

**Housing and Community Development –  
Down Payment and Settlement Expense Loan Program  
Home Buyer Education Requirements  
February 27, 2020  
Position: FAVORABLE**

**RE: Support for SB 822**

**Dear Chairman Pinsky & Members of the Education, Health, and Environmental  
Affairs Committee:**

Housing Options & Planning Enterprises, Inc. (H.O.P.E) is a HUD certified Housing Counseling Agency, formed in 2005. Our mission is to ensure equal access to housing for all through counseling, education, advocacy and community revitalization. In 2019, 825 households participated in our homebuyers' education training; 482 group workshops and 343 online.

“HUD -approved Housing Counseling has been helping consumers across America make informed housing decisions for more than 50 years. Year after year, HUD-approved housing counseling is making a difference”<sup>1</sup>



\* Source - HUD Office of Housing Counseling - Housing Counseling by the Numbers\*

First-time homebuyers often are overwhelmed when making a major financial decision, such as, purchasing a home and are looking for financial advice. They often state in our homebuyer's education classes that they “wish they had taken the class first.” A major role of housing counseling is to guide them through the process and advise them on options which best fit their needs.

Pre-purchase counseling help individuals determine if they are ready for homeownership and connect them with safe, and affordable mortgage products. Both pre-purchase education and housing counseling are essential to assist low-median households achieve sustainable homeownership. How can DHCD program ensure sustainable homeownership if potential buyers are not required to take homebuyers education from an HUD Approved Counseling Agency? A third-party without a financial interest in the purchase outcome is a critical component to providing first-time homebuyer the resources and knowledge they need to make a wise decision.

<sup>1</sup> Housing Counseling Works (U.S. Department of Housing and Urban Development) - September 2017

CDN has requested total number of outputs or outcomes of “People Received DPA through Maryland Mortgage Program” for over 3 years. Additional data points maybe necessary to understand the impact of MMP to the market. *“According to our records, H.O.P.E. counseled 191 MMP homebuyers in 2019. It's a soft number, but it's more than any other local counseling agency.”* So who’s counseling the other MMP buyers? This should be made available to the public, the consumer should know they are being directed towards other entities instead of a HUD Approved Counseling Agency.

During the Foreclosure Crisis, the housing counseling agencies provide Mitigation Counseling, without our capacity being questioned. We have the capacity to provide the necessary one-on-one counseling to potential homebuyers. HUD has approved additional methods of counseling to include telephone and on-line services. Which will provide necessary coverage throughout the State of Maryland. In Q1 2017 Maryland was National Ranking #3 with 8,455 foreclosure events/activities. In Q4 of 2014, Maryland reported over 13,000 events. The Counseling Agencies provided one-on-one counseling to our clients as well as dealt with the internal process/bureaucracy of the servicers and investors. We can support the First-Time homebuyers through the process of being sustainable MMP homeowners!

Submitted by,  
Donna Hurley  
Executive Director  
Housing Options & Planning Enterprises, Inc.