



OFFICE of  
**INSPECTOR GENERAL**  
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UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

# HUD Has Challenges Measuring the Impact of Homeownership Counseling

**Audit Report Number: 2025-NY-0001**

**March 24, 2025**

To: David L. Berenbaum  
Deputy Assistant Secretary for Housing Counseling, HC

**//signed//**  
From: Kilah S. White  
Assistant Inspector General for Audit, Office of Inspector General, GA

Subject: HUD's Office of Housing Counseling Has Challenges Measuring the Impact of Prepurchase and Postpurchase Homeownership Counseling

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our audit of HUD's Office of Housing Counseling.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, as amended, requires that OIG post its reports on the OIG website. Accordingly, this report will be posted at <https://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call Kimberly S. Dahl, Audit Director, at (202) 617-6886.

## Highlights

### HUD Has Challenges Measuring the Impact of Homeownership Counseling | 2025-NY-0001

#### What We Audited and Why

We audited the U.S. Department of Housing and Urban Development's (HUD) Office of Housing Counseling to assess its processes for achieving its goal to advance homeownership through prepurchase and postpurchase homeownership counseling, including its use of performance metrics and the collection and use of outcome data. We selected this review because housing counseling plays a significant role in improving housing outcomes for home buyers, homeowners, and renters.

#### What We Found

HUD's Office of Housing Counseling collects data related to housing counseling activity from its approved housing counseling agencies. It did not, however, use performance metrics or benchmarks for prepurchase and postpurchase homeownership counseling to measure whether this activity was contributing to its goal of advancing homeownership, nor did it conduct detailed analysis of the activity data to help identify trends. The Office of Housing Counseling acknowledged there are limitations in the data it collects about housing counseling agency performance. However, it believes that its periodic reviews of housing counseling agencies along with its existing data collection efforts are sufficient to measure performance in its programs. With enhanced use of performance metrics and data, HUD can better assess how impactful prepurchase and postpurchase homeownership counseling is in advancing sustainable homeownership.

#### What We Recommend

We recommend that HUD's Office of Housing Counseling (1) more clearly define successful prepurchase and postpurchase homeownership counseling outcomes and use these definitions to help establish performance metrics and benchmarks; (2) implement routine client outcome data analysis to identify trends, quantify performance metrics and benchmarks, and measure the impact of prepurchase and postpurchase counseling on advancing homeownership; and (3) enhance monitoring of HUD-approved housing counseling agencies' performance against the established performance metrics.

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## Background and Objective

HUD's Housing Counseling Program supports the delivery of a wide variety of housing counseling services to home buyers, homeowners, low- to moderate-income renters, and the homeless to educate families and individuals to help them make smart decisions regarding improving their housing situation and meeting the responsibilities of tenancy and homeownership. Counseling is provided by HUD-certified housing counselors, who are employed by HUD-approved housing counseling agencies. HUD's Office of Housing Counseling provides oversight to the HUD-approved housing counseling agencies and awards grants to facilitate housing counseling services addressing such needs as purchasing or renting a home, preventing foreclosure and eviction, and reducing homelessness.

Under the program, HUD awards grants to HUD-approved housing counseling agencies through a competitive process. These funds can be used for part of the costs of an agency's counseling activities, and grantees are required to leverage their HUD grant with funding from other resources. Grant applicants must submit a detailed yet concise housing counseling plan that explains the needs and problems of the target population, how the agency will address one or more of these needs and problems with its available resources, the type of housing counseling services offered, the fee structure, the geographic service area to be served, and the anticipated results to be achieved within the period of approval.

HUD's Fiscal Year 2024 Annual Performance Plan stated that HUD had made it its mission to expand access to homeownership and opportunity, and that this included expanding housing counseling. Further, in its Fiscal Year 2022-2026 Strategic Plan, HUD identified housing counseling as a way to increase access to homeownership and to help ensure that homeownership is sustainable and supports household wealth-building. For this reason, housing counseling was included as one of the strategies HUD would employ to achieve and advance sustainable homeownership.

HUD-approved housing counseling agencies are required to submit an electronic activity report quarterly using HUD Form 9902. The form captures both counseling and education activities, and it must be completed online through each agency's client management system, which then transfers the data to HUD's Housing Counseling System.<sup>1</sup> HUD's system is a web application that manages the counseling program data, maintains a list of agencies, collects client data, processes grant applications, and provides performance reports.

Our objective was to assess HUD's processes for achieving its goal to advance homeownership through prepurchase and postpurchase homeownership counseling. Specifically, we assessed HUD's use of performance metrics and the collection and use of counseling outcome data to help achieve its goal.

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<sup>1</sup> Client management systems are commercial or self-developed online housing counseling applications that automate much of the housing counseling process, including client intake, file maintenance, financial and credit analysis, outreach, client notification, and reporting. HUD has required agencies to submit information through client management systems since 2011.

## Results of Audit

### HUD Has Challenges Measuring the Impact of Homeownership Counseling

HUD's Office of Housing Counseling collects data related to housing counseling activity from its approved housing counseling agencies. It did not, however, use performance metrics or benchmarks for prepurchase and postpurchase homeownership counseling to measure whether this activity was contributing to its goal of advancing homeownership. Further, the Office of Housing Counseling did not conduct detailed analysis of the activity data to help identify trends. It believes that the performance criteria it uses to review agencies at least every 3 years, along with the data it is currently able to collect, are sufficient to measure performance in its programs, and several limitations existed with agencies' client outcome data that made it difficult to establish and use performance metrics. The Office of Housing Counseling expressed interest in an updated housing counseling data system that would allow it to capture real time outcomes across all homeownership counseling programs to help overcome the data limitations, but it does not currently have approval or funding planned for such an update. As a result, HUD may not be able to show how impactful prepurchase and postpurchase homeownership counseling is in advancing sustainable homeownership, and what changes may be needed over time based on trends and progress.

### Opportunities To Improve Program Management

HUD's Office of Housing Counseling collects counts of clients served in several categories, including homelessness, rental, prepurchase, nondelinquent postpurchase, reverse mortgage, resolving or preventing mortgage default, and disaster assistance, from housing counseling agencies quarterly. However, the Office of Housing Counseling's goals and analysis focus on output data, such as number of clients served and number of certified housing counselors, rather than on counseling outcomes, such as the number of households that purchased a home, improved their financial capacity, gained access to resources, or improved their home conditions or home affordability after receiving housing counseling.<sup>2</sup> The Office of Housing Counseling also conducts or contracts performance reviews of HUD-approved housing counseling agencies at least every 3 years in accordance with HUD Handbook 7610.1.<sup>3</sup> However, these performance reviews are focused more on housing counseling agency eligibility to participate in HUD's Housing Counseling Program than on results. Further, the Office of Housing Counseling did not use performance metrics or benchmarks for prepurchase and postpurchase homeownership counseling or conduct detailed analysis of housing counseling activity data to help measure program and housing counseling agency effectiveness. As discussed below, HUD has opportunities to improve its processes for measuring and tracking program accomplishments.

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<sup>2</sup> According to the U.S. Government Accountability Office's Government Auditing Standards, section 8.38, outputs represent the quantity of goods or services produced by a program, whereas outcomes are accomplishments or results of a program.

<sup>3</sup> HUD may conduct periodic onsite or desk performance reviews of all participating agencies. HUD reserves the right to monitor a participating agency's performance, whether on site, remotely, or a combination of both, as part of the reapproval process or based on perceived risk. The performance review will consist of a review of the participating agency's compliance with program requirements, including applicable civil rights requirements, and the agency's ability to deliver quality counseling services.

Office of Management and Budget (OMB) Circular A-11 provides requirements on performance management, including establishing performance measures and monitoring and reporting progress. In addition, OMB Circular A-123 states that agency managers must continuously monitor, assess, and improve the effectiveness of internal control and are responsible for evaluating whether a system of internal control reduces the risk of not achieving the entity's objectives related to operations, reporting, or compliance to an acceptable level. HUD had two performance indicators for the Housing Counseling Program in its strategic plan, number of clients served and number of counselors.

The Office of Housing Counseling has not clearly defined successful prepurchase and postpurchase homeownership outcomes. Also, it does not establish specific timeframes to measure immediate outcomes or set targets to measure long-term program and housing counseling agency performance. While HUD-approved housing counseling agencies are required to develop work plans that include a section on anticipated impact, the Office of Housing Counseling does not currently measure agency performance against the plans. Further, while it collects the quarterly data, the Office of Housing Counseling does not perform an analysis of the data to help identify trends or measure progress toward its goal of advancing homeownership through counseling, and it does not require that agencies provide a report showing such progress.

In addition, there is no indication that the Office of Housing Counseling regularly reviews client outcomes in detail, including verifying the data reported by HUD-approved housing counseling agencies. It collects the quarterly counts of clients served within various categories without requiring supporting documentation for or verification of the numbers. The Office of Housing Counseling or its contractors conduct performance reviews of the housing counseling agencies at least every 3 years, with a small number of client files selected for each review. These reviews, however, focus more on program compliance and eligibility requirements than on agency performance.

HUD's Office of Housing Counseling believes that the performance criteria it uses to review agencies at least every 3 years, along with the data it is currently able to collect, are sufficient to measure performance in its programs.<sup>4</sup> Further, several limitations existed with agencies' client outcome data that made it difficult to establish and use performance metrics. The limitations included unresponsive clients; lack of data verification by the Office of Housing Counseling; external factors that might affect client outcomes, such as loss of income or changes in the housing market; and difficulties defining successful prepurchase homeownership counseling outcomes. The Office of Housing Counseling expressed interest in an updated housing counseling data system that would engage with agency client management systems, FHA Catalyst, and other relevant systems to capture real time outcomes across all homeownership counseling programs to help overcome the data limitations. However, it does not currently have approval or funding planned for such an update. Without improving its processes, HUD may not be able to show how impactful prepurchase and postpurchase homeownership counseling is in

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<sup>4</sup> HUD Handbook 7610.1, section 6-1, states that housing counseling agencies must continue to meet the application approval criteria at 24 CFR 214.103, as well as the performance criteria listed at 24 CFR 214.303, which are categorized as follows: (A) workload, (B) agency's housing counseling work plan, (C) nondiscriminatory practices, (D) client referrals from HUD and other participating agencies, (E) Real Estate Settlement Procedures Act, (F) conflicts of interest, (G) disclosure to clients, (H) fee schedule, (I) alternative information about services or products, (J) staff experience and certification, (K) staff supervision, (L) funding, (M) audit, (N) training, and (O) reporting.

advancing sustainable homeownership, and what changes may be needed over time based on trends and progress.

## **Actions Taken Toward Being More Outcome Driven**

HUD's Office of Housing Counseling expressed its desire to make its programs more outcome driven and had taken multiple steps toward that goal. The actions taken included establishing new initiatives and programs, progress in obtaining a new housing counseling data system, and development of a client satisfaction survey. In addition, the Office of Housing Counseling had implemented various marketing and promotional initiatives to expand awareness of its available programs and the related housing counseling services. More details on some of the steps taken to date are as follows:

- In June 2023, HUD launched its multi-year Let's Make Home the Goal awareness campaign. The campaign's focus is on advancing homeownership and elevating the public's familiarity with housing counseling providers. Office of Housing Counseling officials stated that this program is designed to capture as many data points as it can through its system, despite its limitations, and to apply new techniques, such as client satisfaction surveys, postpurchase counseling, and more intensive data collection to distinguish and define outcomes.
- In March 2024, HUD launched the Homeownership Initiative Grant Program, and in June 2024, it awarded \$10 million to 23 HUD-approved housing counseling agencies under the program. This initiative focuses on three components, which must all be completed for grantees to receive payment under the grant. These components are (1) prepurchase counseling, (2) purchasing a home or mortgage origination, and (3) postpurchase counseling. Grantees must maintain documentation of completion of these components. Further, as part of this grant program, HUD's Office of Policy Development and Research planned to analyze the impact of the program and issue a white paper documenting its findings.
- In 2024, the Office of Housing Counseling developed a new client satisfaction survey. Created in response to a prior Office of Inspector General (OIG) audit of the Housing Counseling Program,<sup>5</sup> HUD plans to collect, analyze, and report results of survey responses to better understand customers' experiences and satisfaction to improve the program and the quality of the housing counseling services provided. Office of Housing Counseling officials stated that housing counseling agencies will be required to incorporate the survey into their current practices through various options, such as adding a survey link in closeout letters to clients or in slides for group education classes.
- The Office of Housing Counseling began pursuing a new data system that would engage with agency client management systems, FHA Catalyst, and other industry systems to capture real time outcomes across all homeownership counseling programs. The Office of Housing Counseling is hopeful that funding will become available to launch such a system and indicated that it would incorporate real time grant application, reporting, program review, and outcome information.

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<sup>5</sup> Audit report number 2018-NY-0001, issued September 24, 2018



## Conclusion

HUD has challenges measuring the impact of homeownership counseling. Unless its Office of Housing Counseling establishes performance metrics and implements routine client outcome data analysis, it may not be able to show how impactful prepurchase and postpurchase homeownership counseling is in advancing sustainable homeownership, and what changes may be needed over time based on trends and progress. Further, if the Office of Housing Counseling continues to pursue an updated housing counseling data system and receives the approval and funding needed to implement such a system, it will help overcome the client outcome data limitations affecting its ability to measure the impact of its Housing Counseling Program.

## Recommendations

We recommend that HUD's Deputy Assistant Secretary for Housing Counseling

- 1A. More clearly define successful prepurchase and postpurchase homeownership counseling outcomes and use these definitions to help establish performance metrics and benchmarks for HUD's Office of Housing Counseling and HUD-approved housing counseling agencies. This should include the types of successful outcomes under the Homeownership Initiative Grant, as well as other positive outcomes for clients that do not involve immediate homeownership.
- 1B. Implement routine client outcome data analysis to identify trends, quantify performance metrics and benchmarks, and measure the impact of prepurchase and postpurchase counseling on advancing homeownership. This should include routine analysis that HUD's Office of Housing Counseling can implement based on data collected as well as continuing to pursue an updated housing counseling data system to help overcome client outcome data limitations.
- 1C. Enhance monitoring of HUD-approved housing counseling agencies' performance, to include progress toward the established performance metrics and benchmarks.


## Scope and Methodology

We performed the audit work between January and November 2024. We conducted our fieldwork offsite for this audit. Our audit covered the period October 2021 through September 2023 but was extended to review additional actions taken by HUD's Office of Housing Counseling to become more outcome driven through November 2024.

To accomplish our audit objective, we

- Interviewed key officials from HUD's Office of Housing Counseling to obtain an understanding of its efforts to advance homeownership through its Housing Counseling Program's prepurchase and postpurchase homeownership counseling.
- Reviewed applicable laws, regulations, HUD handbooks, policies, procedures, and other relevant documentation related to the Office of Housing Counseling's efforts to advance homeownership and to obtain an understanding of its design to achieve the desired outcomes under its prepurchase and postpurchase homeownership counseling.
- Reviewed organizational charts for the Office of Housing Counseling to obtain an understanding of its structure and design.
- Reviewed system documents to obtain an understanding of how HUD systems interconnect with one another and external systems to ensure that those in need of housing counseling are adequately supported and tracked.
- Analyzed data and documentation to determine the population and distribution of HUD-approved housing counseling agencies and counselors as of the end of our review period.
- Reviewed notices of funding opportunity, grant agreements, and grant award data to analyze the design of grants awarded under the Office of Housing Counseling and how it distributed the funds to the grantees during our review period.
- Reviewed documentation for and interviewed key officials from a sample of six HUD-approved housing counseling agencies. The documentation included HUD Form 9902, grant agreements, work plans, and performance review reports. Interviews were conducted to obtain an understanding of how HUD's Office of Housing Counseling collected and used housing counseling client outcome data to help ensure that it contributed to advancing homeownership, the agencies' experiences with the Housing Counseling Program, and potential areas for improvement.

We designed a targeted nonstatistical sample of HUD-approved housing counseling agencies due to our knowledge of the universe and to ensure that we included a variety of agency types, statuses, sizes, and locations. Our universe consisted of 1,152 active agencies as of September 30, 2023, that provided prepurchase or postpurchase homeownership counseling services during our review period of October 2021 through September 2023. From this universe, we selected the agency that served the most combined prepurchase and postpurchase counseling clients under each of the six relevant agency types (affiliate, branch, intermediary, local housing counseling agency, State housing finance agency, subgrantee) for a total sample of six housing counseling agencies. This sample represented approximately 8 percent of all prepurchase clients and 20 percent of all postpurchase clients served in our universe. The results of our selection cannot be projected to the universe.



We assessed the reliability of computer-processed data and determined that the data were sufficiently reliable to achieve our audit objective. We obtained an understanding of HUD's internal controls relevant to the audit objective. Specifically, we reviewed HUD's controls related to oversight of the approved housing counseling agencies, HUD Form 9902, and compliance with applicable requirements.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

# Appendix

## Appendix A – Auditee Comments and OIG’s Evaluation

### Ref to OIG Evaluation – Auditee Comments



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

March 11, 2025

MEMORANDUM FOR: Kilah S. White, Assistant Inspector General for Audit, Office of Inspector General, GA

FROM: David Berenbaum, Deputy Assistant Secretary *DB*  
for Office of Housing Counseling, HC

SUBJECT: HUD’s Comments for OIG Draft Report – HUD Has Challenges  
Measuring the Impact of Homeownership Counseling

The Office of Housing Counseling (OHC) has reviewed the draft audit report written by the HUD Office of Inspector General (OIG). The OHC offers the following comments on the draft audit report for consideration.

HUD’s Office of Inspector General assessed the OHC’s processes for achieving HUD’s goal to advance homeownership through pre-purchase and post-purchase homeownership counseling, including the OHC’s use of performance metrics and the collection and use of outcome data. The OIG found that, while the program office collects data related to housing counseling activity from approved housing counseling activity, the OHC does not use performance metrics or benchmarks for pre-purchase and post-purchase homeownership counseling to measure whether this activity is contributing to the OHC’s goal of advancing homeownership, nor does the program office conduct detailed analysis of the activity data to identify trends.

The OHC agrees in part with the OIG regarding the recommendations. The OHC has a longstanding history of collecting housing counseling activity and outcome data from housing counseling agencies participating in the program. However, limitations in the OHC’s outdated Housing Counseling System (HCS) make it challenging for participating agencies to provide performance metrics in a detailed and consistent way and challenging for the OHC to expand outcome measures at scale and conduct extensive data and trend analysis and reporting.

Measuring program outcome and demonstrating impact has been a key priority for the OHC for many years. The HUD-9902 form, also known as the Housing Counseling Activity Report, is used to collect agency data on client demographics, housing counseling and education services, as well as outcomes of services. When the Office was established in 2010, OHC staff worked closely with industry stakeholders to revise the activity reporting for agencies and expand the outcomes options for one-on-one counseling services, which were all consolidated into one section of the form, Section 10.

HUD currently collects a minimum of 15 data points that track the outcomes clients achieve due to counseling. These metrics include but are not limited to items, such as the number of

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## Ref to OIG Evaluation – Auditee Comments

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households that developed a sustainable budget, purchased a home, avoided foreclosure, improved their financial situation (increased income, decreased debt, or improved credit score, etc.), and/or improved their financial education and/or capability to purchase a home. These are outcome-based metrics, but system constraints limit the OHC's ability to effectively use them.

In recent years, the OHC has made progress in designing and implementing a new pilot program that requires reporting on client-level performance metrics and benchmarks which are aligned with the recommendations discussed in the above-referenced draft report.

One of those actions is the Housing Counseling Homeownership Initiative Grant which is a new grant program awarded through the FY 2023 Notice of Funding Opportunity (NOFO). The HI grant utilized a negotiated fixed payment award reimbursement method and awarded funding to grantees to support pre-purchase housing counseling that results in the purchase of a home and provides post-purchase counseling to help preserve homeownership in underserved communities.

Through this pilot program, agencies are manually reporting to the OHC new client-level outcomes, such as the amount of downpayment assistance and source, whether the client was a first-time homebuyer, zip code prior to purchase and after purchase, mortgage type, purchase price, interest rate, and credit score. (See Appendix 1 for OHC's report on HI Grant outcomes and performance metrics related to the first 88 clients reported to the Department.)

The OHC would like to collect this successful client level outcome data not just for the Homeownership Initiative Grant pilot but for all pre-purchase and post-purchase counseling activities that are funded under the OHC's Comprehensive Housing Counseling (CHC) competitive grant program. The OHC believes collecting this data would be aligned with the OIG's recommendations. In order to transition this successful pilot project into full scale operation, the OHC would need a significant investment of resources to modernize the program office's information technology (IT) infrastructure.

Currently, HUD's Office of Housing Counseling relies on outdated IT systems that severely limit its ability to fulfill its mission and meet the growing consumer demand for housing counseling. The OHC is included in the Office of Housing IT roadmap which proposes a unified IT system to serve all of the OHC's business functions. Funding a new OHC IT system is contingent on funding availability.

The OHC has also taken steps to increase transparency in the data collected and aggregated for public availability on [HUD Exchange](#). This is important to allow stakeholders to access demographic information, program services and outcomes by region, and this data can be used by the public and interested stakeholders to conduct independent analysis and identify trends. Specifically, the data displayed includes scope of services, households served by state, race, ethnicity, income level, outcomes by fiscal year and by quarter, and this data can be displayed on a regional basis. The OHC expects to publish this data on an agency-level later this year, further documenting program and agency impact for the public.

## Ref to OIG Evaluation – Auditee Comments

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### Recommendation 1A

Define successful pre-purchase and post-purchase homeownership counseling outcomes and use these definitions to help establish performance metrics and benchmarks for HUD’s Office of Housing Counseling and HUD-Approved Agencies. This should include the types of successful outcomes under the Homeownership Initiative Grant, as well as other positive outcomes for clients that do not involve immediate homeownership.

 **Comment 1 >**

HUD Comment: HUD accepts this recommendation. HUD intends to continue to collect the outcome data and performance metrics related to households that completed pre-purchase counseling, achieved homeownership, and completed post-purchase counseling as required as part of grant award reporting in the FY2023 Homeownership Initiative Grant Awards as long as housing counseling funds are appropriated in the future for these program activities. HUD intends to also identify other positive outcomes for clients that do not involve immediate homeownership.

### Recommendation 1B

Implement routine client outcome data analysis to identify trends, quantify performance metrics and benchmarks, and measure the impact of pre-purchase and post-purchase counseling on advancing homeownership. This should include routine analysis that HUD’s Office of Housing Counseling can implement based on data collected as well as continuing to pursue an updated housing counseling data system to help overcome client outcome data limitations.

 **Comment 2 >**

HUD Comment: HUD accepts this recommendation with a few concerns. HUD will implement routine client outcome data analysis to identify trends, performance metrics, benchmarks, and measure the impact of pre-purchase and post-purchase counseling on advancing homeownership for housing grantees participating in future Homeownership Initiative Grant awards if appropriations are made available to continue to implement this effort. The OHC is currently collecting this data and performing this analysis manually, therefore this effort cannot be scaled up to all grants under the Comprehensive Housing Counseling Grant.

HUD’s Office of Housing Counseling currently relies on outdated IT systems that severely limit its ability to fulfill its mission and meet the growing consumer demand for housing counseling. The OHC’s current IT systems for managing housing counseling agency information, processing grants and vouchers, and collecting program data, are siloed, difficult to update, and lack modern tools for reporting, analytics and risk monitoring. The Office of Housing IT roadmap proposes a unified IT system to serve all of the OHC’s business functions. Contingent on funding availability, a new operating system can be developed and implemented over the next 5 years. The OHC can begin to collect more outcome data and perform more routine data analysis for all pre-purchase counseling and post-purchase counseling that is funded through the Comprehensive Housing Counseling grant once the new system is operating.

### Recommendation 1C

Enhance monitoring of HUD-approved housing counseling agencies performance, to include progress toward the established performance metrics and benchmarks.

## Ref to OIG Evaluation – Auditee Comments

 **Comment 3 >**

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OHC Response:

The OHC accepts this recommendation. The OHC will explore establishing performance metrics that demonstrate progress toward homeownership goals. Currently, the OHC requires agencies that receive grants to establish performance metrics and report on their progress. The OHC monitors each agency's progress toward those performance metrics.

Further, the OHC has revised its monitoring protocol for the FY 2023 Homeownership Initiative Grant and will continue to utilize those revised protocols for future HI grant awards and adopt similar protocols where appropriate for the Comprehensive Housing Counseling & MSI Partnership Grant programs. Each of these initiatives can only be implemented if funds are appropriated by Congress to continue these efforts.

## OIG Evaluation of Auditee Comments

- Comment 1            We acknowledge the Office of Housing Counseling’s plan to address recommendation 1A through the outcome data and performance metrics it has identified as part of the Homeownership Initiative Grant program as well as by identifying other positive outcomes for clients that do not involve immediate homeownership. We look forward to working with HUD through the audit resolution process.
- Comment 2            We acknowledge the Office of Housing Counseling’s efforts to manually collect and analyze new client-level outcome data as part of its Homeownership Initiative Grant, which is responsive to recommendation 1B. Further, we acknowledge that it may not be feasible to do this manual work on a larger scale due to current system limitations, and agree that a new system would allow HUD to more easily collect and analyze additional outcome data on a larger scale. However, while it continues to pursue a new system, we believe that the Office of Housing Counseling can begin to implement additional routine client outcome data analysis based on data currently collected. For example, as discussed on pages 2-3 of this report, while the Office of Housing Counseling currently collects some outcome-related data, its data analysis efforts have generally been focused on output data, such as the overall number of clients served in various categories. We look forward to working with HUD to further its efforts during the audit resolution process.
- Comment 3            The Office of Housing Counseling agrees with recommendation 1C. Although we acknowledge on page 3 of this report that HUD-approved housing counseling agencies are required to develop work plans that include a section on anticipated impact, we found that the Office of Housing Counseling did not measure agency performance against the plans, analyze quarterly data to help measure agency progress toward its goal of advancing homeownership through counseling, or require that agencies provide a report showing such progress. We agree that the Office of Housing Counseling’s plan to explore performance metrics and implement an updated monitoring protocol are responsive to our recommendation and recognize that funding levels could impact its ability to implement such changes across its programs.