



MEMORANDUM

TO: NeighborWorks® Lender Partners  
FROM: Maureen Rude, Operations Director  
DATE: April 18, 2011  
RE: Homebuyer Education and Counseling

You may have heard that housing counseling funds were cut to zero in the budget that was passed last week by Congress. It is true—the budget cuts \$88 million in Housing Counseling funds appropriated to the Department of Housing and Urban Development (HUD), which was the entire budget. NeighborWorks has accessed these funds through Montana Board of Housing for the last several years to fund the homebuyer education classes around the state as well as to provide pre-purchase, post-purchase, and financial education classes. Montana Board of Housing has matched the HUD funds, and in fact has provided a larger amount for these services every year than the HUD counseling funds have provided.

**We had already received grant funds which will provide funding for our homebuyer education and counseling services through September 30, 2011 and we have secured funding to cover a portion of the 2012 education and counseling budget.** We are hopeful that we can raise additional funds to bridge the budget year, and will be working to ensure that HUD counseling funds will be appropriated and available in the 2012 budget.

We have lost our homebuyer educator in eastern MT, and will be working through the transition to get some classes set up there. In the meantime, we have a work-around for people who need to take homebuyer education before we get classes scheduled. Please contact me at 406-458-8704 if you have a customer who is affected during the transition.

Foreclosure counseling services are funded through the National Foreclosure Mitigation and Counseling program, which was funded again for 2011 but can only be used for foreclosure counseling. We have applied for that funding and hope to hear this week or next of our award. As vital as foreclosure assistance is in Montana right now, we still believe that the very best indicator of long-term homeowner success is which clients have had pre-purchase counseling and education, and we have a loan portfolio that demonstrates that.

Again, thank you for your partnership, and please contact me if you have any questions.

