

#### **IV. *Housing Counseling Suffers Major Budget Cuts***

##### **A. Introduction**

At a time when more than one in five mortgage borrowers owe more than the value of their home, Congress has decided to cut all \$88 million of the Office of Housing and Urban Development's ("HUD") housing counseling grant program.<sup>1</sup> This budget cut signals a significant shift from earlier emphasis on housing counseling in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). On July 21, 2010, as part of Dodd-Frank, Congress outlined the creation of the Office of Housing Counseling ("OHC") under the "Expand and Preserve Home Ownership Through Counseling Act."<sup>2</sup> The OHC's purpose was to help HUD respond to changing counseling needs and to provide a strong organizational structure to support the thousands of HUD-approved housing counseling agencies.<sup>3</sup> However, as a result of budget constraints, HUD lacks the funds to create the OHC and is struggling to provide funding for the HUD-approved agencies.<sup>4</sup> Although it is possible that Congress decided to cut funding for housing counseling because it questions housing counseling's effectiveness, there is strong

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<sup>1</sup> See Ben Hallman, *HUD Cuts to Devastate Mortgage Counseling Agencies Across Nation*, iWATCH (Sept. 28, 2011, 2:35 PM), [http://www.iwatchnews.org/2011/09/28/6759/hud-cuts-devastate-mortgage-counseling-agencies-across-nation/?utm\\_source=iwatchnews&utm\\_medium=site-features&utm\\_campaign=most-active](http://www.iwatchnews.org/2011/09/28/6759/hud-cuts-devastate-mortgage-counseling-agencies-across-nation/?utm_source=iwatchnews&utm_medium=site-features&utm_campaign=most-active) (stating that Congress's decision to cut housing counseling funding comes at a time when "[m]ore than one in five mortgage borrowers owe more on their mortgages than their homes are worth").

<sup>2</sup> 42 U.S.C.A. § 3533(g) (West 2011) ("There is established, in the Department, the Office of Housing Counseling.").

<sup>3</sup> See generally U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-11-925T, HOMEOWNERSHIP COUNSELING: ALTHOUGH RESEARCH SUGGESTS SOME BENEFITS, IMPLEMENTATION AND EVALUATION CHALLENGES EXIST (2011) [hereinafter *GAO Report*] (statement of Alicia Puente Cackley, Director Financial Markets and Community Investment) (summarizing the advantages of the Office of Housing Counseling).

<sup>4</sup> See *id.* at 12 ("Budget constraints could affect the establishment of the new counseling office and reduce the scale of HUD's housing counseling activities. Although the Dodd-Frank Act authorized \$45 million per year through 2012 for the operations of the new office, HUD had not received any appropriations for this purpose as of August 2011.").

evidence that post-purchase counseling (i.e., foreclosure mitigation counseling) is effective.<sup>5</sup> Nevertheless, agencies have developed cheaper alternatives to housing counseling in anticipation of budget cuts.<sup>6</sup>

### **B. The Role of Housing Counselors**

Housing counselors assist individuals throughout the mortgage process.<sup>7</sup> For example, housing counselors provide support to renters wanting to purchase a home, to homeowners seeking to avoid foreclosure or refinance their mortgage, to the homeless in need shelter and to low-to-moderate income renters seeking fair treatment.<sup>8</sup> As a result of the subprime mortgage crisis, the demand for pre-purchase counseling sharply dropped starting in 2005, whereas the demand for foreclosure mitigation counseling rapidly increased.<sup>9</sup> Pre-purchase counseling helps consumers “avoid inflated

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<sup>5</sup> See *GAO Report, supra* note 3, at 3 (“The limited body of literature on homeownership counseling does not provide conclusive findings on the impact of all types of homeownership counseling. Some studies suggest that foreclosure mitigation counseling can be effective in improving mortgage outcomes (e.g., remaining current on mortgage payments versus defaulting or losing the home to foreclosure). However, findings on prepurchase counseling are less clear.”).

<sup>6</sup> See NBC, *Government Launches Foreclosure Hotline*, KPLC, (Sept. 19, 2011, 11:23 AM), <http://www.kplctv.com/story/15495565/government-launches-foreclosure-hotline> (“A year after the foreclosure fraud scandal . . . [HUD] is hosting a hotline to provide financial advice to homeowners facing foreclosure.”); *Home Affordable Modification Program: Overview*, MAKING HOME AFFORDABLE, <https://www.hmpadmin.com/portal/programs/hamp.jsp> (last visited Sept. 28, 2011) (detailing suggested modifications to mortgage lending forms).

<sup>7</sup> See generally U.S. DEP’T OF HOUS. AND URBAN DEV., *THE STATE OF THE HOUSING COUNSELING INDUSTRY* (2008) [hereinafter *The State of the Housing Counseling Industry*].

<sup>8</sup> U.S. DEP’T OF HOUS. AND URBAN DEV., *HOUSING COUNSELING PROGRAM HANDBOOK 7610.1, 2* (2010) [hereinafter *HUD Handbook*] (“This program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low-to-moderate-income-renters and the homeless.”).

<sup>9</sup> See *The State of the Housing Counseling Industry, supra* note 7, at ix (“Starting in 2005, there was a sharp increase in the number of existing homeowners seeking counseling to address mortgage delinquencies and to obtain information on mortgage refinance options, including reverse

appraisals, unreasonably high interest rates, unaffordable repayment terms and other conditions that can result in . . . possible foreclosure.”<sup>10</sup> Foreclosure mitigation counseling helps current homeowners prepare hardship letters, prepare spending plans, increase available cash and reduce other debt.<sup>11</sup> In addition, housing counselors help the elderly set up reverse mortgages and distribute information to the community about fair housing and fair lending.<sup>12</sup>

### C. Agencies Involved

Both non-profit organizations and for-profit entities—primarily banks and mortgage companies—provide housing counseling services.<sup>13</sup> This article will focus on the government’s involvement with HUD-approved non-profit organizations. Because the OHC does not exist, the Housing Counseling Program (“HCP”), administered by HUD, remains the primary office dedicated to housing counseling.<sup>14</sup> The HCP operates out of the Program Support Division of the Office of Single-Family Housing.<sup>15</sup> In addition to approving, monitoring and funding housing counseling agencies, the HCP also conducts research and creates public awareness of loan modification scams.<sup>16</sup>

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mortgages. Over this same period there was also a decline in the number of individuals seeking assistance in preparing to buy a home.”).

<sup>10</sup> *HUD Handbook*, *supra* note 8, at 2.

<sup>11</sup> *See The Role of the Housing Counselor*, HELP FOR NEW HAMPSHIRE HOMEOWNERS, [http://www.homehelpnh.org/counselor\\_role.htm](http://www.homehelpnh.org/counselor_role.htm) (last visited Oct. 9, 2011) (listing the services that a foreclosure mitigation counselor can offer).

<sup>12</sup> *See id.* (describing some additional roles of foreclosure mitigation counselors).

<sup>13</sup> *The State of the Housing Counseling Industry*, *supra* note 7, at x (“Housing counseling services are provided both by nonprofit organizations and by for-profit entities, such as banks and mortgage companies.”).

<sup>14</sup> *See GAO Report*, *supra* note 3, at 10 (“Currently, HUD’s housing counseling program operates out of the Program Support Division within the Office of Single-Family Housing.”).

<sup>15</sup> *See id.* (“Currently, HUD’s housing counseling program operates out of the Program Support Division within the Office of Single-Family Housing.”).

<sup>16</sup> *See id.* at 10-11 (stating that HUD is conducting research on the impact of homeownership counseling and has launched a public awareness campaign).

There are 2,700 HUD-approved housing counseling agencies throughout the country.<sup>17</sup> Borrowers who wish to meet with a housing counselor can find a list of approved agencies on HUD's website.<sup>18</sup> To obtain HUD approval, a housing counseling agency must meet a long list of requirements, including: (1) the agency must be a non-profit organization or a unit of local, county or state government; (2) the agency must have provided housing counseling services at HUD standards for at least one year in the geographic area it is applying for; (3) the agency must provide a detailed work plan that describes anticipated results; and (4) the agency must have a staff that is knowledgeable of the local housing market and HUD's mortgage programs.<sup>19</sup>

Housing counseling agencies must be HUD-approved to receive funding from the housing counseling grant program.<sup>20</sup> HUD alerts housing counseling agencies if there are funds available through a Notice of Funding Availability ("NOFA") in the Federal Register and on an internet posting.<sup>21</sup> The HUD awards this funding competitively and, through NOFA, sets out an application process.<sup>22</sup> However, HUD approval does not guarantee HUD funding, and agencies are expected to procure additional funding from state and local government, private foundations, lending or real estate organizations or private donations.<sup>23</sup> HUD-approved agencies can charge fees for their services, "so long as the cost does not create

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<sup>17</sup> See *id.* at 10 ("According to HUD officials, as of August 2011, about 2,700 counseling agencies were HUD-approved.").

<sup>18</sup> *HUD Approved Housing Counseling Agencies*, U.S. DEP'T OF HOUS. AND URBAN DEV., <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> (last visited Sept. 28, 2011) (providing consumers with a way to search for housing counselors by location).

<sup>19</sup> See *HUD HANDBOOK*, *supra* note 8, at 9-13 (listing the steps an agency must take to obtain HUD-approval).

<sup>20</sup> See *id.* at 65 (stating that, with the exception of State Housing Finance Agencies, all agencies must be HUD-approved to receive federal grant money).

<sup>21</sup> See *id.* (outlining the process by which agencies become aware of available grant money).

<sup>22</sup> See *id.* (outlining the process by which agencies become aware of available grant money).

<sup>23</sup> See *id.* at 67 ("HUD recommends approved agencies and participating agencies seek and secure funding from various other potential funding sources that may include local and state governments, private foundations, lending or real estate organizations, and individual donations.").

financial hardship for their clients.”<sup>24</sup> If an agency charges fees, it must inform the consumer prior to the commencement of counseling services.<sup>25</sup> Furthermore, agencies cannot charge consumers for services that are already funded by HUD grants.<sup>26</sup> Agencies may not charge fees for counseling related to mortgage delinquency, default or homelessness.<sup>27</sup>

Despite these elaborate rules, critics claim that HUD needs to improve its monitoring and grant-rewarding processes. HUD has been criticized for its inability to monitor HUD-approved agencies and ensure that there is a uniform standard of quality for housing counseling.<sup>28</sup> In 2009, the Government Accountability Office (“GAO”) conducted an undercover investigation and found that housing counselors were both lying about the length of their sessions and failing to cover all of the material required by HUD.<sup>29</sup> The GAO offered HUD recommendations to improve the monitoring of HUD-approved agencies, and HUD implemented this advice.<sup>30</sup>

Critics have also claimed that HUD has failed to allocate grant money in a timely manner.<sup>31</sup> Currently, agencies have to wait as long as one year to receive their grant money from HUD.<sup>32</sup> HUD officials are seemingly sensitive to this criticism, as they proposed a plan for better monitoring and a speedier rewards process.<sup>33</sup> HUD

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<sup>24</sup> *Id.* at 68.

<sup>25</sup> *See id.* at 69 (“In addition, the fee schedule must be communicated verbally to all potential counseling and education recipients prior to the provision of services.”).

<sup>26</sup> *See id.* (listing restrictions on housing counseling fees).

<sup>27</sup> *See id.* (listing restrictions on housing counseling fees).

<sup>28</sup> *See GAO Report, supra* note 3, at 8 (explaining the criticism of HUD’s implementation of homeownership counseling requirements and detailing changes HUD could make to improve the quality of housing counseling).

<sup>29</sup> *See id.* (describing the undercover investigation and its findings).

<sup>30</sup> *See id.* (“Since our report, HUD has implemented our recommendations by creating additional internal controls and guidance for counselors on how to comply with program responsibilities . . .”).

<sup>31</sup> *See Hallman, supra* note 1 (quoting Candace Mason, senior director of housing and national grants at the National Foundation for Credit Counseling as saying that “HUD has been slow to distribute the money and Congress has zeroed in on that.”).

<sup>32</sup> *See id.* (“HUD is a full year behind distributing the grant money to housing groups.”).

<sup>33</sup> *See Housing Counseling Program: Hearing Before H. Fin. Serv. Comm. on Ins., Hous., Cmty. Opportunity*, 112th Cong. 10-12 (2011) (statement of

offered to improve the quality of counseling by requiring counselor training and a counselor exam.<sup>34</sup> Another part of HUD's proposal was to streamline the grant-awarding process by: (1) making NOFA's available quicker; (2) using a tracking system to make sure HUD is meeting obligation deadlines; and (3) creating a streamlined application for high-performing agencies.<sup>35</sup> HUD made this proposal as part of a larger effort to restore funding for housing counseling. This suggests that HUD realized that Congress is unlikely to restore funding without improved performance.

#### **D. Creation of the Office of Housing Counseling**

In an effort to centralize and standardize housing counseling, Dodd-Frank mandated the creation of the "Office of Housing Counseling."<sup>36</sup> There appears to be a pressing need for an office such as the OHC—over the previous five years, there has been a sharp increase in the demand for housing counseling services.<sup>37</sup> Housing counseling agencies report that the need for foreclosure mitigation counseling rose from 171,000 in 2006 to 1.4 million in 2010.<sup>38</sup> HUD officials expected the OHC to have 160 full-time employees to deal with this increased demand<sup>39</sup> and that the OHC would take on primary responsibility for all matters related to homeownership counseling.<sup>40</sup> The Act requires the OHC to: (1) conduct research on housing issues; (2) give grants to non-profits

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Deborah C. Holston, Acting Deputy Assistant Secretary for Single Family Housing, U.S. Department of Housing and Urban Development) (offering a new plan to expedite the disbursement of grant money to agencies as part of a larger effort to restore funding to housing counseling programs).

<sup>34</sup> See *id.* at 12 ("In response to the Dodd-Frank Act, HUD is initiating rulemaking in order to implement procedures through which individual counselors will be approved after demonstrating sufficient training and passing an exam.").

<sup>35</sup> See *id.* at 11 (outlining HUD's plan to "spee[d] up the rewards process").

<sup>36</sup> 42 U.S.C.A. § 3533(g) ("There is established, in the Department, the Office of Housing Counseling.").

<sup>37</sup> See *GAO Report, supra* note 3, at 10.

<sup>38</sup> See *id.* ("Interactions for foreclosure mitigation counseling rose from 171,000 in 2006 to more than 1.4 million in 2010 . . .").

<sup>39</sup> See *id.* at 11 ("In July 2011, we reported that HUD expected the new office to consist of approximately 160 full-time staff members . . .").

<sup>40</sup> See *id.* 42 U.S.C.A. § 3533 (g)(3) (West 2011) (stating the specific function of the Office of Housing Counseling).

and governmental agencies; (3) set standards for homeownership, rental and mortgage counseling; (4) provide computer programs for consumers to evaluate mortgages; (5) increase advertising to make consumers aware of counseling services; and (6) provide foreclosure rescue education programs in areas with high-density foreclosure.<sup>41</sup> The hope is that the OHC will be able to standardize housing counseling practices to help professionalize the industry.<sup>42</sup>

### **E. Effect of Budget Cuts on OHC and Housing Counseling Agencies**

Budget cuts have severely hampered housing counseling initiatives and have effectively made the creation of the OHC an afterthought. Dodd-Frank authorized \$45 million per year through the 2012 fiscal year for the creation of the OHC, but Congress has not released these funds.<sup>43</sup> Instead of having 160 employees, HUD is now planning to have a much smaller OHC— if it is ever created.<sup>44</sup> HUD is currently in the process of drafting a reorganization plan to Congress, but it is “unable to estimate when it will be submitted.”<sup>45</sup> Until this reorganization plan is submitted and approved, it is unlikely that the OHC will be created.

Not only has Congress failed to fund the OHC, but in April 2011, Congress cut all \$88 million of HUD’s nonprofit housing counseling funds for the 2012 fiscal year.<sup>46</sup> Currently, HUD is

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<sup>41</sup> See *id.* (listing the functions of the office of housing counseling).

<sup>42</sup> See *GAO Report, supra* note 3, at 11 (“For example, some of the consumer groups stated that the office could help standardize counseling practices and publicize best practices, further elevating and professionalizing the counseling industry.”).

<sup>43</sup> See Hallman, *supra* note 1 (“Congress hasn’t yet provided \$45 million mandated by the Dodd-Frank financial regulation law for HUD to set up a new Office of Housing Counseling . . .”).

<sup>44</sup> See *GAO Report, supra* note 3, at 11 (“In July 2011, we reported that HUD expected the new office to consist of approximately 160 full-time staff members, but HUD has indicated more recently that the office may be considerably smaller.”).

<sup>45</sup> *Id.* (“In order to move forward with the establishment of the office and the appointment of a Director of Housing Counseling, HUD must submit a reorganization plan to Congress.”).

<sup>46</sup> See Jon Prior, *HUD asks Congress to restore housing counselor funding*, HOUSINGWIRE (Sept. 14, 2011, 5:27 PM), <http://www.housingwire.com/2011/09/14/hud-asks-congress-to-restore-housing-counselor-funding>.

embroiled in a fight to restore the \$88 million and, therefore, has probably decided it futile to ask for an additional \$45 million to fund the OHC.<sup>47</sup> These cuts will limit the amount of grant money available to agencies, force HUD to make staff cuts, limit the HUD services available and increase the price of housing counseling.<sup>48</sup> Both the Mortgage Bankers Association and Deborah Holston, acting deputy assistant secretary for single-family housing at HUD, have formally asked Congress to restore the \$88 million that it cut.<sup>49</sup> On September 21, 2011, the Senate Appropriations Committee approved giving \$60 million to HUD for housing counseling.<sup>50</sup> However, the House still needs to pass this bill.<sup>51</sup> The implication of these cuts is clear: rather than trying to improve housing counseling, Congress has stunted the improvement of housing counseling by failing to provide sufficient funding. If HUD's counseling efforts continue to be the target of Congressional budget cuts, it seems unfair to expect any kind of improvement in the quality of housing counseling services.

#### F. The Effectiveness of Housing Counseling

Numerous studies have investigated the effectiveness of housing counseling. The GAO concluded that foreclosure mitigation counseling is effective, but the GAO found research on pre-purchase counseling to be unclear.<sup>52</sup> A study from the University of Wisconsin concurs that the effectiveness of pre-purchase counseling is debatable, noting that a number of studies produced different

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<sup>47</sup> See *id.* (“The Department of Housing and Urban Development told lawmakers Wednesday it has identified ways to improve its housing counseling program and asked for the recently cut funding to be restored.”).

<sup>48</sup> See Jon Prior, *Mortgage bankers ask lawmakers to reinstall HUD counselor funds*, HOUSINGWIRE (Sept. 14, 2011, 1:25PM), <http://www.housingwire.com/2011/09/23/mortgage-bankers-ask-lawmakers-to-reinstall-hud-counselor-funds> (“In April, Congress cut all \$88 million in HUD nonprofit counseling funds appropriated for 2011 as part of the budget negotiations.”).

<sup>49</sup> See *id.* (stating that both parties have asked Congress to restore the housing counseling budget).

<sup>50</sup> See *id.* (stating that the Senate has approved \$60 million for housing counseling funding as part of a larger bill).

<sup>51</sup> See *id.* (explaining that the House will still need to approve this bill).

<sup>52</sup> See *GAO Report, supra* note 3, at 3 (summarizing studies on each type of housing counseling).



results.<sup>53</sup> The GAO concluded that, “[b]orrowers who received . . . [foreclosure mitigation counseling] were 1.7 times more likely to ‘cure’ their foreclosure . . . than borrowers who did not receive . . . counseling.”<sup>54</sup> Borrowers who received foreclosure mitigation counseling also had a fifty-three percent better chance of “bringing their mortgages current.”<sup>55</sup> Of the numerous studies that examine the effect of pre-purchase counseling on whether a borrower is likely to become ninety days delinquent on their mortgage, some have found that those who undergo counseling are thirty-four percent less likely to become delinquent, whereas other studies have shown that counseling had no effect on delinquency rates.<sup>56</sup> In 2012, HUD’s Office of Policy Development intends to publish two studies related to foreclosure mitigation and pre-purchase counseling.<sup>57</sup> These studies might provide Congress with more definitive data on the effectiveness of housing counseling.

### **G. Alternatives to Housing Counseling in the Wake of Budget Cuts**

Congress’s message has been clear: the federal government will not provide full housing counseling funding for the foreseeable future. Unfortunately, a lack of funding does not change the fact that many people require assistance to understand mortgages. Recognizing this necessity, HUD and other government agencies have introduced alternatives to housing counseling.

One alternative is the Consumer Financial Protection Bureau’s “Know Before You Owe” campaign.<sup>58</sup> Know Before You Owe is an effort to simplify mortgage disclosure forms so that an

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<sup>53</sup> See COLLIN O’ROURKE, WEIGHING THE EVIDENCE OF THE EFFECTIVENESS OF COUNSELING AND EDUCATION FOR HOME OWNERS 1-3 (July 2010) (comparing the different studies on prepurchase counseling).

<sup>54</sup> See *GAO Report*, *supra* note 3, at 3.

<sup>55</sup> *Id.* at 4.

<sup>56</sup> See *id.* (discussing the findings of studies on pre-purchase counseling).

<sup>57</sup> See *GAO Report*, *supra* note 3, at 5 (“HUD’s Office of Policy Development and Research issued a broad overview of the housing counseling industry in 2008 and is currently conducting two studies on mortgage outcomes related to foreclosure mitigation and prepurchase counseling programs.”).

<sup>58</sup> See generally *Know Before You Owe*, CONSUMER FIN. PROTECTION BUREAU, <http://www.consumerfinance.gov/knowbeforeyouowe/about/> (last visited Sept. 28, 2011) (describing the program to the general public).

ordinary person can understand the forms without the assistance of a housing counselor's assistance.<sup>59</sup> Currently, a mortgage provider sends two forms to the consumer: the Truth in Lending Disclosure Statement (two pages) and the Good Faith Estimate (three pages).<sup>60</sup> The Truth in Lending Disclosure Statement gives information about the loan's annual percentage rate, the total payments, the consequences of a late fee and the consequences of prepayment.<sup>61</sup> The Good Faith Estimate gives a summary of the loan, a summary of settlement charges, an explanation of settlement charge changes and a chart that allows borrowers to compare offers.<sup>62</sup> These forms are supposed to help individuals pick the best mortgage, but the CFPB acknowledges that the forms are confusing and often fail to warn of important risks.<sup>63</sup> Consequently, the CFPB is attempting to combine these two forms into one simple form that is "simpler to understand."<sup>64</sup> The CFPB has released three proposed forms and asked consumers to explain which they prefer.<sup>65</sup>

Another alternative to housing counseling is the HUD sponsored "Hope Line."<sup>66</sup> This hotline is free for consumers to use and focuses solely on helping consumers avoid foreclosure.<sup>67</sup> The Hotline is consistently mentioned as an alternative to housing counseling on government websites, suggesting that government actors see the Hotline as a potential replacement for face-to-face housing counseling.<sup>68</sup>

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<sup>59</sup> *See id.* (stating the purpose of the program).

<sup>60</sup> *See id.* (explaining that there are two forms currently required).

<sup>61</sup> *See* TRUTH IN LENDING DISCLOSURE STATEMENT, CONSUMER FIN. PROTECTION BUREAU, available at <http://www.consumerfinance.gov/wp-content/uploads/2011/05/TILcleanfinal.jpg> (listing the requirements of the form).

<sup>62</sup> *See* GOOD FAITH ESTIMATE, CONSUMER FIN. PROTECTION BUREAU, available at <http://www.consumerfinance.gov/wp-content/uploads/2011/05/GFE.pdf>.

<sup>63</sup> *See Know Before You Owe*, *supra* note 58 (showing the need for a improved form).

<sup>64</sup> *Id.*

<sup>65</sup> *See id.* (asking consumers to provide feedback).

<sup>66</sup> *See* NBC, *supra* note 6 (describing the new program).

<sup>67</sup> *See id.* (describing the new program).

<sup>68</sup> *See Find a Counselor*, MAKING HOME AFFORDABLE, <http://www.makinghomeaffordable.gov/get-assistance/counselor/Pages/default.aspx> (last visited Sept. 28, 2011) (offering the hotline as an alternative to housing counseling).

## H. Conclusion

Given the current demand for foreclosure mitigation counseling, it seems Congress should try to find a way to fund foreclosure mitigation counseling. Although there might be justifiable concerns about the effectiveness of pre-purchase counseling, these concerns should not stop Congress from funding *all* housing counseling. In 2010, 1.4 million people underwent foreclosure mitigation counseling, while only 245,000 underwent pre-purchase counseling.<sup>69</sup> Therefore, only six percent of housing counseling focused on pre-purchase counseling. If Congress believes the GAO's report, it does not make sense to slash the entire housing counseling budget; the report said that foreclosure mitigation counseling is effective. Ideally, Congress should also provide the funding for the OHC, as it seems the HCP is currently ill-equipped to effectively monitor HUD-approved agencies. An office entirely dedicated to housing counseling would likely develop better methods for monitoring the performance of these agencies. As the GAO report came out after Congress had made its budget cuts, it will be interesting to see if Congress has restored confidence in housing counseling based on the GAO findings or if it waits to see the results of the 2012 HUD reports. At the present, it is clear that Congress has not prioritized housing counseling despite the great demand.

Nicholas Cassidy<sup>70</sup>

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<sup>69</sup> See *GAO Report*, *supra* note 3, at 10 (“Interactions for foreclosure mitigation counseling rose from 171,000 in 2006 to more than 1.4 million in 2010 . . .”).

<sup>70</sup> Student, Boston University School of Law (J.D. 2013).