



From Challenge to Opportunity

Reaching Households of Color and Hispanic Ethnicity

Our Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

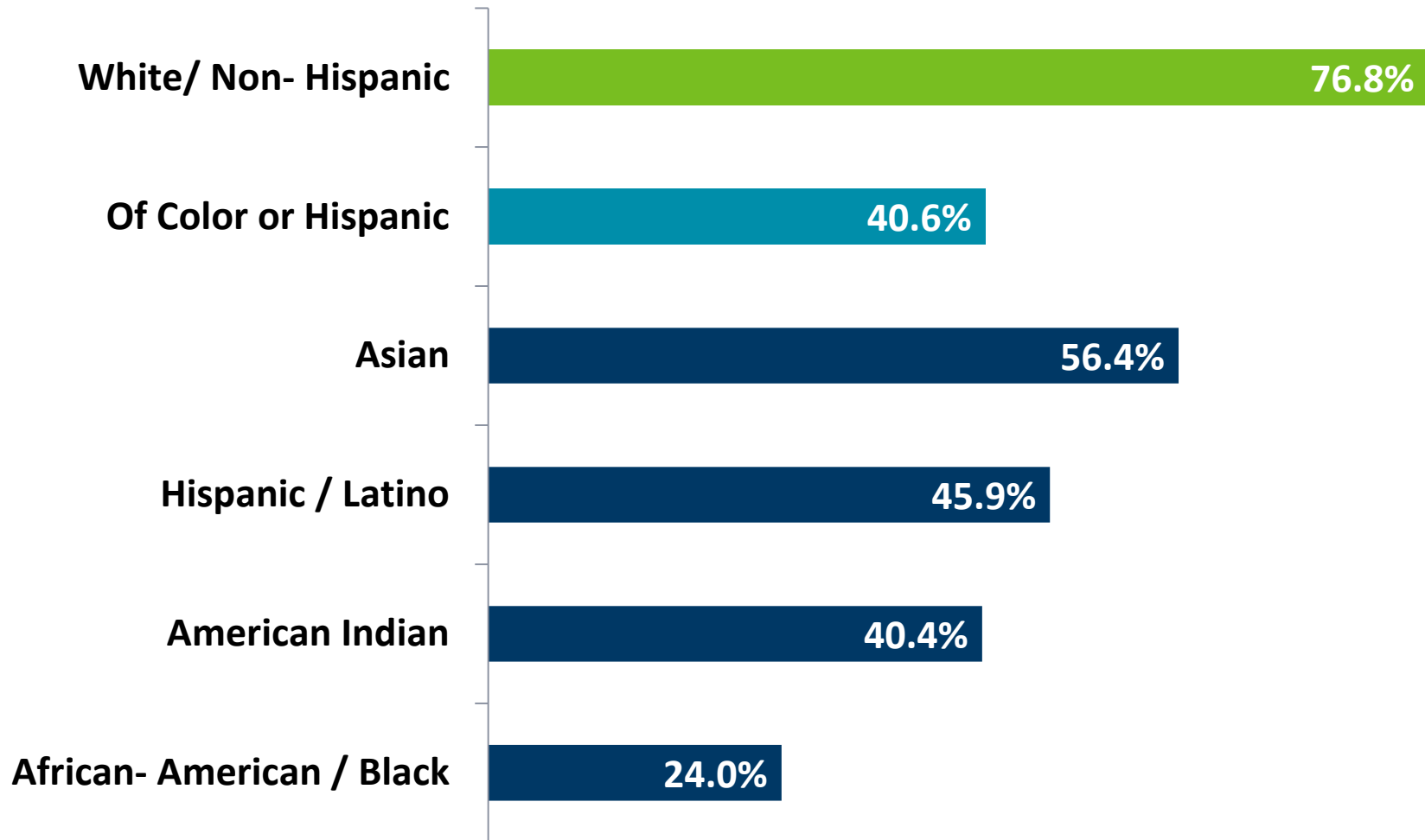


The Challenge in Minnesota

- High overall homeownership rate:
73%
- Increasing diversity
 - Currently 19% non-white/Hispanic
 - Will be 25% non-white/Hispanic in 2035
- 5th largest homeownership gap

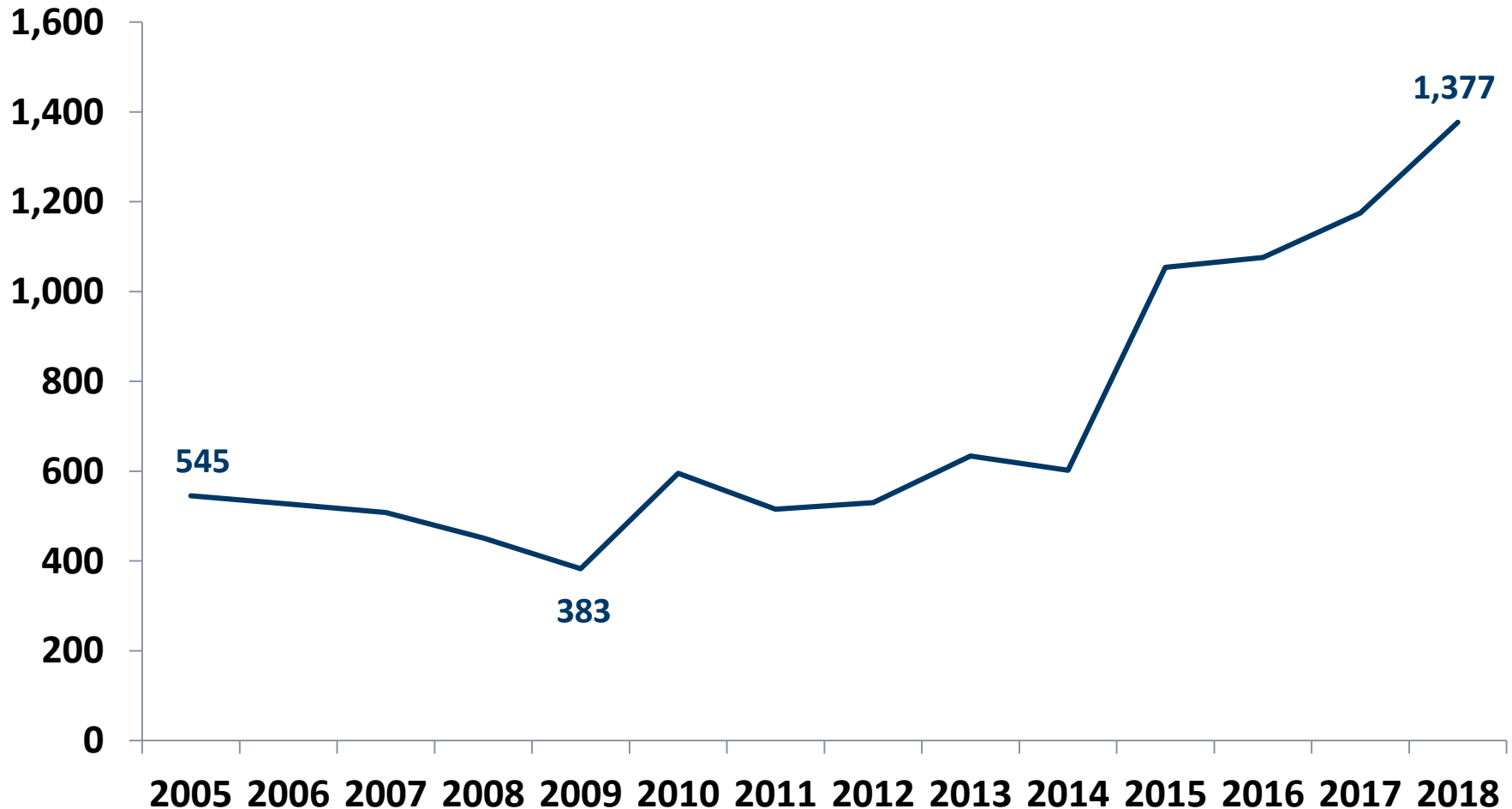


Minnesota Homeownership Rates by Race (2017)



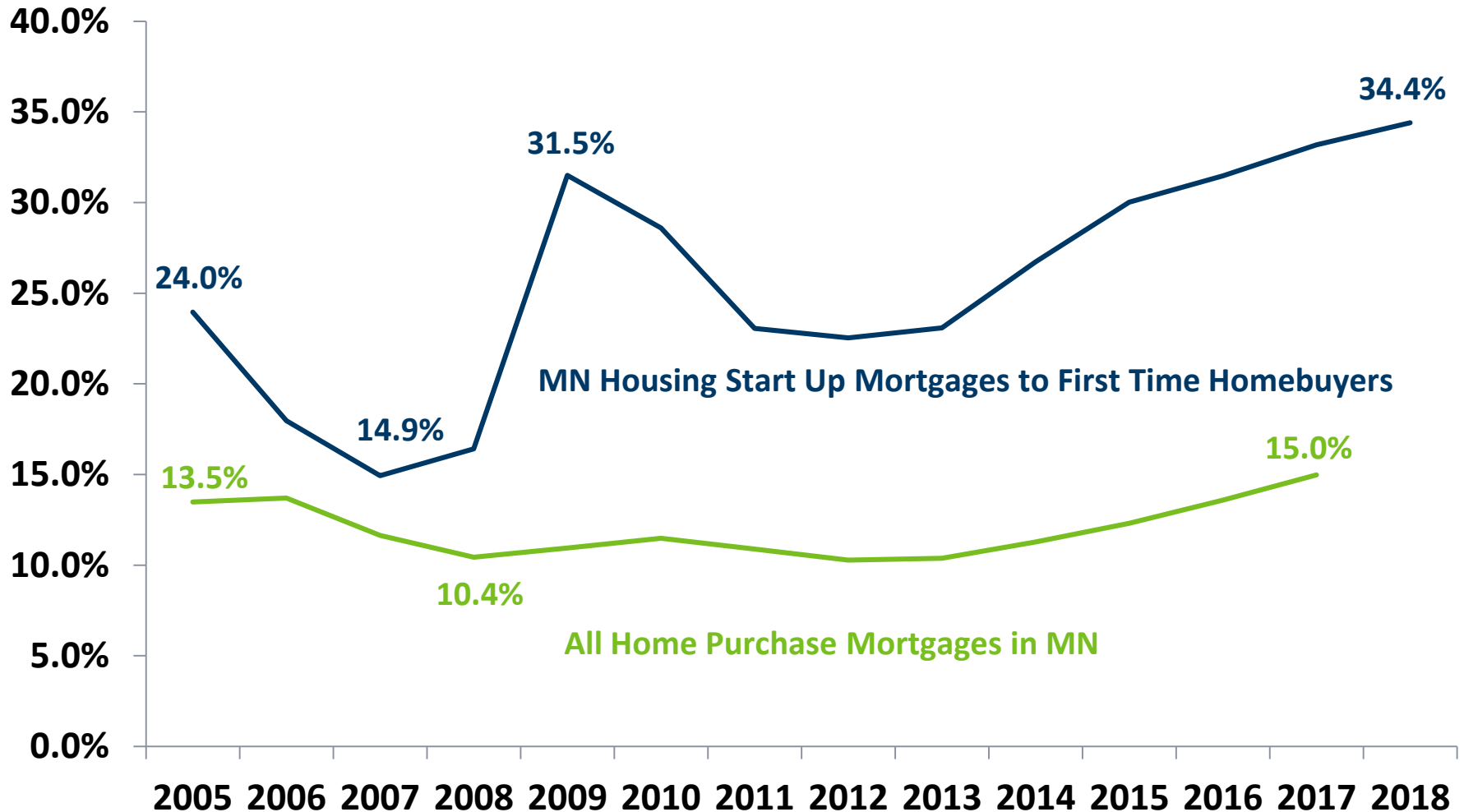
Source: Census Bureau, 2017 American Community Survey

Minnesota Housing Results: Number of Loans to First-Time Homebuyers of Color



Source: Minnesota Housing Start Up Program data.

Our Results: Share of Loans to Households of Color



Source: Minnesota Housing and HMDA

Barriers to Homeownership

1. High entry cost to buy a home

- Intentional program design
- Sustainable funding model

2. Difficulty qualifying for a mortgage

- Support counseling and education services

3. Knowledge gap

- Targeted outreach efforts
- Industry-wide effort

Barrier 1: High entry costs to buy a home

Action

- Intentional Program Design
- Sustainable Funding Model

Deferred
Payment Loan



Lower
income
borrowers

Monthly
Payment Loan



Moderate
income
borrowers

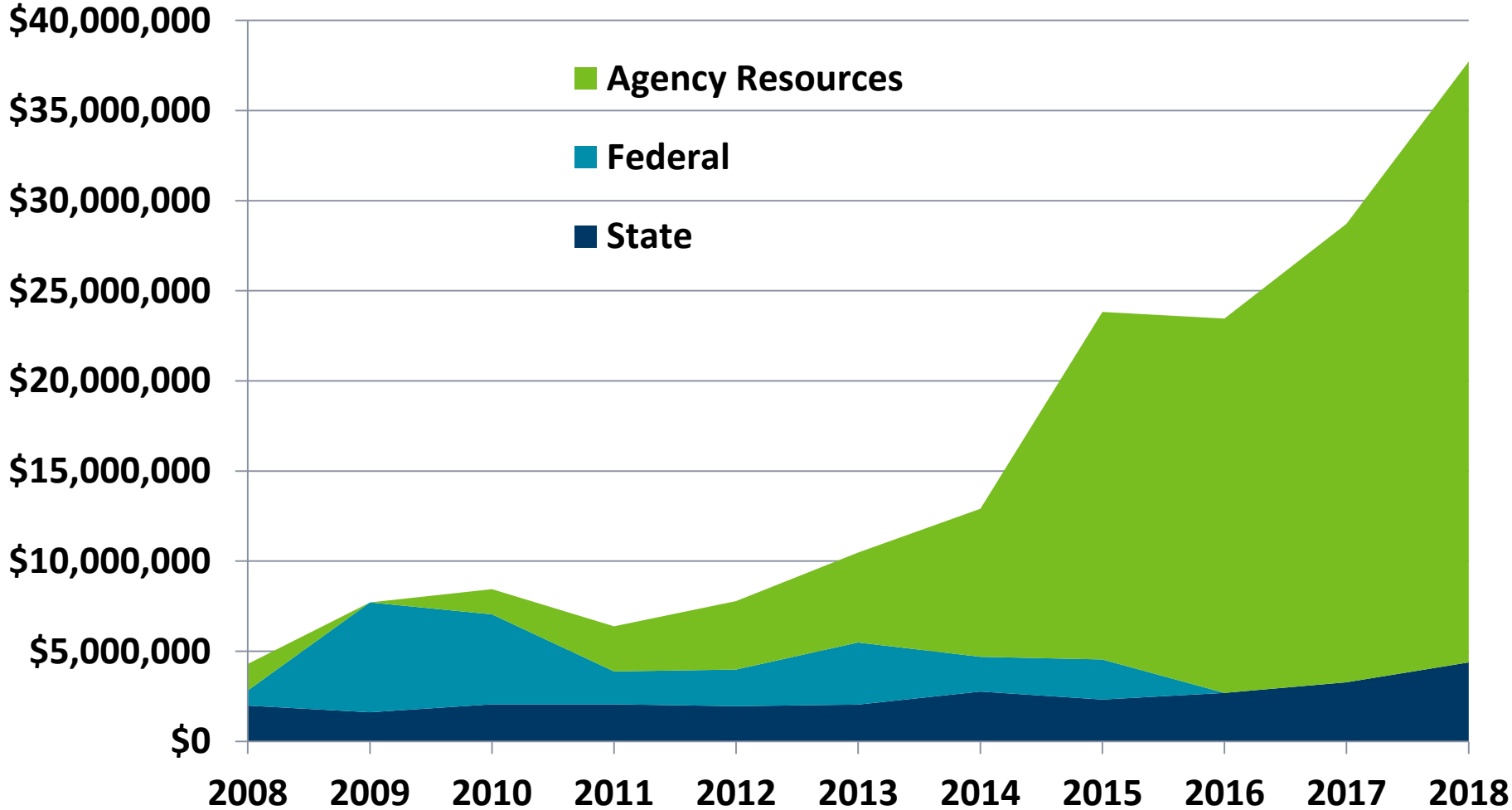
Barrier 1: High entry costs to buy a home

Parameters	Deferred Payment Loan	Deferred Payment Loan Plus	Monthly Payment Loan
Loan Amount	Up to \$8,000	Up to \$10,000	Up to \$15,000
Interest Rate	0%	0%	Same as the first mortgage
First time homeowner status	First time homebuyer	First time homebuyer	First time homebuyer or repeat buyer
Targeted Borrower Criteria ⁹	None	Must meet 2 of 4 criteria	None

Downpayment and Closing Cost Loans: Minnesota Housing First-Time Homebuyers (2018)

	Deferred Payment Loan Plus (DPL+)	Deferred Payment Loans (DPL)	Monthly Payment Loans (MPL)	No Additional Assistance
Number of Households	540	2,481	884	97
Share that Are Households of Color	66%	30%	30%	18%
Median Credit Score	694	705	699	709
Median Debt-to-Income Ratio	44%	43%	41%	35%
Share Single-Parent Households	34%	17%	10%	12%
Average Household Size	4.2	2.1	2.3	2.2

Downpayment and Closing Cost Loan Funding by Source



Source: Minnesota Housing

Barrier 2: Difficulty qualifying for a mortgage

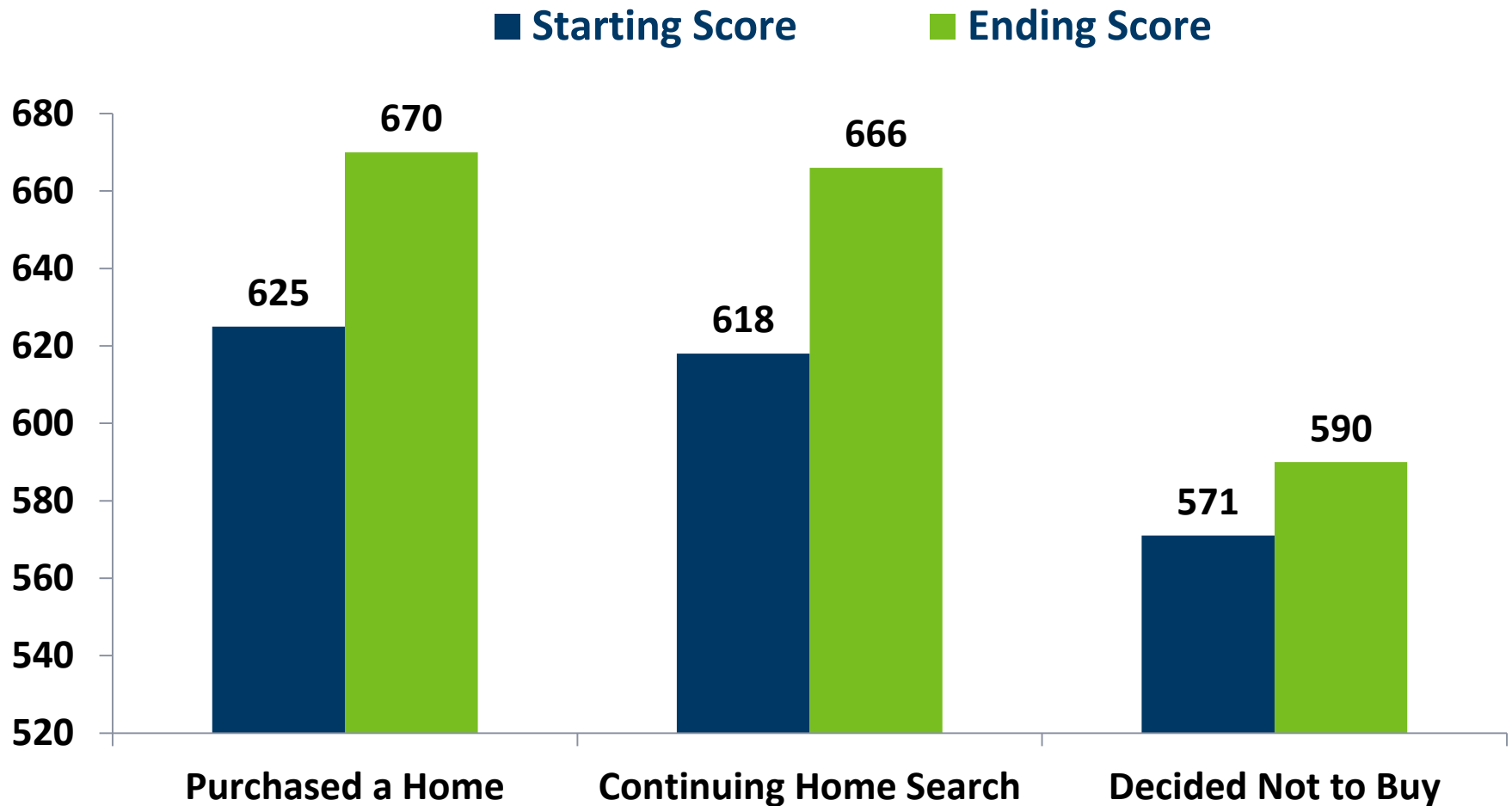
Action

Homebuyer Education and Counseling 2018 Work Funded by Minnesota Housing

	Funding	Households Assisted	Funding per Household	Share Households of Color
Homebuyer/owner Education, Counseling & Training - <i>Traditional</i>	\$1,591,500	20,046	\$182	52.5%
Homeownership Capacity Program - <i>Intensive Financial Coaching</i>	\$1,172,140	997	\$1,176	84.9%

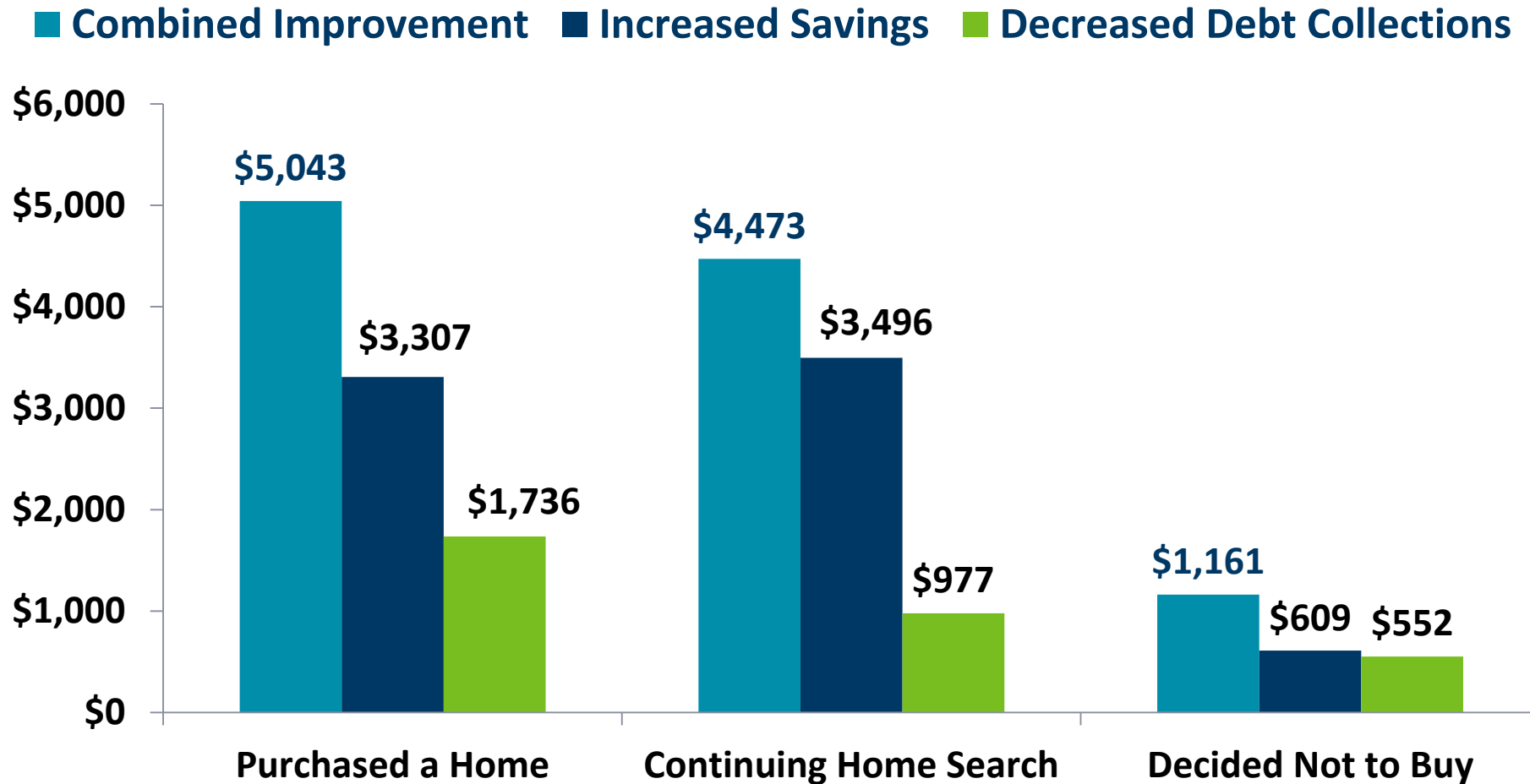
Source: Minnesota Housing

Homeownership Capacity: Change in Median Credits Scores for Program Completers



Source: Minnesota Housing, Homeownership Capacity Evaluation (2018), which covered August 1, 2014 to December 31, 2017.

Homeownership Capacity: Improvement in Average Wealth Level



Source: Minnesota Housing, Homeownership Capacity Evaluation (2018), which covered August 1, 2014 to December 31, 2017.

Barrier 3: Knowledge Gap

Action

Community Events



Barrier 3: Knowledge Gap

Action

Targeted Outreach

- Social Media, videos and ads
- Public Relation Efforts, such as radio interviews

**HOMEOWNERSHIP
CAN BE YOURS!**

**SISTER
SPOKESMAN**

#heysista
#soulsista

f t

meetup

**SATURDAY
APR
6
12-4**

Meet experts who will help guide you through the home buying process and discuss resources to help you finance your home.

LIFESOURCE
2225 WEST RIVER RD N.
MPLS., MN 55411

FOR MORE INFORMATION CALL 612-827-4021

**ONLY
\$5
BRING A
SISTA!**

Sponsored by

Homeownership Opportunity Alliance

WELLS FARGO

The advertisement features a central image of a smiling woman holding a tablet that says "SOLD" in front of a house. To the left is a logo for "SISTER SPOKESMAN" with two figures holding hands. Below the logo are social media icons for Facebook and Twitter, and the Meetup logo. The event details are listed in large, bold text. A red circular badge on the right says "ONLY \$5 BRING A SISTA!". At the bottom right, logos for "Homeownership Opportunity Alliance" and "WELLS FARGO" are displayed.



Barrier 3: Knowledge Gap

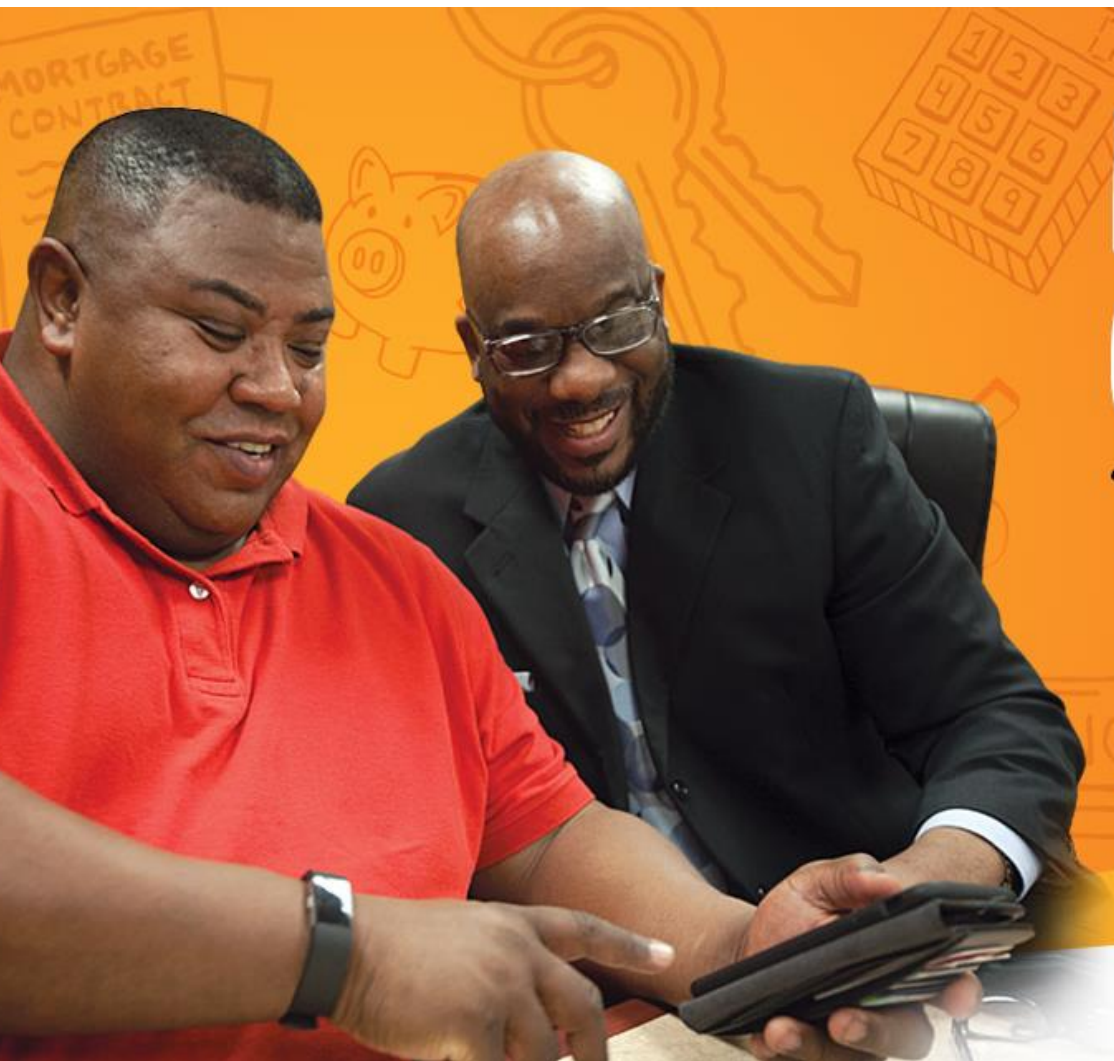
Action

Cultivating relationships

- Top Producing Lenders
- Real Estate Agents and Associations
- Homeownership Advisors



Homeownership Opportunity Alliance



IS MY CREDIT GOOD ENOUGH?

*“It’s never a fast ‘no.’
It’s a slow ‘yes.’”*

*– Trent Bowman, Vice President and
Community Development, Office at
Klein Bank and Co-Chair of the Community
Engagement Work Team at the Alliance*



Homeownership
Opportunity Alliance

Kali and Alvin's story





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