

FEDERAL RESERVE BANK OF MINNEAPOLIS COMMUNITY AFFAIRS REPORT

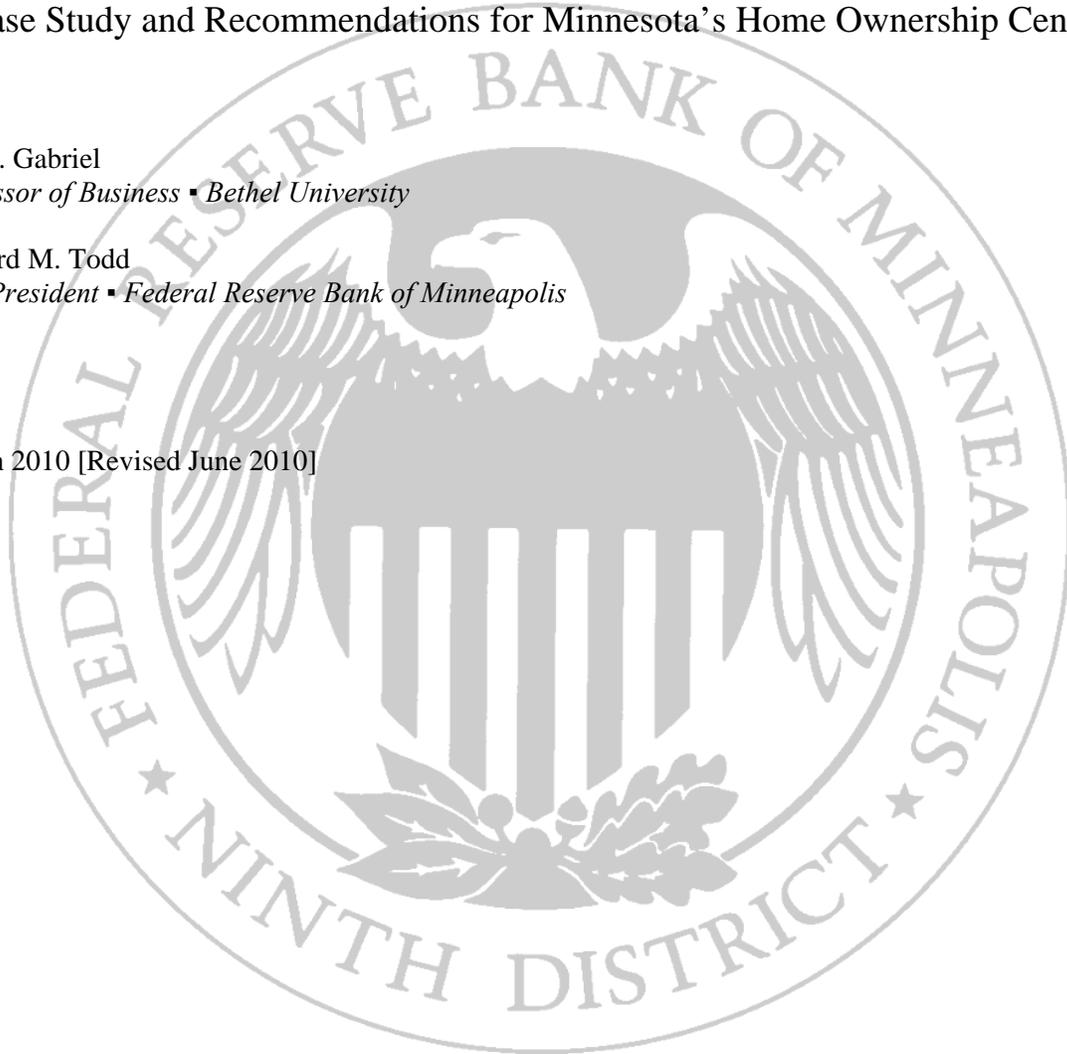
Report No. 2010-1

Gaining a Better Understanding of the Costs of Homeownership Programs: A Case Study and Recommendations for Minnesota's Home Ownership Center

Leo T. Gabriel
Professor of Business ▪ Bethel University

Richard M. Todd
Vice President ▪ Federal Reserve Bank of Minneapolis

March 2010 [Revised June 2010]



A report series from the Community Affairs Department of the Federal Reserve Bank of Minneapolis.

The views expressed here are those of the authors and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

This page is intentionally left blank.

Gaining a Better Understanding of the Costs of Homeownership Programs: A Case Study and Recommendations for Minnesota's Home Ownership Center¹

By Leo T. Gabriel and Richard M. Todd²

Abstract: We examine the cost and operational methods of three homeownership programs offered by the Minnesota Home Ownership Center (Center) and its partner agencies: Home Stretch homeownership classes, pre-purchase home buyer counseling, and foreclosure counseling. We describe the general cost structure of each program, identify factors associated with high or low costs, and summarize the agencies' views on some of the resources they use. We find that, across the Center's network over a three-year period, the per-unit cost of homeownership service provision showed no systematic tendency to rise or fall with the volume of service provision (appropriately measured). This suggests that the Center's network of partner agencies may have, collectively, already achieved significant economies of scale. A survey of partner agencies also suggests technical assistance and technology, provided by the Center, have been helpful in achieving this result. However, costs per household at some agencies deviated from the general patterns in ways that our data did not fully explain. This variability prompts us to recommend the use of target cost measures and cost reporting to identify efficiencies and best practices that could make the Center's programs more efficient and, thus, more sustainable.

With a mission to promote successful homeownership, the Minnesota Home Ownership Center, along with its partner agencies, provides services to families throughout Minnesota. The Center operates with the conviction that high-quality education, counseling, and related support services for potential and current homeowners will help families realize homeownership's long-term benefits. Although its services

¹ After the initial publication of this report in March 2010, staff at the Home Ownership Center notified us that one Community Action Agency (CAA) had been incorrectly identified as a government agency. Also, with regard to foreclosure counseling costs, the Center asked us to remove from our analysis the costs of the direct financial assistance that some agencies offer to delinquent borrowers. The requested changes are reflected in this revised version of the report, dated June 2010. Our previous analysis of the costs of pre-purchase counseling was completely unaffected by these changes, and the changes to our analysis of the costs of foreclosure counseling and Home Stretch homeownership education classes were mostly too small to affect our conclusions. However, one noteworthy previous finding was eliminated. Previously, we reported that CAAs had significantly higher foreclosure counseling costs than nonprofit and government agencies. That result changed when we no longer included direct financial assistance costs in the costs of foreclosure counseling, because this type of assistance was mainly offered by CAAs. We now find no statistically significant differences in foreclosure counseling costs by type of agency.

² The authors express their appreciation to the partner agencies of the Minnesota Home Ownership Center for their cooperation and thank Karen Duggleby and Julie Gugin of the Home Ownership Center, Michael Grover and Donald Hirasuna of the Federal Reserve Bank of Minneapolis, and Michael Collins of the University of Wisconsin-Madison for their assistance and advice.

are open to all, the Center emphasizes support for low- and moderate-income Minnesotans and others who often face barriers to homeownership.³

In the recent housing boom and bust, demand for the Center's homeownership services has been high. Funding and deploying adequate resources to meet the demand is a constant challenge that raises questions about how the Center and its partners can sustain themselves and their valuable services.

With those questions in mind, the Center worked with us in 2009 to examine the cost and operational methods of three of its primary programs: Home Stretch homeownership classes, pre-purchase home buyer counseling, and foreclosure counseling. We sought to describe the general cost structure of each program, identify factors associated with high or low costs, and better understand some of the resources that the agencies use. Our examination of costs shows that the cost per household counseled or educated was, with some noteworthy exceptions, fairly consistent across agencies and years. In other words, across the Center's network over a three-year period, the per-unit cost of homeownership service provision showed no systematic tendency to rise or fall with the volume of service provision (appropriately measured). This suggests that the Center's network of partner agencies may have, collectively, already achieved significant economies of scale. A survey of partner agencies also suggests technical assistance and technology, provided by the Center, have been helpful in achieving this result. However, costs per household at some agencies deviated from the general patterns in ways that our data did not fully explain. This variability prompts us to recommend the use of target cost measures and cost reporting to identify efficiencies and best practices that could make the Center's programs more efficient and, thus, more sustainable.

³ *2008 Annual Report*, Minnesota Home Ownership Center.

A strategic, statewide partnership

According to community development policy consultant Doug Dylla, sustainability of programs is a concern for many nonprofit organizations providing homeownership services.⁴ Dylla identifies strategies that homeownership organizations use to promote sustainability, including economies of scale (e.g., increasing the volume of existing services, such as by expanding into new markets), economies of scope (e.g., offering new services that complement existing services), collaboration with other organizations, and innovative technologies and business processes.

According to several researchers who conducted a case study of the Center's business strategies in 2007, the Center employs all of Dylla's strategies for reducing costs and achieving sustainability.⁵ In 2001, the Center began a statewide partnership with agencies that were offering homeowner education and counseling programs. Under the partnership, the Center does not directly offer those services, but helps its partner agencies by raising and distributing funds from private and public sources, establishing standards for counseling services, and providing professional training to certify agency staff. The Center also helps the agencies access new technologies and business processes by contracting for shared software and providing an interactive web site (www.hocmn.org) that features links to the partner agencies. By cooperating in these ways, the Center and its partner agencies may have already achieved significant economies of scale and scope. Despite the efficiencies gained through the statewide partnership, the Center lacked sufficient cost information to evaluate the efficiency and sustainability of its programs. This study provides cost information to evaluate the Center's programs.

⁴ *Getting to Scale: New Business Strategies for Homeownership*, NeighborWorks® Center for Homeownership Education and Counseling, NeighborWorks America, 2007.

⁵ J. Michael Collins, Ann DiPetta, Marcia Nedland, and Stephanie Pasquale, *Case Studies of New Business Strategies for Homeownership*, NeighborWorks® Center for Homeownership Education and Counseling, NeighborWorks America, 2007.

Collecting Data on Program Costs and Operations

With the help of the Center and its partner agencies, we set out to measure and compare the agencies' costs of delivering the Center's primary homeownership services. The Center wanted to know, for example, if the cost of providing the services varies with the providing agency's organizational type (Community Action Agency, or CAA⁶; nonprofit agency; or government agency) or its clients' location (Twin Cities/metro, nonmetro cities, or rural).

In examining the costs of the Center's homeownership programs, our approach was to measure *social costs*, or the full costs to society, for three program fiscal years: 2006, 2007, and 2008, with each year beginning in October. Social costs include direct and indirect costs incurred by partner agencies. *Direct* costs are expenses traced to the delivery of services by agencies. Typical direct costs include the salaries and benefits of staff providing services, program manuals, credit report access fees, marketing, printing, and training. *Indirect* costs are expenses that are necessary for the delivery of services but cannot be directly traced to the services. Examples include administrator salaries, rent, utilities, telecommunications, and insurance. In addition, social costs include "in-kind" contributions to agencies. Common in-kind contributions include donated meeting space, volunteer presenters, pro bono legal work, and waived fees for credit reports. The agencies estimated dollar values for these and other in-kind contributions. In summary, our cost concept is the market value of all the resources the agencies use to provide their homeownership services.⁷

⁶ CAAs are private and public nonprofit organizations that implement the federal Community Action Program (CAP), which was established in 1964 with the passage of the Economic Opportunity Act. The goal of CAP is to fight poverty at the local level through social services, education, and advocacy.

⁷ Our cost figures include neither the costs the Center incurs in supporting its partner agencies nor the costs agencies incur in providing direct financial assistance to clients.

The Center developed a survey, with input from the Federal Reserve Bank of Minneapolis, to collect data on program costs and additional information about partner agencies' staffing and use of technology.⁸ In the summer of 2009, the survey was sent electronically to 34 partner agencies, and 24 agencies submitted responses to the Center. Of the agencies responding, 20 provided Home Stretch classes, 18 provided pre-purchase counseling services, and 15 provided foreclosure counseling services. Ten agencies provided all three services, nine agencies provided two services, and five agencies provided just one service.⁹ We have no data on other services the agencies provided that may affect their cost of homeownership program services. Although we think the data we collected are generally accurate, the reporting agencies faced several challenges in estimating their costs, including gathering costs from as far back as late 2006, estimating costs for the remaining portion of their 2008–2009 fiscal year (ending in September), estimating social costs, allocating indirect costs among programs, and, in many cases, separating Home Stretch class costs from pre-purchase counseling costs (as these two programs are frequently funded and operated jointly).

Findings on the Costs of Homeownership Services

Foreclosure Counseling Costs. The Center received survey responses from 15 of the 19 partner agencies that provide foreclosure counseling services. This group consisted of six CAAs, six nonprofit organizations, and three government agencies. Eight of the responding agencies are in the Twin Cities metro area, one is in a nonmetro city, five are rural, and one is statewide.

Thirteen of the partner agencies reported data on their foreclosure counseling costs for the 2006, 2007, and 2008 fiscal years, and two more provided data for 2007 and 2008, giving us 43 agency-years of data.

⁸ Our survey instrument appears in Appendix A.

⁹ The Center identified staff changes as a possible reason why two of the agencies failed to respond, but indicated that nonparticipation otherwise appeared random and free of nonresponse bias.

In those years, the agencies counseled a total of almost 25,000 households facing foreclosure. The number of households counseled ranged from 20 at one rural CAA in 2006 to more than 1,000 at some metro agencies in 2007 and 2008 and more than 4,500 at one statewide agency in 2008. Because the cost data for this statewide agency was exceptional, we omit its three years of data from the foreclosure counseling cost analysis we present in this report, unless otherwise noted. Among the remaining agencies, the average cost per household served was \$397.

Figure 1 illustrates how the total cost of providing foreclosure counseling rose approximately in fixed proportion to the number of households served. Each dot on the graph represents total foreclosure counseling costs and total households counseled over one fiscal year by one counseling agency. Fiscal years are coded by color, and agencies are coded by capital letters. For example, the blue-colored “N” in the upper right represents an agency that counseled just over 1,200 households in 2008 at a total cost of just over \$670,000, while the red “N” in the middle represents the same agency in 2006, when it served just under 600 households at a cost of just under \$300,000. The reference line in the figure shows what total costs would be if it cost exactly \$397 to serve each household. The average relationship between actual costs and households served is well summarized by this reference line.¹⁰

The roughly proportional relationship between total cost and households counseled suggests that the Center’s network of agencies collectively operates over a wide range of volumes with little change in cost per household. This capability may not hold for individual agencies over very short horizons, such as within an annual funding and budget cycle. However, even over the fairly short three-year period our data cover, the network of agencies ramped up from serving 2,560 households at an average cost of \$360

¹⁰ In statistical terms, a regression of total foreclosure counseling costs on total households counseled and a constant term indicates that the constant term is not significantly different from zero and that \$397 is close to the center of the confidence band for the coefficient on households counseled. If we allow for nonlinearities by adding the square of households counseled as a regressor, its coefficient is not significantly different from zero.

in 2006 to serving 8,989 households at a statistically indistinguishable average cost of \$387 in 2008.¹¹

This implies that the Center and its partner agencies have, at a minimum, not failed to exploit any large or obvious economies of scale in their joint efforts. It is also consistent with (but does not in itself prove) the view that collaboration can contribute to overall efficiency, as suggested by Doug Dylla and others.

Personnel costs dominated the cost of providing foreclosure counseling. We computed personnel costs to include salaries; employer-paid benefits, insurance, and taxes; and fees for consultants and professional services. On that basis, Table 1 shows that total personnel expenses averaged 75 percent of total foreclosure counseling costs. In more tangible terms, the Center's foreclosure counseling agencies averaged personnel costs of \$56,718 per full-time employee, and full-time employees counseled, on average, 191 households per year, or almost one per 1.3 working days. As a result, personnel costs per household served averaged \$297. (At the omitted statewide agency, full-time employees counseled an average of 282 households per year, or more than one per working day.) Consistent with a wide range in their caseloads, foreclosure counseling agencies reported from as few as one-eighth of a full-time employee to as many as 9 (or 12 if we include the statewide agency).

The three government agencies providing foreclosure counseling services reported somewhat higher costs per household than the five nonprofits and four government agencies we analyzed. The average cost per household counseled by government agencies was \$419, compared to \$382 at the nonprofit agencies and \$383 at the CAAs.¹² Nonprofit agencies and CAAs have lower costs because their nonpersonnel costs per full-time employee are reported at just \$9,071 and \$18,588, respectively, compared to \$33,661 at government agencies. However, government agencies partly make up for their higher nonpersonnel costs

¹¹ Average costs rose higher in 2007, to an average of \$431 for the 5,815 households served that year, perhaps because the agencies were staffing up just slightly in advance of an anticipated increase in demand in 2008.

¹² The difference between costs per household at the government agencies and the other agencies is not statistically significant at a 10 percent probability level. Also, if we regress total costs on households counseled and a dummy variable that identifies government agencies, the dummy variable is not significant.

per employee with high average caseloads (263 households counseled per full-time employee, versus 171 at CAAs and 153 at nonprofits).

Our data do not clearly support geographic differences in the costs of providing foreclosure counseling. Our five rural agencies reported an average cost of \$369 per household served, compared to \$409 for our eight metro agencies, but the difference is not statistically significant. Our one nonmetro city agency and one statewide agency both report very low costs per household counseled (\$158 and \$208, respectively), with very low (city) or very high (statewide) caseloads. However, with only one agency of each type, we cannot reliably determine any geographic patterns.

Pre-Purchase Counseling Costs. The Center received survey responses from 18 of the 28 partner agencies that provide pre-purchase counseling services. This group consisted of six CAAs, nine nonprofit organizations, and three government agencies. Eight of the responding agencies are in the Twin Cities metro area, three are in a nonmetro city, and seven are rural.

Sixteen of the partner agencies reported data on their pre-purchase counseling costs for the 2006, 2007, and 2008 fiscal years, one provided data for 2007 and 2008, and one reported only on 2008, giving us 51 agency-years of data. In those years, the agencies counseled a total of 3,141 prospective home-buying households, with the number of households counseled ranging from 3 at one rural CAA in 2008 to 380 at one nonprofit agency in a nonmetro city in 2006. This nonprofit agency's scale of operations and costs were quite different from those of the other 17 providers of pre-purchase counseling, and we omit its three years of data from the analysis of pre-purchase counseling costs presented in the remainder of this article (unless otherwise noted). With this one nonprofit's data omitted, the average cost of providing pre-purchase counseling was \$658 per household.

Using the same format as Figure 1, Figure 2 shows how the total cost of providing pre-purchase counseling also varied, broadly speaking, in fixed proportion to the number of households served. The reference line in the figure represents what total costs would be if it cost exactly \$658 to serve each household. The roughly proportional relationship between total cost and households counseled again suggests that the Center's network of agencies is collectively able to operate at different scales with little change in cost per household.¹³

As was the case with foreclosure counseling, we don't mean that every agency can easily resize over a short horizon without affecting average cost. Indeed, a closer inspection of the data on pre-purchase counseling costs shows some deviations from the broad proportionality depicted in Figure 2. For example, when the number of households given pre-purchase counseling in a year is low, say under 50, most of the points in Figure 2 lie below the reference line. This indicates that, for most of the low-volume agencies, the cost per household counseled was less than the overall average of \$658, which is hard to explain.

Accounting procedures led many agencies to combine costs for Home Stretch and pre-purchase counseling programs. For the purposes of this study, agencies that combined these two program costs were asked to separate them based on a percentage allocation. This raises the question of whether costs were not precisely split between pre-purchase counseling and Home Stretch, and in particular whether agencies with a low volume of pre-purchase counseling may have had a greater tendency to underestimate the share attributable to pre-purchase counseling. We find little evidence for this pattern of cost allocation errors in our data. If it were true, we might expect the same low-volume agencies to have

¹³ A regression of total pre-purchase counseling costs on total households counseled and a constant term indicates that the constant term is not significantly different from zero and that \$658 is well within the 95 percent confidence band for the coefficient on households counseled. If we allow for nonlinearities by adding the square of households counseled as a regressor, its coefficient is not significantly different from zero.

relatively high average costs for the Home Stretch program. Although we found some examples that fit that pattern, we also found about as many that did not. In addition, even if we omit the agencies whose Home Stretch costs were relatively high, we do not eliminate the tendency for agencies with lower pre-purchase counseling to report costs per household served of under \$500. Further analysis of this pattern may be warranted.

Among the agencies with relatively high pre-purchase counseling volume in Figure 2, the agency labeled “L” has costs well above the reference line in all three years and the agency labeled “D” has especially high costs in 2007. The relatively high costs at agency L may reflect its client base, which includes a high percentage of immigrants and non-English language speakers and, thus, disproportionately high costs for translation services and basic education about the U.S. housing market. Agency D increased staffing to its pre-purchase counseling efforts in 2007 but did not experience a concomitant increase in demand. Accordingly, it scaled back its pre-purchase counseling staff resources in 2008.

We also find short-term deviations from perfect proportionality of costs and households served when we look individually at each of the 16 agencies that reported three years of pre-purchase counseling data. Twelve of the 16 have at least a mild tendency for their cost per household to be high (compared to their own three-year average) in years when their total number of households served is low. Nonetheless, looking across the Center’s network, we see a general tendency for annual pre-purchase counseling costs to rise approximately in proportion to the total number of households counseled per year, maintaining the network’s average cost of \$658.¹⁴

¹⁴ In contrast to the case of foreclosure counseling, where the caseload rose significantly between 2006 and 2008, the total number of households receiving pre-purchase counseling from Center agencies changed little from 2006 to 2008, with caseloads up at some agencies but down or little changed at others.

As with foreclosure counseling, personnel costs dominated the cost of providing pre-purchase counseling. Table 2 shows that total personnel expenses averaged 71 percent of total pre-purchase counseling costs. The Center's agencies averaged personnel costs of \$49,791 per full-time pre-purchase employee. Full-time employees counseled, on average, 107 households per year, or about one household every two working days, with personnel costs averaging \$466 per household served. (The agency whose pre-purchase counseling data we are omitting reported very different results, with about one-fifth of a full-time employee counseling about 300 households per year.)

The average pre-purchase counseling cost per household served was higher at CAAs (\$778) than at nonprofit (\$663) and government agencies (\$383). Although we have data from only three government agencies, their cost advantage is statistically significant. It arises through a combination of higher caseloads (135 households per full-time employee versus 110 and 100 at CAAs and nonprofits, respectively) and lower personnel costs per full-time employee (\$34,711 versus \$55,148 and \$49,938, respectively).

We also find at least borderline statistical significance in the cost advantages reported by two agencies that operate in nonmetro cities, compared to their rural and metro peers. These two agencies report low caseloads (5 to 25 households served per year) but even lower employment levels (down to one-sixteenth of an employee), resulting in implied caseloads equivalent to 434 households counseled per full-time employee. Despite these high caseloads, these agencies report spending the equivalent of just \$17,502 per full-time employee, about a third of what rural and metro agencies typically pay. The Center may wish to further analyze these large differences.

Home Buyer Education Costs. The Center received survey responses from 20 of the 30 partner agencies that provide home buyer education classes using the Center’s Home Stretch curriculum. This group consisted of seven CAAs, nine nonprofit organizations, and four government agencies. Eight of the responding agencies are in the Twin Cities metro area, four are in a nonmetro city, and eight are rural.

Nineteen of the partner agencies reported data on their Home Stretch costs for the 2006, 2007, and 2008 fiscal years, and one provided data for 2007 and 2008, giving us 59 agency-years of data. In those years, the agencies provided almost 900 Home Stretch classes that educated 10,000 prospective home buyers. The number of people trained ranged from a total of 16 attendees (in 5 classes) at one nonprofit in 2006 to 431 attendees (in 46 classes) by another nonprofit in 2006 and 554 attendees (in 22 classes) at yet another nonprofit in 2008. The total number of workshops offered by Center partners grew only slightly over our three years, from 291 in 2006 to 292 in 2007 and 311 in 2008. Attendance per class also rose from about 10 in 2006 to nearly 12 in 2008, helping boost the total number of individuals educated from just over 2,900 in 2006 to just over 3,700 in 2008.¹⁵

We can analyze Home Stretch costs either by number of classes offered or by number of attendees. Because the cost of providing a class for 20 people might be significantly less than twice the cost of providing a class for 10 people, the two approaches can give different results. For completeness, we compare total Home Stretch costs both to the number of workshops and to the number of attendees, but our results are simpler and clearer using the number of workshops.

¹⁵ These numbers seem consequential compared to the relevant client base in Minnesota. Data on sales of new and existing homes suggest total sales of not much more than 100,000 per year during 2006–2008. According to a national survey conducted by the National Association of Realtors in 2008, about 40 percent of existing-home buyers were buying their first home. If we assume that approximately the same percentage holds for total sales, then it appears that the number of Home Stretch attendees is close to 10 percent of the number of first-time homebuyers in Minnesota. (We don’t mean that all Home Stretch attendees are or should be first-time buyers. We offer this comparison solely to provide a benchmark for the scale of the Home Stretch program.)

As was true for foreclosure and pre-purchase counseling costs, one agency's Home Stretch costs were very different from the other agencies' costs (much higher, in this case), making it difficult to analyze and summarize cross-agency cost patterns. So we omit this one agency's three years of data from the rest of our analysis of Home Stretch costs, unless otherwise noted. With this one agency's data omitted, Table 3 shows that the average cost of providing a Home Stretch workshop was \$2,429. The average number of attendees per workshop was just shy of 11, so that the average cost per person trained was \$227.

Using a format similar to that of Figure 1, Figure 3 shows that the total cost of Home Stretch workshops was approximately proportional to the number of workshops offered. The reference line in the figure represents what total costs would be if each workshop cost exactly \$2,429. As before, we do not mean that every agency can change its scale of operations over a short horizon without affecting average cost. Still, the roughly proportional relationship between total cost and workshops again suggests that the Center's network of agencies is able to operate at different scales with little change in average cost.¹⁶

As was true of the counseling services, personnel costs dominated the cost of providing Home Stretch workshops. Table 3 shows that total personnel expenses averaged 71 percent of total Home Stretch costs. The Center's agencies averaged personnel costs of \$44,166 per full-time Home Stretch employee. On average, full-time employees provided 26 workshops and trained 274 people per year. Personnel costs averaged \$1,723 per workshop and \$161 per attendee.

The average cost of a Home Stretch workshop was higher at CAAs (\$2,953) than at nonprofit (\$2,120) and government agencies (\$2,495). CAAs' higher average cost stems from higher salaries, benefits, and

¹⁶ A regression of total Home Stretch costs on number of workshops and a constant term indicates that the constant term is not significantly different from zero and that \$2,429 is within but near the upper end of the 95 percent confidence band for the coefficient on workshops offered. If we allow for nonlinearities by adding the square of workshops offered as a regressor, its coefficient is not significantly different from zero.

other personnel costs per full-time Home Stretch employee (\$49,553 at CAAs versus \$42,231 and \$39,063 at nonprofits and government agencies, respectively). The higher cost per workshop at CAAs is not statistically significant, by conventional tests of the differences in means. However, CAAs also average lower attendance per workshop (8 attendees, versus 12 for nonprofits and 13 for government agencies). As a result, the CAA cost gap per attendee is wider (\$358 for CAAs versus \$184 for nonprofits and \$187 for government agencies) and statistically significant. It arises mainly through a combination of higher personnel costs per trainer and fewer individuals trained per trainer (209 per full-time trainer at CAAs versus 302 and 315 at nonprofits and government agencies, respectively). CAAs also have higher nonpersonnel costs (per workshop or attendee) than nonprofits or government agencies.

We also find some statistical significance in the cost differences among rural, metro, and nonmetro city providers. The average cost of a Home Stretch workshop at the four agencies that operate in nonmetro cities was \$1,754, compared to \$2,273 and \$2,997 at their rural and metro peers, respectively. The cost advantage of the nonmetro city providers is statistically significant at a 10 percent probability level if each agency-year is treated as an independent observation. This result is valid if we treat each agency-year of data as an independent measure of cost. At the other extreme, we might regard each agency's two or three years of data as highly correlated and not independent. In that case, the nonmetro city cost advantage is no longer significant.¹⁷ By either standard, the per-workshop cost disadvantage of metro agencies is significant (but offset, on a per-attendee basis, by the large number of attendees per metro workshop).

¹⁷ That is, if we first average each agency's cost per household over time and test using only that one figure for each agency, the differences are no longer significant at the 10 percent level, due to the smaller number of observations treated as independent. Also, a dummy variable for nonmetro cities is significant at the 10-percent level of significance when added to a regression of Home Stretch costs on number of workshops offered (but not if a dummy variable for CAAs is also included).

We also analyzed locational differences with respect to the cost per Home Stretch attendee. By this measure, average cost remains lowest for providers in nonmetro cities (\$175 per attendee). Rural providers have the highest cost (\$314 per attendee) due to the low number of attendees (7, versus 10 for nonmetro city agencies) typical at rural Home Stretch workshops. Metro providers have the highest attendance per workshop (13) and an intermediate cost level of \$224 per Home Stretch attendee. When we treat each agency year as an independent observation (but not otherwise), the cost advantage for nonmetro city providers is statistically significant, as is the cost disadvantage for rural providers.¹⁸

Table 3 shows that lower costs per full-time employee explain much of the Home Stretch cost advantage of nonmetro city agencies. This includes both personnel costs (salaries, benefits, consultants' fees, etc.) and nonpersonnel costs per Home Stretch employee. These agencies' advantage over metro agencies in cost per workshop is further widened by a lower number of workshops per Home Stretch employee for the metro agencies. Metro agencies' deficit in workshops per employee approximately offsets the advantage they have in average attendance per workshop, allowing nonmetro city providers to maintain a lower cost per attendee. As noted above, a low number of attendees per Home Stretch class hurts rural agencies' cost per attendee, relative to nonmetro city and metro providers.

As shown in Figure 3, the partner agencies' total Home Stretch costs are reasonably well described as proportional to the number of workshops they hold, with an average cost of \$2,429 per workshop. The relationship between total costs and the number of persons educated is not as simple, because the average number of attendees is low both for agencies that offer relatively few workshops per year and for agencies that offer relatively many workshops per year. Among the 56 agency-years of data we analyzed, 31 come from an agency and year in which the agency offered 12 or fewer workshops. For those years and

¹⁸ These results are for tests of differences in mean costs for rural and nonmetro city providers, respectively, compared to other providers. In addition, we find coefficients insignificantly different from zero when we add a rural or a city dummy variable (or both) to a regression of total Home Stretch cost on the number of attendees.

agencies, attendees per workshop averaged 9.3. Similarly, for the 8 agency years in which an agency conducted more than 25 workshops, attendees per workshop averaged 9.2. By contrast, agencies that offered between 13 and 25 workshops per year had, on average, 12.4 attendees per workshop, or about a third more. In other words, the cost per attendee is relatively high both at agencies with few workshops and at agencies with many workshops. Nineteen of 31 agency-years in which 12 or fewer workshops are held come from rural agencies, accounting for 83 percent of the 23 rural agency-years we analyzed. The fact that rural agencies both offered relatively few workshops and had low attendance per workshop, and hence had high cost per attendee, may simply reflect the difficulties inherent in serving areas with low population density. At the other extreme, agencies that offered more than 25 workshops per year were all nonrural but may have nearly saturated the demand for Home Stretch classes in their service areas.

Figure 4, depicting agencies' annual costs and number of attendees for Home Stretch workshops, illustrates some of these effects. It uses the same format as in Figures 1 and 2, with a reference line representing what total costs would be if they exactly equaled \$227 per attendee, the overall three-year average cost per person educated. Although the reference line summarizes the relationship between cost and persons educated to some degree, a better summary here would allow for cost per attendee to fall as attendance rises. Total costs for the cluster of agency-years with fewer than 100 persons educated are not much different from the total costs for the cluster of agency-years with 100 to 200 persons educated (with the exception of the agency labeled J). This reflects that tendency, discussed just above, for the (often rural) agencies with fewer workshops to also attract fewer attendees per workshop. As attendance rises further, so do total costs, but by less than \$227 per attendee. We could use regression analysis to further refine the relationship between total costs and attendees. However, we do not pursue this here, because preliminary analysis suggests that the simple relationship already described, between total costs and the number of workshops offered, is superior for explaining Home Stretch costs.

Additional Findings on Resources Used

In addition to providing cost data, responding agencies provided some general information on staff backgrounds, key cost drivers, and their technology resources. The survey asked agencies to identify the education level of staff providing education and counseling services. Results indicated that an associate's-degree level was the average education of staff at 6 agencies and a bachelor's-degree level was the average education of staff at 15 agencies. Two agencies were between the associate's- and bachelor's-degree levels and one agency did not report the education level. There was no correlation between education level of staff and the cost of providing homeownership services.

Agencies responded to three questions pertaining to the cost of education and counseling: (1) What factors related to the nature of the clients and their situations have the most significant effects on your organization's cost of education and counseling? (2) What factors related to the lender and their practices and policies have the most significant effects on your organization's cost of education and counseling? and (3) What other factors have the most significant effects on your organization's cost of education and counseling?

The tone of responses to cost questions communicates several important messages.¹⁹ First, agencies want to deliver quality, cost-effective homeownership services to clients. This requires agencies to work effectively and efficiently with clients and lenders. Quality and cost effectiveness diminish when clients or lenders do not provide timely and accurate information. Receiving timely and accurate information is often outside the control of agencies. Second, agencies make efforts to accommodate clients who are sometimes in dire circumstances, lack financial literacy, and are in distant locations. Accommodating clients in these circumstances is costly. Third, there is a tone of commitment and concern in the

¹⁹ Appendix B lists the agencies' responses to the cost factor questions.

responses that suggests agencies want to improve the services they provide. Stable funding, more networking, and additional staff would help build capacity and improve services.

Responses to a survey question indicate that technology and technical assistance from the Center have significantly improved the efficiency and effectiveness of educational and counseling programs.²⁰

Agencies reported the value of technology when documenting client information, creating reports, analyzing data, tracking information, pulling credit reports, and accounting for programs. Partner agencies identified CounselorMax software as an essential case management tool for education and counseling. The Center's technical assistance, such as developing PowerPoint presentations for Home Stretch classes, improved the quality of workshops, enhanced client education, and served as an efficient way of incorporating new course content.

Recommendations for further efficiency

The Center and its partner agencies have been able to meet an enormous increase in the demand for foreclosure counseling since 2006 while keeping the average cost per household counseled near \$400.

The Center's partners also provided pre-purchase counseling and home buyer education classes across the state with little change in average cost between low- and high-volume providers. To us, this suggests that the Center is helping its network of partner agencies achieve a high level of efficiency and flexibility in providing much-needed services. However, some agencies report moderately higher or lower costs than their peers, and a few report very different costs. We were not able to fully explain this variability around

²⁰ Appendix C lists the agencies' responses to the technology questions.

the generally proportional relationship that exists between total cost and the number of households served or classes taught. It could arise for a number of reasons, such as:

- 1) The agencies' costs might truly differ, in ways we did not measure;
- 2) The agencies might use different accounting practices to record and report costs; or
- 3) Although the Center trains the agencies to provide a standard level of service, some aspects of program delivery might differ across the agencies (and in some cases should differ, due to variations in local needs and circumstances).

Further data collection and analysis might benefit the Center by providing a deeper understanding of these and other possible explanations.

To that end, we recommend that the Center consider establishing cost targets for its programs based on the number of households served. Targets for direct costs could help the Center allocate funds, establish expectations, evaluate performance, and promote greater efficiency and sustainability.

With the cost data collected for our study, the Center could establish basic cost targets for its programs. A next step might be working with the partner agencies to develop more detailed but attainable targets for cost categories the agencies are expected to manage, such as salaries, staff development, workshop expenses, travel expenses, outreach/marketing expenses, printing, and professional fees. Flexible targets, based on the number and type of households served, agency type, location, and more, may be appropriate. Time standards, such as hours per workshop or lender negotiation, could also be considered. Funding decisions by the Center could be based on the established targets for direct costs plus a percentage allocation for indirect costs, with flexibility allowed for agencies that have special cost factors.

The establishment of targets would enable the Center to conduct regular *cost performance reporting*, a process in which differences between actual and targeted costs are analyzed. In that process, an agency with costs that exceed the targets may still be viewed as performing well if the excess costs were incurred in response to unexpected developments, such as an unanticipated increase in demand. Regular reporting will reveal such cases and lead to a better understanding of the factors that drive costs.

By using cost targets and cost reporting, the Center will gain a better understanding of whether reported cost differences among its partner agencies reflect true differences in efficiency as opposed to differences in services or accounting practices. This will help the Center and its partners more clearly identify best practices and promising innovations that can be shared to improve the quality and sustainability of their important homeownership services.

Table 1: Cost Summary for Foreclosure Counseling by Home Ownership Center Agencies

Cost Variables	All Agencies*	Community Action Agencies	Nonprofit Agencies*	Government Agencies	Rural Agencies	Nonmetro City Agencies	Metro Agencies
Personnel costs per household	\$297	\$275	\$323	\$291	\$305	\$104	\$302
Households per full-time worker	191	171	153	263	157	451	193
Personnel as a percent of total cost	75%	72%	84%	69%	83%	66%	74%
Personnel costs per full-time worker	\$56,718	\$47,088	\$49,417	\$76,459	\$48,082	\$46,966	\$58,813
Nonpersonnel costs per household	\$101	\$109	\$59	\$128	\$63	\$54	\$107
Nonpersonnel costs per full-time worker	\$19,220	\$18,588	\$9,071	\$33,661	\$9,941	\$24,163	\$20,708
Total costs per household	\$397	\$383	\$382	\$419	\$369	\$158	\$409

*Excludes one agency whose costs were very different from all others in this group.

Table 2: Cost Summary for Pre-Purchase Counseling by Home Ownership Center Agencies

Cost Variables	All Agencies*	Community Action Agencies	Nonprofit Agencies*	Government Agencies	Rural Agencies	Nonmetro City Agencies*	Metro Agencies
Personnel costs per household	\$466	\$500	\$501	\$256	\$479	\$196	\$476
Households per full-time worker	107	110	100	135	119	49	109
Personnel as a percent of total cost	71%	64%	76%	67%	66%	77%	73%
Personnel costs per full-time worker	\$49,791	\$55,148	\$49,938	\$34,711	\$57,050	\$9,684	\$51,767
Nonpersonnel costs per household	\$193	\$278	\$161	\$126	\$247	\$60	\$173
Nonpersonnel costs per full-time worker	\$20,586	\$30,655	\$16,078	\$17,077	\$29,484	\$2,947	\$18,783
Total costs per household	\$658	\$778	\$663	\$383	\$726	\$256	\$648

* Excludes one agency whose costs were very different from all others in this group.

Table 3: Cost Summary for Home Stretch Workshops by Home Ownership Center Agencies

Cost Variables	All Agencies*	Community Action Agencies	Nonprofit Agencies*	Government Agencies	Rural Agencies	Nonmetro City Agencies	Metro Agencies*
Personnel costs per attendee	\$161	\$237	\$140	\$124	\$222	\$130	\$156
Attendees per full-time worker	274	209	302	315	207	285	302
Personnel as a percent of total cost	71%	66%	76%	66%	71%	74%	70%
Personnel costs per full-time worker	\$44,166	\$49,553	\$42,231	\$39,063	\$45,931	\$37,051	\$47,159
Nonpersonnel costs per attendee	\$66	\$121	\$45	\$63	\$92	\$45	\$68
Nonpersonnel costs per full-time worker	\$18,098	\$25,245	\$13,509	\$19,843	\$18,971	\$12,784	\$20,565
Total costs per attendee	\$227	\$358	\$184	\$187	\$314	\$175	\$224
Personnel costs per workshop	\$1,723	\$1,956	\$1,606	\$1,654	\$1,609	\$1,304	\$2,087
Workshops per full-time worker	26	25	26	24	29	28	23
Nonpersonnel costs per workshop	\$706	\$997	\$514	\$840	\$664	\$450	\$910
Total costs per workshop	\$2,429	\$2,953	\$2,120	\$2,495	\$2,273	\$1,754	\$2,997
Attendees per workshop	11	8	12	13	7	10	13

* Excludes one agency whose costs were very different from all others in this group.

Figure 1: Total Cost of Foreclosure Counseling and the Number of Households Counseled, 2006–2008

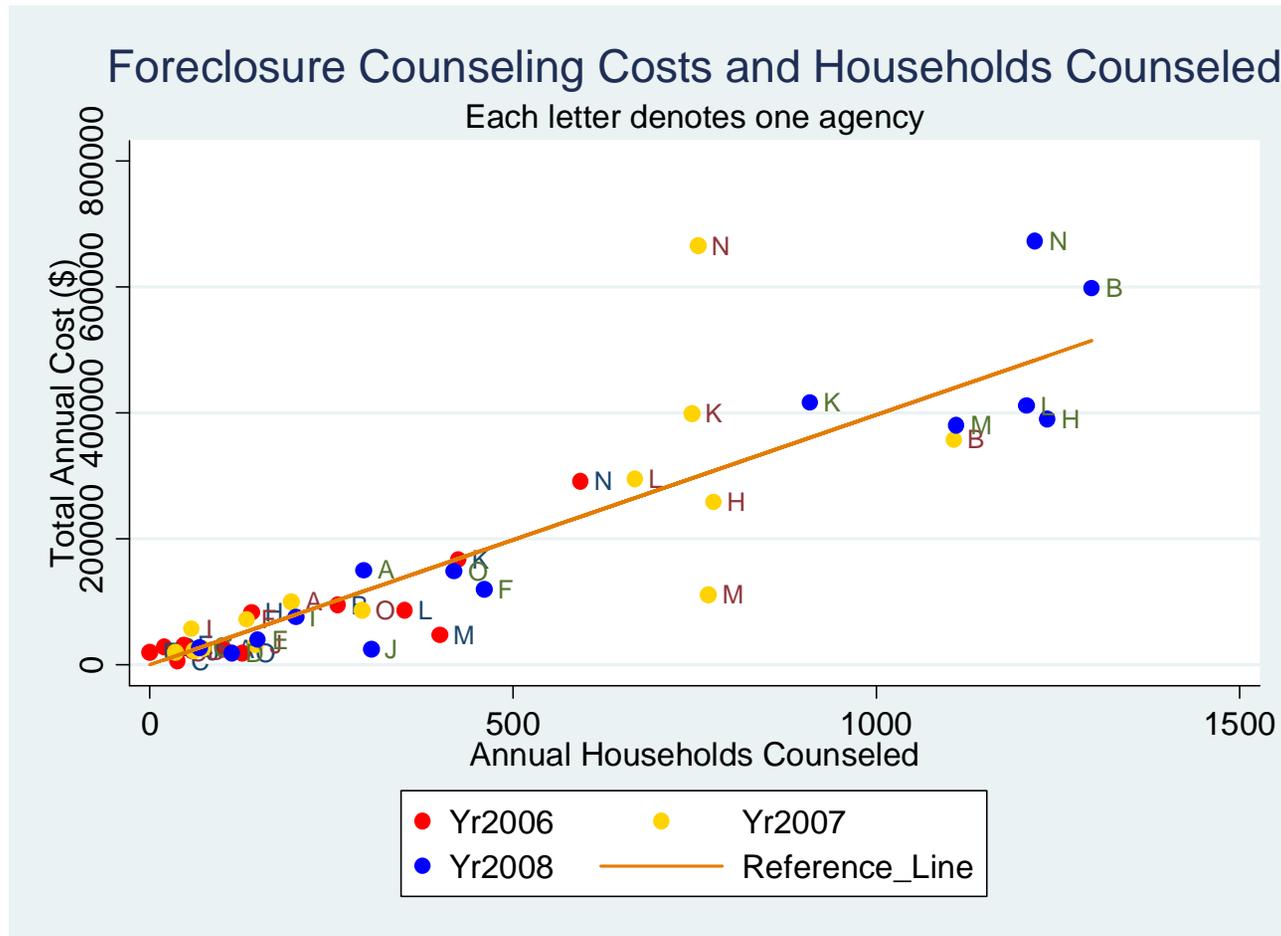


Figure 2: Total Cost of Pre-Purchase Counseling and the Number of Households Counseled, 2006–2008

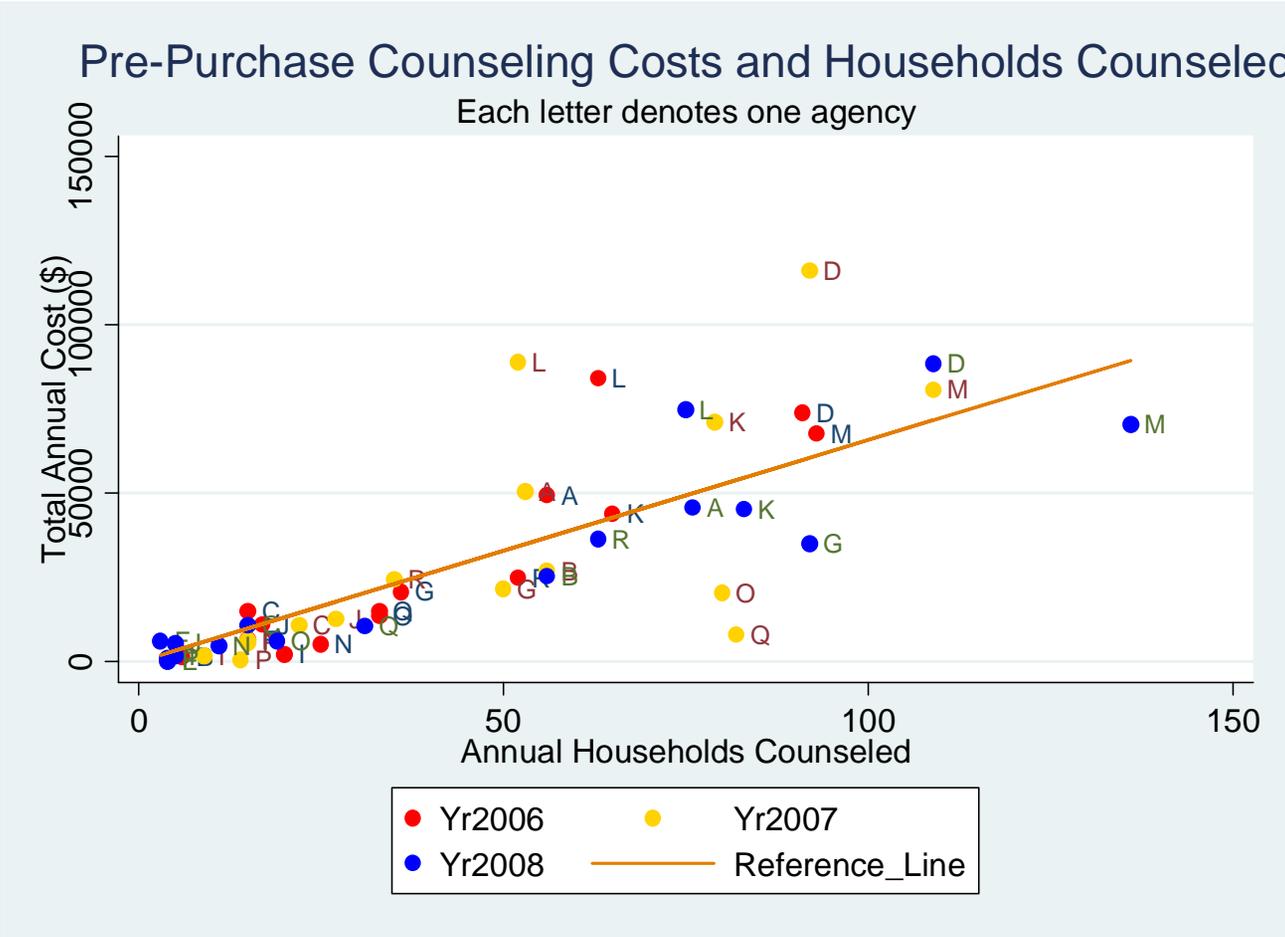
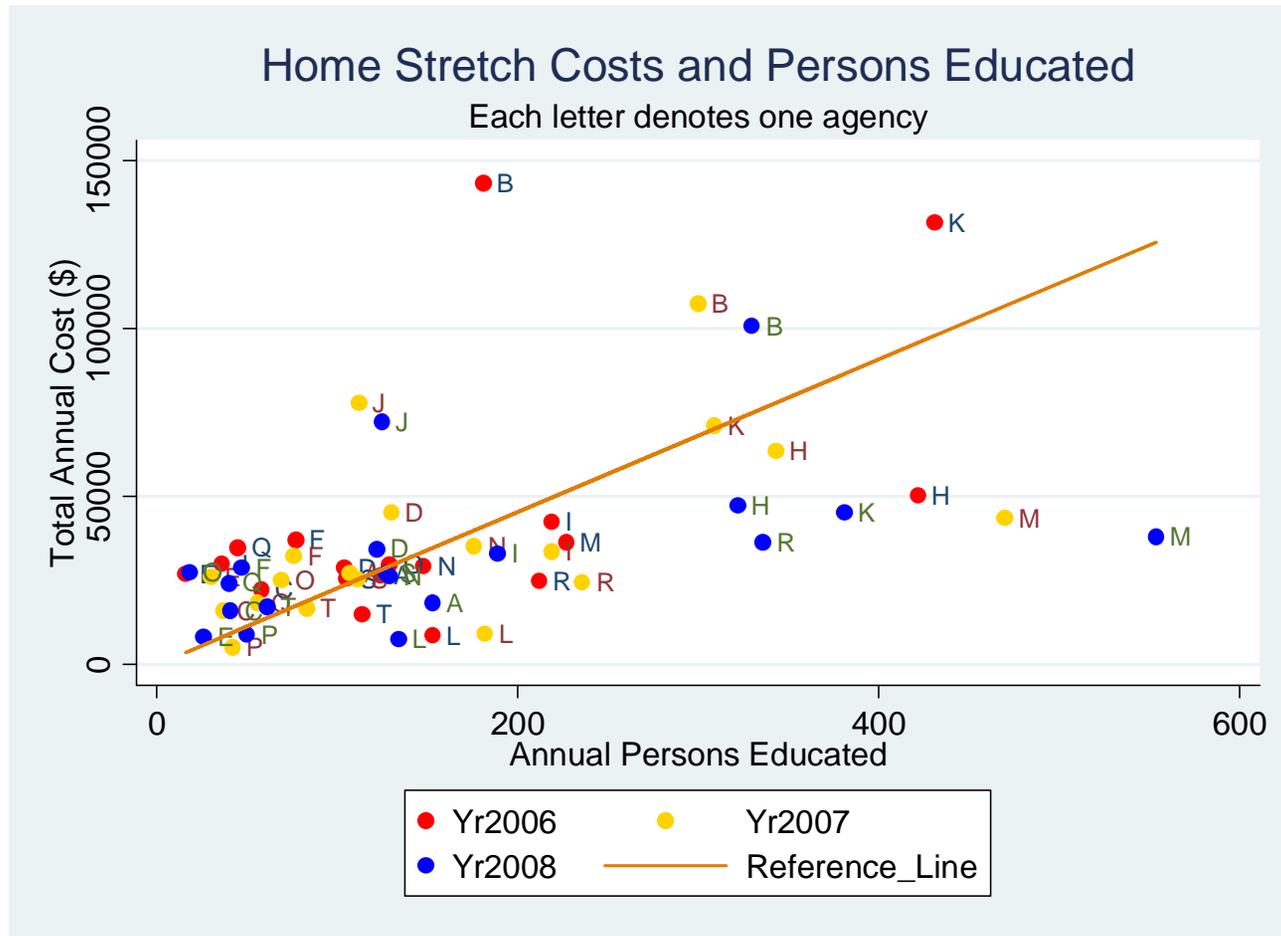


Figure 3: Total Cost of Home Stretch Workshops and the Number of Workshops, 2006–2008



Figure 4: Total Cost of Home Stretch Education and the Number of Attendees Educated, 2006–2008, with Reference Line = \$227 times Attendees



Appendix A: Form to Collect Cost Data from Agencies

Organization Name:						
Program: Home Stretch						
<p>Instructions: List your Home Stretch expenses for the time periods indicated. If you are not able to separate your Home Stretch expenses from your Pre-purchase counseling expenses, you may include expenses for both programs here. If you included Pre-purchase expenses here, answer the two questions listed at the bottom of the page. Be sure to include any in-kind expenses (for example: volunteer presenters). If you have questions about completing this form contact karen@hocmn.org or 651-659-9336 x102. Thank You</p>						
Actual Program Expenses						
Time Period						
2008-2009		2007-2008		2006-2007		
10/1/2008 - 6/30/2009 (9 months)		10/1/2007-9/30/2008		10/1/2006-9/30/2007		
Item	% FTE	Expenses	% FTE	Expenses	% FTE	Expenses
Salaries & wages (list total FTE & total salaries) EXAMPLE	1.5	\$55,000.00	1	\$38,000.00	0.5	\$17,500.00
Salaries & wages (list total FTE & total salaries)						
Insurance, benefits and other related taxes (fringe)						
Consultant or professional fees						
Marketing, printing, media						
Travel						
Office supplies & equipment						
Rent & Utilities (including telephone)						
Staff Development						
Indirect Costs						
In-kind expenses						
Other (specify)						
Total		\$0.00		\$0.00		\$0.00
<p>If you are unable to separate your Home Stretch program budget from your Pre-purchase Counseling program budget please answer the following question.</p>						
<p>Question 1: List the percent of the budget allocated to Home Stretch activities and the percent for Pre-purchase Counseling activities.</p>						
Program	% of budget					
Home Stretch						
Pre-purchase Counseling	0.00%					
<p>Question 2: List the FTE assigned to each program for the time periods listed.</p>						
	10/1/08 - 6/30/09		10/1/07 - 9/30/08		10/1/06 - 9/30/07	
Program	FTE		FTE		FTE	
Home Stretch						
Pre-purchase Counseling						
	0		0		0	

Appendix A (continued)

Education and Counseling Cost Study Survey

Organization Name:

INSTRUCTIONS: Please complete electronically and email the completed file to karen@hocmn.org. Your responses should be entered in the yellow shaded squares. Answer questions for programs you offer and the final two questions are for all respondents. We understand that you may have not tracked this information, answer with an estimate based on a typical situation. Thank You

Section 1: Home Stretch

1. How much time (on average) does your organization spend on the following activities for Home Stretch workshops?

Activity	Average # of hours per activity for a workshop
a). Registration	0
b). Instructor/Educator prep time	0
c). Delivering content	0
d). Coordinating volunteers	0
e). Data entry in CounselorMax	0
Total	0

2. How much time (on average) does your agency spend on outreach and marketing activities for Home Stretch workshops?

Average outreach hours per workshop

Section 2: Pre-Purchase Counseling

3. For pre-purchase counseling, with what percent of clients do you spend up to one hour, 2 hours, 3 hours, 4 hours, or 5 hours? For example, if your agency spends on average 1 hour with half of your clients and 2 hours with the other half, put 50% under 1 hour and 50% under 2 hours.

Activity	Percent of clients
a). Up to 1 hour	0.0%
b). 2 hours	0.0%
c). 3 hours	0.0%
d). 4 hours	0.0%
e). 5 or more hours	0.0%
Total	0.0%

Total should equal 100%

4. If more than 10 percent of your clients required 5 or more hours of counseling, what was the typical total amount of time you spent with clients who needed 5 or more hours of your time?"

Average time spent for more than 5 hours

5. For Pre-purchase Counseling, how much time (on average) do you spend per client on the following activities?

Activity	Average # of hours per activity
a). Intake	0
b). Documentation of income, expenses, and debt	0
c). Determining affordability and mortgage readiness	0
d). Review credit report	0
e). Develop action plan	0
f). On-going work on action plan (including credit repair & follow-up appointments).	0
g). Data entry	0
Total	0

Appendix A (continued)

Section 3: Foreclosure Counseling

6. For Foreclosure Counseling, how much time (on average) do you spend on the following activities for a typical in-depth counseling client (triage & counseling appt)?

Activity	Average Time Spent
a). Triage	0
b). Counseling (in-depth)	0
c). Lender Negotiation	0
d). Data entry	0
Total	0

7. How much time does your agency spend on outreach and marketing activities for Foreclosure Counseling?

Average outreach hours per month

Section 4: All

8. Indicate the highest education level for all education & counseling staff .

	Number of staff
High School Diploma	
Associates Degree	
Bachelors Degree	
Masters Degree	
Doctoral Degree	
Other (specify)	
Total Staff	0

9. Choose the option below that best describes how technology impacts your education & counseling

	Mark the correct box with an X.
Technology improves our education & counseling program efficiency	<input type="checkbox"/>
Technology has no impact on our education & counseling program efficiency	<input type="checkbox"/>
Technology hinders (delays) our education & counseling program efficiency	<input type="checkbox"/>

9a. Please explain your answer:

10. What factors have the most significant effects on your organizations cost of education and counseling?

a) Factors related to the nature of the clients and their situation (please specify)

b) Factors related to the lender and their practices and policies (please specify)

c) Other factors (please specify)

Appendix B: Agency Responses to Survey Questions on Costs*

What factors related to the nature of the clients and their situation have the most significant effects on your organization's cost of education and counseling?

- This varies dramatically depending on the client. While we want people to come to the workshop and receive counseling very early in the process, this is also time-consuming when the client has multiple barriers including credit issues, income, debt, etc. The time spent with these clients can continue for a considerable amount of time if the client remains in counseling and is actually working on their plan toward their goals.
- Translation/interpretation: language, culture, and faith factors demand culturally respectful services that cost more time and resources.
- Financial literacy is time consuming. Helps clients to have a grasp of U.S. financial & lending system and to make in financial decisions.
- Community Outreach/Organizing and capacity building affects costs.
- Housing authorities have access to a large amount of low-income people. This improves access.
- Clients perceive that they do not need a Home Stretch class unless required by their lender. In addition, various down-payment assistance programs are varied and not available in our area.
- [Our agency] covers 16 counties and offers a home buyer education workshop in 11 cities, therefore making travel a large expense.
- Mileage—meet clients 1:1 where convenient for them (client's home, work, etc.) to provide flexibility; also have office in Apple Valley, Ham Lake, and North Branch where staff drive to meet with clients. Clients prefer one-day sessions so we need to be able to provide a meal.
- Budget and credit; how much mortgage they can afford and down-payment assistance.
- The cases are more severe and clients need more time to clean up their credit, etc.
- Many times the house “trouble” is just the tip of the iceberg ... much time is spent listening and redirecting and offering other resources: self employment, seasonal work, the one who has the better income also has a past with bad credit.
- Reaching clients effectively and timely.
- Some clients take 20 hours or more to complete, because we work with them over an extended period of time.

* Responses are unedited, except for minor corrections of punctuation, spelling, etc.

- The cost to add adequate staff to effectively reach out and market to underserved populations/homeowners most impacted by the foreclosure crisis and properly educate those at greatest risk to avoid it.
- Clients are not always aware of their spending habits, and a complete review of the bank statements and credit report develop the true situation.
- Clients typically do not give correct information over the phone, as well as if they become a level three do not come prepared for the meeting. This means it takes more follow-up time for the client to come in for another appt and/or fax/mail/e-mail the necessary information. Lenders also ask for additional information during the loss mitigation process, getting updated information from clients is also time consuming.
- Mandatory participation by certain programs affects classroom size and therefore our expenses.
- Nearly all of our clients have credit barriers that require pre-purchase counseling.
- Lack of commitment on behalf of the client can affect the cost to deliver services (no-shows require rescheduled appointments).

What factors related to the lender and their practices and policies have the most significant effects on your organization's cost of education and counseling?

- Certain types of loans are more time-consuming than others. For example, when we work with clients who are working with a lender we know and they are accessing an affordable mortgage, the process is much less time-consuming than if the client wants to go to a broker or lender who is not familiar with our agency and process. The counselor can then spend a great deal of time talking with both the lender and the client about the loan product and comparing it to other loan products that may be better for the client's situation.
- Alternative financing is virtually absent in today's economy. Cultural and faith-based needs not considered essential to increasing homeownership.
- Down-payment programs have standards that virtually exclude some emerging markets populations from the American Dream.
- Industry-related policies and guidelines also impede the chances of some borrowers to get homes.
- It is tougher to qualify for a loan, so people will need more credit counseling.
- Lenders and Realtors do not always send clients our way because of the perception that they do not need us. Lenders are also too strict now.
- Reviewing good faith and TIL comparison, explanation of negotiation and workout options.

- Lenders are so busy, it is hard to connect with them in a timely fashion.
- Waiting 3–5 days for a release of information to visit with the banks on behalf of the client. It just seems to take an enormous amount of time and energy to complete a loan modification or avoid a foreclosure.
- Lenders need to refer clients before loan process begins.
- It is extremely frustrating right now with departments within lender agencies telling us different things, and all the different lenders.
- The lender's unwillingness to assist homeowners at risk of default early in the process impacts the number of clients in need and staffing levels to accommodate those needs.
- When working with the lenders during the foreclosure process the wait time on the phone and the repetition of resending items have the most effect on time spent on a file.
- Lenders can take anywhere from 3 to 6 months to complete a workout plan. Many clients are put on special forbearance plans, their case is kept open until they have a permanent workout. At the end of the plan there needs to be follow up with the lender to ensure a loan mod is facilitated as well as updated documentation sent in. Faxing releases and getting information, such as workout packages to lenders, is also very time-consuming.

What other factors have the most significant effects on your organization's cost of education and counseling?

- Costs such as wage and fringe (especially health insurance), manuals, and supplies increase every year, however, our funding is not always able to keep up. Travel time and cost is high due to the large geographic area. This makes other line items such as advertising and outreach more costly as we have multiple areas to advertise. The new funding for foreclosure mitigation is also time-consuming. The per-project fee we earn and that combined with identifying if the client is a HUD or NFMC client is time-consuming and costly.
- Creating a network in Greater MN and building their capacity to understand and perform homeownership and financial literacy work is quite expensive. Besides, other factors such as travel, accommodation, community outreach and organizing, are a whole world apart from what available funding is intended to do.
- HUD gets more value for their dollar when the housing authority buildings are used to educate people also.
- Lack of knowledge of our agency and services. More marketing needs to occur through state/federal agencies.

- Staff time and misc. expenses (workshop space rent, food for all-day Saturday classes, mileage to offsite workshop space, materials, staff training for certifications and continuing education, misc. program expenses, etc.) in order to provide education and counseling.
- Affordable real estate, old housing stock.
- We would like to have another staff certified as a Home Stretch Educator, but have not been able to afford the cost.
- Clients need Home Stretch before shopping for a home. We need referrals before they start to look.
- Financial literacy levels are low among the target population; incentives were required to ensure participation, but have increased the cost of the class.
- Stable funding revenue to support the ongoing operation of this program.

Appendix C: Agency Responses to Survey Questions on Technology

Comments on the positive impact of technology:

- Technology helps our work in the following ways: (a) effective documentation, reporting, and data analysis; (b) easy information tracking, evaluation, and accounting; and (c) Credit reporting. CounselorMax is a crucial technology tool in this regard.
- We use computers and PowerPoints to educate. We also have more access to current information about loan programs, and interest rates because of our Internet capabilities. Web sites can market the program.
- Using PowerPoints and projectors during home buyer education courses helps adults learn through visuals. Using e-mail for setting up appointments or relaying information is a quick and reliable way to keep in contact with clients.
- Use of database, printers, computers, phones, PowerPoint, copiers, etc. Without these we would not be able to track and report clients and statistics, would not be able to provide PowerPoint for some sections of workshop, and would not be able to provide any handouts or other materials to clients.
- Though the data entry takes time, the time saved by being able to access information within a nonpaper system increases program efficiency.
- It is much more time-efficient to use the computer for case notes, reports, etc.
- I feel that technology is improving our efficiency by moving things more quickly.
- The impact is where efficiency and customer service intersect.
- PowerPoints of the HOC [the Center] have improved workshops by having a visual in the presentations.
- Good computers—laptops and projectors for PowerPoints assist counselors in presentation of material and outreach. The software assists in tracking clients. Web Sites, DVDs help disseminate knowledge. If we were back to pencils and paper everything would take a lot longer and cost more in staff time. Generally hardware lasts five to ten years at our agency, with some upgrades. We are not frivolous with equipment spending. But you need a shredder for privacy issues, you need a fax/copy machine. And the most important point is that if everything is antiquated and slow, staff responses to client needs are slow, and you have an unhappy staff that may go to another agency that values their time.
- Technology allows us to bring new course content quicker and in an easy-to-understand format.

- PowerPoint presentations, online registration, e-mail capability increases number of contacts and communication efficiency between providers, volunteers, lenders, clients, and outreach contacts. Access to PDF resources.
- If you polled our staff, the more recent hires would agree that technology improves our efficiency because we can input information, refer homeowners to web sites, scan, and e-mail loss mitigation packages rather than faxing.
- Using access for case management is a helpful tool to track client progress and action plans. CounselorMax also allows various staff to get information on active cases, as well as past cases.
- Information transfer is quicker. Customers have greater access to information. All foreclosure counseling training can and should be done online.

Comments on no impact of technology:

- Excel and PowerPoint help for presenting the material. Also, the Internet has been a useful tool (showing powerpay.org). As for CMAX, good tool for tracking data, but various, quick changes increase learning curve thereby slows efficiency.
- The use of PowerPoint helps keep the speaker and the participants on track. Working with CounselorMax gives the agility to pull information and data when requested.
- Technology gives us the opportunity to track clients and report efficiently, on the other hand it also hampers us in that we use two different systems. Better outreach and registration using the web. Some guest speakers prefer to use PowerPoint, music enhances the atmosphere.

Comments on the negative impact of technology:

- Our agency has always used technology in our homeownership and foreclosure prevention programs; however, using CounselorMax has put more of a demand on our counselors and support staff. The time to input information, check reports, and conform them to what we need is consuming. It is also difficult with change over in staff to get them trained in the system.
- It helps gather information for reporting needed for funders, gives a bit of excitement in presentations and also is time-consuming and expensive in reporting data.