

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name:

HFA:

Submission Contact: (Must be HFA Staff Member)

 Email:

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA:

Entry Name:

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

MassHousing Management Innovation – Technology The Road Home

Why Does Homebuyer Counseling Matter?

It is a long held belief of MassHousing and many others in the affordable housing sector that low-income, first-time homebuyers benefit significantly from pre-purchase homebuyer counseling. The Agency believes that well informed homebuyers are better prepared for the responsibilities of homeownership after participating in a formally structured homebuyer education program. For a number of years, MassHousing has required that all first-time homebuyers take a rigorous homeownership course sanctioned by a state agency in Massachusetts, Citizen's Housing and Planning Agency (CHAPA), and delivered by approved counseling agencies across Massachusetts.

What was the Challenge?

MassHousing's requirement for homebuyer counseling for every borrower brought with it several challenges. Scheduled classes, consisting of two or three sessions running up to 12 hours in total, often conflicted with a homebuyer's work and/or personal schedule. In some instances, closings on home purchases were even scheduled prior to a homebuyer's ability to register for and complete a course. These challenges in turn often drove lenders to alternative mortgage products that did not require homebuyer education which resulted in either higher mortgage costs or inappropriate – and potentially riskier mortgage products for the homebuyer/borrowers. In some instances the alternative mortgages were actually Alt-A or subprime products. In other instances they were higher cost FHA mortgages. This obviously defeated MassHousing's mission of preparing homeowners for the realities of homeownership and providing them with safe, sustainable mortgage products.

What was the Solution?

In an effort to deal with today's realities, work schedules, changing lifestyles, and emerging technologies, MassHousing has developed a proprietary online homebuyer education program known as "The Road Home." Online homebuyer counseling is not new. Housing Finance Agencies across the country have partnered with the Housing Partnership Network using Framework™ which is their high quality online program, universally applicable for use nationally. NeighborWorks also promoted eHomeAmerica™ which, like Framework™, is a high quality online program with universal use and applicability. But, MassHousing recognized the need for online homebuyer education long before Framework™ and eHomeAmerica™ were offered in the market.

"The Road Home" incorporates content approved by CHAPA and therefore rigorously reviewed for its effectiveness. Additionally, the technology used over a four year period evolved from a simple PowerPoint presentation created in Webex Presentation Studio, and housed on the MassHousing website (eMassHousing.com), to a sophisticated online program developed with the use of Articulate Storyline, with the assistance of online education resource consultant, Illumina. It is now housed in the cloud at articulate.com.

At its initiation, the program had nominal acceptance, being used by a few non-profit counseling agencies coping with classroom courses that were oversubscribed. Unfortunately, at the time, it was

viewed by some homebuyer counseling agencies as a lesser quality alternative in some cases and in other cases as an actual threat to the preferred face-to-face homebuyer education programs. It was important to realize that because of the fee income they generated, these programs were an essential financial lifeblood for local homebuyer counseling agencies and as such it was unlikely that these organizations would be willing to give them up.

MassHousing is prevented by its charter from making direct financial contributions to non-profit counseling agencies. However, MassHousing can pass on the program at no cost to these agencies. This allows them to re-offer the program at a reduced cost to the consumer, while still earning meaningful income for themselves as the sponsors of the program. In this way, each counseling agency has total control and access to the program and allows them to decide to whether online education is appropriate based on each individual borrower's circumstances. Testing that is built into the course, and brief face-to-face meetings with homebuyers (occasionally using Skype), also allows the counseling agencies to validate the completion of the course by the homebuyers involved.

The counseling agencies register borrowers with MassHousing and use a MassHousing generated ID and password for their individual borrowers. Once they log in, borrowers can log out and return at their convenience, completing the course on a timetable that meets their personal schedule. Reports can be generated to track borrower progress as they move through the course. Test results can be monitored allowing counselors to spend time with borrowers on topics where they may not appear to have a solid grasp of the material. The periodic testing is structured so that it does not allow a borrower to move to the next section until they have received a passing grade on the section they have just completed. Upon successful completion, the authority to certify that the borrower has successfully completed the course rests with the counseling agency which can use whatever methods they feel necessary to prevent cheating.

Over a three year period, MassHousing has continuously updated and made both content and technological enhancements to "The Road Home." This allowed CHAPA to include it in a test pilot program of homebuyer counseling programs that included Housing Partnership Network's Framework™ and Neighborworks' eHomeAmerica™. At the end of the pilot, "The Road Home" was almost unanimously endorsed and chosen by the CHAPA non-profit counseling group over both Framework™ and eHomeAmerica™.

What Set MassHousing's Program Apart?

MassHousing's online education differentiated itself from the national programs in several important ways. The first is that it is not a one-size-fits-all approach. It allows the program, which mirrors the content and quality of the national programs, to include business and legal terms that are specific to Massachusetts. It also allows the inclusion of art, graphics and even language within the narration that is reflective of the Massachusetts market in particular. The second is that MassHousing's development and ownership of the program allows the Agency to offer this product through counseling agencies at no cost to them! This is a huge boost to the agencies' efforts to encourage this product's use.

The Numbers Tell the Story of the Program's Success

MassHousing now has over 30 non-profit homebuyer counseling agencies using "The Road Home" online homebuyer education program. These non-profits – which have been challenged financially in

recent years – have now enrolled over 6,000 homebuyers in “The Road Home” while at the same time earning over \$500,000 in fee income for their organizations over the past two years!

Since MassHousing’s creation of “The Road Home,” total development costs have been approximately \$200,000. Annual administrative support costs approach \$50,000. The end result is the education of over 2,500 homebuyers annually which then provides our partner non-profits with \$250,000 a year in revenue. The fees earned by the non-profits have completely recaptured all of the development costs of the first two years and now generate revenue that is five times MassHousing’s cost.

The demographics show that the online course takers are young, well-educated, and moderate income (80% of AMI) potential buyers. Additionally, research shows that immigrant families are adopting technology such as the Internet, tablet computers and smart phones at rates equal to and often higher than non-minorities who are more comfortable with older technology. To take advantage of this cultural reality, a Spanish language version of “The Road Home” (“Camino a Casa”) and a Portuguese language version (“O Caminho a Casa”) have been launched. Additional languages can also be added based on need and state population demographics. The cost to translate “The Road Home” is approximately \$50,000 per language.

Conclusion

“The Road Home” has enriched MassHousing’s image as well as enhanced the education of the Agency’s homebuyers. MassHousing is now considered one of the strongest supporters of the non-profit counseling agencies, which benefit from the revenue generated as a result of “The Road Home” program. Lenders no longer see the online education component as a barrier to their closing a mortgage and as such are more willing to utilize MassHousing’s mortgage programs rather than steer potential buyers away from them. And, in many instances lenders are paying for the online course if the borrower they send to the courses closes their loan with that lender. Realtors view MassHousing as a resourceful partner helping homebuyers become more confident and qualified through a creative use of technology.

MassHousing’s efforts with this program are in part – an illustration of the age-old motto – “If at first you don’t succeed – try, try again.” MassHousing – like all HFAs – knows well the value of homebuyer counseling. But the value of an idea does not guarantee its successful implementation. MassHousing’s efforts to create a successful and well utilized online homebuyer counseling program prove that Agencies must always listen to the needs of the customers – as well as the concerns of their business partners. By considering both of these angles – MassHousing found its recipe for success.

Link on MassHousing's website promoting The Road Home –

https://www.masshousing.com/portal/server.pt/community/home_ownership/223/online_homebuyer_education