



The HUD First-Time Homebuyer Education & Counseling Demonstration: Short-Term Impacts

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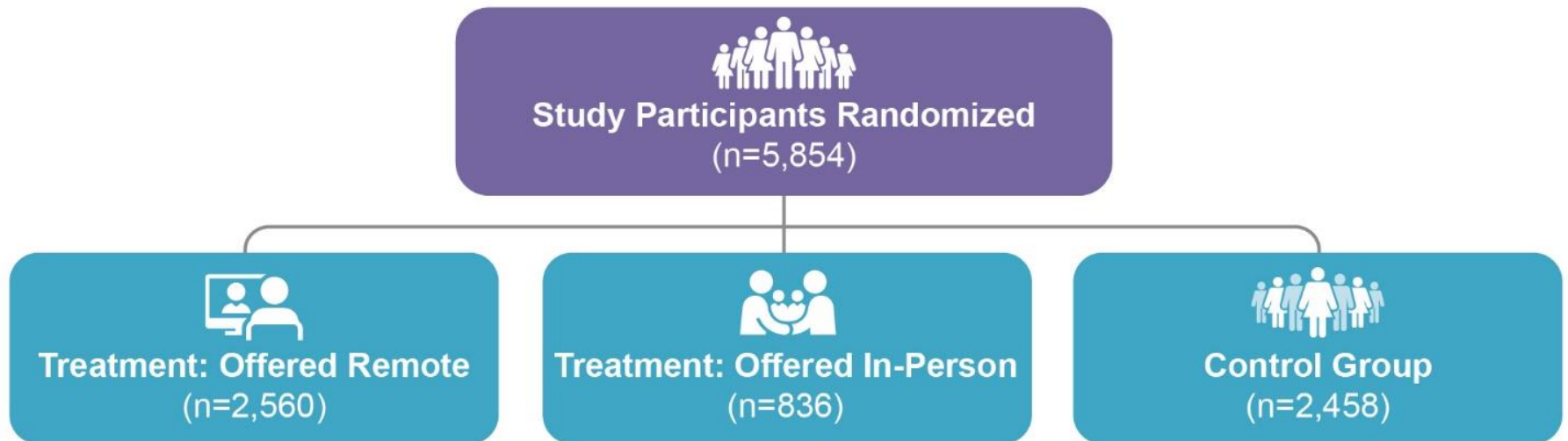
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Intervention and Research Question

- The intervention:
 - Homebuyer education is training on buying a home and financial management;
 - Homebuyer counseling is one-on-one guidance tailored to the particular needs of the individual homebuyer.
- Research question: What are the impacts of homebuyer education and counseling on prospective first-time homebuyers?
- Outcome domains:
 - Homeownership preparedness and search
 - Financial capability
 - Sustainable homeownership

- Between September 2013 and February 2016, national lenders helped recruit prospective first-time homebuyers into the study.
- 5,854 eligible study participants from 28 metropolitan areas were randomized into three groups:





Short-Term Impact Report: Key Findings

- Some **favorable** impacts on preparedness and search, financial knowledge, and financial behaviors:
 - Improved ability to find needed information (ES=0.15^{***})
 - Higher satisfaction with homebuying process (ES=0.09^{**})
 - More likely to seek assistance in times of financial distress (ES=0.17^{***})
 - More likely to set up auto-deduction for mortgage payments (ES=0.15^{***})
- Some **unexpected** impacts on financial indicators:
 - Higher levels of nonhousing debt (ES=0.03^{*})
 - More likely to report difficulty covering all bills (ES=0.11^{**})
- No detected impact on **60-day mortgage delinquency rate** (too early)
- Neither delivery mode (in-person or remote) consistently “outperformed” the other.

Confirmatory outcome in bold. ES = Effect Size. Statistical significance levels: *** = 1 percent; ** = 5 percent; * = 10 percent.



Study Reports

- Long-Term Impact Report (in progress)
- Published reports:
 - Baseline Report (2017)
 - Who Participates in Homebuyer Education and Counseling Services and Why? (2018)
 - Short-Term Impact Report (2019)

Study reports available here:

https://www.huduser.gov/portal/hud_firsttime_hmbyr_study.html

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