



# 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](mailto: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.

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**Category:**

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**Subcategory:**

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**Entry Summary:** A 15-word (max) summary of the program, project, or practice you are entering.

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**HFA:**

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**Visual Aids:**

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

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**Homeownership Capacity - helping low-income renters and households of color or Hispanic ethnicity become successful homeowners in Minnesota.**

Minnesota Housing launched the Homeownership Capacity program to prepare low-income households for sustainable homeownership by funding intensive financial empowerment education and coaching. We evaluated the program in 2018 with recommendations to make the program permanent to continue our work to close the homeownership gap in Minnesota and hope other HFAs can replicate our work. **(See Attachment 1 – Evaluation Report).**

**Responding to an important need** - Understanding that households of color are an increasing share of the state's population and that the foreclosure crisis disproportionately impacted them, we designed the Homeownership Capacity program to serve low-income renters and households of color and increase their access to successful homeownership in Minnesota. Since Minnesota has the fifth largest disparity in homeownership rates between white/non-Hispanic households and households of color in the nation, the program focuses on reaching households of color and engaging low-income renters who face barriers to homeownership. With focused efforts and trusted relationships with coaches funded through the program, we have seen outstanding success in increasing the credit scores, savings, knowledge and positive financial behavior to help more people achieve sustainable homeownership.

Recognizing that each population served may prefer to receive services using one method over another, our delivery partners are allowed to design their own program to meet their client needs. This includes providing education in a classroom setting or one-on-one, coaching (which focuses on client behavioral change) one-on-one, either in person and/or by phone. Homeownership Capacity supplements the traditional homeowner training and includes:

**Asset building:**

- Savings, including emergency savings
- Retirement plans
- Homeownership
- Higher education

**Credit report education:**

- How to read a credit report
- How to repair items on a credit report
- How to re-build credit

**Development of spending plans, including discussion of financial best practices and pitfalls:**

- Importance of filing taxes
- Overdrafts
- Payday loans
- Auto loans
- Prepaid cards
- Mobile payments

- Credit cards
- Insurance (car, life, health, etc.)

**Consumer protection training and education:**

- Services offered by banks and credit unions
- Predatory financial scams
- How to address identity theft
- Ways to protect identity

**Other financial empowerment services:**

- Workforce development
- Technology training
- Entrepreneurship opportunities
- Career development
- Educational opportunities
- Community responsibility of homeowners

The program also requires partners to make post purchase services available to clients, including a budget review and education around topics such as home maintenance and insurance coverage.

**Who We Serve** - Homeownership Capacity clients have barriers to achieving homeownership, but are interested in becoming homeowners and willing to make a long-term commitment to these services. Households are eligible to receive Homeownership Capacity services if they:

- Express an interest in becoming a homeowner or improving their homeownership situation as a primary household goal, have demonstrable barriers to achieving homeownership, and have a viable path to addressing their barriers. Generally, the program anticipates that clients will address barriers within three years.
- Have adequate income to support homeownership or will achieve adequate income through the support of Homeownership Capacity services.
- Are willing to commit to working with a Homeownership Capacity provider to increase their financial empowerment and the probability of successful homeownership.
- Agree to participate in homebuyer education services (i.e., Home Stretch, Framework, Realizing the American Dream).

**Low-income Renters** - While there is no minimum or maximum income to participate in the program, clients must be able to demonstrate that they have adequate income to support homeownership at the time of intake or can achieve adequate income to support homeownership by the time they reach program completion. For the latter, clients may receive employment services through the grantee or through a referral to another organization. Partners report that some clients are in school while receiving Homeownership Capacity services and anticipate an increase in their income upon graduation.

Minnesota Housing created several events in partnership with multifamily rental buildings we have financed to educate successful renters about the possibility of transitioning to homeownership and help that exist to help them make this dream a reality. **(SEE ATTACHMENT 3 – MARKETING MATERIAL).**

Once a client commits to receiving Homeownership Capacity services, they complete an intake, which includes providing basic information (i.e. address, banking status, self-identified barrier to homeownership, race/ethnicity, number of adults and children in household, age, etc.). The coach also completes a financial assessment of the client, which includes pulling a credit report (soft pull), and a review of the client's budget, which includes, income, rent, savings balance, and debt balance.

After completing financial education and coaching, the coach completes one final assessment on the client, which includes all items collected annually and asking if the client will pursue homeownership. The program completion data provides a useful comparison of changes in credit score, debt, and savings from program entry to completion. Clients are also asked to complete a survey where they compare their knowledge and behavior.

To better track success and outcomes, clients must remain available for up to one year after program completion to allow grantees to collect outcome data, which includes: home purchase, client decided to not purchase a home, and client is still pursuing homeownership.

**Achieving Intended Results – Homeownership Capacity is successfully reaching and engaging low-income renters and households of color with barriers to homeownership.**

- As of December 31, 2017, 2,188 clients had entered the program, 87% of which were households of color.
- The most reported barrier to homeownership is a low credit score and inadequate savings.
- Nearly three-fourths of clients had a credit score below 640, which is the typical cut-off for most mortgage products.
- Clients remained engaged in the program even though it does not offer direct financial incentives, such as down payment assistance, gift cards, etc. The client engagement rate is similar to programs with incentives, demonstrating the strength of the relationship between the coaches and their clients.

**More than 80% of clients experienced an increase in their credit score**

- The median credit score of clients increased from 583 at program entry to 658 at the time of program completion.

**Program participants increased savings or paid off debt**

- Of people who completed the program, 72% increased their savings.
- Many of those who did not see an increase in savings chose to use funds to pay off debt collections and/or purchase their first home.
- On average, clients experienced a \$3,700 improvement in their financial picture (increased savings and/or reduced debt collections), while those that purchased a home had a \$5,000 improvement.

**Clients who completed the program increased knowledge and are taking positive financial actions.**

- More than 79% of clients reported an increase in their understanding of the banking system, the importance of a spending plan, and how credit and savings affect their ability to obtain a loan.
- At least, 74% of clients reported an increase in the frequency that they track their spending, make good financial decisions, and take steps towards improving their credit and saving money.
- Eighty-one percent reported an increase in their ability to handle financial obstacles.

**Increased homeownership:**

- More than 50% of those with a reported outcome bought a home within a year of completing the program, and another 22% were still pursuing homeownership after one year.
- The remaining 25% decided not to pursue homeownership at this time.

Overall, the Homeownership Capacity program is successfully serving the priority clients and improving their housing situation, typically allowing them to buy a home. This mission-rich program aligns with the Agency strategic priority of reducing Minnesota's racial and ethnicity disparity. The organizations receiving funds under this program have a demonstrated history of providing financial empowerment education and coaching services and reaching low-income renters and households of color. Minnesota Housing is committed to closing the homeownership gap and building upon the lessons learned in this pilot program. Therefore, staff recommends the pilot become a permanent program to build upon the success demonstrated in this evaluation and that we pursue additional resources to grow the capacity to offer these services to more clients throughout the state.

Evaluating Affordable Housing Efforts

# Homeownership Capacity Evaluation 2018



# Enhanced Financial Capacity Homeownership Initiative (AKA Homeownership Capacity)

## Evaluation

### Executive Summary

Minnesota Housing launched the Enhanced Financial Capacity Homeownership Initiative (Homeownership Capacity) program in August 2014 as a pilot with a \$650,000 annual commitment to prepare low-income households for sustainable homeownership by funding intensive financial education and coaching. The Agency increased the commitment to \$750,000 in 2016 with funding remaining at that level since 2016. Given Minnesota's large disparities in homeownership rates between white/non-Hispanic households and households of color in the nation, the program focuses on reaching households of color.

We evaluated the program on four objectives:

- Reaching and engaging low-income renters and households of color who face barriers to homeownership
- Increasing the credit scores and savings of program clients
- Increasing clients' knowledge and positive financial behavior
- Achieving sustainable homeownership

### Key Findings:

- **The program is successfully reaching and engaging low-income renters and households of color with barriers to homeownership.**
  - As of December 31, 2017, 2,188 clients had entered the program, with 87% of them identifying as a household of color.
  - The most reported barrier to homeownership is a low credit score, followed by inadequate savings.
  - Nearly three-fourths of clients entering the program had a credit score below 640, which is the typical cut-off for most mortgage products.
  - Clients remained engaged in the program even though it does not offer direct financial incentives, such as down payment assistance, gift cards, etc. The client engagement rate is similar to programs with incentives, demonstrating the strength of the relationship between the grantees and their clients.
- **More than 80% of clients experienced an increase in their credit score**
  - The median credit score of clients increased from 583 at program entry to 658 at the time of program completion.
- **Program participants increased savings or paid off debt**
  - Of people who completed the program, 72% increased their savings.
  - Many of those who did not see an increase in savings chose to use funds to pay off debt collections and/or purchase their first home.
  - On average, clients experienced a \$3,700 improvement in their financial picture (increased savings and/or reduced debt collections), while those that purchased a home had a \$5,000 improvement.

- **Clients who completed the program increased their knowledge and are taking positive financial actions.**
  - More than 79% of clients reported an increase or significant increase in their understanding of the banking system, the importance of a spending plan, and how credit and savings affect their ability to obtain a loan.
  - At least, 74% of clients reported an increase or significant increase in the frequency that they track their spending, make good financial decisions, and take steps towards improving their credit and saving money.
  - Eighty-one percent reported an increase in their ability to handle financial obstacles.
  
- **Increased homeownership:**
  - More than 50% of those with a reported outcome bought a home within a year of completing the program, and another 22% were still pursuing homeownership after one year.
  - The remaining 25% decided not to pursue homeownership at this time.
  
- Due to a limited sample size, we have limited data on the mortgage delinquency rates of those clients who bought a home with a Minnesota Housing mortgage. Staff will continue to monitor loan performance over time to gauge homeownership sustainability.

Overall, the Homeownership Capacity program is successfully serving the priority clients and improving their housing situation, typically allowing them to buy a home. This mission-rich program aligns with the Agency strategic priority of reducing Minnesota’s racial and ethnicity disparity. The organizations receiving funds under this program have a demonstrated history of providing financial empowerment education and coaching services and reaching low-income renters and households of color. Minnesota Housing is committed to closing the homeownership gap and building upon the lessons learned in this pilot program. Therefore, staff recommends the pilot become a permanent program to build upon the success demonstrated in this evaluation and that we pursue additional resources to grow the capacity to offer these services to more clients throughout the state.

## Introduction and Background Information

Minnesota Housing launched the Homeownership Capacity program in August 2014 as a pilot with a \$650,000 annual commitment to prepare low-income households for sustainable homeownership by funding intensive financial empowerment education and coaching. The Agency increased the commitment to \$750,000 in 2016 with funding remaining at that level since 2016.

Households of color are an increasing share of the state's population. The foreclosure crisis disproportionately impacted them, their homeownership rate declined from 46.5% in 2008 to 41.0% in 2016, and they have struggled to access the mortgage market. Minnesota's homeownership disparity (the homeownership rate differential between white/non-Hispanic households and households of color) is the fifth largest in the nation.

The goal of the Homeownership Capacity program is to serve low-income renters and households of color and increase their access to successful homeownership in Minnesota. This work supplements traditional homebuyer training provided by the Homeownership Advisors Network and coordinated by the Minnesota Homeownership Center.

## Grantees

In 2014, the program funded seven non-profit organizations to provide Homeownership Capacity services and has since grown to 16 non-profit organizations. These organizations have a demonstrated history of providing financial empowerment education and coaching services and reaching low-income renters and households of color. The following organizations were funded for at least one program year, and their client data is included in the evaluation. These organizations will be referred throughout the remainder of the report as grantees.

- African Development Center
- Bii Gii Wiin
- Build Wealth
- Community Action Duluth
- Community Action Partnership of Hennepin County
- Comunidades Latinas Unidas En Servicio (CLUES)
- Hmong American Partnership
- Lutheran Social Service of Minnesota (LSS Financial Counseling)
- Mankato Economic Development Authority
- Minneapolis Urban League
- Neighborhood Development Alliance (NeDA)
- NeighborWorks Home Partners (NWHP)
- PRG, Inc.
- Project for Pride in Living, Inc. (PPL)
- Southwest Minnesota Housing Partnership (SWMHP)
- Three Rivers Community Action, Inc.

## Program Design

Recognizing that each population served may prefer to receive services using one method over another, grantees are allowed to design their own program. This includes providing education in a classroom setting or one-on-one. Grantees must provide the coaching (which focuses on client behavioral change) one-on-one, either in person and/or by phone.

Topics included in financial education and coaching must include:

- **Asset building:**
  - Savings, including emergency savings
  - Retirement plans
  - Homeownership
  - Higher education
  
- **Credit report education:**
  - How to read a credit report
  - How to repair items on a credit report
  - How to re-build credit
  
- **Development of spending plans, including discussion of financial best practices and pitfalls:**
  - Importance of filing taxes
  - Overdrafts
  - Payday loans
  - Auto loans
  - Prepaid cards
  - Mobile payments
  - Credit cards
  - Insurance (car, life, health, etc.)
  
- **Consumer protection training and education:**
  - Services offered by banks and credit unions
  - Predatory financial scams
  - How to address identity theft
  - Ways to protect identity
  
- **Other financial empowerment services:**
  - Workforce development
  - Technology training
  - Entrepreneurship opportunities
  - Career development
  - Educational opportunities
  - Community responsibility of homeowners

The program also requires grantees to make post purchase services available to clients, including a budget review and education around topics such as home maintenance and insurance coverage.

## Eligible Clients

Households are eligible to receive Homeownership Capacity services if they:

- Express an interest in becoming a homeowner or improving their homeownership situation as a primary household goal, have demonstrable barriers to achieving homeownership, and have a viable path to addressing their barriers. Generally, the program anticipates that clients will address barriers within three years.
- Have adequate income to support homeownership or will achieve adequate income through the support of Homeownership Capacity services.
- Are willing to commit to working with a Homeownership Capacity provider to increase their financial empowerment and the probability of successful homeownership.
- Agree to participate in homebuyer education services (i.e., Home Stretch, Framework, Realizing the American Dream).

## Program Process

Since many of the grantees also provide traditional homebuyer counseling and education, clients are assessed to determine which service is the best fit based on the client's barrier(s) to homeownership, including income stability, credit scores, and savings. Those with more challenging barriers receive the more extensive Homeownership Capacity services.

Once a client commits to receiving Homeownership Capacity services, they complete an intake, which includes providing basic information (i.e. address, banking status, self-identified barrier to homeownership, race/ethnicity, number of adults and children in household, age, etc.). The coach also completes a financial assessment of the client, which includes pulling a credit report (soft pull), and a review of the client's budget, which includes, income, rent, savings balance, and debt balance. While grantees engage clients on an ongoing basis, they also report on the latest credit score and budget details on an annual basis.

Once the client completes the financial education and coaching, the coach completes one final assessment on the client, which includes all items collected annually and asking if the client will pursue homeownership. The program completion data provides a useful comparison of changes in credit score, debt, and savings from program entry to completion. Clients are also asked to complete a survey where they compare their knowledge and behavior.

The client file must remain available for up to one year after program completion to allow grantees to collect outcome data, which includes: home purchase, client decided to not purchase a home, and client is still pursuing homeownership.

## The Evaluation

The analysis uses data from August 1, 2014 through December 31, 2017 but does not include clients that purchased a home under Minnesota Housing's Targeted Mortgage Opportunity Program (TMOP). These clients are not representative of clients entering the current housing market, and this mortgage product is no longer available.

## Objective: Reach and engage low-income renters and households of color who face barriers to homeownership

Tables 1 through 3 show the clients' self-reported income, race/ethnicity, and barrier to homeownership at the time of program intake.

### Low-income Renters

While there is no minimum or maximum income to participate in the program, clients must be able to demonstrate that they have adequate income to support homeownership at the time of intake or can achieve adequate income to support homeownership by the time they reach program completion. For the latter, clients may receive employment services through the grantee or through a referral to another organization. Grantees report that some clients are in school while receiving Homeownership Capacity services and anticipate an increase in their income upon graduation.

**TABLE 1: Income and Household Size**

	≤\$20,000	\$20,001-\$40,000	\$40,001-\$60,000	>\$60,000
Share of Clients	15%	52%	24%	9%
Median household size	3	3	4	4

Number: 2,188

With over 60% of the program participants having an income less than \$40,000, grantees are reaching the targeted low-income renters. The households with higher incomes are larger, typically requiring larger more expensive homes.

### Households of Color

Table 2 shows the race and ethnicity of the program clients.

**TABLE 2: Race/Ethnicity**

	Percentage	Percentage that Identify as Hispanic
African American or Black	43%	4%
American Indian or Alaskan Native	6%	3%
Asian	8%	0%
East African or West African	11%	1%
Native Hawaii or other Pacific Islander	0%	0%
Multi-Racial	6%	23%
White	26%	68%
TOTAL that identify as a household of color or Hispanic ethnicity: 87%		

Number: 2,186

With 87% of clients identifying as being a household of color, grantees are reaching a key group facing barrier to homeownership.

## Barriers to Homeownership

At intake, clients are asked to report their primary barrier to homeownership.

**TABLE 3: Barriers to Homeownership**

	Budgeting	Credit	Debt	Emotional	Savings	Unknown
Percentage of clients	7%	63%	9%	2%	16%	3%

Number: 2,182

Credit is the primary barrier for 63% of clients. Table 4 shows the breakout of client credit scores at intake. Seventy-four percent have a credit score below 640 at the time of intake, which is the typical cut-off for many mortgage products.

**TABLE 4: Credit Score at Intake**

	0	001-579	580-619	620-639	640-679	680+
Percentage of clients	14%	34%	17%	9%	11%	14%

Number: 2,176

## Current Client Status

Since the program began in August 2014, 2,188 households have received Homeownership Capacity services. Table 5 shows the distribution of households that are active, stopped communicating before program completion, active after program completion (within one year of completion date), completed program with reported outcome, and stopped communicating after program completion. On average, more than 670 new households are annually added to the program, and typical clients receive services for two or three years.

**TABLE 5: Client Status**

	Active	Stopped Communicating before Program Completion	Active after Program Completion	Completed Program with Reported Outcome	Stopped Communicating after Program Completion
Percentage of clients	59%	22%	5%	12%	2%

Number: 2,186

We have learned from programs that offer client incentives that a disengagement rate of 20% is common, and 22% of the Homeownership Capacity clients did not complete the program and stopped communicating, which is a reasonable rate when this program does not provide a direct incentive, such as down payment assistance, gift cards, etc.

## Conclusion

The Homeownership Capacity program is successfully reaching the intended clients, including low-income renters and households of color with barriers to homeownership. The program has strong client engagement.

## Objective: Increase the credit scores and savings of program clients

Nearly 80% of all clients identified credit or savings as their primary barrier to homeownership, and 74% had a credit score below 640 at the time of intake. This section assesses changes in credit scores and savings balance from intake to program completion. Program completion occurs when the client has completed Homeownership Capacity services and is ready for referral to traditional homebuyer education and counseling services. The client's file remains open for one year beyond program completion to allow time for the grantee to obtain a client outcome.

Of the 2,188 clients that entered the Homeownership Capacity program, 417 (19%) reached program completion. In the first two years of the Homeownership Capacity program, there were issues of data completeness and accuracy as the pilot was launched. Therefore, the following data only reflect clients with complete and accurate data.

### Credit Score

Sixty-three percent of clients reported credit as their primary barrier to homeownership. Overall, 81% of program completers experienced an increase in their credit scores from intake to program completion, while 19% experienced a decline.

Grantees report a number of reasons why credit scores may decrease, including:

- The credit score at program completion may have been pulled after the client purchased a home when the addition of a new trade line reduced the score.
- Bills that were past due at the time of intake soon went into collections resulting in a negative impact to the credit score even if the item was eventually paid off.
- Increased use of credit as a result of life circumstances (i.e. unexpected move, separation/divorce, unemployment, hours reduced at work, etc.).
- An increase in the number of hard credit report pulls for larger purchases (i.e. vehicle purchase) that resulted in a reduction to the credit score.
- Credit scores are ever changing as balances on credit cards change. For example, a client may build up higher balances on their credit cards but pay them in full monthly. If the credit score at intake is pulled early in the monthly cycle when the balances are a low, and the credit score at program completion is pulled late in the cycle when the balances are high, there would be a decline in the credit score.

Table 6 shows the overall improvement in credit scores while clients participated in the program.

**TABLE 6: Credit Score Medians for Participants who Completed the Program with a Reported Outcome**

	Intake	Program Completion
All Participants who Completed Program	583	658
Home Purchasers	630	675
Continuing to Pursue Homeownership	618	666
Deciding Not to Purchase	571	592

## Savings

Sixteen percent of all clients that enter the Homeownership Capacity program reported savings as their primary barrier to homeownership. From intake to program completion, 72% of clients reported an increase in their savings balance while 10% reported a decrease, and another 18% reported that their savings balance stayed the same.

Grantees report several reasons why their savings stayed the same or decreased from intake to program completion, including:

- Clients put money down on a house, which was more than the reported savings at the time of intake. These additional funds were not included in the reported savings at program completion since these funds were saved for down payment and therefore committed in the client's budget,
- Clients used some of the funds in their savings to pay-off or pay-down debt (collections and consumer debt).

Table 7 shows that paying off debt collections was a key factor.

**TABLE 7: Savings and Collection Outcomes for Program Completers**

	Average Increase in Savings	Average Reduction in Debt Collections	Average Combined Improvement
All Program Completers (N = 406)	\$2,337	\$1,398	\$3,735
Home Purchasers	\$3,240	\$1,850	\$5,089
Continuing to Pursue Ownership	\$3,771	\$516	\$4,287
Deciding Not to Purchase	\$1,381	\$744	\$2,126
Unknown Purchase Outcome	\$1,707	\$1,646	\$3,352

NOTE: The table reports average changes rather than median changes to more clearly see the combined effect of increases in savings and decreases in debt collections.

On average, clients improved their financial picture (increased savings and/or reduced debt collections) by more than \$3,700. Those that purchased a home had a \$5,000 improvement.

## Conclusion

Clients are exiting the Homeownership Capacity program with increased credit scores positioning them for better mortgage products. In addition, clients are taking positive financial actions by improving their overall financial picture through increased savings and/or decreased debt, whether they purchase a home or not.

## Objective: Increase clients' knowledge and positive financial actions

Clients take a survey at program completion about improvements they have seen in their financial behavior and knowledge. While 417 clients have reached program completion, the sample below represents the 115 clients that completed the current version of the survey, which was recently changed and improved.

### Knowledge Change

Table 8 shows the level of self-reported knowledge improvement by participants who completed the program.

**TABLE 8: Percentage of Participants who Completed the Program Reporting Knowledge Change Since Program Intake**

My knowledge of:	Significantly Increased	Increased	Stayed the Same	Decreased	Significantly Decreased
The banking system	43%	36%	21%	0%	0%
The importance of a spending plan	51%	34%	15%	0%	0%
How my credit affects my ability to get a loan	62%	22%	15%	1%	0%
The importance that savings money plays in my ability to purchase a home	60%	24%	16%	0%	0%

Number: 115

Over 79% of clients reported an increase or significant increase in their understanding of the banking system, the importance of a spending plan, and how credit and savings affect their ability to obtain a loan, with 50% or more of the clients indicating a significant increase in response to three of the four questions.

### Positive Financial Actions

In Table 9, we show changes in the frequency that clients are taking positive financial actions.

**TABLE 9: Percentage of Participants who Completed the Program Reporting Positive Financial Actions**

How has the frequency of the following changed since intake:	Significantly Increased	Increased	Stayed the Same	Decreased	Significantly Decreased
I track my spending	49%	30%	21%	0%	0%
The goal of improving my credit plays a role in my financial decisions	57%	27%	16%	0%	0%
The goal of saving money plays in my ability to purchase a home	52%	32%	16%	0%	0%
I make good financial decisions	43%	36%	20%	1%	0%

Number: 115

At least 74% of clients reported an increase or significant increase in the frequency that they track their spending, make good financial decisions, and take steps to improve their credit and saving money, with at least 50% indicating a significant increase for two of the four questions.

The survey also measured clients' confidence in their ability to handle financial obstacles.

**TABLE 10: Percentage of Participants who Completed the Program Reporting Ability to Handle Financial Obstacles**

	Significantly Increased	Increased	Stayed the Same	Decreased	Significantly Decreased
My ability to handle financial obstacles	39%	42%	19%	0%	0%

Number: 115

Eighty-one percent of clients expressed an increase or significant increase in their ability to handle financial obstacles as a result of receiving Homeownership Capacity services.

### Conclusion

With roughly 80% of clients indicating an increase or significant increase in response to all nine survey questions, it's clear that the Homeownership Capacity program has had a positive impact on client's knowledge and behavior around key financial topics such as spending plans, credit improvement, savings, making good financial decisions, and handling future financial obstacles.

## Objective: Achieve sustainable homeownership

The goal of the Homeownership Capacity program is to reach low-income renters and households of color to increase successful homeownership in Minnesota. Collecting client outcomes is a requirement of grantees. Once a client reaches program completion, their file remains open for up to one year to allow time for the grantee to continue to work with the client through the home buying process and collect a final outcome. Grantees report one of three outcome options:

- Purchased a home
- Decided not to purchase a home
- Are continuing to pursue homeownership.

Additional information is gathered depending on the outcome selected. The option of “continuing to pursue homeownership” is used only when the client is still engaged in the home buying process but has not yet purchased one year after completing the program.

As of December 31, 2017, 417 clients had reached program completion. Of those, 264 had reported an outcome, and another 153 clients were less than one year from their program completion date and had not yet reported an outcome. Having clients decide to not purchase a home is not considered a negative outcome because they are making an informed decision based on their learnings from the program.

**TABLE 11: Purchase Outcomes for Participants who Completed the Program**

	Result
Number of Participants who Completed Program	417
Number without a Reported Outcome	153
Number with a Reported Outcome	264
Share of Participant Completions with a Reported Outcome that:	
Purchased a Home	53%
Are Continuing to Pursue Homeownership	25%
Decided to Not Purchase a Home	22%

Over 50% of those with a reported outcome bought a home within a year of program completion and another 22% were still pursuing homeownership.

Of the clients that were still pursuing homeownership, the following reasons were identified:

- Had not found a home – 33%
- Need to increase savings – 12%
- Need to increase credit score – 12%
- Financial difficulties - 14%
- Other reasons that were not specified – 29%

Of the clients that decided not to pursue homeownership, 69% indicated that they remained renters, 6% were living with family/friends, and the remaining 25% reported their housing outcome as “other”. When asked to identify their reasons for not purchasing, clients reported:

- Too expensive to buy – 20%
- Not enough savings – 9%
- Credit too low – 3%
- Not ready emotionally – 14%

- Financial difficulties – 20%
- Other (i.e. job loss, launching a business, moving to another state, personal issues) – 34%

Table 12 shows program outcomes by client income.

**TABLE 12: Purchase Outcomes by Client Income**

Annual Income at Program Completion	Outcome
<b>&lt;\$20,000 (N=29)</b>	
Purchased a Home	17%
Are Continuing to Pursue Homeownership	24%
Decided to Not to Purchase a Home	59%
Total	100%
<b>\$20,001-\$40,000 (N=119)</b>	
Purchased a Home	47%
Are Continuing to Pursue Homeownership	25%
Decided to Not to Purchase a Home	28%
Total	100%
<b>\$40,001-\$60,000 (N=84)</b>	
Purchased a Home	66%
Are Continuing to Pursue Homeownership	17%
Decided to Not to Purchase a Home	17%
Total	100%
<b>&gt;\$60,000 (N=32)</b>	
Purchased a Home	75%
Are Continuing to Pursue Homeownership	22%
Decided to Not to Purchase a Home	3%
Total	100%

Of the 136 clients that purchased a home, 30 did so with a mortgage from Minnesota Housing. Since grantees would have a difficult time tracking loan performance for all clients that purchased a home on an ongoing basis, we are using mortgage-payment and delinquency data for those clients that purchased a home and used a Minnesota Housing mortgage as a proxy measure to assess homeownership sustainability for all program clients that purchased a home. For this evaluation, we compared the mortgage payment history of program completers with other mortgages that Minnesota Housing has financed and found no significant concerns. Given the small sample size of 30 borrowers, at this point, it is too early to draw any conclusion. Thus, we will continue to monitor loan performance and homeownership sustainability as more program completers use our mortgage products. Our goal is to have mortgages for the Homeownership Capacity clients performing at least as well as mortgages for our other borrowers with similar characteristics.

## Conclusion

The Homeownership Capacity program is successfully preparing low-income renters and households of color for homeownership. Of the clients that reported an outcome, more than 75% either purchased a home or are still pursuing homeownership.

## Client Success Stories Submitted by Grantees

Clients of the Homeownership Capacity program have had many successes since August 2014. Below are a few:

- A couple sought Homeownership Capacity services for guidance in paying off \$13,000 in collection debt and to better understand the options available to address a summons for a potential judgment. The credit score of the primary client at program entry was 500. Over the next two years, they set up settlements and payment plans on the debt, which resulted in an increase in the credit score to 700. Two Individual Development Accounts (IDAs) were set up and the couple was able to save with their tax returns. By the fall of 2016, the FICO scores for the couple were 750 and 640 and they were ready to take Home Stretch, a homebuyer education program. After meeting with three lenders, they decided to proceed with a conventional loan that required 3% down. They used their matched savings funds of nearly \$8,000 plus a family gift to cover their down payment and closing costs. The family of five moved into their new home in August 2017.
- A single mother was motivated to participate in the program because she wished to purchase a home before her current rental lease expired. She valued providing a safe environment for her children and a place they could call home. She received a variety of services, including free tax preparation services which resulted in an increase to her savings as a result of receiving a tax refund. With additional budget education and coaching, she was able to maintain the funds in her savings. A review of her credit report revealed that she only had one secured credit card. She joined the Lending Circle available through the grantee, which also helped improve her savings and added a trade line to assist with building her credit. She received homebuyer education and counseling and closed on her first home in July 2017.
- A couple with three children entered the Homeownership Capacity program looking for guidance with credit and budgeting. They also wanted to be accountable to an outside person. Their goal was to move from renting to participating in the lease-to-own of a rehabilitated home available through the grantee. In the two years of program participation, they paid off \$10,000 in debt collection and built their credit with the help of a small credit builder loan available through a local non-profit and community bank. At the time of making a mortgage application, the couple had credit scores of 620 and 632. Their lease payment was \$1,100 and their mortgage payment only increased slightly to \$1,167.



**Success Story: Jose Luis Luna Perez**

Jose Luna Perez is a father of four who dreamed of purchasing a home for his family. He came to Three Rivers in March 2015 after a referral from a local real estate agent. He met with Achieve Homeownership counselor Joseph Eslait, who enrolled Jose in homeownership counseling, funded by Minnesota Housing through the Homeownership Capacity Program. At their initial appointment, Joseph pulled Jose’s credit and found that his identity had been stolen and there were multiple accounts and collections that were not his. His credit report was 11 pages long and his score was 594. While this information was overwhelming at first, Joseph walked Jose through his entire credit report, helped him to prepare a household budget and created a detailed action plan to help Jose achieve his dream of homeownership.

Six months later, Jose had followed through on many steps of his plan. He called all three credit bureaus to report identity theft on his accounts, corrected all of his personal information and paid some of the smaller collections. Jose was able to improve his credit score to 631 and reduce his debt from \$18,000 to \$6,000. Jose also established a budget to maximize his savings every month and increased his 401k contribution at work. Jose also began to open and check all of his mail. Jose stated that he was overwhelmed with all the mail he would get from the bureaus and other bills but saw the benefit of checking all his mail. The last part of the action plan was to pay off \$3,409 in collections, and Jose was able to negotiate some of the collections and reduce his liability.

By November 2015, Jose had improved his credit score to 648. He was ready for homeownership. He met with Sanela Dzamaliya, a lender at PHH Home Loans who works with many first time buyers, and was able to obtain an FHA loan to buy his new home. He also qualified for and received downpayment assistance from Three Rivers through the Emerging Markets Gap Financing Program to help make his home more affordable. Jose admits that it was a long and tough process, but he did not give up and it was all worth it when he closed on his new home on January 5, 2016.



Joseph Eslait (Three Rivers), Sanela Dzamaliya (PHH Home Loans), Jose and his family, and Abbe Swenson (Burnet Title) celebrated at the closing on January 5.



### Success Story: Juan and Melanie

Juan and Melanie are new to Rochester and were looking for a home to buy. After meeting with a lender they learned that they would need at least one year before they could qualify for a loan. They contacted Three Rivers and enrolled in the Achieve Homeownership Program, which provides individual homebuyer counseling and education to prepare families for homeownership. Committed to working toward qualifying for a mortgage but anxious to move their growing family into a home, they decided to apply for the Bridge Program at Three Rivers. The Bridge Program is a pilot initiative where Three Rivers purchases and renovates older homes, selling them on a short-term contract for deed to families who are on a path toward qualifying for conventional lender financing. Households participating in the program agree to meet quarterly with homeownership counselors, setting a plan toward mortgage qualification that might include stabilizing income, establishing or repairing credit, and increasing savings. Juan and Melanie qualified for the program and purchased a newly renovated home.



Juan, Melanie and their daughter Alyson recently welcomed us to their new home. They all had big smiles on their faces and were happy to see us. When asked what made them buy a house, they said they wanted a good investment for their future. They were commuting a long distance for work and wanted to be closer to Rochester. Buying a home for the Murillo family meant stability. The house is located in a safe and quiet area. The house is next to a school and grocery store. They have met their neighbors and feel a great sense of community.

The Murillos said they were so thankful to Three Rivers and appreciate all of the help they received. Buying a house was a big decision for them, but that having had a checklist with the things you need to do, getting advice on paying off your debt, checking your credit and attending a home buying class were all suggestions they would give to first-time homebuyers. The family will continue to work with homeownership counselors at Three Rivers who will assist them in meeting their financial goals, including qualifying for a conventional mortgage.

The Murillos are looking forward to getting more settled into their house and make it feel like home.



## Next Steps

Overall, the Homeownership Capacity program is successfully serving the priority clients and improving their housing situation, typically allowing them to buy a home. This mission-rich program aligns with the Agency strategic priority of reducing Minnesota's racial and ethnicity disparity. By supporting culturally competent organizations that have a demonstrated history of providing financial empowerment education and coaching services, we are successfully reaching the targeted low-income renters and households of color with the goal of sustainable homeownership.

Prior to the launch of the program, these organizations identified funding constraints as the primary barrier to serving clients who had the goal of homeownership and were in need of intensive long-term financial education and coaching. A limited number of clients were being served or, in some cases, turned away entirely. The Homeownership Capacity program has made this valuable service more widely available. Minnesota Housing is committed to closing the homeownership gap and building upon the lessons learned in this pilot program. Therefore, staff recommends the pilot become a permanent program to build upon the success demonstrated in this evaluation and that we pursue additional resources to grow the capacity to offer these services to more clients throughout the state.

## Appendix A: Internal use only

As the main report indicates, we will monitor loan performance for Homeownership Capacity clients that bought a home with one of our mortgages. However, the sample size is so small at this point that we cannot draw any conclusions, but we want to show the available data. The following analysis compares loan performance for the 30 Homeownership Capacity clients to all Home Mortgages that we have financed in the last 3 years, which aligns the age of the two groups of loans. Table 13 examines loan performance on June 30, 2017, and Table 14 examines performance on December 30, 2017. On June 30, only one Homeownership Capacity client was in delinquency, for overall delinquency rate of 3.45%, which is slightly higher but comparable with the overall portfolio. By December 30, two clients were in delinquency, bringing the rate up to 6.67%, which could be a concern, but there are a few factors to take into account.

- This is a very small sample, with a single delinquency having a large impact.
- Different clients were in delinquency in June and December. The delinquent client in June had a FICO score between 660 and 679 at loan origination, while the two delinquent clients in December had FICO scores above 680 at loan origination.
- The two delinquent clients from December should be a lower risk with FICO scores over 680. In the overall portfolio, these borrowers have the lowest delinquency rate.

**TABLE 13**

**MBS/Homeownership Capacity Loan Portfolio**  
**Delinquency and In Foreclosure Rates by FICO Score (Loans up to 3 years old)**  
**June 30, 2017**

<b>Minnesota Housing Portfolio</b>			
FICO Score	Total Loans	60+ Days Del	# 60+ Days Del
680+	7,635	1.13%	86
660 to 679	2,161	3.79%	82
650 to 659	518	5.60%	29
640 to 649	452	8.63%	39
< 640	16	56.25%	9
	10,782	2.27%	245

  

<b>Homeownership Capacity</b>			
FICO Score	Total Loans	60+ Days Del	# 60+ Days Del
680+	14	0.00%	0
660 to 679	5	20.00%	1
650 to 659	6	0.00%	0
640 to 649	4	0.00%	0
< 640	0	0.00%	0
	29	3.45%	1

Source: US Bank servicing data, US Bank LICs

**TABLE 14**

**MBS/Homeownership Capacity Loan Portfolio  
Delinquency and In Foreclosure Rates by FICO Score (Loans up to 3 years old)  
December 31, 2017**

<b>Minnesota Housing Portfolio</b>			
<b>FICO Score</b>	<b>Total Loans</b>	<b>60+ Days Del</b>	<b># 60+ Days Del</b>
680+	8,243	1.41%	116
660 to 679	2,270	4.45%	101
650 to 659	583	5.49%	32
640 to 649	368	7.61%	28
< 640	8	25.00%	2
	11,472	2.43%	279

  

<b>Homeownership Capacity</b>			
<b>FICO Score</b>	<b>Total Loans</b>	<b>60+ Days Del</b>	<b># 60+ Days Del</b>
680+	14	14.29%	2
660 to 679	6	0.00%	0
650 to 659	6	0.00%	0
640 to 649	4	0.00%	0
< 640	0	0.00%	0
	30	6.67%	2

Source: US Bank servicing data, US Bank LICS



400 Wabasha Street North, Suite 400  
St. Paul, MN 55102  
651.296.7608 | 800.657.3769 | [mnhousing.gov](http://mnhousing.gov)

*Equal Opportunity Housing and Equal Opportunity Employment. This item can be made available in alternative formats by calling 651.296.7608.*



### Success Story: Jose Luis Luna Perez



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The Murillos are looking forward to getting more settled into their house and make it feel like home.





**Minnesota Housing**  
**Entry:** Successfully Building Homeownership Capacity  
**Category:** Special Achievement

### (ATTACHMENT 3 – MARKETING MATERIAL)

[See this video featuring Alesia](#), a proud new homeowner who completed Homeownership Capacity and Caley, the counselor she was matched with and worked closely with over a two year period. The video demonstrates the dramatic changes that took place in Alesia's life and the close relationship she developed with her counselor that will have lifelong benefits.



Understanding that many of our partners who would offer the Homeownership Capacity training and become the trusted advisors for participants have small organizations with limited communications and marketing support, we offered templates that could be customized and help spread the word! The Minnesota Housing communications team offered the following items.

#### **Customized Marketing Materials**

- Flyers
- Postcards
- Posters
- Email/newsletter templates
- Print ad templates
- Social media posts/web ads
- Co-branded forms



## Homeownership Capacity Program

Minnesota Housing works with organizations around the state to give renters a foundation for success as they work toward homeownership.

The Homeownership Capacity Program is a pilot initiative helping low-income renters and households of color or Hispanic ethnicity become successful homeowners in Minnesota.

Households of color or Hispanic ethnicity are an increasing share of the state's population. The foreclosure crisis disproportionately impacted them, their homeownership rate declined significantly since 2008 and they struggle to access the mortgage market. As of 2017, Minnesota's homeownership disparity (the homeownership rate differential between white/non-Hispanic and underserved households) was the highest in the nation.

Minnesota Housing works with local organizations to increase the probability of successful homeownership and household stability through intensive financial empowerment and homeowner training. Homeownership Capacity supplements the traditional homeowner training provided by the Homeownership Advisors Network, and includes:

- Financial education
- One-on-one education and coaching around asset building, credit, spending plans, consumer protection and more
- Post-purchase services

### Who We Serve

Homeownership Capacity clients have barriers to achieving homeownership, but are interested in becoming homeowners and willing to make a long-term commitment to these services.



**68%**  
of participants say  
credit is a barrier  
to homeownership



**89%**  
of participants are  
households of color or  
Hispanic ethnicity



**94%**  
of participants  
have incomes  
at 80% AMI  
(~\$68,000) or less



Participants have an  
average of  
**2 children**  
per household



**16%**  
of participants say  
savings is a barrier  
to homeownership

*"When we first started working together we found a couple of credit obstacles. She was able to work through these with her creditors and in a year's time, she has seen her credit score improve by over 100 points."*

*- Homeownership Capacity provider*

## Our Partners

We work with experienced organizations to deliver Homeownership Capacity services around the state. Organizations are funded through an annual RFP process. Current partners include:

- African Development Center
- Bii Gii Wiin
- Comunidades Latinas Unidas En Servicio (CLUES)
- Community Action Duluth
- Community Action Partnership of Suburban Hennepin (CAPSH)
- Hmong American Partnership (HAP)
- Lutheran Social Service of Minnesota (LSS)
- Minneapolis Urban League
- Neighborhood Development Alliance (NeDA)
- NeighborWorks Home Partners
- PRG, Inc.
- Project for Pride in Living, Inc. (PPL)
- Southwest Minnesota Housing Partnership (SWMHP)
- Three Rivers Community Action, Inc.

## Our Results

Since the Homeownership Capacity Program began in 2015, our partner organizations have served hundreds of participants, including more than 300 who have completed the program and more than 160 who have gone on to purchase homes.

All participants leave the program equipped with financial empowerment skills - from asset building techniques to credit report education - that will help them whether they continue renting or buy a home in the future.



**331**  
participants have  
completed the  
Homeownership  
Capacity Program



**166**  
participants  
have gone on to  
purchase a home



Participants who  
bought in the  
metro area have an  
average monthly  
payment of  
**\$1,089**

---

*“A family of four moved to the U.S. from Bhutan about six years ago. They have worked closely with us to become first-time homeowners. Because of the program they are now qualified for \$200,000-\$250,000 and have a credit score in the 700s.”*

*- Homeownership Capacity Provider*

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## Dreaming of Owning a Home?

We can help you get on the right path! Learn about the benefits of owning a home. Work on a savings plan. Understand the homebuying process. It's all possible with the Homeownership Capacity Program.



Buying a home is a big financial decision and an exciting opportunity for your future, but you may not know how to get started. The Homeownership Capacity Program gives you tools and advice so you can take the first steps toward buying a home.



### What are the benefits of owning a home?

- **Increase your space and make it your own.** You have the freedom to make your home fit your needs and style. Gain some extra space and privacy. Paint the walls. Put a swing set in the backyard. You can take pride in having a place to call your own, and that's priceless!
- **Build a strong future.** Many homes increase in value over time. Build wealth for **your** future with each payment instead of paying a landlord.
- **Stable monthly payments.** With a fixed mortgage, your payments will stay the same for the entire loan.

"Home in one sentence means **security, stability** and **strength**. Becoming a homeowner is the **best decision** I've ever made."

- Alesia, Homeownership Capacity participant and recent homebuyer



### What will I learn?

You'll work one-on-one with an experienced coach on a variety of financial and homeownership topics that will set you up to be a successful homeowner. This trusted advisor has your interests in mind and will tailor a plan just for you.



### Then what happens?

Once you've accomplished your goals, you'll work with your coach to decide if you're ready to buy and determine which loan options are best for you.

**Start your path to homeownership! Contact Nora today for a referral to a participating Homeownership Capacity organization:**

Nora Martin, Advantage Services Coordinator  
952.832.5369

# Ma ku Hamiyaysaa Guri Lahaansho?

Waxaan kaa caawin karnaa inaad hesho jidka saxda ah! Baro faa'iidooyinka guri lahaanshaha. Ka shaqee qorshaha kaydka. Faham habka gurigadashada. Waxaa waxkasta kuu suurtagelin kara Barnaamijka Awoodida Guri lahaanshaha (Homeownership Capacity Program).



Guri iibsashadu waa go'aan dhaqaale oo weyn ahna fursad xiiso u leh mustaqbalkaaga, laakiin waxaa laga yaabaa in aadan garaynin sidii aad u bilaabi lahayd. Barnaamijka Awoodida Guri lahaanshaha (Homeownership Capacity Program) wuxuu ku siinayaa qalab iyo talooyin sidii aad u qaadi lahayd tallaabooyinka ugu horeeya ee ku saabsan guri iibsashada.



## Waa Maxay faa'iidooyinka guri lahaanshuhu?

- Goobta aad degantahay ayaa kuu balaadhnaysa oo aad ka dhigi kartaa naqshada aad jeceshahay. Waxaad helayaa xoriyad ah inaad gurigaaga ka dhigto mid ku habboon baahiyahaaga iyo qaabka aad adigu jeceshahay. Waxaad heli meel dheeri ah iyo goob sirtaada u dahsoon. Waxaad rinjiyayn kartaa derbiyada. Waxaad daarada dhigan kartaa leexo (wiifo). Waad ku faani kartaa inaad haysatid meel (guri) aad adigu leedahay, taasna waa shay qaali ah!
- Dhiso mustaqbal xoog leh. Guryo badan ayaa qiimohoodu sii kordhaa wakhtiba wakhtiga ka danbeeya. Hanti mustaqabal ku dhiso lacagta aad bilkasta bixinayso halkii aad siin lahayn mulkiilaha guriga (kirada ah).
- Bixinta lacagta bishii la bixiyo oo joogto ah. Iyada oo ah deyn cayiman, lacagta aad bixisaa waxay ahaanaysaa mid aan isbedelin inta aad deyntaas dhamaynayso.

“Guri lahaanshaha haddii hal kelmado lagu sheego waxa weeyaan badbaado, xasilooni, iyo awood. In aan noqdo qof guri leh ayaa ahayd go'aankii ugu wanaagsanaa ee aan weligay qaato.”

- Alesia, oo ah qof mardhow guri gadatay iyada ka qayb qaadanaysaa Homeownership Capacity Program



## Maxaan baran doonaa?

Waxaad la shaqeyn doontaa hal qof oo ka mid ah tababarayaal khibrad u leh mawduucyada dhaqaalaha iyo guri lahaanshaha oo kula dejin doona sidii aad u noqon lahayd qof ku guuleysta guri lahaanshaha. La-taliyaha oo ah qof lagu kalsoonyahay wuxuu ka shaqaynayaa dantaada wuxuuna kuu qorsheyn doonaa qorshe adiga kugu habboon.



## Kadib maxaa dhacaya?

Marka aad gaarto hadafyadaada, waxaad la shaqeyn doontaa tababaraahaaga si aad u go'aamisid haddii aad diyaar u tahay inaad iibsatid iyo in aad ogaatid noocyada deynta adiga kugu habboon.

**Bilow wadada guri lahaanshaha! Nala soo xiriir maanta si aan kuugu gudbino hay'adaha ka qayb qaadanaya Barnaamijka Awoodida Guri lahaanshaha (Homeownership Capacity Program):**

Vanessa East, Employment/Financial Coach  
651.600.1757

## **ATTACHMENT 4 – DELIVERY PARTNERS:**

The following organizations have a demonstrated history of providing financial empowerment education and coaching services and reaching low-income renters and households of color and were funded for at least one program year.

- **African Development Center**
  - The Mission of the African Development Center is to grow businesses, build wealth, and increase reinvestment in the African communities of Minnesota.
- **Bii Gii Wiin**
  - To provide training and access to capital in order to promote homeownership, entrepreneurship, and financial capabilities among American Indian men and women throughout the state of Minnesota. We do this through the provision of development services and financial products.
- **Build Wealth**
  - Our Mission is to “Strengthen communities by empowering families to build wealth through economic development.”
  - The Vision of Build Wealth, MN, Inc. is to utilize public, private and foundational resources to develop and provide programs and services that will empower individuals, families and communities to embrace a new way of viewing their lives in the area of Financial Literacy, Debt Reduction, minimizing the cost of money and wealth creation for generations to come.
- **Community Action Duluth**
  - To empower and engage our community to eliminate poverty, and create prosperity and equity in the lives of the people we serve.
  - Every person deserves the opportunity to succeed.
  - We exist to stand alongside people with low incomes and provide a path to possibility, a livelihood, a sustainable future and new hope.
- **Community Action Partnership of Hennepin County**
  - Community Action Partnership of Hennepin County (CAP-HC), formerly known as Community Action Partnership of Suburban Hennepin (CAPSH), works to establish services, programs and partnerships that address poverty and increase family and economic stability in Hennepin County.
  - CAP-HC is dedicated to continue to provide services, programs and form partnerships that continue to strengthen our community, eliminate barriers, and create opportunities!
- **Comunidades Latinas Unidas En Servicio (CLUES)**
  - CLUES (Spanish for: Comunidades Latinas Unidas en Servicio) is a linguistically and culturally relevant resource and service nonprofit organization that was founded in 1981 by Latinos for Latinos. Our programs and services connect individuals and families to resources, skills, institutions, and systems and create an environment for people to be engaged and empowered.
  - Our mission: To advance the capacity of Latino individuals and families to be healthy, prosperous and engaged in their communities.
  - Our vision: A thriving multicultural community enriched with confident individuals and families who contribute their voice, skills, entrepreneurial spirit and cultural richness.
- **Hmong American Partnership**

- Vision – HAP reaches out to the world with profound social, economic and educational transformation.
- Mission – HAP’s mission is to empower the community to embrace the strengths of our cultures while achieving our potential. HAP achieves its mission by:
  - Improving the lives of individuals and families in our diverse communities through culturally sensitive social services.
  - Strengthening neighborhoods through housing, community and economic development opportunities.
  - Promoting the rich heritage of our ethnic communities.
- **Lutheran Social Service of Minnesota (LSS Financial Counseling)**
  - We believe people can conquer their debt, gain control of their finances, and achieve financial wellness.
  - LSS Financial Counseling is a nonprofit, full-service credit counseling agency. We equip and enable people in our communities around the United States with quality guidance, knowledge, and tools so they can skillfully achieve freedom from debt and worry about their finances.
- **Mankato Economic Development Authority**
  - The mission of the city of Mankato’s economic development efforts and policies are to:
    - Ensure the long-term well-being of Mankato citizens and the community by ensuring the city’s ability to expand its diversified economy well into the future.
    - Create employment opportunities for its citizens by retaining and expanding the existing business base and attracting new businesses to the city.
    - Build a diverse tax base.
    - Sustain orderly growth and development in and around Mankato.
- **Minneapolis Urban League**
  - We envision a future in which African descendants are fully engaged, empowered and invested in the success and well-being of the Twin Cities metropolitan area.
  - We are unapologetic and relentless advocates for equity, justice and power for African descendants.
- **Neighborhood Development Alliance (NeDA)**
  - Neighborhood Development Alliance (NeDA) builds affordable housing and empowers communities to create sustainability through financial education and guidance.
- **NeighborWorks Home Partners (NWHP)**
  - NeighborWorks Home Partners’ mission is to revitalize neighborhoods by creating and supporting successful homeownership. See how our mission has made a real impact in these stories.
- **PRG, Inc.**
  - Mission: PRG combines community-based affordable housing development with education and counseling to help all people and neighborhoods thrive.
  - Vision: PRG envisions a future in which all people have equal access to homes that fit and all neighborhoods are places of opportunity.
  - PRG transforms homes, neighborhoods and lives.
    - We work at the invitation of neighborhoods and cultural groups turning vacant homes and land into beautiful, affordable places to live.
    - Our experienced counselors sit down—for free—with people worried about making their mortgage payments to help avoid foreclosure.

- We teach prospective homebuyers (often the very first in their families to own homes) to make great decisions about whether, when, and how to buy a house.
- **Project for Pride in Living, Inc. (PPL)**
  - Project for Pride in Living, Inc. (PPL) is a nonprofit organization dedicated to empowering low-income people to become self-reliant through integrated services. Our mission: PPL builds the hope, assets, and self-reliance of individuals and families who have lower incomes by providing transformative affordable housing and employment readiness services.
- **Southwest Minnesota Housing Partnership (SWMHP)**
  - The Southwest Minnesota Housing Partnership is a non-profit community development corporation serving communities throughout Southwest and South Central Minnesota. The Mission of the Partnership is to “Create thriving places to live, grow, and work through partnerships with communities.” We aim to build strong and healthy places to live so that the communities of our region thrive.
  - Our goal is to build strong and healthy places to live by supporting the preservation, stability, and economic development of our communities. We do this by promoting and delivering a high quality comprehensive menu of housing services and products, including:
    - Community Planning & Technical Assistance
    - Homeownership Assistance
    - Community Building & Engagement
    - Land Development & Redevelopment
    - Housing Preservation & Rehabilitation
    - Single Family Housing Development
    - Multi-Family Housing Development
    - Housing Assessments & Inspections
    - Supportive Housing Services
- **Three Rivers Community Action, Inc.**
  - Three Rivers Community Action is a nonprofit human service organization created by local citizens and incorporated in 1966. Three Rivers' mission is “to work with community partners to address basic human needs of people in our service area, thereby improving the quality of life of the individual, family and community.”
  - Three Rivers Community Action serves primarily low-income families. However, it also serves the community at large by creating a healthier environment for all citizens regardless of economic status. The agency serves people in a variety of ways: homeownership, keeping them warm and sheltered, employing them, healing them, educating them, transporting them, feeding them and involving them.