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 third quarter:
Fund Disbursement Summary

For the third quarter, which began July 1, 2021 and ended on September 30, 2021, $5.4 million was disbursed. This brings the total disbursement to $26.1 million, which is 52.2% 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 3RD QUARTER</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counseling Services</td>
<td>$44,400,000</td>
<td>$5,403,000</td>
<td>$23,424,000</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><strong>TOTAL</strong></td>
<td><strong>$50,000,000</strong></td>
<td><strong>$5,403,000</strong></td>
<td><strong>$26,124,000</strong></td>
</tr>
</tbody>
</table>
NMS Counseling Services Fund by Intermediary

With $5.4 million distributed among the three Intermediaries for a combination of counseling fees and oversight fees during the third quarter, a total of $23.4 million in funds have been disbursed to these Intermediaries as of September 30, 2021.

<table>
<thead>
<tr>
<th>NMS INTERMEDIARY</th>
<th>TOTAL FUNDS ALLOCATED</th>
<th>FUNDS DISBURSED FOR 3RD QUARTER</th>
<th>TOTAL FUNDS DISBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Counseling Fees</td>
<td>$16,020,070</td>
<td>$2,388,000</td>
<td>$6,895,500</td>
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<tr>
<td>Capacity Building</td>
<td>$3,314,497</td>
<td>-</td>
<td>$3,314,497</td>
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<tr>
<td>Oversight Fees</td>
<td>$2,762,081</td>
<td>$193,346</td>
<td>$1,408,662</td>
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<tr>
<td><strong>BALANCE TOTAL</strong></td>
<td>$22,096,648</td>
<td>$2,581,346</td>
<td>$11,618,659</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>$1,995,750</td>
<td>$5,310,750</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>$854,111</td>
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<tr>
<td><strong>HOMEFREE USA TOTAL</strong></td>
<td>$13,397,818</td>
<td>$2,112,981</td>
<td>$8,174,534</td>
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<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>$630,750</td>
<td>$1,727,250</td>
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<tr>
<td>Capacity Building</td>
<td>$1,335,830</td>
<td>-</td>
<td>$1,335,830</td>
</tr>
<tr>
<td>Oversight Fees</td>
<td>$1,113,192</td>
<td>$77,923</td>
<td>$567,727</td>
</tr>
<tr>
<td><strong>UNIDOS US TOTAL</strong></td>
<td>$8,905,534</td>
<td>$708,673</td>
<td>$3,630,807</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$44,400,000</td>
<td>$5,403,000</td>
<td>$23,424,000</td>
</tr>
</tbody>
</table>

- **Funds Disbursed 3rd Quarter**
- **Funds Disbursed Previous Quarters**
- **Funds Remaining**

**BALANCE**
- 47% Remaining

**HOMEFREE USA**
- 39% Remaining

**UNIDOS US**
- 59% Remaining
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 third quarter:

**Demographic Data – 3rd Quarter**

Note: Charts may not add up to 100% due to rounding.
HCA Recipients of NMS Counseling Funds – 3rd Quarter

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

- A-1 Community Housing Services
- Asian Law Alliance
- Asian Incorporated
- Balance Branches
- Catholic Charities of the Diocese of Santa Rosa
- Community Housing Council of Fresno
- Community Housing Development Corporation of North Richmond
- Consumer Credit Counseling Service of Maryland
- 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 Los Angeles County
- Neighborhood Housing Services of the Inland Empire, Inc.
- Neighborhood Partnership Housing Services
- NeighborWorks HomeOwnership Center Sacramento Region
- 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
- Ventura County Community Development Corporation
- Visionary Home Builders of California, Inc.
- West Angeles Community Development Corporation