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 $50 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 second quarter:
Fund Disbursement Summary

For the second quarter, which began April 1, 2021 and ended on June 30, 2021, $5.5 million was disbursed. This brings the total disbursement to $20.7 million, which is 41.4% of the $50 million designated for the NMS Housing Counseling program.

NMS Fund Allocations & Disbursements

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

<table>
<thead>
<tr>
<th>ALLOCATED FUNDS</th>
<th>TOTAL FUNDS ALLOCATED</th>
<th>FUNDS DISBURSED FOR 2ND QUARTER</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counseling Services</td>
<td>$44,400,000</td>
<td>$5,496,750</td>
<td>$18,021,000</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>$2,500,000</td>
<td>-</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$50,000,000</td>
<td>$5,496,750</td>
<td>$20,721,000</td>
</tr>
</tbody>
</table>

NOTE: This funding table was updated on 12/21/21 due to a reporting error. Corrections have been made accordingly to reflect accurate amounts.
NMS Counseling Services Fund by Intermediary

With $5.5 million distributed among the three Intermediaries for a combination of counseling fees and oversight fees during the second quarter, a total of $18 million in funds have been disbursed to these Intermediaries as of June 30, 2021.

<table>
<thead>
<tr>
<th>NMS INTERMEDIARY</th>
<th>TOTAL FUNDS ALLOCATED</th>
<th>FUNDS DISBURSED FOR 2ND QUARTER</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$16,020,070</td>
<td>$2,484,750</td>
<td>$4,507,500</td>
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<tr>
<td>Capacity Building</td>
<td>$3,314,497</td>
<td>-</td>
<td>$3,314,497</td>
</tr>
<tr>
<td>Oversight Fees</td>
<td>$2,762,081</td>
<td>$193,346</td>
<td>$1,215,316</td>
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<tr>
<td><strong>BALANCE TOTAL</strong></td>
<td><strong>$22,096,648</strong></td>
<td><strong>$2,678,096</strong></td>
<td><strong>$9,037,313</strong></td>
</tr>
<tr>
<td><strong>HOMEFREE USA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$9,713,418</td>
<td>$1,968,750</td>
<td>$3,315,000</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>$2,009,673</td>
<td>-</td>
<td>$2,009,673</td>
</tr>
<tr>
<td>Oversight Fees</td>
<td>$1,674,727</td>
<td>$117,231</td>
<td>$736,880</td>
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<tr>
<td><strong>HOMEFREE USA TOTAL</strong></td>
<td><strong>$13,397,818</strong></td>
<td><strong>$2,085,981</strong></td>
<td><strong>$6,061,553</strong></td>
</tr>
<tr>
<td><strong>UNIDOS US</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$6,456,512</td>
<td>$654,750</td>
<td>$1,096,500</td>
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<tr>
<td>Capacity Building</td>
<td>$1,335,830</td>
<td>-</td>
<td>$1,335,830</td>
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<tr>
<td>Oversight Fees</td>
<td>$1,113,192</td>
<td>$77,923</td>
<td>$489,804</td>
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<tr>
<td><strong>UNIDOS US TOTAL</strong></td>
<td><strong>$8,905,534</strong></td>
<td><strong>$732,673</strong></td>
<td><strong>$2,922,134</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$44,400,000</strong></td>
<td><strong>$5,496,750</strong></td>
<td><strong>$18,021,000</strong></td>
</tr>
</tbody>
</table>

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Demographic Data – 2nd Quarter

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 second quarter:

- **AGE**
  - < 30 Years: 18%
  - 30-39 Years: 10%
  - 40-49 Years: 17%
  - 50-59 Years: 17%
  - 60-69 Years: 16%
  - > 69 Years: 18%
  - Chose not to respond: 4%

- **RACE**
  - White: 64%
  - Black/African American: 34%
  - Asian American/Pacific Islander: 11%
  - American Indian/Alaskan Native: 2%
  - Other/Multiple Race: 3%
  - Chose not to respond: 1%

- **ETHNICITY**
  - Hispanic: 27%
  - Not Hispanic: 64%
  - Chose not to respond: 9%

- **LOCATION**
  - Northern CA: 37%
  - Southern CA: 37%
  - Central Valley / Bay Area: 25%

- **INCOME**
  - < 30% AMI: 22%
  - 30 - 49% AMI: 34%
  - 50 - 79% AMI: 11%
  - 80 - 100% AMI: 11%
  - > 100% AMI: 20%
  - Chose not to respond: 2%

- **HOUSEHOLD SIZE**
  - 1-2 people per household: 65%
  - 3-4 people per household: 25%
  - 5-6 people per household: 9%
  - 7+ people per household: 1%
  - Chose not to respond: 1%

Note: Charts may not add up to 100% due to rounding.
HCA Recipients of NMS Counseling Funds – 2nd Quarter

In the second quarter ending June 30, 2021, NMS funds were disbursed to the following HCAs as reimbursement for one-on-one counseling sessions.

A-1 Community Housing Services
Affordable Clearinghouse
Asian Incorporated
Asian Law Alliance
Catholic Charities of the Diocese of Santa Rosa
CCC Balance-San Francisco
Community Housing Development Corporation of North Richmond
Consumer Credit Counseling Service of Maryland
Community Housing Council
Credit.org
CSA San Diego County
East LA Community Corporation
Fair Housing Council of Riverside County, Inc.
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.
Neighborhood Partnership Housing Services
NeighborWorks HomeOwnership Center Sacramento Region
NeighborWorks LA
NeighborWorks Orange County
New Economics for Women
NID Housing Counseling Agency
Orange County Community Housing Corporation
Project Sentinel
Richmond Neighborhood Housing Services Inc.
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
Ventura County Community Development Corporation
Visionary Home Builders of California, Inc.
West Angeles Community Development