Introduction

California’s Fiscal Year 2020-21 State Budget directed $300 million in National Mortgage Settlement (NMS) funds to the California Housing Finance Agency (CalHFA) for housing counseling and mortgage assistance. Through its NMS Housing Counseling Program, CalHFA has allocated $73.5 million for HUD-certified housing counselors throughout the state to provide free, confidential counseling services to California residents who are in danger of eviction or foreclosure.

NMS Housing Counseling Program Details

CalHFA allocates NMS funds to participating housing counseling agencies (HCAs) through three HUD-approved Intermediaries: UnidosUS, HomeFree USA, and BALANCE. The HCAs are reimbursed $750 for a client’s first one-on-one counseling session, or up to $750 worth of legal services. An additional $750 will be allowed if the same client returns for a second one-on-one session or a more in-depth level of counseling is needed (i.e. loan modification assistance). The maximum per household limit is $1,500.

Intermediaries and HCAs also received funds upfront to be used for oversight, program support and capacity building. The upfront investment into building capacity is designed to improve and extend the life of the counseling services by ensuring that agencies can modernize their technology to accommodate more virtual meetings, have adequate staffing with updated training to improve customer service and expand the availability of languages offered.

Types of Services Provided

The HCAs provide counseling services that can be grouped into the following categories: services for the homeless, rental housing, mortgage delinquency, reverse mortgage, and homebuying (pre-purchase and post-purchase). The chart below shows how many clients received counseling in each of these categories during the first quarter of 2022:

![Chart showing types of services provided]

- Homebuying: 3,680
- Reverse Mortgage: 633
- Mortgage Delinquency: 1,638
- Rental Housing: 1,050
- Homeless Counseling: 54
- Chose not to respond: 0

Services for home owners/buyers: 3,680
Services for renters: 1,050
Services for the homeless: 54
Fund Disbursement Summary

In the first quarter of 2022, $6.98 million was disbursed. This brings the total disbursement to $39.4 million, which is 54% of the total funds designated for the NMS Housing Counseling program.

NMS Fund Allocations & Disbursements

In 2020, $50 million in funds was allocated through the NMS Housing Counseling Program. Of these funds, 89% has been designated for counseling services, 1% for one-time grants to nonparticipating HCAs, 5% for a Marketing and Coordination Set Aside to HCAs to expand their ability to reach and serve disadvantaged, underserved, and ethnically diverse communities, and, per legislation, the remaining 5% to CalHFA for program administrative fees.

In October 2021, the CalHFA Board of Directors approved an additional $23.5 million to be allocated towards the NMS Housing Counseling Program. Of these funds, 95% has been designated for counseling services and, per legislation, the remaining 5% to CalHFA for program administrative fees.

<table>
<thead>
<tr>
<th>ALLOCATED FUNDS</th>
<th>TOTAL FUNDS ALLOCATED</th>
<th>FUNDS DISBURSED JAN 1 – MAR 31 2022</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counseling Services</td>
<td>$66,725,000</td>
<td>$7,365,001</td>
<td>$37,058,251</td>
</tr>
<tr>
<td>One-Time Grants</td>
<td>$600,000</td>
<td>-</td>
<td>$200,000</td>
</tr>
<tr>
<td>Marketing and Coordination Set Aside</td>
<td>$2,500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Fees</td>
<td>$3,675,000</td>
<td>-</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$73,500,000</td>
<td>$7,365,001</td>
<td>$39,758,251</td>
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</tbody>
</table>
NMS Counseling Services Fund by Intermediary

In the first quarter of 2022, $7.4 million was distributed among the three Intermediaries for a combination of counseling fees and oversight fees, bringing the total disbursement to $37 million in funds to date as of March 31, 2022.

<table>
<thead>
<tr>
<th>NMS INTERMEDIARY</th>
<th>TOTAL FUNDS ALLOCATED</th>
<th>FUNDS DISBURSED FOR JAN 1 – MAR 31 2022</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>BALANCE</td>
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<tr>
<td>Counseling Fees</td>
<td>$23,892,758</td>
<td>$1,729,500</td>
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<tr>
<td>Capacity Building</td>
<td>$4,943,329</td>
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<td>$3,314,497</td>
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<tr>
<td>Oversight Fees</td>
<td>$4,119,441</td>
<td>$193,346</td>
<td>$1,795,354</td>
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<tr>
<td><strong>BALANCE TOTAL</strong></td>
<td><strong>$32,955,528</strong></td>
<td><strong>$1,922,846</strong></td>
<td><strong>$15,434,351</strong></td>
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<tr>
<td>HOMEFREE USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$15,951,358</td>
<td>$4,407,750</td>
<td>$13,225,500</td>
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<tr>
<td>Capacity Building</td>
<td>$3,300,281</td>
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<td>$2,009,673</td>
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<tr>
<td>Oversight Fees</td>
<td>$2,750,234</td>
<td>$117,231</td>
<td>$1,088,573</td>
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<tr>
<td><strong>HOMEFREE USA TOTAL</strong></td>
<td><strong>$22,001,873</strong></td>
<td><strong>$4,524,981</strong></td>
<td><strong>$16,323,746</strong></td>
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<tr>
<td>UNIDOS US</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$8,531,509</td>
<td>$839,250</td>
<td>$3,240,750</td>
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<tr>
<td>Capacity Building</td>
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<td>$1,335,830</td>
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<tr>
<td>Oversight Fees</td>
<td>$1,470,950</td>
<td>$77,924</td>
<td>$723,574</td>
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<tr>
<td><strong>UNIDOS US TOTAL</strong></td>
<td><strong>$11,767,599</strong></td>
<td><strong>$917,174</strong></td>
<td><strong>$5,300,154</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$66,725,000</strong></td>
<td><strong>$7,365,001</strong></td>
<td><strong>$37,058,251</strong></td>
</tr>
</tbody>
</table>

NOTE: Amounts are rounded to the nearest dollar.
To help CalHFA ensure that assistance is equitable and effective, HCAs are required to track demographic data, income levels, location and household size for each client. The charts below provide data on households that received counseling in the first quarter of 2022:

**Demographic Data**

Note: Charts may not add up to 100% due to rounding.
HCA Recipients of NMS Counseling Funds

In the first quarter of 2022, NMS funds were disbursed to the following HCAs as reimbursement for one-on-one counseling sessions.

Asian Law Alliance
Asian Incorporated
CCC Balance - San Francisco
Community Housing Council of Fresno
Community Housing Development Corporation
Consumer Credit Counseling Service of Maryland
CSA San Diego County
East LA Community Corporation
Fair Housing Foundation
Faith And Community Empowerment (FACE)
Fresno Interdenominational Refugee Ministries
Greater Sacramento Urban League
Greenpath Financial Wellness
Homeownership OC
Inland Empire Resource Center
Inland Fair Housing and Mediation Board
Korean Resource Center
Lutheran Social Services of Southern California
Mission Economic Development Agency (MEDA)
Money Management International
Montebello Housing Development Corporation
National Asian American Coalition (NAAC)
Navicore Solutions
Neighborhood Housing Services of the Inland Empire, Inc.
NeighborWorks HomeOwnership Center Sacramento Region
NeighborWorks LA
NeighborWorks Orange County
New Economics for Women
Orange County Community Housing Corporation
Project Sentinel
Richmond Neighborhood Housing Services Inc.
San Francisco Housing Development Corporation
San Francisco LGBT Community Center
Self-Help Enterprises
Shalom Center for T.R.E.E. of Life
UnidosUS Counseling Connection
Union of Pan Asian Communities
Urban League of San Diego County
USA Homeownership Foundation DBA Veterans Association of Real Estate Professionals
Visionary Home Builders of California, Inc.
West Angeles Community Development Corporation