop similar to the consensus among servicers, consumer advocates, and government for streamlined modifications and forbearance.
- **Develop the capacity to independently validate outcomes.** Where possible, these counselor-reported outcomes should align with commonly used industry metrics to lay a foundation for future randomized studies that measure the impact of housing counseling. This will require better rent data and sufficient resources to compare the results of counseled clients versus noncounseled clients.

Conclusion

The Housing Stability Counseling Program has shown that NeighborWorks America can quickly launch a program and, with sufficient resources, mobilize a national housing counseling network quickly to communities across the US to assist households at risk of losing their housing. Previous crises, including the 2008 mortgage crisis and numerous natural disasters, triggered large investments in housing counseling. This time, NeighborWorks America customized HSCP to the needs of pandemic-affected

households. As a result, counselors could quickly develop systems and expertise in rental counseling; in state, local, and private assistance programs; in a dynamic regulatory environment; in building and delivering services during a shutdown period; and in housing instability caused by health issues and job losses.

The resources of HSCP allowed NeighborWorks America and housing counseling agencies to respond quickly and effectively to the pandemic. This raises the question of whether the emergency response capacity of housing counseling agencies should be temporary and time limited in response to each crisis or whether the ongoing HUD housing counseling program should receive sufficient resources to maintain the capacity that HSCP built in a time of crisis. The National Foreclosure Mitigation Counseling program built similar expertise and capacity in response to the mortgage crisis. That capacity is no longer funded and had to be rebuilt for pandemic-affected homeowners. NeighborWorks America has proven it can create and launch programs that meet immediate and critical needs that are novel and require a new approach, and it would be a loss not to nurture the investment in rental counseling so that the expertise, strategies, and tools will be available to future renters in crisis.

We rely on housing counselors as first responders when external crises threaten housing stability. By maintaining the investment in NeighborWorks America and housing counseling agencies' first-response capacity permanently, we will be better prepared when the next crisis comes.

Appendix A. Intake Concentration

Tables A.1 and A.2 provide overviews of the largest participating organizations in the most- and least-populous states and their share of intake in that state.

TABLE A.1
HSCP in the 10 Most-Populous States

State	Organization	Intake share	Population (thousands)
California	HomeFree-USA	31%	13,551
Texas	Money Management International Inc.	15%	11,088
Florida	Consumer Credit and Budget Counseling Inc.	20%	8,826
New York	New York Mortgage Coalition Inc.	19%	7,774
Pennsylvania	Pennsylvania Housing Finance Agency	62%	5,294
Illinois	Illinois Housing Development Authority	52%	5,056
Ohio	Famicos Foundation	26%	4,878
North Carolina	North Carolina Housing Finance Agency	49%	4,299
Georgia	Georgia Department of Community Affairs	40%	4,092
Michigan	Michigan State Housing Development Authority	21%	4,090

TABLE A.2
HSCP in the 10 Least-Populous States

State	Organization	Intake share	Population (thousands)
Hawaii	Hawaii HomeOwnership Center	53%	495
Montana	NeighborWorks Montana	98%	464
Rhode Island	Rhode Island Housing	42%	447
Delaware	HomeFree-USA	44%	402
South Dakota	Consumer Credit Counseling Services	96%	368
North Dakota	Credit.org	24%	331
District of Columbia	National Community Reinvestment Coalition	38%	327
Vermont	Windham & Windsor Housing Trust	44%	277
Alaska	Money Management International Inc.	66%	275
Wyoming	Credit.org	47%	243

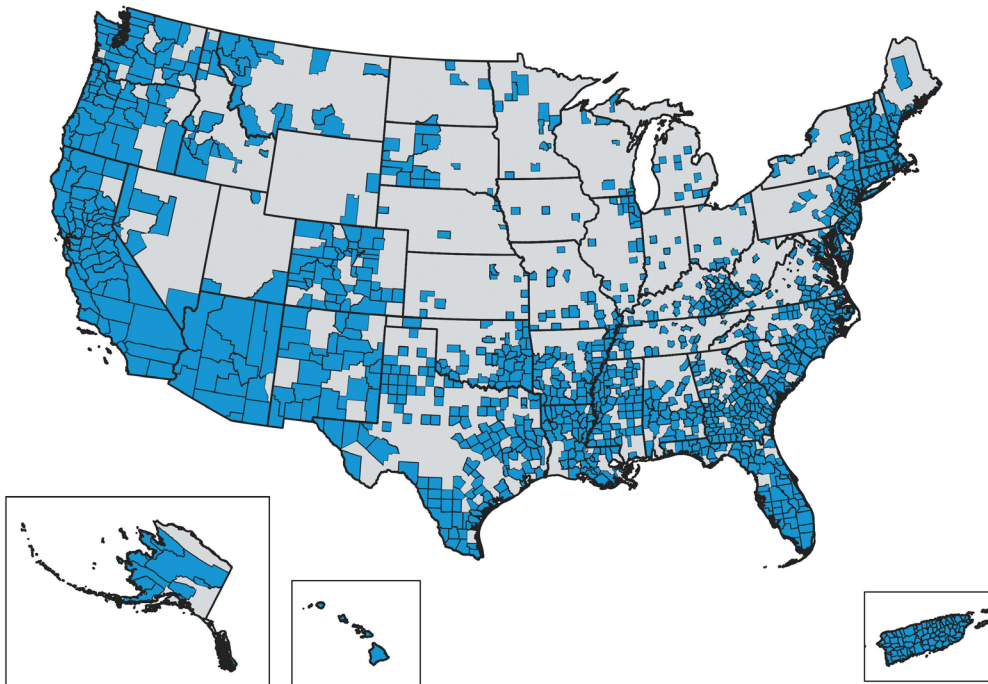
Appendix B. HSCP Targets

The HSCP funding announcement established two sets of criteria to identify target geographic areas:

- Using US Census Bureau data, NeighborWorks America identified 25 percent of counties with the highest shares of cost-burdened households (i.e., spending more than 30 percent of their income on housing).
- Using the US Centers for Disease Control and Prevention’s Social Vulnerability Index, NeighborWorks identified the 25 percent of counties most vulnerable to economic shocks using 15 factors, “including unemployment, minority status, and disability.”

Based on these two criteria, the program identified 1,275 counties (41 percent of all counties) as targeted geographic areas (figure B.1).

FIGURE B.1
Counties Identified as Targets



These targets accounted for 70.5 percent of households and 71.2 percent of the US population (table B.1).

TABLE B.1

Share of the US Population and Households Located in HSCP Geographic Target Areas

	Not HSCP target	HSCP target	Share target
Households	37,368,858	89,448,722	70.5%
Homeowner (with mortgage)	17,282,255	36,120,872	67.6%
Homeowner (no mortgage)	9,655,185	16,993,046	63.8%
Renter	10,431,418	36,334,804	77.7%
People	95,411,007	236,038,274	71.2%

Source: US Census Bureau data and US Centers for Disease Control and Prevention Social Vulnerability Index data.

Note: HSCP = Housing Stability Counseling Program.

Appendix C. Local Geographies

Using Chicago as an example, we can evaluate how the location of a subgrantee organization affected the clients it served. Figure C.1 shows the Brighton Park Neighborhood Council and the clients it worked with in Chicago, which are all geographically close to the organization’s physical location, indicating there was a relationship between proximity and likelihood to enter counseling with that organization. The counseling mapped below includes all modes of communication (face to face, phone, video conference, and other methods) (table C.1).

FIGURE C.1
Subgrantee Patterns in Cook County, Illinois

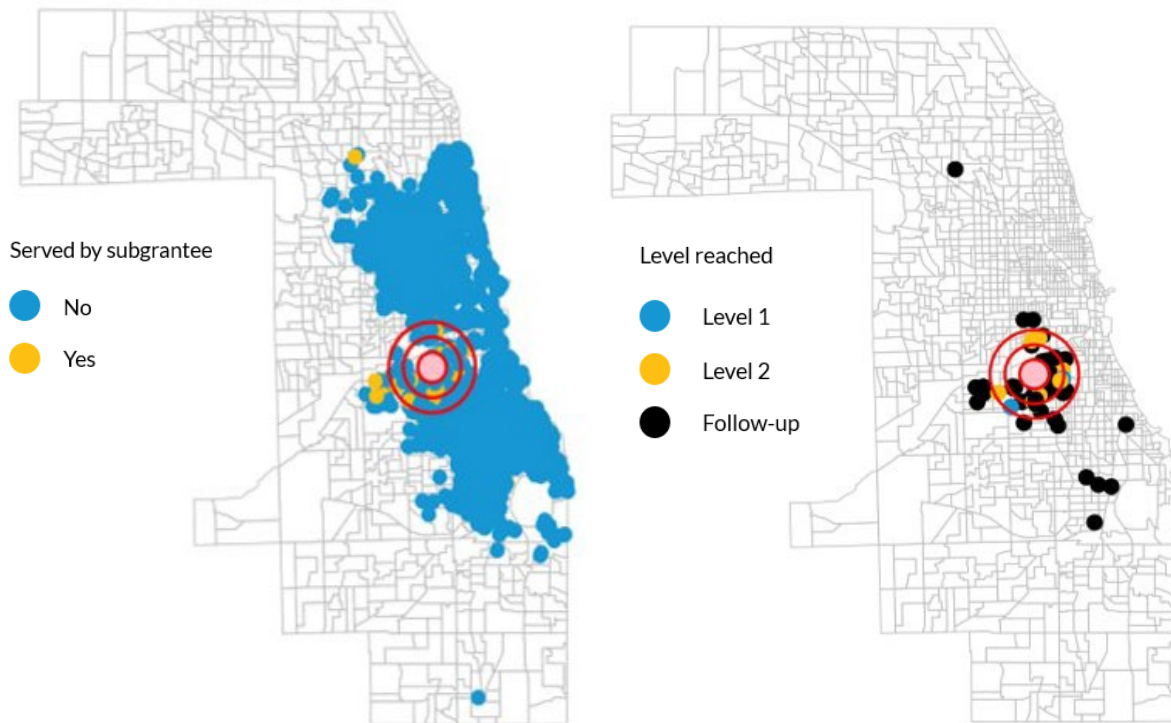


TABLE C.1

Median Distance between the Counselor's Physical Location and the Client, by Counseling Mode

Counseling mode	Median distance to client (miles)
All	32.1
Face to face	27.9
Phone	32.3
Video conference	65.4
Other	38.3

Source: Urban Institute calculations of Housing Stability Counseling Program client-level data.

Appendix D. Glossary

- **American Rescue Plan Act (ARPA).** A bill President Biden signed in April 2021, which distributed \$100 billion for the Housing Stability Counseling Program, \$10 billion for the Homeowner Assistance Fund, and \$22 billion for the Emergency Rental Assistance Program.⁴⁰
- **CounselorMax.** The software Housing Stability Counseling Program grantees and subgrantees used to monitor client participation and outcomes. This tool is used across NeighborWorks America's network for all housing counseling programs, including the Housing Stability Counseling Program.⁴¹
- **direct assistance programs.** Programs created by local, state, and federal policymakers to financially support homeowners and renters facing instability. The Housing Stability Counseling Program provided free housing counseling services, but these direct assistance programs provided money for clients to cover their housing costs. The two largest direct assistance programs at the federal level were the Homeowner Assistance Fund and the Emergency Rental Assistance Program.
- **Emergency Rental Assistance (ERA) Programs.** These refer to two programs established to support renters during the COVID-19 pandemic. ERA1, part of the Consolidated Appropriations Act of 2021, provided \$25 billion for financial assistance and housing stability services. ERA2, part of the American Rescue Plan Act of 2021, provided \$21.55 billion for financial assistance, housing stability services, and other affordable rental and eviction prevention programs. Funds, distributed by the Treasury Department, went directly to states, territories, some local governments, and, for ERA1, to tribes or tribally designed housing entities and the Department of Hawaiian Home Lands.⁴²
- **fee-for-service model.** One of three funding components in the Housing Stability Counseling Program's payment structure to grantees. This model made reimbursements to grantees for the actual services provided through three counseling levels. The fee-for-service model paid for the program's direct housing counseling services.
- **grantee.** Entities that were eligible to apply for the Housing Stability Counseling Program. Grantees included NeighborWorks network organizations, state housing finance agencies, and US Department of Housing and Urban Development–approved housing counseling intermediaries. Grantees received direct awards from NeighborWorks America and, as

necessary, distributed the grants to a network of affiliated housing counseling agencies (NeighborWorks America 2021).

- **Homeowner Assistance Fund (HAF).** Passed as part the American Rescue Plan Act, HAF allocated \$10 billion to the US Treasury Department to provide monetary support to homeowners at risk of foreclosure during the COVID-19 pandemic. The Treasury Department then distributed funding to housing finance agencies to administer their programs at the state level. As of June 2024, HAF has supported nearly 550,000 homeowners.⁴³
- **housing finance agency (HFA).** Public-chartered organizations that broadly finance and support affordable housing at the state level. Housing finance agencies could apply to the Housing Stability Counseling Program as direct grantees and oversee a network of affiliate housing counseling agencies in their states.⁴⁴
- **intermediary.** A nonprofit organization that oversees a network of housing counseling agencies.⁴⁵ Intermediaries must be approved by the US Department of Housing and Urban Development and were eligible to apply as direct grantees. A full list of Housing Stability Counseling Program intermediaries can be found at NeighborWorks America (n.d.).
- **moratoriums.** A combination of local, state, and federal postponements on new and ongoing foreclosures or evictions that coincided with the Housing Stability Counseling Program's rollout. In March 2020, the congressional Coronavirus Aid, Relief, and Economic Security Act installed a moratorium on foreclosures on government-backed mortgages and evictions in publicly subsidized housing, and the Centers for Disease Control and Prevention expanded these moratoriums nationwide through August 2021 (NLIHC 2021).⁴⁶ Several state and local initiatives provided additional support to renters and homeowners.
- **National Foreclosure Mitigation Counseling (NFMC) Program.** A congressionally created program that NeighborWorks America administered from 2007 to 2018. With \$853 million in funding appropriated by Congress, the program supported more than 2 million homeowners at risk of foreclosure by expanding counseling services. The Housing Stability Counseling Program's structure aligned with NFMC, including the leveled sessions and grantee-subgrantee networks (Sally et al. 2019).
- **NeighborWorks America.** A congressionally chartered nonpartisan nonprofit corporation that serves a national network of nonprofit organizations dedicated to supporting affordable housing and community development initiatives. Founded by Congress in 1978, NeighborWorks America receives an annual appropriation for its core ongoing work and

received specific federal funding to administer the National Foreclosure Mitigation Counseling program and the Housing Stability Counseling Program.⁴⁷

- **online reporting system.** The portal Housing Stability Counseling Program grantees used to upload program clients to NeighborWorks America. Grantees could upload an Excel template from CounselorMax into the online reporting system.⁴⁸
- **operational oversight funding.** One of three components in the Housing Stability Counseling Program's payment structure to grantees, operational oversight funding was available only to intermediaries and state housing finance agencies. The program supported these grantees with 7 percent of their award to help grantees monitor their network's program implementation.
- **program-related support (PRS).** One of three funding components in the Housing Stability Counseling Program's payment structure to grantees. The program provided up to 30 percent of the award as up-front funding to help grantees and subgrantees build capacity to meet demand. Organizations could use this funding to implement program systems, purchase new technology and equipment, participate in NeighborWorks America-sponsored trainings, and more.
- **subgrantee.** A housing counseling agency or nonprofit organization that participates as a member of a grantee's network (NeighborWorks America 2021). More often than a grantee, subgrantees directly administer housing counseling services and have more direct interactions with clients.
- **targeted geographic areas.** NeighborWorks America's strategy to reach its targets for serving households of color and low-income households, which included 25 percent of counties nationwide with the highest share of housing cost-burdened residents (i.e., spending 30 percent or more of their income on housing) or socially vulnerable households (NeighborWorks America 2021).

Notes

- ¹ “Trends in United States COVID-19 Deaths, Emergency Department (ED) Visits, and Test Positivity by Geographic Area,” Centers for Disease Control and Prevention, accessed February 12, 2025, https://covid.cdc.gov/covid-data-tracker/#trends_select_testpositivity_00; and “Unemployment Rate,” Federal Reserve Bank of St. Louis, last updated February 7, 2025, <https://fred.stlouisfed.org/series/UNRATE>.
- ² Congress authorized NeighborWorks America to spend or grant HSCP funds between October 1, 2022, and September 30, 2025. But most funds have been distributed as of November 2024. The data in this report cover services and spending reported through July 31, 2024 (rounds 1 and 2) except where otherwise noted. Counseling activity occurring after July 31, 2024 (round 3) was not significant and did not materially change the bulk of our findings.
- ³ The US Department of Housing and Urban Development has a network of approved intermediaries operating at the national, regional, and state levels to oversee and support housing counseling agencies that participate in the US Department of Housing and Urban Development’s Housing Counseling Program. Intermediary organizations include state housing finance agencies, multistate organizations, and regional and national intermediaries that operate at the national, regional, and state levels to oversee and support networks of housing counseling agencies. Intermediaries are responsible for overseeing a network of housing counseling agencies that deliver housing counseling services. For a list of grantees initially participating in HSCP, see NeighborWorks America, “Housing Stability Counseling Program 2021 Grantees” (Washington, DC: NeighborWorks America, n.d.).
- ⁴ Affiliates chartered by NeighborWorks America are independent nonprofit organizations. In this report, we refer to them as NeighborWorks network organizations.
- ⁵ ARPA limited NeighborWorks network organizations to 15 percent of the grant awards. NeighborWorks America complied with this provision.
- ⁶ See appendix B.
- ⁷ NeighborWorks America, “NeighborWorks America Launches New Housing Counseling Program with \$100 Million Available through the American Rescue Plan,” press release, May 27, 2021, <https://www.neighborworks.org/press-releases/neighborworks-america-launches-new-housing-counseling-program>.
- ⁸ NeighborWorks America, “NeighborWorks America Housing Stability Counseling Program (HSCP) Awards More Than \$88 Million in Grants to 131 Awardees,” press release, September 9, 2021, <https://www.stablecommunities.org/press-releases/neighborworks-america-housing-stability-counseling-program-awards-more-than-88-million-in-grants>.
- ⁹ Anne Kat Alexander and Sarah Lee, “Preliminary Analysis: A Year of Eviction Moratoria,” Eviction Lab, March 29, 2021, <https://evictionlab.org/one-year-of-eviction-moratoria/>.
- ¹⁰ “Emergency Rental Assistance Program: Public Data,” US Treasury Department, accessed February 20, 2025, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/public-data>.
- ¹¹ See <https://www.stablecommunities.org/HSCP>.
- ¹² “Housing Counseling Program Outcomes Archived Data Displays: FY 2021 and Prior,” US Department of Housing and Urban Development, accessed February 12, 2025, <https://www.hudexchange.info/programs/housing-counseling/9902/archive/>.

- ¹³ Peter Hepburn, Jacob Hass, Nick Graetz, Renee Louis, Devin Q. Rutan, Anne Kat Alexander, Jasmine Rangel, Olivia Jin, Emily Benfer, and Matthew Desmond, “COVID-Era Policies Cut Eviction Filings by More Than Half,” Eviction Lab, May 3, 2023, <https://evictionlab.org/covid-era-policies-cut-eviction-filings-by-more-than-half/>.
- ¹⁴ HAF guidance released by the Treasury Department states that 5 percent of the HAF funding received by each participant could be used for counseling or educational efforts—by housing counseling agencies approved by HUD or a tribal government—or legal services, targeted to households eligible to be served with HAF funding related to foreclosure prevention or displacement (US Treasury Department 2023).
- ¹⁵ *Alabama Association of Realtors et al. v. Department of Health and Human Services*, 594 U.S. 758 (2020).
- ¹⁶ The CDC eviction moratorium was limited to renters with individual incomes up to \$99,000 or joint incomes up to \$198,000, who attested that they could not pay their rent because of job loss, a reduction in income, or medical expenses; were doing their best to make partial payments; and would likely become homeless if they were evicted. See *Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19*, 85 Fed. Reg. 55292 (Sept. 4, 2020).
- ¹⁷ Laurie Goodman, Jung Hyun Choi, and Daniel Pang, “Renters Have Weathered the Pandemic Better Than Expected, but Situations Are Worsening for Those with Low Incomes,” *Urban Wire* (blog), Urban Institute, January 13, 2023, <https://www.urban.org/urban-wire/renters-have-weathered-pandemic-better-expected-situations-are-worsening-those-low>.
- ¹⁸ See also Claudia D. Solari, “How Big Is the Problem of Housing Insecurity? What We Learned from the District of Columbia,” Housing Matters, Urban Institute, January 24, 2024, <https://housingmatters.urban.org/articles/how-big-problem-housing-insecurity>; and “Describing the Distribution of Emergency Rental Assistance Funds to Those Who Need and Qualify for It: A Descriptive Study of the First-Ever Nationwide Eviction Prevention Program,” General Services Administration, Office of Evaluation Sciences, accessed February 13, 2025, <https://oes.gsa.gov/projects/era-equity/>.
- ¹⁹ The ERA terms posted by the Treasury Department state that administrative expenses, up to 10 percent of the total ERA award amount, can be used for “housing stability services” (US Treasury Department 2021). An FAQ later clarifies that housing counseling counts as a housing stability service. See “Emergency Rental Assistance Program: FAQs,” US Treasury Department, last updated December 4, 2024, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/faqs>.
- ²⁰ Laurie Goodman and Jung Hyun Choi, “Landlords and Tenants Need More Information on Rental Assistance and Eviction Moratorium Policies,” *Urban Wire* (blog), Urban Institute, March 9, 2021, <https://www.urban.org/urban-wire/landlords-and-tenants-need-more-information-rental-assistance-and-eviction-moratorium-policies>; and Jung Hyun Choi, Laurie Goodman, and Jun Zhu, “We Must Act Quickly to Protect Millions of Vulnerable Renters,” *Urban Wire* (blog), Urban Institute, March 25, 2020, <https://www.urban.org/urban-wire/we-must-act-quickly-protect-millions-vulnerable-renters>.
- ²¹ NeighborWorks America distributed funding in four disbursements. **In the first disbursement**, grantees received 35 percent of their counseling award, 70 percent of their PRS funding, and 35 percent of operational oversight. After grantees billed enough sessions to match that initial 35 percent disbursement, NeighborWorks distributed **a second disbursement**. Grantees would receive 30 percent of their funding for counseling services, 30 percent of their operational oversight, and their remaining PRS funding. After grantees billed enough sessions to match 65 percent of their total award, NeighborWorks distributed **a third disbursement** of 30 percent for counseling services and 30 percent of operational oversight. Once the grantee billed enough sessions to match their total award, NeighborWorks distributed **a fourth disbursement** with the remaining 5 percent of counseling funding.
- ²² **Voluntary withdrawal** occurred when grantees determined they could not meet their goals, and they could request to end their contract or agreement. NeighborWorks America calculated the production against the fee for service, PRS, and operational oversight, if applicable, to determine how much of the award the grantee could

keep. As of September 2024, 17 grantees had fully withdrawn and another 3 had partially deobligated funds to right-size. **Inadequate production** was when NeighborWorks determined that grantees were not making adequate progress. To monitor this, grantees had to meet 65 percent of their overall production targets or 50 percent of the extended production targets when the program was extended. Twenty-five grantees had funds deobligated or recaptured; six had funds deobligated or recaptured at the end of the original program extension, and three had funds deobligated or recaptured at the end of the reallocation period. NeighborWorks reallocated unspent and unallocated funds to eligible grantees to ensure counseling was still available in areas of need. **Quality control and compliance testing** were based on NeighborWorks' oversight throughout HSCP and compliance testing from a third-party audit firm, which completed testing in fall 2024. Funds could also be deobligated or recaptured if there were variances in program reporting not approved by NeighborWorks, but as of September 2024, no funds had been recaptured for this reason. Grantees will also be required to have funds deobligated or recaptured at the end of the grant period if funds are left over.

- ²³ “Course Details: HO031 Building a Crisis Response for Rental Counseling and Eviction Prevention—Interactive Webinar Training,” NeighborWorks America, accessed February 11, 2025, <https://www.neighborworks.org/course/ho031>. A full list of NeighborWorks courses can be found at “Course Listing,” NeighborWorks America, accessed February 12, 2025, <https://www.neighborworks.org/Training-Services/Training-Professional-Development/Course-Listing?course=HO>.
- ²⁴ The microsite that NeighborWorks America set up for HSCP was accessible at “Resources for Housing Counselors and Grantees,” Housing Stability Counseling Program, accessed February 11, 2025, <https://www.stablecommunities.org/HSCP/Resources>. But with the wind-down of HSCP, the microsite will be archived in spring 2025. Some of the materials, forms, and training will migrate to <https://www.neighborworks.org/>.
- ²⁵ During the foreclosure crisis, 1-800-HOPE-NOW was set up to refer clients to housing counseling agencies in their area. The HOPE hotline and website were maintained by the Homeownership Preservation Foundation with support from HUD and the Treasury Department. There was no similar centralized phone number for HSCP services other than the general HUD “find a counselor” phone number: (800) 569-4287.
- ²⁶ Examples of changes made to the flagging system included (1) removing the flag if the income was less than \$10,000, (2) removing the flag if the housing payment made up more than 70 percent of income, or (3) updating duplicate flags to count multiple clients from the same household or address. NeighborWorks America addressed many of these concerns early in the program.
- ²⁷ The microsite that NeighborWorks America set up for HSCP was accessible at “Resources for Housing Counselors and Grantees,” Housing Stability Counseling Program, accessed February 11, 2025, <https://www.stablecommunities.org/HSCP/Resources>. But with the wind-down of HSCP, the microsite will be archived in the spring of 2025. Some of the materials, forms, and training will migrate to <https://www.neighborworks.org/>.
- ²⁸ HSCP reached 91,443 households, more than an estimated 70,800 because counselors performed more level 1 sessions than level 2 sessions.
- ²⁹ Sean M. Smith, Roxanna Edwards, and Hao C. Duong, “Unemployment Rises in 2020, as the Country Battles the COVID-19 Pandemic,” Bureau of Labor Statistics, accessed February 13, 2025, <https://www.bls.gov/opub/mlr/2021/article/unemployment-rises-in-2020-as-the-country-battles-the-covid-19-pandemic.htm>.
- ³⁰ NeighborWorks America did not track subgrantees after the initial grant allocation.
- ³¹ “Household Pulse Survey: Measuring Emergent Social and Economic Matters Facing U.S. Households,” US Census Bureau, December 19, 2024, <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>.

- ³² Jung Hyun Choi, Elizabeth Burton, and Kathryn Reynolds, “High Rents Are Posing Financial Challenges for Renters at All Income Levels,” *Urban Wire* (blog), Urban Institute, May 1, 2024, <https://www.urban.org/urban-wire/high-rents-are-posing-financial-challenges-renters-all-income-levels>.
- ³³ Jung Hyn Choi and Danile Pang, “Six Facts You Should Know about Current Mortgage Forbearances,” *Urban Wire* (blog), Urban Institute, August 18, 2020, <https://www.urban.org/urban-wire/six-facts-you-should-know-about-current-mortgage-forgiveness>.
- ³⁴ The counselors could choose “outcome not yet achieved/unknown” as one of the results of HSCP counseling.
- ³⁵ Secondary outcomes were not always reported, and counselors selected the “not applicable” category. In rare cases where the primary outcome variable was reported as “outcome not yet achieved/unknown” but the secondary outcome variable reported specific outcomes, we moved the clients out from the “outcome not yet achieved/unknown” group.
- ³⁶ The counselors could choose “outcome not yet achieved/unknown” as one of the results of HSCP counseling.
- ³⁷ Daniel Pang, Jung Hyun Choi, and Laurie Goodman, “Emergency Rental Assistance Is Not Reaching Tenants with the Lowest Incomes Fast Enough,” *Urban Wire* (blog), Urban Institute, March 9, 2022, <https://www.urban.org/urban-wire/emergency-rental-assistance-not-reaching-tenants-lowest-incomes-fast-enough>.
- ³⁸ Office of the New York State Attorney General, “Consumer Alert: Attorney General James Issues Alert to Protect New York Homeowners from Deceptive Practices,” press release, January 10, 2022, <https://ag.ny.gov/press-release/2022/consumer-alert-attorney-general-james-issues-alert-protect-new-york-homeowners>.
- ³⁹ Peter Hepburn, Danny Grubbs-Donovan, and Grace Hartley, “Preliminary Analysis: Eviction Filing Patterns in 2023,” Eviction Lab, April 22, 2024, <https://evictionlab.org/ets-report-2023/>.
- ⁴⁰ “Emergency Rental Assistance Program,” US Treasury Department.
- ⁴¹ “Resources for Housing Counselors and Grantees,” Housing Stability Counseling Program, accessed February 13, 2025, <https://www.stablecommunities.org/HSCP/Resources>.
- ⁴² “Emergency Rental Assistance Program,” US Treasury Department, accessed February 13, 2025, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>.
- ⁴³ “Homeowner Assistance Fund,” US Treasury Department, accessed February 13, 2025, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund>.
- ⁴⁴ “About HFAs,” National Council of State Housing Agencies, accessed February 13, 2025, <https://www.ncsha.org/about-us/about-hfas/>.
- ⁴⁵ “Housing Counseling HUD-Approved Intermediaries and State Housing Finance Agencies,” US Department of Housing and Urban Development, accessed February 13, 2025, <https://www.hudexchange.info/programs/housing-counseling/intermediaries-shfa/>.
- ⁴⁶ “CARES Act,” National Housing Law Project, May 28, 2024, <https://www.nhlp.org/covid/federal-eviction-moratorium-the-cares-act/>.
- ⁴⁷ “FOIA,” NeighborWorks America, accessed February 13, 2025, <https://www.neighborworks.org/About-Us/Public-Policy/FOIA>.
- ⁴⁸ “Resources for Housing Counselors and Grantees,” Housing Stability Counseling Program.

References

- Aiken, Claudia, Ingrid Gould Ellen, and Vincent Reina. 2023. "Administrative Burdens in Emergency Rental Assistance Programs." *RSF: The Russell Sage Foundation Journal of the Social Sciences* 9 (5): 100–21. <https://doi.org/10.7758/RSF.2023.9.5.05>.
- Aiken, Claudia, Isabel Harner, Vincent Reina, Andrew Aurand, and Rebecca Yae. 2021. "Treasury Emergency Rental Assistance Programs in 2021: Preliminary Analysis of Program Features and Spending Performance." Philadelphia: Housing Initiative at Penn.
- Aiken, Claudia, Isabel Harner, Vincent Reina, Andrew Aurand, and Rebecca Yae. 2022. "Emergency Rental Assistance (ERA) during the Pandemic: Implications for the Design of Permanent ERA Programs." Philadelphia: Housing Initiative at Penn.
- Airgood-Obrycki, Whitney, Ben Demers, Solomon Greene, Chris Herbert, Alexander Hermann, David Luberoff, and Sophia Wedeen. 2021. *Renters' Responses to Financial Stress during the Pandemic*. Cambridge, MA: Joint Center for Housing Studies of Harvard University.
- Boshart, Abby, and Olivia Fiol. 2023. "Stabilizing Renters in the Postpandemic Environment." Washington, DC: Urban Institute.
- Choi, Jung Hyun, Laurie Goodman, and Daniel Pang. 2022. "Navigating Rental Payment and Eviction Data during the Pandemic: What Have We Learned, and What Do We Need to Know?" Washington, DC: Urban Institute.
- de la Campa, Elijah. 2021. *The Impact of COVID-19 on Small Landlords: Survey Evidence from Albany and Rochester, New York*. Cambridge, MA: Joint Center for Housing Studies of Harvard University.
- Galvez, Martha M., Camille H. Anoll, and Abby Boshart. 2021. "Housing Counseling to Support Renters in Crisis." Washington, DC: Urban Institute.
- Goodman, Laurie, and Jun Zhu. 2024a. *Improvements in the Loss Mitigation Toolkit Can Allow for Enhanced Access to Credit*. Washington, DC: Urban Institute.
- Goodman, Laurie, and Jun Zhu. 2024b. *Estimated Number of Loans Saved during the COVID-19 Pandemic Attributable to Improved Loss Mitigation*. Washington, DC: Urban Institute.
- Graetz, Nick, Carl Gershenson, Peter Hepburn, Sonya R. Porter, Danielle H. Sandler, and Matthew Desmond. 2023. "A Comprehensive Demographic Profile of the US Evicted Population." *PNAS* 120 (41): e2305860120. <https://doi.org/10.1073/pnas.2305860120>.
- Hartarska, Valentina, and Claudio Gonzales-Vega. 2006. "Evidence on the Effect of Credit Counseling on Mortgage Loan Default by Low-Income Households." *Journal of Housing Economics* 15 (1): 63–79. <https://doi.org/10.1016/j.jhe.2006.02.002>.
- Housing Initiative at Penn. 2020. "Oakland Renter and Landlord Survey Analysis." Philadelphia: Housing Initiative at Penn.
- Housing Partnership Network. 2021. "The Pivotal Role of Nonprofits in Emergency Rental Assistance Delivery." Boston: Housing Partnership Network.
- Kathryn Reynolds, Leiha Edmonds, and Erika Poethig. 2019. *Innovative Financing Approaches for Affordable Rental Housing in the Chicago Region*. Washington, DC: Urban Institute.
- Kneebone, Elizabeth. 2024. "Assessing the Durability of COVID-Era Capacity Gains among Community-Based Organizations: Lessons from the Emergency Rental Assistance Program." San Francisco: Federal Reserve Bank of San Francisco.

- Lake, Jacob. 2020. "The Pandemic Has Exacerbated Housing Instability for Renters of Color." Washington, DC: Center for American Progress.
- Li, Wei, Bing Bai, Laurie Goodman, and Jun Zhu. 2016. *NeighborWorks America's Homeownership Education and Counseling: Who Receives It and Is It Effective?* Washington, DC: Urban Institute.
- Low, David. 2022. *What Triggers Mortgage Default? New Evidence from Linked Administrative and Survey Data.* Washington, DC: Consumer Financial Protection Bureau.
- Mayer, Neil S., and Kenneth Temkin. 2013. *Pre-Purchase Counseling Impacts on Mortgage Performance: Empirical Analysis of NeighborWorks America's Experience.* Washington, DC: NeighborWorks America.
- McCarty, Maggie, and Libby Perl. 2021. "Federal Eviction Moratoriums in Response to the COVID-19 Pandemic." Washington, DC: Congressional Research Service.
- Moulton, Stephanie, Yung Chun, Stephanie Pierce, Holly Holtzen, Roberto Quercia, and Sarah Riley. 2020. *Does Temporary Mortgage Assistance for Unemployed Homeowners Reduce Longer Term Mortgage Default? An Analysis of the Hardest Hit Fund Program.* New York: SSRN.
- Moulton, Stephanie, J. Michael Collins, Caezilia Loibl, and Anya Samak. 2015. "Effects of Monitoring on Mortgage Delinquency: Evidence from a Randomized Field Study." *Journal of Policy Analysis and Management* 34 (1): 184–207. <https://doi.org/10.1002/pam.21809>.
- National League of Cities. 2023. "Incentivizing Landlords to Advance Eviction Prevention." Stanford, CA: Stanford Law School, Legal Design Lab.
- Neal, Michael, and Daniel Pang. 2021. *How Newark, New Jersey, Provides a Template for Targeting the Homeowner Assistance Fund.* Washington, DC: Urban Institute.
- NeighborWorks America. 2021. "Housing Stability Counseling Program." Washington, DC: NeighborWorks America.
- NeighborWorks America. n.d. "Housing Stability Counseling Program 2021 Grantees." Washington, DC: NeighborWorks America.
- NLIHC (National Low Income Housing Coalition). 2021. "Federal Moratorium on Evictions for Nonpayment of Rent." Washington, DC: NLIHC.
- OPDR (Office of Policy Development and Research). 2024. *Rental Counseling and Evictions: Results from a Survey and Listening Session with Housing Counseling Providers.* Washington, DC: US Department of Housing and Urban Development, OPDR.
- Pang, Daniel. 2024. *Landlords and Tenants of Two-to-Four-Unit Buildings in Chicago.* Washington, DC: Urban Institute.
- Peck, Laura R., Shawn Moulton, Debbie Bocain, and Donna Gruenstein DeMarco. 2021. "At-a-Glance Six-Year Findings from HUD's First-Time Homebuyer Education and Counseling Demonstration." Washington, DC: US Department of Housing and Urban Development.
- Quercia, Roberto, and Jonathan Spader. 2008. "Does Homeownership Counseling Affect the Prepayment and Default Behavior of Affordable Mortgage Borrowers?" *Journal of Policy Analysis and Management* 27 (2): 304–25.
- Quercia, Roberto, and Spencer M. Cowan. 2008. "The Impacts of Community-Based Foreclosure Prevention Programs." *Housing Studies* 23 (3): 461–83. <https://doi.org/10.1080/02673030802020627>.
- RADAR Group. 2023. "Examining Resolution of Mortgage Forbearances and Delinquencies—First Quarter 2023." Philadelphia: Federal Reserve Bank of Philadelphia.
- Scally, Corianne Payton, Camille H. Anoll, Jung Hyun Choi, Patrick Spauster, Leah Hendey, Diane K. Levy, and Bing Bai. 2019. *Responding to a Crisis: The National Foreclosure Mitigation Counseling Program, 2008-2018.* Washington, DC: Urban Institute.

- Schuetz, Jenny, Vicki Been, and Ingrid Gould Ellen. 2008. "Neighborhood Effects of Concentrated Mortgage Foreclosures." *Journal of Housing Economics* 17 (4): 306–19. <https://doi.org/10.1016/j.jhe.2008.09.004>.
- US Treasury Department. 2021. "Emergency Rental Assistance." Washington, DC: US Treasury Department.
- US Treasury Department. 2023. "Homeowner Assistance Fund Guidance." Washington, DC: US Treasury Department.
- Walsh, John, Gideon Berger, Janneke Ratcliffe, and Sarah Gerecke. 2020. "Increasing Rental Counseling Capacity and Awareness as a Prescription for COVID-19." Washington, DC: Urban Institute.
- Wong, Kristin. 2021. "Housing Insecurity and the COVID-19 Pandemic." Washington, DC: Consumer Financial Protection Bureau.

About the Authors

The authors are listed alphabetically, and all contributed equally to the report.

Jung Hyun Choi is a principal research associate in the Housing Finance Policy Center at the Urban Institute. She studies urban inequality, focusing on housing, urban economics, real estate finance, and disadvantaged populations in the housing market. Before joining Urban, Choi was a postdoctoral scholar at the University of Southern California Price Center for Social Innovation, where her research examined innovative housing and social policies to enhance quality of life for low-income households. Choi holds a PhD in public policy and management from the Price School of Public Policy at the University of Southern California.

Sarah Gerecke is a nonresident fellow in the Housing Finance Policy Center, an adjunct professor of urban planning at New York University, and principal at SSG Community Solutions. Previously, she was the deputy assistant secretary of the US Department of Housing and Urban Development's Office of Housing Counseling (2011–19) and CEO of Neighborhood Housing Services of New York City (2001–09).

Matthew Pruitt is a research assistant in the Housing Finance Policy Center. His research focuses on racial disparities in local housing markets and initiatives to promote housing stability for renters and homeowners. Pruitt graduated magna cum laude from Boston University with a degree in political science.

Janneke Ratcliffe is vice president for the Housing and Communities Division and leads the Housing Finance Policy Center at the Urban Institute. Ratcliffe came to Urban from the Consumer Financial Protection Bureau, where she served as assistant director, leading its Office of Financial Education. Previously, she was executive director of the University of North Carolina Center for Community Capital. Ratcliffe is a graduate of the University of North Carolina at Chapel Hill, where she studied economics and French.

Mark Treskon is a principal research associate in the Housing and Communities Division, with his research agenda focused on housing policies and programs, financial capability, and civic assets. Treskon has published peer-reviewed articles and book chapters on community-based planning, home

lending policy advocacy, and the arts economy. Treskon has a bachelor's degree in geography from the University of Chicago, a master's degree in urban planning from the University of Toronto, and a doctoral degree in sociology from New York University.

Katie Visalli is a research analyst in the Housing Finance Policy Center. Her recent work focuses on loss mitigation, LGBTQ+ homeownership, and housing market trends via the *At a Glance* monthly chartbook. Visalli graduated magna cum laude with research distinction from the Ohio State University with a BA in philosophy, politics, and economics.

John Walsh is a research associate in the Housing Finance Policy Center. Before joining Urban, he interned with the US Department of Housing and Urban Development in the financial management division. Walsh graduated from Indiana University's School of Public and Environmental Affairs with a degree in policy analysis, a minor in economics, and a certificate in applied research and inquiry. As a senior, he coauthored his thesis on the Community Reinvestment Act and its impact on mortgage outcomes during the 2008 economic recession.

STATEMENT OF INDEPENDENCE

The Urban Institute strives to meet the highest standards of integrity and quality in its research and analyses and in the evidence-based policy recommendations offered by its researchers and experts. We believe that operating consistent with the values of independence, rigor, and transparency is essential to maintaining those standards. As an organization, the Urban Institute does not take positions on issues, but it does empower and support its experts in sharing their own evidence-based views and policy recommendations that have been shaped by scholarship. Funders do not determine our research findings or the insights and recommendations of our experts. Urban scholars and experts are expected to be objective and follow the evidence wherever it may lead.



500 L'Enfant Plaza SW
Washington, DC 20024

www.urban.org