# HUD’s David Berenbaum on Housing Counselors and Equal Access

You're tuning in to a special episode of Drive with NAT Mic Takeover here in Boston, Massachusetts at NAR NXT, I'm James Dwiggins, co-host of the Real Estate Insiders Unfiltered podcast, aka Dwiggy, along with He's Still Laughing, Keith Robinson.

It's going to be funny. Probably forever.

Whatever. We're just. My name badge, by the way, says Dwiggy Wiggins, just for context. So tell us about our guest, David Berenbaum. And I'm looking at his sheet because I need it. Deputy Assistant Secretary for Housing Counseling at HUD. Yeah, it was a good conversation. I didn't know anything about what HUD was doing in this regard.

Yeah. First of all, he should get paid by the letter of his title because that's the longest title I've ever heard. And he's also doing work. Yeah. They are. I learned a lot. As you know, I'm not the most political, politically involved person to really get the understanding of of what HUD does and the counseling that they do and the.

Thousands of counselors they have.

Thousands and the thousands and thousands of people that they help. Yeah. And their commitment and determination to home ownership. Their commitment and determination around first time homeowners. I mean, it was just a very enlightening conversation.

He talked a lot about a lot of the concerns that they have and what they're looking into since, you know, post settlement, which I think is a good discussion. So, you should hear what HUD has to say. If you haven't, if you haven't got to hear David. Yeah, this.

One is absolutely you will learn something in this one that you didn't know. And so, you need to put this one in your ears kids.

David, welcome to the podcast. We are excited to have you here. Thanks for giving us some of your time. I know you're a busy guy running around the conference the past few days. Uh, I'm going to get into some questions, but I first want to just have you explain a little bit about your background. You work for HUD, um, your role there, and then talk a little bit about housing counselors, because I'm going to dive into some of those questions around that. So, thank.

You both. It's really a joy to be here with you today. And as well engaging with all of the realtors and associates who were here at the conference. So, I am relatively new to HUD. For almost three decades, I've served as a partner to the National Association of Realtors, HUD, and others in my role as an agency executive at multiple not for profit organizations. Okay. And candidly, during good times, challenging times, and bad times. And, you know, for example, during the financial crisis, I served as CEO of the Homeownership Preservation Foundation, which, working with Nar and a host of other trade associations, helped 12 million Americans with housing counselors stay in their homes. So, 50 years ago, Congress, through the US Department of Housing and Urban Development, created what is the Comprehensive Housing Counseling Program after the financial crisis, on a bipartisan basis, an Office of Housing Counseling was stood up by Congress at HUD, and I am now the deputy assistant secretary of that office. Okay. And our role is to ensure that consumers nationwide, whether they are renting, whether they're homeowners, have a trusted adviser. And in fact, the way I view it, they are part of the team working with all of our neighbors across the country with realtors, with realtors and others to ensure that people have a safe and sustainable place to live.

How big is it? How big of a group of councillors is that?

Yeah, that's a great question. So part of the process of becoming a housing council. It's a two-step. You have to pass a certification exam, which is very challenging as a licensing exam. And you must be employed by a not-for-profit housing counseling organization. And there are currently about 3000 not for profit organizations, some national, some regional, some local who are providing counseling services. And there are approximately about 4500 certified counselors working with them today.

Wow. It's a big group of people. Yeah. How can they help? How can they help? Um. The membership gets deals to the finish line. Like, talk to us about what that role is.

No, it is. So, win win right now. You know, we have a national awareness campaign called Make Home the Goal. It's currently going on in 42 metropolitan areas. And we also have public service announcements with major partners online happening as well. Right now, counseling is a golden ticket. Working with the real estate profession. Why do I say that? Well, there are so many mortgage programs today. For example, down payment assistance programs, special purpose mortgage programs, loans under the Community Reinvestment Act, and others that require HUD approved housing counseling. Right. And so that element, both to promote sustainable homeownership, but also to ensure equitable homeownership and fair housing and to bridge the homeownership gap. Counselors with realtors play a critical role.

Yeah. It's vital. Right? Yes. Yeah. Yes.

And I'm assuming that, you know, there's so many there's so many rules and so many things in place, like realistically, the real estate community should be outwardly working with them to not they don't have to know everything. They can have somebody help them through this process so that they're not going to accidentally not have access to something or mess something up along the way.

The ideal time for a counselor to work with a consumer is that that first thought when they're talking at the kitchen table. I'd like to think about home ownership. Right. Because the counselor will work to address potential credit blemishes. They'll look at the budget. They'll look at areas of focus, such as learning about the mortgage process. But equally important, they're going to speak about sustaining home ownership. So many people are not prepared for the cost. Once you've arrived at that new home, it's.

Different when you're a tenant than when you're a homeowner. Right.

And then as well, also the warning signs, things to watch out for. There are so many unfortunately predatory practices in our nation, and I know the National Association of Realtors has taken a very strong position, really critical of those practices, and so have many states. And we have to be on guard because some of these problematic practices emerge again and again and again.

And the counselors are there not something that they have to pay for? This is just a this is included. Or how does that how does that work?

So, it varies. Okay. Let me say that if a consumer is struggling, for example, during the pandemic, to maintain their apartment, to tenancy or maintain their home universally, there is no charge, no cost for services. It's paid for by the federal government through grants that we provide. And many states, if a consumer is looking for pre-purchase counseling, the majority of organizations do not charge for homeownership education courses. Some organizations do have a charge, a very modest charge for one-on-one counseling. But I'll also add that many financial institutions, banks, mortgage lenders. They pay for that counseling, so the consumer doesn't have to. But in the end, it's a great value to the consumer. And we as our requirement for the federal government is the consumer is a first-time home buyer. If it's a really tight transaction, of course, no cost to the new homeowner. Right. The next generation homeowner. Yeah.

I know that we've had I know Keith has a question around some of the practice changes.

Yeah. So, I mean, I don't know if you're aware, but we've had some structural practice changes to how real estate is done. Did you hear about that at all?

We've heard about it.

Heard a bit. Yeah. So, when it comes to that and really specifically this is something we talk about a lot on our podcast is, you know, the affordability is an issue across the board. Right. But that first time homebuyer is hypercritical. Biggest wealth creation event for most folks. Um, once you get your foot in the door, you know, over time your life changes and really radical and beautiful ways. What concerns, if any, do you have with with the new approach and specifically for how it could impact a first-time home buyer. Right.

So first, let me preface this with a statement that HUD has not taken an official position yet. However, the Office of Housing Counseling has a federal advisory committee, which includes representation. Paul Yorkis, for example, from the National Association of Realtors. And we have been looking at this issue since the litigation began, and there has been a recommendation which has been approved by HUD leadership, where we are going to really focus in on educating the public and the housing counseling industry to the potential impact of this settlement. You know, in one hand, it's argued that this promotes transparency in the whole transaction. So, a consumer is aware of who is paying for the fee. But then there are also concerns about the fee being shifted to low to moderate income home buyers and potential home buyers. The next generation, who are often from communities of color, diverse markets. And there is also a concern about fair housing compliance. Now, I'll say I'm very impressed by the leadership role that the National Association of Realtors has taken on this front, creating products for consumer education. And we at HUD in the Office of Housing Counseling are about to do the same with the focus in the next fiscal year to work collaboratively with all of our industry partners to ensure that consumers, whoever they are, are empowered to understand all of the ramifications of the settlement so that they won their rights are protected, but then they're also smart shoppers.

So, tell me a little bit about just go a little deeper on that. So, you haven't taken an official position, but you're very much looking at it. What are you kind of talked about the concerns. But can we go a little deeper on that. What is it the idea that first time homebuyers won't have the ability to have representation. Like, what are you Go. Tell me where you can go a little deeper on that if you can.

So first.

I think having a licensed real estate professional, a realtor is of benefit to all consumers. That's always a benefit because they know the community. They can answer, respond to questions. They often have relationships with other partners. You know, whether it be a valuation professional, a lender, whoever it may be, that will benefit the community and consumers as a whole. But there are concerns about the settlement, and they're coming from industry itself. This isn't necessarily from HUD. Yeah. For example, I've heard discussion about the use of pocket listings and what is the fair housing impact of that. There's also been a lot of discussion in affordable housing circles about consumers who are really close on the margin, so to speak. Don't you know, to buy a house is really stretching their budget. And of course, the importance of residual income after homeownership. How much is left in your bank each month after all is said and done. Yeah, that small difference in having to pay potentially for a broker who is representing you is definitely it could make a difference in home ownership for many low to moderate income consumers. There's also a lot of discussion by down payment assistance programs right now. Is it appropriate for down payment assistance programs to be paying for professional fees? In the past, it's all been going to the equity, the purchase of a home. So, there are a lot of open questions right now. Yeah. Again, our first step is to make sure that housing counseling professionals as trusted advisors are intimately familiar with it. And second, to do comprehensive education of consumers. And we hope to drop this into our awareness campaign. We hope to partner with Nar moving forward.

So, as we wrap up, tell us what you think the real estate professionals should be doing to make sure that there's, um, you know, equal, equal access to housing across the US, what's your thoughts on that?

Well, first, I applaud all of the commitment to diversity and fair housing that I've seen just at this conference. Uh, the committee, the National Association of Realtors committee working on fair housing issues is robust. There's a focus as well on economic opportunity on other committees right now that's to be applauded. If we are going to address the multi-million shortage of affordable housing, both rental as well as homeownership in this nation, we have to be in tune first to the federal Fair Housing Act, which is the law of the land, right. And I think almost all Americans embrace. But we also have to acknowledge that this nation each and every day is becoming more diverse. So not only is it the law, it's just good business to embrace diversity, right? Right. But more importantly, translating that to business practices. For example, in my office, if you call our 800 number for to speak with a housing counselor. We offer interpreters in 300 languages. 300 300 languages. And so, the concept of embracing diverse languages, cultural diversity, whether someone has been living in a community for 20 years or is new to our nation, we all have to be thinking out of the box to do it together. Yeah, yeah.

I've got I've got a follow up to that. And this one is actually I'm asking this for myself, but I'm pretending I'm asking it for the audience. So, I'm not someone who is very political, right? I don't think about those things. I focus on the economy. I focus on leadership. I focus on other things. If if someone was like me, but they wanted to start to get more involved and start to learn more so that they could be more effective and help shape the change, right? We have an opportunity. You're talking into a microphone to nearly 1.5 million agents across the nation. What would you tell someone who maybe they've heard this or felt this, and they feel a pull to learn more or to get more involved. How would you direct them to do that?

So, I know politics is top of mind for everyone. Let me share.

Not according to social media. Yeah.

So let me share with you the Congress mandated my role as nonpolitical. Yeah. I'm professional staff by by Congress's mandate. Yeah. So that all Americans understand our program is here to help. Mhm. Um, what I would say is that first, there's a wealth of responsible information on the internet, whether it's through going to the National Association of Realtors website, a website such as Fannie Mae or Freddie Mac, HUD's own website at hud.gov. And look up housing counseling. There's a lot of great information out there. But also, I think one of the critical aspects is in everything. Shop around, learn about what you're interested in. Speak with multiple people. And I think you always will make more informed quotes that way. Yeah. Yeah, I think that working with a professional in any area trust is a big part of the equation, but also make sure they're knowledgeable of your needs and respect that.

Yeah, for sure. David, that's been an incredible conversation. Thanks for educating us on some things we were not aware of. Yeah. Thank you. We appreciate all the work that you do and how much you care about the profession. And obviously the American consumers. We do appreciate that very much. Yeah.

Keep fighting the good fight.

Yeah.

That's why we're here. Thank you. Appreciate it for the opportunity.

Absolutely.

Thank you. Alrighty.

Well, that's a wrap with the Drive with NAR Mike Takeover. Keith and I have had an incredible time hosting all the different guests. These little 20-minute shows were a lot of fun. We learned a lot. By the way. It has been an incredible opportunity. We look forward to doing this again and and bringing more incredible content. So, this will be the first of many. You guys will see with this show.