



## Legislation Text

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Respectfully urging Congress to provide adequate federal funding provided for housing counseling, namely \$60 million for the HUD Housing Counseling Assistance Program and \$40 million for the Neighborhood Reinvestment Corporation's National Foreclosure Mitigation Counseling (NFMCC) Program, which are critical to ensuring that HUD-approved housing counseling agencies can continue to serve families in need in the City of Philadelphia and across the country.

WHEREAS, Last year alone, more than 1.3 million households received assistance from Department of Housing and Urban Development (HUD) -approved housing counseling agencies; and

WHEREAS, The services HUD-approved housing counseling agencies provide are essential to meeting the housing needs of families in communities, including preparing first-time homebuyers for the financial commitment of homeownership, helping homeowners to resolve mortgage delinquencies and avoid foreclosure, helping renters find affordable rental options, and working with senior citizens to help them stay in their houses; and

WHEREAS, Federal funding for housing counseling has steadily declined in recent years, with the HUD Housing Counseling Assistance Program appropriation declining from \$87.5 million dollars in FY 2010 to \$47 million in the current budget; and

WHEREAS, Funding for the NFMCC Program has similarly fallen steadily from \$180 million during the peak of the foreclosure crisis to \$40 million in the current budget, despite foreclosure and delinquency remaining major issues in many parts of the country; and

WHEREAS, These funding cuts have resulted in a significant decrease in the capacity of HUD-approved housing counseling agencies to provide services to the families who desperately need them; and

WHEREAS, The demand for pre-purchase counseling has been on the rise in recent years, increasing by 33 percent between FY 2013 and FY 2015, according to HUD; and

WHEREAS, Pre-purchase counselors successfully prepare families for responsible homeownership as research consistently demonstrates, including a 2013 study that looked at 75,000 mortgages, which found that borrowers who received pre-purchase counseling and education were one-third less likely to become seriously delinquent than similar borrowers who did not receive pre-purchase counseling and education; and

WHEREAS, Demand for default and delinquency counseling remains high, with more than 446,000 households - 46 percent of all counseling clients - seeking counseling to help resolve or prevent a mortgage delinquency or default in FY 2015; and

WHEREAS, The NFMCC Program has a proven track record of helping distressed homeowners to reach positive outcomes, as shown in the December 2014 report to Congress on the NFMCC Program found that NFMCC clients were nearly three times as likely to receive a loan modification cure than non-counseled homeowners and were

70 percent more likely than non-counseled homeowners to remain current after receiving a modification-outcomes that benefit the homeowner, the mortgage servicer, and the investor; and

WHEREAS, In addition to pre-purchase and foreclosure prevention counseling, HUD-approved housing counseling agencies provide a wide range of additional services, including Home Equity Conversion Mortgage (HECM, or reverse mortgage) counseling for senior citizens, rental counseling, pre-purchase homebuyer education workshops, and financial literacy workshops; and

WHEREAS, Federal funding for the HUD Housing Counseling Assistance and the NFMC Programs are important pieces of the operating budgets for HUD-approved housing counseling agencies; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That this Council does hereby respectfully urge Congress to provide adequate federal funding provided for housing counseling, namely \$60 million for the HUD Housing Counseling Assistance Program and \$40 million for the Neighborhood Reinvestment Corporation's National Foreclosure Mitigation Counseling (NFMC) Program, which is critical to ensuring that HUD-approved housing counseling agencies can continue to serve families in need in the City of Philadelphia and across the country.

FURTHER RESOLVED, That copy of this resolution be transmitted to Congress as evidence of the sentiments of this legislative body.