



Entry Form 2018 Annual Awards for Program Excellence

Entry Deadline: Friday, June 15, 2018, Midnight ET

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email awards@ncsha.org.**

Entry Title: Enter your entry's title exactly as you wish it to be published on the NCSHA website and in the awards program.

Pre-Purchase Financial Coaching

Category: Homeownership

Subcategory: Empowering New Buyers

Entry Summary: A 15-word (max) summary of the program, project, or practice you are entering.
DSHA program helps residents become mortgage-ready with personal financial coaching.

HFA: Delaware State Housing Authority

HFA Staff Contact: Dan Shortridge, director of public relations

Phone: 302-739-0271

Email: dans@destatehousing.com

Visual Aids:

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF? ☐ Yes ☒ No

Payment:

- ☐ My HFA is mailing a check to NCSHA.
☒ My HFA is emailing the credit card authorization form to awards@ncsha.org.



PROGRAM INTRODUCTION AND OVERVIEW

DSHA has traditionally contracted with HUD-approved counseling agencies to provide one-on-one homeownership counseling. However many agencies have observed that between 70 percent and 80 percent of clients who attend purchase workshops are not ready to move forward with counseling and purchasing a home. They have noted that some clients can take a year or two – or longer – in counseling before they are ready to purchase. Our lending partners also have reported receiving calls from residents who need to improve their personal financial situation and did not know where to send them.

As the counseling curriculum is geared toward the last steps in the homebuying process, DSHA recognized a need to lay the foundation for sound personal financial management that includes home ownership, and this initiative was born. Beginning in early 2016 and continuing into 2018, DSHA has contracted with \$tand By Me, Delaware’s financial empowerment partnership, to provide financial coaching – separate from traditional housing counseling – to help clients address topics such as credit improvement, reducing debt, and building savings. This brings more clients into the pipeline of home ownership as another step toward a complete continuum of assistance, coaching and counseling.

- **AN INNOVATIVE INITIATIVE**

This strategic program is focused on expanding the demand for homeownership by preparing people who are not ready to benefit from housing counseling services. DSHA staff and our housing counseling partners worked creatively to determine a solution to the challenge of non-mortgage ready clients. Rather than create a new program office and add DSHA staff, we chose to contract with a vendor with special expertise in the field, creating a new level of assistance and creating a seamless referral pipeline for clients coming from multiple sources.

- **A REPLICABLE PROGRAM**

This program is replicable by any HFA, counseling agency or partnership that sees a need to put prospective buyers on more solid financial footing and in the process utilize its resources more efficiently. DSHA issued an RFP and received two proposals from in-state partners, but financial coaching programs exist across the country that could partner with HFAs on similar pre-purchase programs. The \$tand By Me model is founded upon the principle of embedding financial coaching into not just housing programs, but also child care, health care, workforce development, adult education and pre-college programs across state government. \$tand By Me staff report that Realtors from other states have inquired about the pre-purchase program coming to their locality.

- **RESPONDING TO AN IMPORTANT STATE HOUSING NEED**

While Delaware currently has one of the highest homeownership rates in the country, at 70 percent in 2017, the economic recession and housing bust nevertheless left many families who would have been homebuyers in precarious financial positions. DSHA’s most recent Delaware Housing Needs Assessment reported that job growth has declined and debt has increased, particularly among college graduates in



Delaware State Housing Authority

Category: Homeownership: Empowering New Buyers

Entry: Pre-Purchase Financial Coaching

the 35-44-year-old age range who would normally be first-time homebuyers. Traditional housing counseling is designed for another purpose, not meeting the needs of persons with poor credit, high debt and low savings. A full 35 percent of clients of Delaware's housing counseling agencies have incomes below 50 percent of AMI. DSHA sought to address these issues head-on and increase homeownership through a continuum of services that will eventually help more families purchase their own homes. We also recently reduced our FICO score requirements for our homeownership programs from 640 to 620; that change, combined with the use of DU approved instead of a set DTI requirement should help decrease the amount of time a client will take to successfully complete the program.

- **DEMONSTRATING MEASURABLE BENEFITS TO HFA-TARGETED CUSTOMERS**

The program effectively targets customers who are not financially able to reach the goal of homeownership, using partner referrals to maximize its reach and ensure that we are capturing as many prospective buyers as possible. Clients are ranked on a mortgage readiness scale based upon FICO scores, debt-to-income ratios, and savings. \$tand By Me's financial coaches receive specific training in DSHA mortgage products, which are available to all Delawareans who meet specific criteria, as well as the requirements for homeownership. Support from a personal financial coach can transform debt and low savings into an action plan toward the path to home ownership and self-sufficiency. This targeting, coaching and support has worked: Thirty-two percent of clients are now either mortgage-ready or in the home buying process. DSHA has also conducted special training and outreach and provided a fee certificate if they use a DSHA mortgage product in their purchase.

- **A PROVEN TRACK RECORD OF SUCCESS IN THE MARKETPLACE**

From the start, DSHA recognized that not every client will complete the coaching; not every coached client will transition to housing counseling; and not every counseled client will purchase a home. Financial coaching may be a long process that will require significant time to ensure that a client is mortgage-ready. Nevertheless, we have seen strong benefits for participating clients. As of April 2018, there were 764 active clients in the program, and 32 percent (237 clients) are either in the home buying process or are considered mortgage-ready. Eighteen percent have either purchased a home, are under contract for a home or have been pre-approved; another 12 percent are considered mortgage-ready, and have been referred back to the housing counselor, Realtor or lender that initially referred them to the program. At DSHA's annual Homebuyer Fair in April 2018, DSHA provided additional training to the mortgage-ready clients and presented them with a participation incentive in the form of a \$75 voucher off the DSHA compliance fee if they used a DSHA mortgage product.

- **PROVIDING BENEFITS THAT OUTWEIGH COSTS**

The cost per client over the life of the program is about \$695. That is a significant change from the previous model, in which clients were in the housing counseling pipeline for months or years and counseling resources were wasted. The program has resulted in 32 percent of clients purchasing a home, actively looking for one, or being considered mortgage-ready.



- **DEMONSTRATING EFFECTIVE USE OF RESOURCES**

The program has been funded by \$400,000 from DSHA and federal bank settlement funds, and \$250,000 from a banking partner. The additional settlement funds allowed \$tand By Me to hire two additional coaches and increase participation in the southern part of the state. DSHA monitors performance measure compliance on a regular basis to ensure that clients are being served properly. The existing relationships that \$tand By Me previously developed with its partners and service providers also helps reach a broader audience for the pre-purchase program. DSHA and \$tand By Me also leveraged DSHA's existing NCSHA-award winning "Kiss Your Landlord Goodbye" marketing campaign and branding.

- **EFFECTIVELY EMPLOYING PARTNERSHIPS**

The Pre-Purchase Financial Coaching Program is the very definition of a partnership-based initiative. DSHA recognized that its expertise in the area of homeownership products and affordable housing did not translate into providing direct one-on-one counseling or coaching, and so partnered with a contractor, \$tand By Me, which could supply that experience. Referrals from partners are the lifeblood of the program – from housing counseling agencies, Realtors, nonprofit agencies and more. When clients have successfully completed the program, \$tand By Me refers them back to counseling agencies to complete the final steps of the housing counseling process.

- **ACHIEVING STRATEGIC OBJECTIVES**

A vital part of DSHA's mission is to provide quality, affordable housing opportunities for Delawareans, and homeownership is one of two core services in that mission. The current DSHA strategic plan identifies advancing and sustaining homeownership as one of four priorities for the agency, with the objective of expanding homeownership programs to improve access and affordability. Strategies toward that objective include increasing access to homeownership programs, launching new programs to better match homebuyer needs, and streamlining product operations. The Pre-Purchase Financial Coaching Program helps advance all of those strategies by reaching populations not previously served by traditional housing counseling.

- **CLIENTS' STORIES**

Shauna worked with a coach to establish savings, pay off nearly all of her credit card balances, revise her budget, and reallocate her spending. She closed on a home in Milton, Del., in October 2017.

Robert lost his family home to foreclosure after suffering drug and alcohol addiction, and also experienced homelessness. A coach helped get medical debt forgiven, pay down other debts, raise his credit score, and build savings. He closed on a home in Newport, Del., in September 2017 with a \$770 mortgage payment.

Ramon met with a coach to dispute items on his credit report which belonged to his father, pay off other collection items, and decrease his debt. He was approved for a mortgage and closed on his home in November 2017.



VISUAL AIDS

1. Video promoting the \$tand By Me partnership with testimonial from client Tonya Spencer:
<http://tiny.cc/DSHA-StandByMe>



2. Former Governor Jack Markell's weekly message video highlighting the DSHA / \$tand By Me partnership: <http://tiny.cc/DSHA-Governor> | Full transcript: <http://tiny.cc/DSHA-GovernorTranscript>





Delaware State Housing Authority
Category: Homeownership: Empowering New Buyers
Entry: Pre-Purchase Financial Coaching

3. Photos from the program kickoff event in May 2016, held at West End Neighborhood House, Wilmington, Del.:



Denise Freeman, housing counseling director with NCALL Research, speaks at the widely-attended kickoff event.



Governor Jack Markell, DSHA Director Anas Ben Addi, program partners and supporters at the kickoff event.



4. Media coverage:

Housing Authority, \$tand by Me offering coaching services to future homeowners

delawarebusinessnow.com/2016/05/housing-authority-tand-by-me-offering-coaching-services-to-future-homeowners/

May 10, 2016



The Delaware State Housing Authority is partnering with \$tand By Me to offer new financial coaching services to Delawareans interested in purchasing their first home.

Services are now available for Delawareans, who need extra financial coaching assistance to reduce debt, improve their credit score and increase their savings to achieve greater

financial stability while pursuing a path to homeownership.

"Financial literacy is critical to success in today's economy," said Gov. Jack Markell. "And because of this program, Delawareans, who are hoping to purchase their first home now have even more services to draw from to give them the stability they need, and the foundation to pursue a better life."

Advertisement

Through one-on-one support from a financial coach, \$tand By Me will help participants in the new program meet the criteria necessary to qualify for a mortgage. After working with a coach to become mortgage ready, \$tand By Me will refer participants to a housing counselor who will walk them step-by-step through the purchase process.

"This new partnership will make a real difference for Delawareans who need extra financial coaching to get on a path to stable homeownership," said DSHA Director Anas Ben Addi.

Discover Bank provided half of the funding for the new program.

"Homeownership is a major financial investment and we're happy to be working with DSHA, the United Way and \$tand By Me to provide helpful counseling so families are properly informed and can become homeowners," said James Roszkowski, president of Discover Bank. "Providing valuable financial tools and resources for families aligns with our mission of helping people spend smarter, manage debt better and save more so they achieve a brighter financial future."

DSHA provides affordable home loans for first-time and repeat homebuyers, while also offering down payment and settlement cost assistance, and First-Time Homebuyer Tax Credits.

\$tand by Me — a public-private partnership and a program of the Delaware Office of Financial Empowerment and United Way of Delaware — encourages Delawareans with financial challenges to consider working with a personal

financial coach to rein in their debt and reach their goals.

All services are free. \$tand By Me coaches work with clients to identify problem areas, set specific goals and devise a solid, workable plan for success.

"This is a powerful partnership that will make it easier for Delawareans to responsibly achieve the American Dream of homeownership while making sure they have the financial tools necessary to purchase and maintain their homes," said Delaware Health and Social Services Secretary Rita M. Landgraf.

5. Promotional rack cards leveraging DSHA's existing Kiss Your Landlord Goodbye branding:



**With a personal coach on your side,
you can build your credit score,
reduce your debt and achieve
the dream of homeownership!**



**KISS YOUR
LANDLORD
GOODBYE!**



www.standbymede.org

All services are free!



Kiss Your Landlord Goodbye
is a campaign of the
Delaware State Housing Authority.



**Do you make less than \$97,000? Then ask how you can
Kiss Your Landlord Goodbye!**

Stand By Me is working with the Delaware State Housing Authority (DSHA) and the Delaware Federation of Housing Counselors to help you become a homeowner.

Through one-on-one support from a financial coach, **Stand By Me** will help you to meet the criteria needed to qualify for a mortgage and connect you with consumer-friendly mortgage programs that include competitive mortgage rates and flexible lending criteria.

Need downpayment and closing cost assistance?

Delaware State Housing Authority offers downpayment and settlement assistance to first-time, current or past homeowners. Plus, with the Delaware Tax Credit, you can receive a federal tax credit of up to \$2,000 for each year you own the house.

Stand By Me coaches can work with you step-by-step on your journey to homeownership.

Call today to get started.

New Castle County:

Laura Gendreau, 302-255-9271

Mirna Jenkins, 302-658-4171

Jude Liszkiewicz, 302-283-5562

Kent & Sussex Counties:

Dalila Blanchard, 302-678-9400

www.standbymede.org





**Con un asesor financiero personal de tu lado,
puedes mejorar tu calificación crediticia,
reducir tu deuda y alcanzar el sueño
de la casa propia.**



**¡DALE A TU
CASERO UN
BESO DE
DESPEDIDA!**



www.standbymede.org

¡Todos los servicios son gratuitos!



Kiss Your Landlord Goodbye
es una campaña de
Delaware State Housing Authority.



¿Ganas menos de \$97,000? ¡Entonces pregunta cómo puedes darle a tu casero un beso de despedida!

Stand By Me está trabajando con la Autoridad de Vivienda Pública de Delaware (Delaware State Housing Authority o DSHA) y la Federación de Asesores de Vivienda de Delaware (Delaware Federation of Housing Counselors) para ayudarte a ser dueño de tu propia casa.

Con la atención personalizada de un asesor financiero, Stand By Me te ayudará a calificar para una hipoteca y te conectarte con programas de la DSHA que incluyen créditos hipotecarios con tasas competitivas y criterios de préstamos flexibles.

¿Necesitas ayuda para el pago inicial y los costos de cierre?

DSHA ofrece asistencia en pagos iniciales y liquidación para primeros propietarios, propietarios actuales y ex propietarios. Además, con el Crédito Tributario de Delaware, puedes recibir un crédito de impuestos federales de hasta \$2,000 por cada año que seas propietario de la vivienda.

Los asesores de Stand By Me pueden ayudarte en cada uno de tus pasos hacia la casa propia.

Para comenzar, llama hoy mismo.

Condado de New Castle:
Laura Gendreau, 302-255-9271
Mirna Jenkins, 302-658-4171
Jude Liszkiewicz, 302-283-5562
Condados de Kent y Sussex:
Dalila Blanchard, 302-678-9400

www.standbymede.org





DELAWARE
MORTGAGE
BANKERS
ASSOCIATION

June 4, 2018

Vanessa McCall

Delaware State Housing Authority
820 North French Street, 10th Floor
Wilmington, DE 19808

Dear Ms. McCall,

I wanted to take this opportunity on behalf of the Delaware Mortgage Bankers Association to thank you and your team for your continued efforts in helping first time homebuyers. I also wanted to highlight the critical role that is played by the Pre-Purchase Homeownership Education and Coaching programs.

Providing education and coaching to first time homebuyers is critical to assist clients who may not be mortgage ready. It provides the direction required for these novice buyers to achieve their dream of homeownership as opposed to being restricted to renting. The facts are that after the recession, many of our borrowers have been challenged financially and are left with poor credit, low savings and high debt. This program helps guide these future homeowners through these challenges with the ultimate goal of teaching financial and credit building skills that will enable them to responsibly purchase a new home.

We are also encouraged by the results from the \$tand By Me coaching program in particular as they provide a much needed alternative to the "credit repair companies" that we so often see people get involved with. We are also encouraged by the partnership that Stand By Me has with the lending community and their guarantee on protecting and reciprocating on referrals. This partnership along with the fact that the service is FREE to customers have allowed the program to gain popularity.

As a trade group focused on fostering sound homeownership, we are impressed with the fact that 15 percent of clients referred to \$tand By Me have become homeowners or are actively looking for a home with the help of a counselor, Realtor or lender; and that another 20 percent of the participants have seen enough improvement in their financial standing to be referred back to a housing counselor.

Although mortgage programs, rates and products may change, it is programs like \$tand By Me which will help foster strong education and coaching and thereby build a strong foundation for homeownership in Delaware. We wish you continued success with this initiative.

Sincerely,

Kevin Jorlin
Delaware Mortgage Bankers Association



June 6, 2018

To Whom It May Concern:

It is my pleasure to provide this letter of support for Delaware's pre-purchase education and financial coaching program, operated by \$tand by Me under the "Kiss Your Landlord Goodbye" brand.

Credit repair services aimed at financially challenged consumers around the nation are too often little more than scams and traps that result in fewer financial resources and lower credit scores.

The Delaware Association of Realtors® (DAR) sees the Kiss Your Landlord Goodbye program as a valued partner, helping financially challenged, aspiring homeowners achieve the American Dream of homeownership with services that are available at no cost. Their collaboration with the 3,900-plus members of the DAR is well thought out and effective. We are proud to support, and to promote, the great work accomplished by this program team.

Below are some of the reasons we find this program worthy of celebrating:

- Delaware has the second highest foreclosure rate in the nation and continues to be challenged with the loss of good jobs. pre-purchase homeownership education and counseling provides a path to homeownership for potential buyers who need more assistance than traditional housing counseling services can offer.
- Those who need to improve their financial situations are given the tools they need to succeed.
- The program creates a full-service loop, providing our members with the resources to help potential customers who want to buy a home but find it difficult to qualify for a mortgage.
- Empowerment: Those who enter the program move forward in life, empowered by the ability to take ownership of both their finances and their futures.
- Fifteen (15) percent of this program's participants have gone on to become homeowners or are ready to begin looking for a home. Twenty (20) percent have improved their individual situations to the point where they are now working with housing counselors.

If you have any questions or need additional information, feel free to contact DAR CEO Anne Rendle at anne@delawarerealtor.com or 302-734-4444. Thank you for your consideration of this valuable program.

Sincerely,

Bayard Williams
2018 DAR President