

June 1, 2012

The Honorable Karen Bass
U.S. House of Representatives
408 Cannon House Office Building
Washington, DC 20515

Dear Congresswoman Bass:

On behalf of the undersigned Coalition of Housing Counseling Intermediaries, we are writing in support of the Home Ownership Preservation Education (HOPE) Act. that incentivizes pre-purchase counseling for first-time homebuyers. June is homeownership month and there is no better time to acknowledge the positive impact housing counselors have on helping homeowner's access sustainable homeownership opportunities.

Housing counselors help homeowners navigate the complicated home buying process by exploring all potential financing options, which puts homeowners in the best position to achieve a sustainable home loan. Since 2006, HUD approved counseling agencies have provided pre-purchase counseling and education to more than 2.5 million households of which nearly 600,000 purchased homes or became mortgage ready. In a recent study by HUD, of those who became homeowners after participating in pre-purchase counseling, only one fell behind on their mortgage payments within 18 months. A much improved outcome over prevailing delinquency rates within the general population. HUD's recent research findings adds to a building body of evidence that pre-purchase counseling reduces delinquencies and increases prepayments of loans. Other research studies conducted by the Joint Center for Housing Studies of Harvard University, the Urban Institute, Federal Reserve Board of Governors and the National Council on Aging have come to complementary conclusions to the HUD study.

It is clear that the more homeowners understand about the terms of their mortgage and explore all of the financing options available to them, the more likely they are to remain current on their loans. Pre-purchase counseling has proven to be one of the most effective methods in improving the financial capability of potential homeowners. Providing incentives for participating in housing counseling means more homeowners will be better prepared to buy their first home.

Our organizations commend you for acknowledging the benefits of housing counseling and offer our support for your bill to encourage more first-time homeowners to complete homeownership counseling programs delivered through HUD approved housing counseling agencies.

Sincerely,

Catholic Charities USA
ClearPoint Financial Solutions
Greenpath
HomeFree-USA
Homeownership Preservation Foundation (HPF)

Housing Action Illinois
Housing Partnership Network (HPN)
Mission of Peace National Corporation
National Coalition for Asian Pacific American Community Development (CAPACD)
National Community Reinvestment Coalition (NCRC)
National Federation of Community Development Credit Unions (CDCU)
National Foundation for Credit Counseling (NFCC)
National NeighborWorks Association (NNA)
National Urban League (NUL)
NID-Housing Counseling Agency (NID-HCA)
Rural Community Assistance Corporation (RCAC)
Springboard Nonprofit Consumer Credit Management, Inc