

Part A

Justification

A1 Circumstances That Make the Collection of Information Necessary

The U.S. Department of the Housing and Urban Development (HUD) is conducting an outcome evaluation of the components of its Housing Counseling Program related to clients seeking assistance to either purchase a home (pre-purchase clients) or to resolve or prevent mortgage delinquency (foreclosure mitigation clients). The study is being conducted under a contract with Abt Associates Inc. To conduct this study, we request clearance of a series of data collection instruments for the study of counseling clients of HUD-funded housing counseling agencies.

As part of the Housing and Urban Development Act of 1968, Congress first authorized HUD to provide for housing counseling services for mortgagors under the new Section 235 and 237 programs of the National Housing Act. Over time, Congress extended this authorization to include counseling for other types of households. Today, HUD funds housing counseling for homebuyers, homeowners delinquent on their mortgages, homebuyers seeking to refinance their mortgage (including those seeking Home Equity Conversion Mortgages), renters, and homeless individuals and families. This counseling is provided through “HUD Approved Housing Counseling Agencies.” HUD began approving agencies to provide housing counseling services in 1969. To become HUD-approved, agencies must meet certain criteria, which include being a non-profit, having successfully administered a housing counseling program for at least one year, having had an independent financial audit in the last 12 months, maintaining records on housing counseling activities, and having sufficient resources and staff to implement their proposed counseling plan. At present, there are approximately 2,300 housing counseling agencies approved by HUD, providing services from offices located throughout the United States.

Since 1977 HUD has annually made funding available for approved housing counseling agencies. Housing counseling agencies may either apply directly to HUD for funding or may obtain funding through national or regional intermediaries or state housing finance agencies who receive housing counseling grants from HUD. In FY 2008, a total of \$44 million was appropriated for housing counseling as a set aside of the HOME program. In the most recent round of funding in 2007, a total of 370 counseling agencies received funding from HUD while about 900 additional agencies will receive funding channeled through national and regional intermediaries and state housing finance agencies that received HUD funding. However, not all of these agencies provide pre-purchase or foreclosure mitigation counseling. Based on data submitted by counseling agencies to HUD, there were 1,183 agencies that received HUD funding and served at least one pre-purchase or foreclosure mitigation client in FY 2007. It is these 1,183 agencies that will be the focus of this outcome evaluation.

The Office of Management and Budget conducted a Program Assessment and Rating Tool (PART) review of HUD's Housing Counseling Program in FY 2004. While the Housing Counseling Program was rated highly overall, the PART review found that the Program lacked a recent independent evaluation, making it difficult to assess the program's full impact. As a result, the Department commissioned HUD's Office of Policy Development and Research to evaluate the program's impact, performance, and ability to achieve established goals. The data that will be collected through the outcome evaluation study is for evaluation purposes to meet the Program's PART requirements.

The outcome evaluation study will also provide HUD with comprehensive information about the current state of the housing counseling industry. In this regard, the study will serve several goals. First, it will provide more detailed information on the characteristics of key groups of housing counseling clients, the specific services they receive from counseling agencies, and the short-term outcomes realized from their counseling. Second, it will lay the groundwork for a follow-up survey of these same clients to look at longer-term outcomes. Finally, it will also help lay the groundwork for an impact evaluation of pre-purchase housing counseling by providing experience with enrolling counseling clients in a study, collecting information on the counseling assistance they receive, and tracking them over time.

This information collection is authorized under Title 12, Sec. 1701z-1 seq. A copy of the legislation is included.

A2 How and by Whom the Data Will Be Used

A2.1 Project Overview

The study is designed to gather statistically accurate information on outcomes realized by clients of HUD-funded housing counseling agencies seeking assistance to either purchase a home (pre-purchase clients) or to resolve or prevent a mortgage delinquency (foreclosure mitigation clients). Up to 30 agencies receiving HUD-funding for housing counseling will be recruited to participate voluntarily in the study. In turn, these agencies will be asked to seek the voluntary participation of all of their pre-purchase and foreclosure mitigation counseling clients over an eight-week period, with the goal of recruiting 1,000 pre-purchase and 1,000 foreclosure mitigation counseling clients.

The data collection has two main components: **baseline questionnaires** for participating clients and **service tracking surveys** on counseling services received by those clients.

Each client participating in the study will be asked to complete a baseline questionnaire at the time they are enrolled in the study. Separate questionnaires have been developed for pre-purchase clients and foreclosure mitigation clients. The questionnaires collect information on the client's household composition, finances, and reasons for seeking housing counseling.

The service tracking surveys will collect client-level information on the characteristics of all counseling services provided to these clients over a six-month period, as well as any information obtained on the outcomes realized at the end of this period. Separate service tracking surveys have been developed for pre-purchase clients and foreclosure mitigation clients. A third service tracking survey will collect information on the demographics, experience, and training of the educators and counselors who provide services to participating clients (both pre-purchase and foreclosure mitigation) during the six-month period. The counseling agencies participating in the study will be responsible for completing the service tracking surveys using a web-based application designed specifically for this study.

The study is also designed to allow for a follow-up telephone survey of participating counseling clients approximately six months to one year following their enrollment in the study to gather further information on the outcomes realized. If conducted, the follow-up telephone survey will be the subject of a separate submission for OMB clearance.

Management of the baseline questionnaires and service tracking surveys will be the responsibility of IMPAQ International Consulting under subcontract with Abt Associates Inc. Contingent upon OMB approval, the data collection will be conducted over a 52-week period, beginning in October 2008.

A2.2 Purpose of the Data Collection

The proposed study will fulfill two important needs for HUD and the counseling field. First, it will provide systematic information on the outcomes realized by counseling clients and how these outcomes vary with the characteristics of clients and the services they receive. The study will also lay the groundwork for a subsequent pre-purchase impact evaluation by testing data collection procedures to be used to enroll clients, gather information on the characteristics of the services they receive, and track them over time.

A2.3 Who Will Use the Information

HUD staff will use the information collected through the baseline questionnaires and service tracking surveys to better understand the efficacy of housing counseling and thereby inform their efforts to support this industry. HUD will also use the information to meet the Counseling Program's PART requirements. The counseling agencies that participate in the study will also be able to use the data to evaluate their efforts. Finally, the housing counseling industry will also be able to use the study's findings to inform policy debates on issues affecting the industry.

A2.4 Instrument Item-by-Item Justification

Exhibit A-1 describes the target respondents, content, and reason for inclusion of each set of questions in the baseline questionnaires and service tracking surveys. Copies of the complete baseline questionnaires and service tracking surveys are included in the Appendices.

Exhibit A-1. Item-by-Item Justification of Data Collection Instruments

Question(s)	Respondents, Content, and Reason for Inclusion
<p>Baseline Questionnaire – Pre-Purchase Clients</p>	<p>Respondents: Pre-purchase clients</p> <p>Content:</p> <ul style="list-style-type: none"> • Reasons for seeking counseling, source of referral, history of using counseling assistance, and current status of home buying decision • Financial characteristics of prospective homebuyers • Demographic characteristics of prospective homebuyers • Current housing situation of prospective homebuyers <p>Reason: To provide information on the client’s baseline circumstances at the time they seek counseling which can then be related to the outcomes that are realized.</p>
<p>Baseline Questionnaire – Foreclosure Mitigation Clients</p>	<p>Respondents: Foreclosure Mitigation clients</p> <p>Content:</p> <ul style="list-style-type: none"> • Reasons for seeking counseling, source of referral, history of using counseling assistance, and current status of homebuying decision • Financial characteristics of household • Characteristics of house and current mortgage • Reason for current mortgage delinquency, recent contact with lender, previous history of mortgage delinquency, and attitudes about current situation • Demographic characteristics of client • Current housing situation of prospective homebuyers <p>Reason: To provide information on the client’s baseline circumstances at the time they seek counseling which can then be related to the outcomes that are realized.</p>
<p>Service Tracking Survey – Pre-Purchase Clients</p>	<p>Respondents: Counseling agency staff reporting on all pre-purchase client interactions</p> <p>Content:</p> <ul style="list-style-type: none"> • Characteristics of counseling services: including type, date, duration, mode, topics covered, session leader and participants, fees charged, action steps taken or planned, and assessment of client status • Client outcomes: The home purchase outcome realized by the client after six months. <p>Reason: To identify the specific education and counseling services received by each client which can be related to the outcomes realized and to gather any information on outcomes that is available to the counseling agency after six months</p>

Exhibit A-1. Item-by-Item Justification of Data Collection Instruments (Continued)

Question(s)	Respondents, Content, and Reason for Inclusion
<p>Service Tracking Survey – Foreclosure Mitigation Clients</p>	<p>Respondents: Counseling agency staff reporting on foreclosure mitigation clients</p> <p>Content:</p> <ul style="list-style-type: none"> • Characteristics of counseling services: including type, date, duration, mode, topics covered, session leader, fees charged, action steps taken or planned, and assessment of client status • Mortgage terms: Detailed characteristics of the client's mortgage • Client outcomes: Whether the mortgage delinquency has been resolved after six months, how the resolution was achieved, and the status of the client's housing situation after six months. <p>Reason: To identify the specific education and counseling services received by each client which can be related to the outcomes realized and to gather any information on outcomes that is available to the counseling agency after six months</p>
<p>Service Tracking Survey – Educator and Counselor Information</p>	<p>Respondents: Counseling agency staff reporting on all educator and counseling staff members</p> <p>Content:</p> <ul style="list-style-type: none"> • Counselor and educator demographic characteristics, education level, years of experience as an educator/counselor, professional training obtained in last three years, and certifications held <p>Reason: To identify the characteristics of the educators/counselors providing services to relate to client outcomes realized</p>

A3 Use of Improved Technologies

The baseline questionnaires will be administered as paper and pencil surveys, while the service tracking surveys will be administered through a web-based application designed specifically for this study.

A4 Efforts to Avoid Duplication

Beginning on October 1, 2007, HUD implemented new requirements for agencies to report client-level information directly to HUD through approved Client Management Systems (CMS). The baseline questionnaires and service tracking surveys collect some of the client-level data that agencies are required to report to HUD through a CMS. Exhibit A-2 identifies the specific items in each data collection instrument that agencies are also required to report to HUD through a

CMS. To the extent possible, the data fields in the baseline questionnaires and service tracking surveys have been designed to match the fields required by HUD.

We intend to work with participating agencies to obtain these fields from their CMS as much as possible. However, different agencies are likely to be at different stages in implementing their CMS and client-level data may not be available for all data fields and on all clients in time for this study. As a result, we have designed the baseline questionnaires and service tracking surveys to include all the client-level data needed for this study in the event that it is not possible to obtain the data from agencies' CMS. In implementing the study we will work closely with the participating agencies to determine the most efficient means of collecting the items that are required by HUD and avoiding duplication with CMS.

A5 Involvement of Small Entities

Many housing counseling agencies are small entities. Efforts have been made to minimize response burden through careful design of the data collection strategy and efficient construction of the data collection instruments. In addition, to limit the burden on small agencies, the sampling frame for counseling agencies to be selected for inclusion in the study is limited to those agencies servicing at least 270 clients annually in at least one of the categories of clients that are the focus of this study. (The cutoff of 270 clients was derived as part of the sampling plan to assure that the sampled agencies would have a sufficient volume of clients to merit including them among the agencies selected for enrolling the outcome panel.)

A6 Consequences of Less Frequent Data Collection

The baseline questionnaires are only completed once by newly enrolled clients. The service tracking surveys are designed to be completed each time a client is assisted over the six month period of study. Having this information gathered after each contact with the client is intended to ensure the accuracy of the record of service delivery as less frequent data collection might result in omitted entries on services provided. Many clients will receive services over a period shorter than six months, but a small share of clients may continue to receive services over a six month period. Conducting the tracking survey for less than six months would increase the chance that for some clients we would not obtain a complete record of the services received.

A7 Special Circumstances

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320.6 (Controlling Paperwork Burden on the Public—General Information Collection Guidelines). There are no special circumstances that require deviation from these guidelines.

Exhibit A-2. Crosswalk between CMS Required Data Elements and Data Collected by Housing Counseling Outcome Study

CMS Data Elements Included In Housing Counseling Outcome Study	Housing Counseling Outcome Study Data Collection Instruments and Question Numbers:					
	Consent Form ¹	Baseline Questionnaire: Pre-Purchase	Baseline Questionnaire: Foreclosure Mitigation	Service Tracking Survey: Pre-Purchase	Service Tracking Survey: Foreclosure Mitigation	Service Tracking Survey: Educator and Counselor Information
Agency Profile – Data Elements:						
Counselor First Name						1
Counselor Last Name						1
Employment Start Date						8
Counselor Training Certification						12
Group Session Date				3	3	
Group Session Duration				4a	4a	
Group Session Type				2	2	
One-on-One Counseling – Client-Level Data Elements:						
Client First Name	X					
Client Last Name	X					
Client Street Address 1	X					
Client City	X					
Client Zip	X					
Client Phone Number	X					
Client Gender		10	25			
Client Race		13	28			
Client Ethnicity		12	27			
Household Gross Monthly Income		6	5			
Client Highest Education		17	32			
Client Dependents		19	34			
Client Counseling Session Date Start				3	3	
Client Counseling Session Date End				3	3	

¹ Items on the consent form are not numbered; an X indicates that this item is collected on the consent form.

Exhibit A-2. Crosswalk between CMS Required Data Elements and Data Collected by Housing Counseling Outcome Study (Continued)

CMS Data Elements Included In Housing Counseling Outcome Study	Housing Counseling Outcome Study Data Collection Instruments and Question Numbers:					
	Consent Form ²	Baseline Questionnaire: Pre-Purchase	Baseline Questionnaire: Foreclosure Mitigation	Service Tracking Survey: Pre-Purchase	Service Tracking Survey: Foreclosure Mitigation	Service Tracking Survey: Educator and Counselor Information
Client Language Spoken		15a	30a			
Client Session Duration				4b	4b	
Client Counseling Type				2	2	
Client Counseling Fee				9	8	
Client Predatory Lending			15			
Client Mortgage Type					16	
Client Referred By		2	2			
Client Counseled on Pre-purchase				11, 14		
Client Counseled on Preventing Mortgage Delinquency					11, 32	
Group Education Attendee – Client Level Data Elements						
Attendee First Name	X					
Attendee Last Name	X					
Attendee Fee Amount				9	8	
Attendee Referred By		2	2			
Attendee Address	X					
Attendee City	X					
Attendee State	X					
Attendee Zip Code	X					
Attendee Race		13	28			
Attendee Ethnicity		12	27			

² Items on the consent form are not numbered; an X indicates that this item is collected on the consent form.

A8 Consultations Outside the Agency

In accordance with the Paperwork Reduction Act of 1995, the Treasury Department published a notice in the Federal Register on January 31, 2008 announcing the agency's intention to request an OMB review of data collection activities for the Survey of HUD-Approved Counseling Agencies. The notice provides a 60-day period for public comments. No comments were received.

HUD's contractor, Abt Associates, developed the data collection instruments in consultation with staff from HUD and several subcontractors (PolicyLab Consulting Group and IMPAQ International Consulting). Pre-testing of the baseline questionnaires and service tracking surveys with up to twenty client and three agency respondents will be conducted between August and September 2008.

A9 Payments to Respondents

Counseling clients are not being offered any monetary incentive to complete the baseline survey. However, they are being offered a free copy of their credit report and credit score from all three credit reporting agencies in exchange for completing the baseline survey. Participating counseling agencies are being offered a stipend of \$1,000 in recognition of the additional burden associated with administering the baseline survey and entering information for the service tracking surveys on counseling services provided to these clients over a six-month period.

A10 Arrangements and Assurances Regarding Confidentiality

HUD does promise confidentiality as stated in the Privacy Act of 1974 (5 U.S.C. 552a), Records Maintained on Individuals. The findings from the study will be publicly reported only at the aggregate level; neither individual clients nor participating housing counseling agencies will be identified in the study reports.

A11 Sensitive Questions

The surveys do contain questions that are considered sensitive. The surveys contain questions on race/ethnicity, gender, marital status, number of dependents, income/financial data, current employment status, education level, whether U.S. born, whether English is primary language, monthly rent paid, monthly utilities paid, and for the counseling agency staff some employment history questions are asked. Although sensitive questions will be posed, the findings from the study will be publicly reported

only at the aggregate level; neither individual clients nor participating housing counseling agencies will be identified in the study reports.

A12 Estimate of Annualized Burden Hours

Exhibit A-3 provides information on the estimated time to complete data collection using the baseline questionnaires and service tracking surveys. The baseline questionnaires will be completed by 1,000 pre-purchase clients and 1,000 foreclosure mitigation clients, with each baseline questionnaire will require 30 minutes to complete. Thus, total burden hours will be 500 hours for each type of counseling client for a total of 1,000 hours for all counseling clients. In addition, the 30 participating counseling agencies will be required to record information on the services received by each of these 2,000 counseling clients, with an average of 120 minutes per client required to report this information over the six month period. Each agency will have an average of 66.67 clients, yielding a total burden per counseling agency of 8,000 minutes for recording client level information in the tracking surveys. In addition, each agency will require 15 minutes to complete the educator/counselor component of the service tracking survey. With an expected average of 8 educators/counselors per agency, the total burden hours per agency for this portion of data collection will be 120 minutes per agency. Thus, the total burden per agency will be 8,120 minutes. Across all 30 agencies the total burden hours for counseling agencies to complete the service tracking surveys for pre-purchase and foreclosure mitigation clients and to enter information on their educator/counselors will be 4,060 hours. Overall, the total burden for counseling clients and counseling agencies will be 5,060 hours.

Exhibit A-3. Respondent Burden

	A	B	C	D	E	F	G
Type of Respondent	Number of Respondents	Average Burden per Respondent (Minutes)	Total Annual Burden (Minutes) (A*B)	Number of Responses per Respondent	Total Respondent Burden (Minutes) (C*D)	Total Burden per Respondent (Minutes) (B*D)	Total Respondent Burden (Hours) (E/60)
Pre-Purchase Clients	1,000	30	30,000	1	30,000	30	500
Foreclosure Mitigation Clients	1,000	30	30,000	1	30,000	30	500
Counseling Agencies – Client Tracking Surveys	30	120	3,600	66.67	240,000	8,000	4,000
Counseling Agencies – Educator/Counselor Information	30	15	450	8	3,600	120	60
Total							5,060

A13 Estimated Record Keeping and Reporting Cost Burden on Respondents

There is no cost to respondents, other than the time required to respond to the survey.

A14 Estimated Cost to the Federal Government

The total contracted cost to the federal government for the surveys on housing counseling outcomes is \$598,765.

A15 Reasons for Changes in Burden

This submission to OMB is a new request for approval; there is no change in burden.

A16 Tabulation Plan, Statistical Analysis, and Study Schedule

Data collection is scheduled to begin in October 2008 and continue through September 2009. Responses to the various survey questions will be compiled into a database on characteristics of clients, the services they received, and the outcomes identified. Analysis of these data will consist of tabulations of information on clients, services, and outcomes. In analyzing findings from the outcome panel, key stratification variables will be the type of counseling sought, agency characteristics, and clients' race/ethnicity, income, credit score, household type, and status at intake with respect to their counseling goals. In addition, multivariate analysis will be also used to examine the influence of client, agency, counselor, and service characteristics on the outcomes realized. The goal of this analysis will be to shed light on the circumstances in which counseling is more likely to result in favorable participant outcomes. For pre-purchase clients, these favorable outcomes include making better home purchase decisions (e.g., obtaining more affordable terms, buying better quality homes, and making better choices about refinancing and home maintenance and improvement following purchase). For delinquent clients, favorable outcomes would include retaining homeownership or mitigating losses if loss of the home occurs. Analysis will be conducted from July 2009 through September 2009, with a first draft report submitted to HUD in September 2009, and a final report submitted in December 2009.

A17 Expiration Date Display Exemption

All data collection instruments will prominently display the expiration date for OMB approval.

A18 Exceptions to Certification

This submission describing data collection requests no exceptions to the Certificate for Paperwork Reduction Act (5 CFR 1320.9).