National Mortgage Settlement Housing Counseling Program

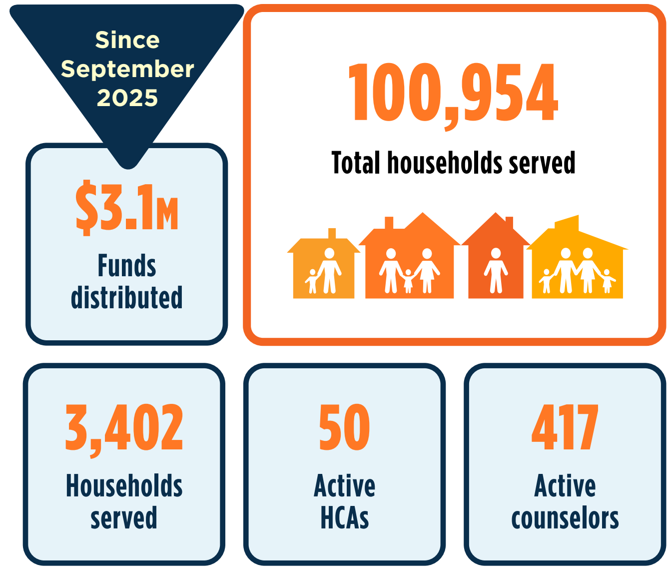
QUARTERLY REPORT

California Housing Finance Agency

Quarterly Report **July 1 – September 30, 2025**

Introduction

California's Fiscal Year 2020-21 State Budget directed $300 million in National Mortgage Settlement (NMS) funds to the California Housing Finance Agency (CalHFA) for housing counseling and mortgage assistance. Through its NMS Housing Counseling Program, CalHFA has allocated $122.7 million for HUD-certified housing counselors throughout the state to provide free, confidential counseling services to California residents who are in danger of eviction or foreclosure.



NMS Housing Counseling Program details

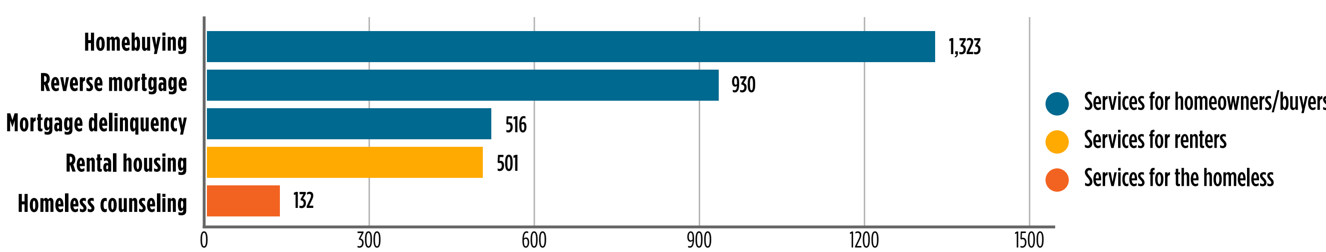
CalHFA allocates NMS funds to participating housing counseling agencies (HCAs) through HUD-approved Intermediaries: UnidosUS and BALANCE. Additionally, HomeFree USA participated in the program, as an intermediary, through the second quarter of 2023. The HCAs are reimbursed $750 for a client's first one-on-one counseling session, or up to $750 worth of legal services.

An additional $750 will be allowed if the same client returns for a second one-on-one session or a more in-depth level of counseling is needed (i.e. loan modification assistance).

The maximum per household limit is $1,500. Intermediaries and HCAs also received funds upfront to be used for oversight, program support and capacity building. The upfront investment into building capacity was designed to improve and extend the life of the counseling services by ensuring that agencies can modernize their technology to accommodate more virtual meetings, have adequate staffing with updated training to improve customer service and expand the availability of languages offered.

Types of services

The HCAs provide counseling services grouped into these categories: services for the homeless, rental housing, mortgage delinquency, reverse mortgage, and homebuying (pre- and post-purchase). The chart below shows how many clients received counseling in each of these categories during the third quarter of 2025:



Fund disbursement summary

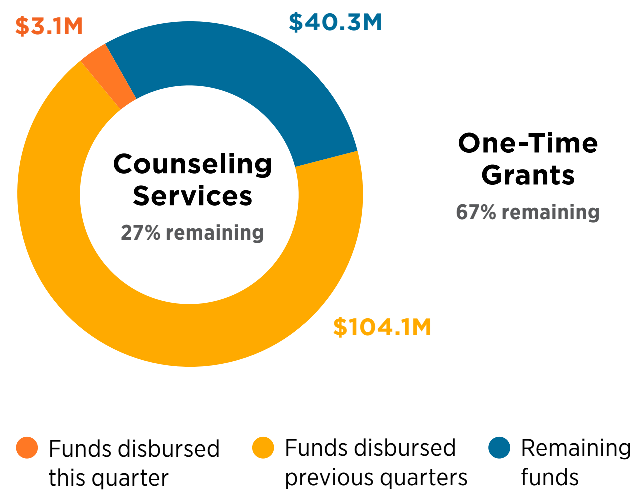
Allocated funds	Total funds allocated	Funds disbursed 7/1 – 9/30/2025	Total funds disbursed
Counseling services	$ 147,725,000	$ 3,125,150	$ 107,260,403
One-time grants	$ 600,000	$ -	$ 200,000
Marketing and coordination set-aside	$ 2,500,000	$ 749,969	$ 749,969
Administrative fees	$ 15,000,000	$ -	$ 6,575,000
Total	**$ 165,825,000**	**$ 3,875,119**	**$ 114,785,372**

NMS fund allocations & disbursements

To begin the program in 2020, an allocation of $50 million was approved by the CalHFA Board of Directors to fund the National Mortgage Settlement (NMS) Housing Counseling Program.

Subsequently, the Board approved additional requests to increase funding to the program. In October of 2021 the Board approved $23.5 million, $18 million in July of 2022, up to $50 million in May of 2023 and and $25 million in April 2025 to continue the program through December of 2027. In total, up to $166.5 million has been approved for the counseling program, and currently $147.7 million has been allocated to HUD-Approved Intermediaries.

Of the allocated funds, 89% has been designated for counseling services and capacity building, 1% for one-time grants to nonparticipating HCAs, 5% for a marketing and coordination set-aside to ensure reach to disadvantaged, underserved, and ethnically diverse communities, and, per legislation, the remaining 5% to CalHFA for program administrative fees. The unique investment into building capacity was designed to improve and extend the life of the counseling services in California by ensuring that agencies can modernize their technology to accommodate more virtual meetings, have adequate staffing with updated training to improve customer service and expand the availability of languages offered.

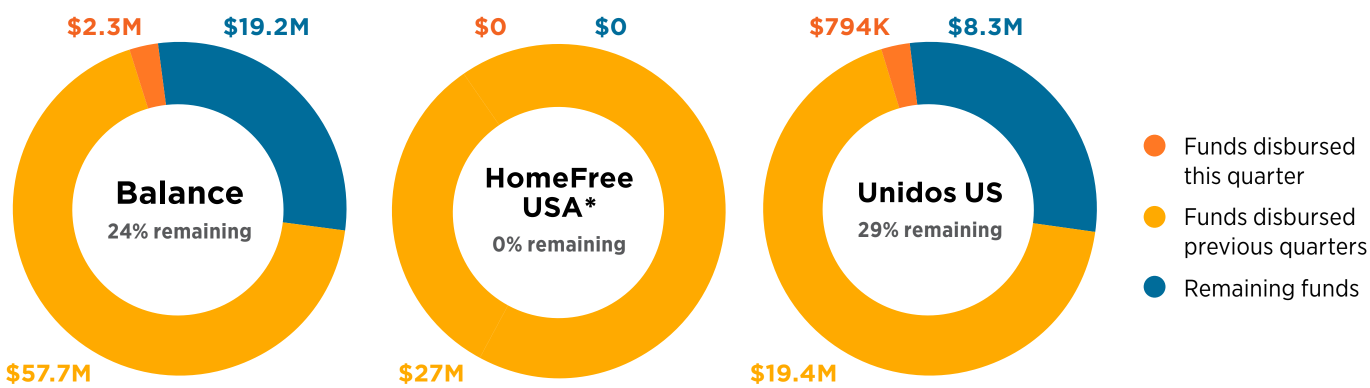


NMS counseling services fund by intermediary

In the third quarter of 2025, $3.1 million was distributed among the two Intermediaries for a combination of counseling fees and oversight fees, bringing the total disbursement to $107 million in funds to date as of September 30, 2025.

NMS Intermediary	Total funds allocated	Funds disbursed for 7/1 – 9/30/2025	Total funds disbursed
Balance			
Counseling fees	$ 64,361,508	$ 2,081,650	$ 47,638,158
Capacity building	$ 4,943,329	$ -	$ 4,943,329
Oversight fees	$ 9,900,691	$ 249,375	$ 7,432,566
Balance total	**$ 79,205,528**	**$ 2,331,025**	**$ 60,014,054**
HomeFree USA			
Counseling fees	$ 33,951,358	$ -	$ 22,811,250
Capacity building	$ 3,300,281	$ -	$ 1,457,460
Oversight fees	$ 2,750,234	$ -	$ 2,750,234
HomeFree USA total	**$ 40,001,873**	**$ -**	**$ 27,018,944**
Unidos US			
Counseling fees	$ 23,187,759	$ 711,000	$ 16,316,250
Capacity building	$ 1,765,140	$ -	$ 1,335,830
Oversight fees	$ 3,564,700	$ 83,125	$ 2,575,325
Unidos US total	**$ 28,517,599**	**$ 794,125**	**$ 20,227,405**
Total	**$ 147,725,000**	**$ 3,125,150**	**$ 107,260,403**

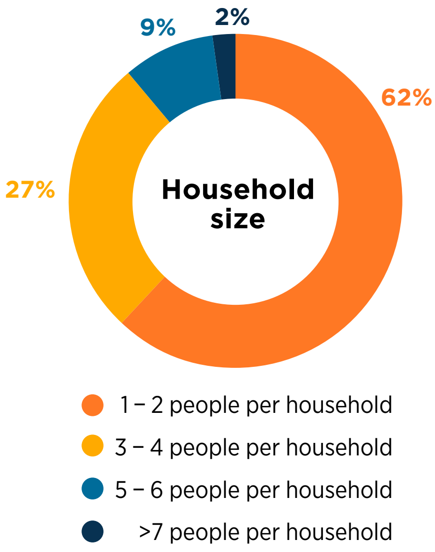
NOTE: Amounts are rounded to the nearest dollar.

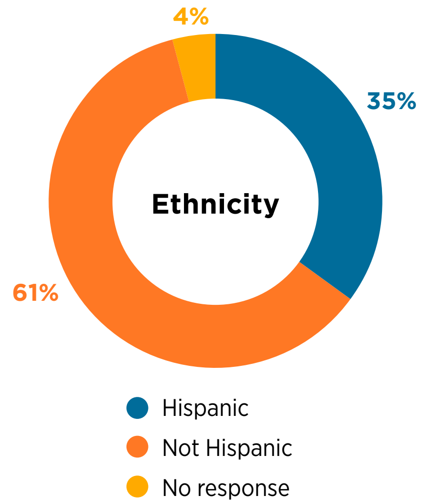


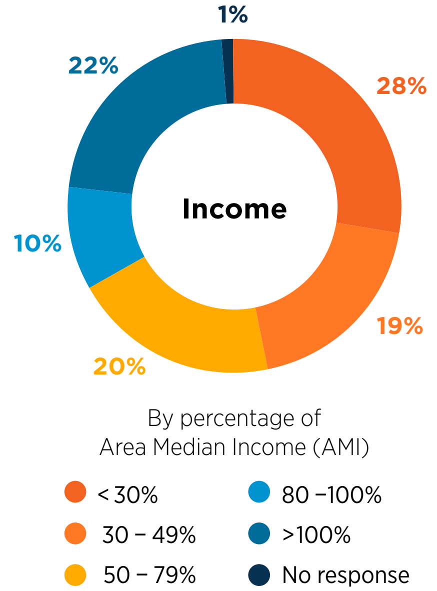
*HomeFree USA exited the NMS Counseling Program in October 2023.

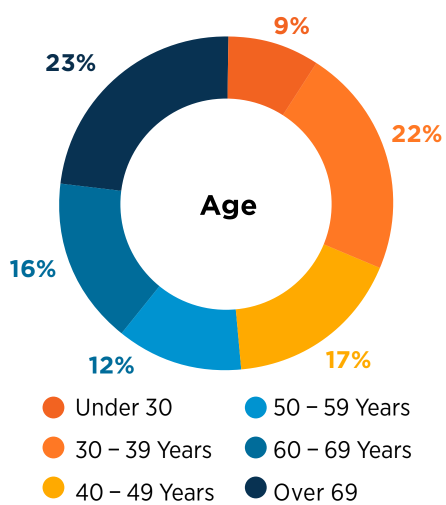
Demographic data

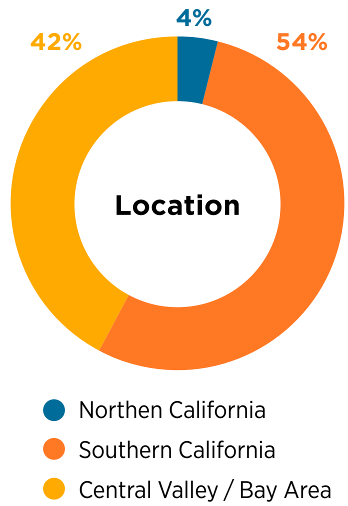
To help CalHFA ensure that assistance is equitable and effective, HCAs are required to track demographic data, income levels, location and household size for each client. The charts below provide data on households that received counseling in the third quarter of 2025:

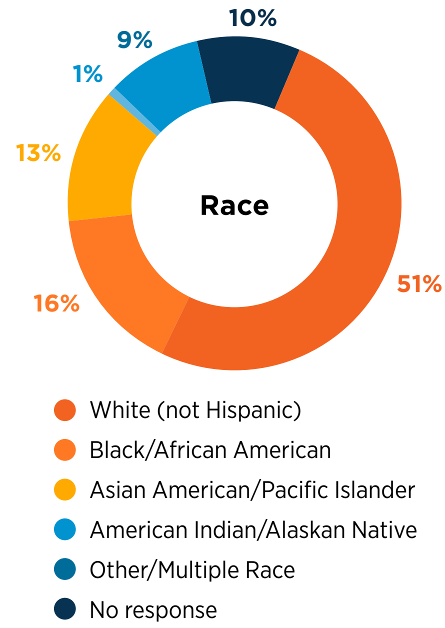












Note: Charts may not add up to 100% due to rounding.

HCA recipients of NMS counseling funds

In the third quarter of 2025, NMS funds were disbursed to the following HCAs as reimbursement for one-on-one counseling sessions.

A-1 Community Housing Services

Asian Incorporated

Centro Familiar Nueva Esperanza

Coachella Valley Housing Coalition

Community Housing Counsel of Fresno

Consumer Credit Counseling Service of San Francisco, DBA Balance

Credit.org

East LA Community Corporation

ECHO Housing

Fair Housing Foundation

Greater Sacramento Urban League

Greenpath Financial Wellness

HomeOwnership OC

Inland Empire Resource Center

Inland Fair Housing and Mediation Board

Korean Resource Center

Mission Economic Development Agency (MEDA)

Money Management International

Navicore Solutions

Neighborhood Housing Service of the Inland Empire

Neighborhood Housing Services of Los Angeles County

Neighborhood Partnership Housing Services

Neighborworks Home Ownership Center Sacramento Region

Neighborworks Orange County

New Economics for Women

Orange County Community Housing Corporation

Project Sentinel

San Francisco Housing Development Corporation

San Francisco LGBT Community Center

Self-Help Enterprises

Shalom Center

Take Charge America

The Carolyn E. Wylie Center

Urban League of San Diego County

USA Homeownership Foundation DBA Veterans Association of Real Estate Professionals (VAREP)

Ventura County Community Development Corporation

Visionary Home Builders of California, Inc.