

## Summary Results of the 2010 Nonprofit Housing Organization Needs Assessment Survey

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### Introduction

In June 2010, a web-based needs assessment survey of nonprofit housing organizations was deployed by Doug Dylla Consulting ([www.dougdyllaconsulting.com](http://www.dougdyllaconsulting.com)) using primarily an email list of HUD counseling agencies. All told, 706 respondents from 630 different organizations completing the survey. Given that there are an estimated 1,800 HUD counseling agencies, the response rate of approximately 33 percent is quite high for this type of survey, and results should therefore be highly representative of all HUD housing counseling agencies.

### Respondent and Organization Characteristics

Respondents to the survey came from a diverse range of positions and organizations.

- 25% of respondents were Executive Directors
- 18% were Housing Directors
- 18% were Housing Counselors
  
- 37% were from organizations with annual operating budgets over \$1.5 million
- 11% had budgets between \$1 and \$1.5 million
- 21% had budgets between \$500,000 and \$1 million
- 31% had budgets of less than \$500,000
  
- 51% were from organizations with over 15 staff members
- 11% had 10-15 staff members
- 23% had 5-10 staff members
- 16% had fewer than 5 staff members

Almost 76 percent of respondents were from HUD-approved housing counseling agencies and 63 percent were from local nonprofit housing organizations.

### Key Lines of Business

- 80% provided home preservation and foreclosure intervention services
- 79% provided homeownership promotion services
- 48% provided housing development services

### Sources of Income

Federal, state and local governments are by far the largest sources of funding for these organizations.

- 85% of organizations received funding from the federal government
- 69% received funding from state governments
- 62% received funding from local governments
- 59% received funding from foundations
- 43% received funding from corporations
- 39% received funding from fees for services

### Scale of Production

As with organizational staffing and budgets, there was significant variation in their 2009 production levels.

- 48% of organizations provided homeownership services to over 75 households
- 37% provided foreclosure prevention services to over 300 households
- 26% provided homeownership services to less than 25 borrowers
- 25% provided foreclosure prevention services to less than 50 households

### Challenges Facing Nonprofit Housing Organizations

In the current economic climate, nonprofits are facing significant challenges. Since the current crisis was largely precipitated by the near collapse of the nation's housing and financial markets, nonprofits are seeing increased demand for their services at a time when their funding is being cutback.

- 50% cited funding cutbacks as their greatest challenge
- 24% cited the weak economy and job losses
- 11% cited the overwhelming problems caused by foreclosure

When these responses were analyzed by region of the country, no significant variation was observed. Effectively, organizations across the country are primarily concerned with funding cutbacks, the weak economy, and the foreclosure crisis, as well as meeting the strong demand for their services on reduced budgets.

### Outlook for Future

Organizations also have a generally poor near-term outlook on the future of the housing market.

- 35% of respondents expect the housing market to worsen in the next year
- 48% expect the housing market to stay the same in the next year
- 9% expect conditions to improve in the next year

Longer term, most respondents believe that the housing market will begin to recover.

- 54% of respondents are predicting improvement in the next 2-3 years
- 20% expect conditions to stay the same
- 7% expect a continued worsening of the economy and housing market

When asked about the critical problems and needs of their organizations, by far the greatest problem facing these organizations was the loss of funding or the need for additional funding.

- 62% of respondents listed more funding as their primary need
- 25% listed more funding as a secondary or tertiary need
- 48% listed the weak economy and resulting loss of jobs as critical problems

### Organization Opportunities, Strengths and Best Practices

While the current crisis is creating significant challenges for all of the organizations surveyed, these organizations also see opportunities to advance their mission.

- 21% see an opportunity to provide foreclosure recovery education and services
- 18% see the availability of affordable homes as a result of price declines and foreclosures
- 17% see some relief from the availability of Neighborhood Stabilization Program (NSP) and/or National Foreclosure Mitigation Counseling (NFMC) Program funding

When asked to describe the key strengths of their organizations, respondents highlighted their staff and board leadership.

- 54% of respondents cited strong and capable staff as their key strength
- 13% cited strong board and staff leadership
- 9% cited diversified funding
- 8% cited strong partnerships with key stakeholders
- 7% cited innovative programs

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Unsurprisingly, organizations have most commonly developed best practices in their foreclosure intervention activities.

- 64% of respondents noted their organizations had improved the efficiency and productivity of their foreclosure intervention services
- 58% noted increased efficiency and productivity in homeownership services
- 50% noted improvements in financial education and counseling services
- 33% noted the development of innovative partnerships

### **General Themes, Lessons Learned, and Best Practices Developed**

After reviewing the comments made by respondents in the open response sections of the survey, several key themes emerged. It was clear that many organizations are under significant stress, with demand for their services surging at a time when many of their sources of funding have been cut back. Numerous respondents, particularly from smaller organizations, highlighted the need for additional training programs for their staff (ideally, high quality, accessible and/or online training). The need for competent, strong and effective boards of directors was frequently mentioned.

Many respondents indicated that their ability to assist homeowners facing foreclosure is being hampered by challenging negotiations with lenders, falling wages, unemployment, and limited employment opportunities at living wages. Gulf Coast respondents also highlighted the effect of the British Petroleum oil spill on their clients, and foresee further problems arising from the spill's economic impact.

Respondents also indicated that they were having significant difficulty obtaining home purchase mortgages for their clients, with banks severely limiting the types of loans offered, and only lending to prime loan candidates. Several suggested that underwriting standards had been tightened too much as a result of the crisis.

The organizations are responding to the crisis in innovative ways. For example, the increased use of social media (Twitter, Facebook, etc.) to attract and communicate with clients was quite prevalent, as was use of online or phone intake and counseling, which reduced paperwork and improved efficiency. The use of large group orientations and educational programs was often cited, as was the use of triage methods to limit counseling to those clients most likely to benefit based on their credit histories and income/employment status.

The survey respondents also highlighted many "lessons learned" from the current housing crisis and wave of foreclosures, but several themes emerged. First, there were lessons learned regarding the optimal way to deliver foreclosure intervention counseling such as the need for specialized staff, early intervention and triage systems. Moreover, many respondents mentioned the need to have a diversified funding base, to establish partnerships with other agencies, and to work closely with state and local governments as key lessons. Lastly, many felt the importance of financial literacy and homebuyer education for consumers prior to purchasing a home had been underscored by the current crisis.