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OSU Extension Housing Counseling Services: A Comprehensive Program Package

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OSU Extension Housing Counseling Services: A Comprehensive Program Package

Abstract

Joining community and statewide efforts to limit the effects of the foreclosure crisis, OSU Extension's Family and Consumer Sciences program has been involved in both early-prevention pre-purchase as well as loss-mitigations programs. The first step was obtaining approval as a housing counseling agency through the U.S. Department of Housing and Urban Development. After HUD approval was granted, partnerships with the state housing agency were established, and collaboration with a wide range of community partners were strengthened.

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Meeting an Urgent Need

The OSU Extension Family and Consumer Sciences program began expanding its housing programs in 2009. The increasing number of requests for housing-focused financial education at OSU Extension county offices and the state government's foreclosure prevention efforts resulted in several innovative OSU Extension programs and collaborations initiated by the Family and Consumer Sciences program.

Goals of the Housing Program

The first step in expanding the housing program was to obtain approval as a housing counseling agency through the U.S. Department of Housing and Urban Development (HUD). The federal approval is considered the most relevant certification for housing-related education and counseling (Herbert, Turnham, & Rodgers, 2008). We benefited from University of Georgia Extension's experience, which obtained similar, system-wide "HUD approval" in the early 2000s (Turner, 2008). The initial HUD approval was granted in 2010 to 10 OSU Extension county offices and its FCS staff, covering the counties with the fastest growing foreclosure rates in the rural regions of the industrial northwest, the rural southern Appalachian regions, and the rural "crossroads" counties in the east-

central basin. The goals for pursuing HUD approval were threefold.

1. Collaboration with the State Housing Agency

Quality housing counseling services that bear the approval of the U.S. Department of Housing and Urban Development are scarce in rural Ohio. While distance housing counseling with telephone and email are offered throughout the state, research shows that place matters (Ergungor & Moulton, 2011). The urban housing counseling agencies' limited familiarity with rural financial services and social sector support structures is likely to place rural homeowners at a disadvantage. As a result, the Ohio Housing Finance Agency welcomed OSU Extension as a partner in rural counties to implement its homebuyer and foreclosure prevention programs.

2. Collaboration with Community-Based Housing Partners

The 10 OSU Extension County offices of the initial HUD approval listed over 80 housing-related community partners. For example, the OSU Extension office in rural Clermont County is the only on-location housing counseling agency in this high-foreclosure growth area, providing pre- and post-purchase housing counseling. The programs are well established with several community partners, such as the local Department of Job and Family Services agency. Active participation in the Clermont County Community Planning Department Neighborhood Stabilization Program, the Community and Economic Development Department, and the Affordable Housing Coalition are key ways for establishing financial security among homebuyers and homeowners.

In the urban context, the OSU Extension University District Office in the Weinland Park neighborhood in Columbus, Ohio serves a high-poverty neighborhood, where about 100 homes are currently being renovated or newly built, funded by the Neighborhood Stabilization Program, Low-income Housing Tax Credits, and Habitat for Humanity. The OSU Extension office is a well-established resource in this community, offering pre-purchase housing counseling and workshops for low-income families. It received City of Columbus certification, which affords residents an opportunity to apply for down payment and closing cost assistance (up to \$5,000). In addition, the office is collaborating with the Ohio Community Development Corporation Association to administer an IDA program.

3. Access to Training

HUD approval provides scholarships for the NeighborWorks Training Institute, which is the premier means for obtaining the professional certifications requested by HUD for housing counselors at its approved agencies. Certification in homeownership counseling training is offered by passing the exam at the 5-day workshop, "HO250 Homeownership Counseling Certification: Principles, Practices and Techniques, and completing a Foreclosure Basics course. HUD scholarships cover travel, hotel accommodation, and/or tuition.

In addition to the in-person workshops, the NeighborWorks Training Institute offers self-paced, module-based eLearning courses. These courses have proven useful among Extension educators for complementing and refreshing content of the in-person workshops.

Target Audiences

Homebuyer Education and Counseling

Many studies have shown that pre-purchase workshops and one-on-one counseling help families make their housing decisions well (e.g., Agarwal, Amromin, Ben-David, Chomsisengphet, & Evanoff, 2009; Avila, Nguyen, & Zorn, 2013; Carswell, James, & Mimura, 2009; Hirad & Zorn, 2002). At OSU Extension, we have been targeting homebuyers with two programs: first, through the state housing agencies Streamlined Homebuyer Education and, second, with the publication of the *Homebuyer's Guide* (Stehulak et al., 2011; Filipic, 2012).

Streamlined Homebuyer Education is offered to homebuyers who wish to obtain down payment and closing cost assistance and/or an interest-reduced mortgage interest rate loan through the Ohio Housing Finance Agency and their affiliated lenders.

Homebuyers submit a monthly budget and a 25-question knowledge test to an affiliated housing counseling agency in the homebuyer's area of residence by email. In a follow-up phone call, a housing counselor discusses both budget and test results with the homebuyer. Since joining this program in August 2012, up to 11 OSU Extension educators have counseled 157 homebuyers in the 10-month period until May 2013. This program has been well received among educators, not only because it is an excellent match for educators' personal finance knowledge and pedagogic skills (e.g., Jayaratne, Lyons, & Palmer, 2008; Jokela, Hendrickson, & Haynes, 2013), but also a means to inform low-to-moderate income individuals about the wide range of FCS extension programs available to them.

The *Homebuyer's Guide* is a 65-page publication, which was written by OSU extension educators (Stehulak et al., 2011). This comprehensive guide explains the home-buying process, helps with post-purchase planning, and advises on loss mitigation steps. While including Ohio-specific content and links, the guide is a valuable teaching tool for any homebuyer (Filipic, 2012). The *Homebuyer's Guide* has proven highly popular among Extension educators and community-based housing partners for its precise content and language, attractive design, and the many hands-on worksheets and case studies.

Post-Purchase Interventions

Homeowner education and counseling post-purchase focuses primarily on assisting distressed homeowners at risk of foreclosure with information about mortgage renegotiation possibilities and financial assistance programs (Collins, 2007; Collins & Schmeiser, 2013; Ding, Quercia, & Ratcliff, 2008). By participating in two programs, the Save the Dream Ohio Foreclosure Prevention Effort and the OSU Extension Housing Corps, OSU Extension aimed to address the financial hardship in so many Ohio families.

In April 2011, OSU Extension joined the state housing agency as a collaborator in the federal Hardest Hit Fund program, in Ohio called "Save the Dream Ohio Foreclosure Prevention Effort." The program became available in September 2010 with the expectation to provide financial assistance to

an estimated 57,000 Ohio households (Ohio Housing Finance Agency, 2013). Eight OSU Extension Educators served 94 homeowners with "intake and triage" during the about 18 months of service to this program. It was a challenging experience because of the required technical knowledge on mortgage loans and banking procedures and the often heart-breaking life situations of the program applicants. Despite weekly training webinars of the state housing agency and regular conference calls among the OSU Extension team, it was decided to exit this extremely time-consuming program in fall 2012.

In 2011 and 2012, OSU Extension received grants from the Ohio Commission on Service and Volunteerism to establish an AmeriCorps program to inform and educate rural homeowners in financial distress about the financial assistance available through the Save the Dream Ohio effort (Loibl & Moulton, 2014).

Conclusion

The housing programs described in this article illustrate how Extension professionals responded to an urgent community need. The program package offered through OSU Extension is an excellent example for combining short-term as well as longer lasting programming efforts in one concerted action plan. Program participation was critically evaluated when time and/or financial resources constrained high-quality program execution, such as the case with the two post-purchase interventions. Early-intervention homebuyer education and counseling, in contrast, emerged as an excellent match to the broad financial knowledge and instructional training of OSU Extension educators. These programs are expected to grow and have been the focus of our renewed HUD approval in 2013.

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