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 second quarter of 2022:
Fund Disbursement Summary

In the second quarter of 2022, $10.87 million was disbursed. This brings the total disbursement to $50.6 million, which is 68% 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 APR 1 – JUN 30 2022</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counseling Services</td>
<td>$66,725,000</td>
<td>$10,865,277</td>
<td>$47,923,527</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>$3,675,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$73,500,000</strong></td>
<td><strong>$10,865,277</strong></td>
<td><strong>$51,798,527</strong></td>
</tr>
</tbody>
</table>

In the second quarter of 2022, $10.87 million was disbursed. This brings the total disbursement to $50.6 million, which is 68% of the total funds designated for the NMS Housing Counseling program.
NMS Counseling Services Fund by Intermediary

In the second quarter of 2022, $10.9 million was distributed among the three Intermediaries for a combination of counseling fees and oversight fees, bringing the total disbursement to $50 million in funds to date as of June 30, 2022.

<table>
<thead>
<tr>
<th>NMS INTERMEDIARY</th>
<th>TOTAL FUNDS ALLOCATED</th>
<th>FUNDS DISBURSED FOR APR 1 – MAR 31 2022</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCE</strong></td>
<td></td>
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</tr>
<tr>
<td>Counseling Fees</td>
<td>$23,892,758</td>
<td>$2,876,320</td>
<td>$13,200,820</td>
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<tr>
<td>Capacity Building</td>
<td>$4,943,329</td>
<td>$1,628,831</td>
<td>$4,943,329</td>
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<tr>
<td>Oversight Fees</td>
<td>$4,119,441</td>
<td>$464,818</td>
<td>$2,260,172</td>
</tr>
<tr>
<td><strong>BALANCE TOTAL</strong></td>
<td>$32,955,528</td>
<td>$4,969,970</td>
<td>$20,404,321</td>
</tr>
<tr>
<td><strong>HOMEFREE USA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$15,951,358</td>
<td>$4,709,250</td>
<td>$17,934,750</td>
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<tr>
<td>Capacity Building</td>
<td>$3,300,281</td>
<td>-</td>
<td>$2,009,673</td>
</tr>
<tr>
<td>Oversight Fees</td>
<td>$2,750,234</td>
<td>$332,332</td>
<td>$1,420,905</td>
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<tr>
<td><strong>HOMEFREE USA TOTAL</strong></td>
<td>$22,001,873</td>
<td>$5,041,582</td>
<td>$21,365,328</td>
</tr>
<tr>
<td><strong>UNIDOS US</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Fees</td>
<td>$8,531,509</td>
<td>$704,250</td>
<td>$3,945,000</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>$1,765,140</td>
<td>-</td>
<td>$1,335,830</td>
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<tr>
<td>Oversight Fees</td>
<td>$1,470,950</td>
<td>$149,475</td>
<td>$873,050</td>
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<tr>
<td><strong>UNIDOS US TOTAL</strong></td>
<td>$11,767,599</td>
<td>$853,725</td>
<td>$6,153,880</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$66,725,000</td>
<td>$10,865,277</td>
<td>$47,923,529</td>
</tr>
</tbody>
</table>

NOTE: Amounts are rounded to the nearest dollar.
Demographic Data

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 of 2022:

**AGE**
- < 30 Years: 18%
- 30-39 Years: 22%
- 40-49 Years: 18%
- 50-59 Years: 12%
- 60-69 Years: 6%
- > 69 Years: 1%

**RACE**
- White: 39%
- Black/African American: 14%
- Asian American/Pacific Islander: 9%
- American Indian/Alaskan Native: 10%
- Other/Multiple Race: 5%
- Chose not to respond: 1%

**ETHNICITY**
- Hispanic: 74%
- Not Hispanic: 21%
- Chose not to respond: 5%

**LOCATION**
- Northern CA: 39%
- Southern CA: 59%
- Central Valley / Bay Area: 2%

**INCOME**
- < 30% AMI: 36%
- 30 - 49% AMI: 13%
- 50 - 79% AMI: 12%
- 80 - 100% AMI: 14%
- > 100% AMI: 2%
- Chose not to respond: 2%

**HOUSEHOLD SIZE**
- 1-2 people per household: 63%
- 3-4 people per household: 32%
- 5-6 people per household: 5%
- 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

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

Asian Incorporated
Asian Law Alliance
CCC Balance – San Francisco
Centro Familiar Nueva Esperanza
Community Housing Council
Community Housing Development Corp of North Richmond
Consumer Credit Counseling Service of Maryland and Delaware, Inc. (CCCSMD) – West Covina
CSA San Diego County
East LA Comm Corp
ECHO Housing
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 Corp

National Asian American Coalition (NAAC)
Navicore Solutions
Neighborhood HS of Inland Empire
NeighborWorks HO 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 Corp
San Francisco LGBT Community Center
Self-Help Enterprises
Shalom Center for TREE of Live
UnidosUS Counseling Connection
Union of Pan Asian Communities
Urban League of San Diego County
USA Homeownership Foundation dba Veterans Assoc of RE Professionals
Visionary Home Builders of California, Inc.
West Angeles Community Development