



hispanic/latino marketing and outreach

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outreach goals

- Bridge the homeownership gap
- Increase awareness about the benefits of homeownership.
- Address concerns raised about the homebuying process.
- Talk to Colorado's Hispanic/Latino population about preparation for homeownership.
- Inspire more Hispanic/Latino homebuyers to visit the CHFA website to learn about the services offered.



focus groups

November 2017 – March 2018



statistics

65
participants



21 men
44 women

21 owners
21 renters
17 live with
family/friends

5 geographies
16 cities

what did we ask?

Think of living in a warm community, in your own home... what benefits come to mind? What feelings arise? What images?



- 58 “hopes for homeownership”
- Changes/modifications
- *I love dreaming about how I would decorate the kids’ rooms.*
- Other benefits:
 - Safety, security, streetlights
 - Good neighbors

what did we ask?

Do you have any fears/negative feelings about homeownership?



- 42 barriers
 - Maintenance... horror stories of friends buying, then finding expensive problems.
 - Credit issues... *I am here seeking education. We are working to repair our credit, so we can buy a home.*
 - Lack of knowledge about free homebuyer education.

what did we ask homeowners?

What was good about the homebuying process?

Overwhelmingly: “Nothing!”



- Would you recommend homeownership to family, friends?
- *A lady I work with, she is 93 and has a little condo. She is in her own home with her garden and all her little things around her.*
- *Owning a home has been my goal since I was 10. I remember walking through neighborhoods, looking at all the pretty homes.*
- *Dreaming about owning a home takes me out of the poverty mindset I was raised with.*

recommendations from professionals

- Take a longer view when working with young Hispanic/Latino families
 - They urge their new clients to seek free homebuyer education from CHFA.
 - Credit issues must be tackled.
 - Savings must be built.
 - Take homebuyer education to the people.

what are their drivers/concerns?

- Little understanding of credit
- Little to no family history of buying a home
- Homeownership is a lifelong goal—how do I get there?
- Safety and security of homeownership—something to hand down to their kids



what is the message?

- Homebuyer education > down payment assistance
- Peer/Community/Family-driven: A trusted source of information
- CHFA is talking to me
 - Backgrounds reflect culturally relevant situations
 - Culturally relevant language is used – *transcreation* not just translation
- We want a partner in the process:
 - Tagline: “CHFA is with you every step of the way.”



chfainfo.com/mi-hogar

CHFA le acompaña a cada paso del camino.
CHFA is with you every step of the way.



launched march 2020



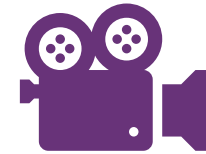
Equitable Information

13 pages mirroring English-language homeownership site



Interactive/Printable Resources

10 PDFs for homebuying journey and homeownership success



Peer Examples

Eight Steps to Homeownership videos
Two customer testimonials

media outreach (sept 2020-march 2021)

Themes

- Homebuyer ed/
Financial fitness
- Down payment
assistance
- Mi Hogar microsite

Community Connections

- Trusted radio:
KBNO and ONDA
- Denver Public
Schools Office of
Multicultural
Outreach (OMO)

Methods

- Steps to
Homeownership 60-
second vignettes
- Station/OMO
Facebook posts
- Digital ads on
station sites
- Interviews/podcasts

interview and podcast topics



Radio Interviews: Homebuyer Financial Ed

- Understanding Credit
- Budgeting and Saving
- True Costs of Homeownership
- Homebuyer Education

Podcast: Financial Fitness Series

- Credit
- Debt
- Budgeting
- Saving
- Is it the right time to buy?

result

CHFA single family loans
increased the overall
Colorado Hispanic/Latino
homeownership rate by 1%

statewide outreach

- Univision & Telemundo TV ads and interviews
- Radio spots/interviews statewide
- Online Spanish-language ads
- Popular print publication ads and editorials



thank you!

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**Homes and
Community Renewal**



Give Us Credit

PILOT PROGRAM TO CLOSE THE
HOUSING WEALTH GAP

RACIAL DISPARITIES IN MORTGAGE LENDING

NEW YORK STATE

Using the Home Mortgage Disclosure Act (HMDA) aggregate data from 2014-2017 in New York, NYS Homes and Community Renewal (HCR) found...

Statewide mortgage application rejection rates for Households of Color (HOC) are nearly **double** the rejection rates for White Households (White HH).

% Population	Race/Ethnicity	% Accepted	% Rejected
56.40%	White, non-Hispanic/Latinx	90.50%	9.50%
8.70%	Asian, non-Hispanic/Latinx	85.80%	14.20%
6.60%	(All races), Hispanic/Latinx	83.40%	16.60%
5.80%	Black, non-Hispanic/Latinx	81.30%	18.70%
0.40%	American Indigenous, Native Hawaiian, Pacific Islander, non-Hispanic/Latinx	80.60%	19.40%

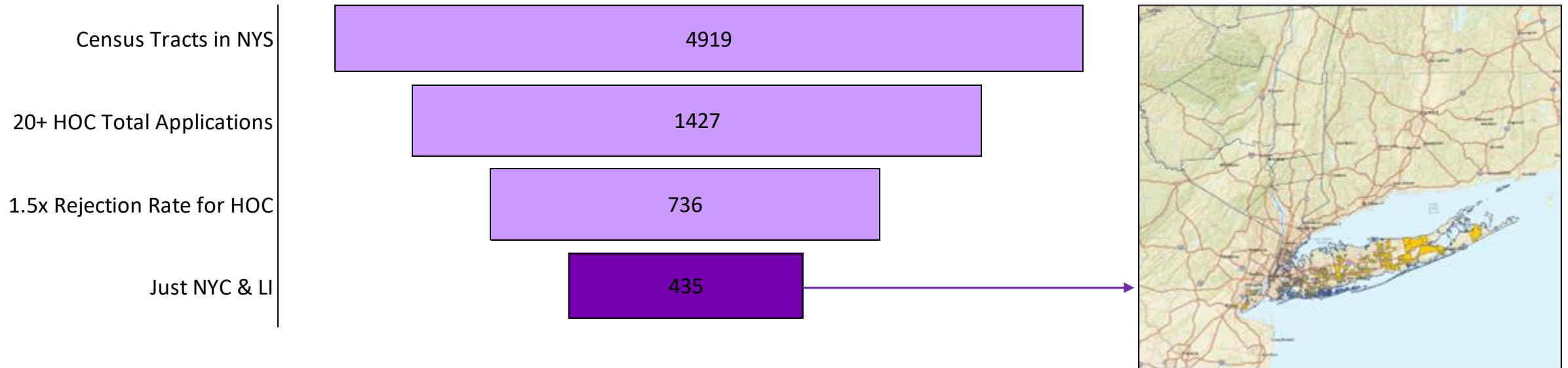
~ HOC: primary applicant is either Black/African American, Hispanic/Latinx, American Indigenous

~ Overall, 765,842 mortgage applications in NYS from 2014-17.

~ 22% race/ethnicity not provided

Data Source: Home Mortgage Disclosure Act (HMDA) aggregated data from 2014-2017.

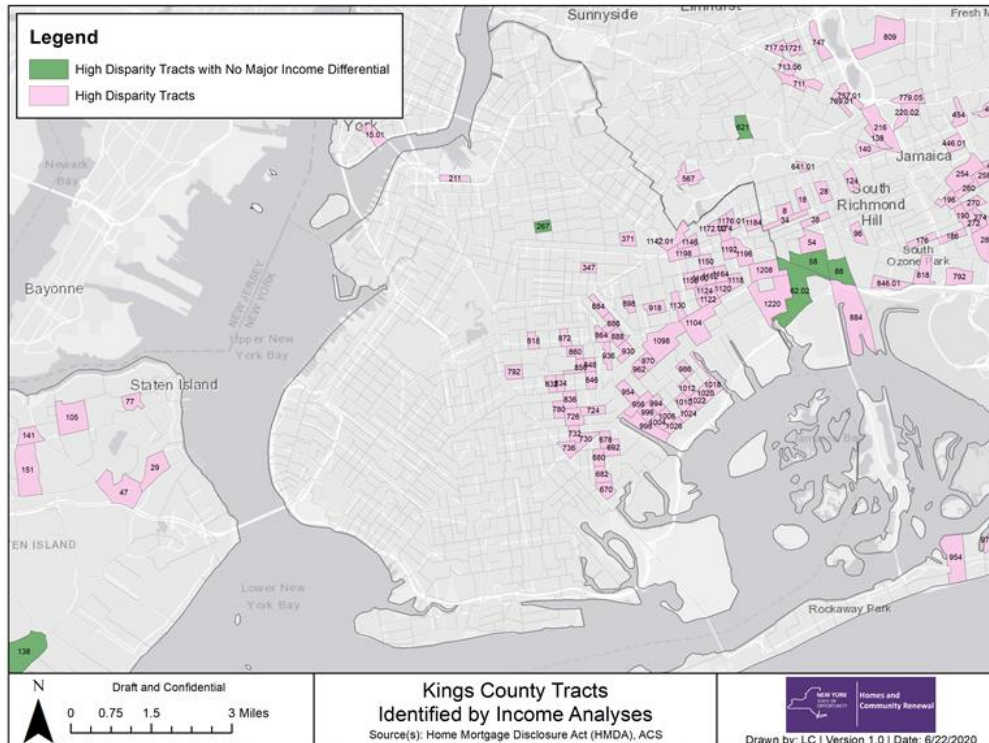
Disparities in NYC and Long Island



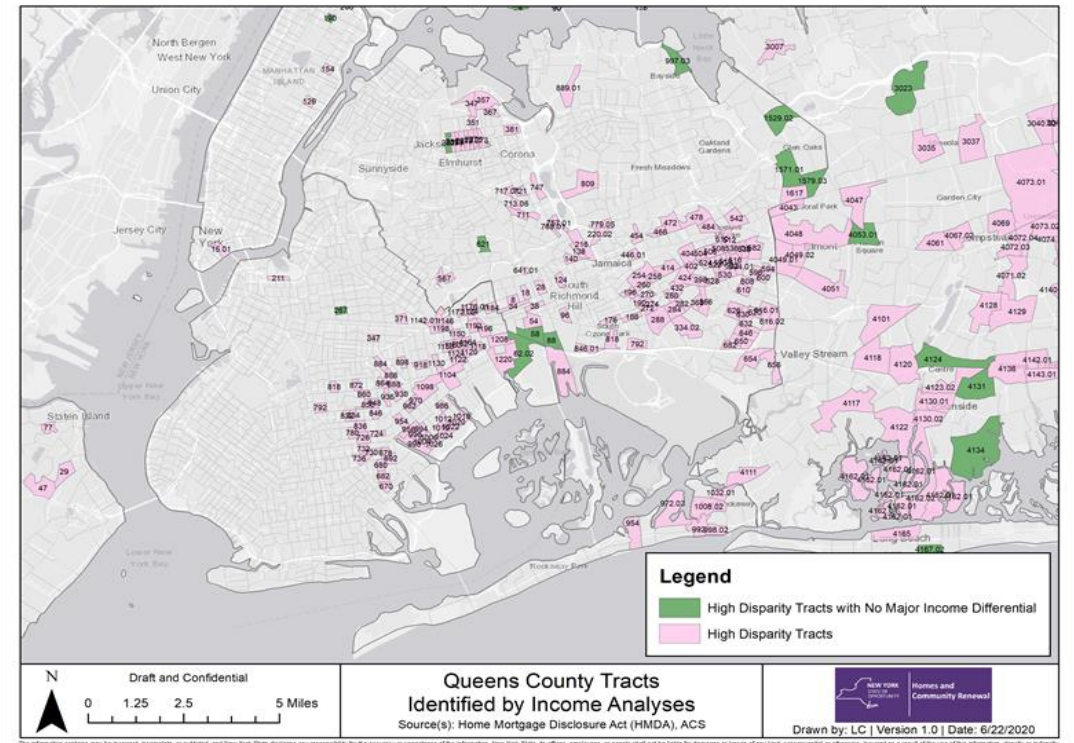
Out of the 736 tracts with significantly higher HOC rejection rates, **435 census tracts were in NYC and Long Island.**

Disparities in NYC and Long Island

KINGS COUNTY

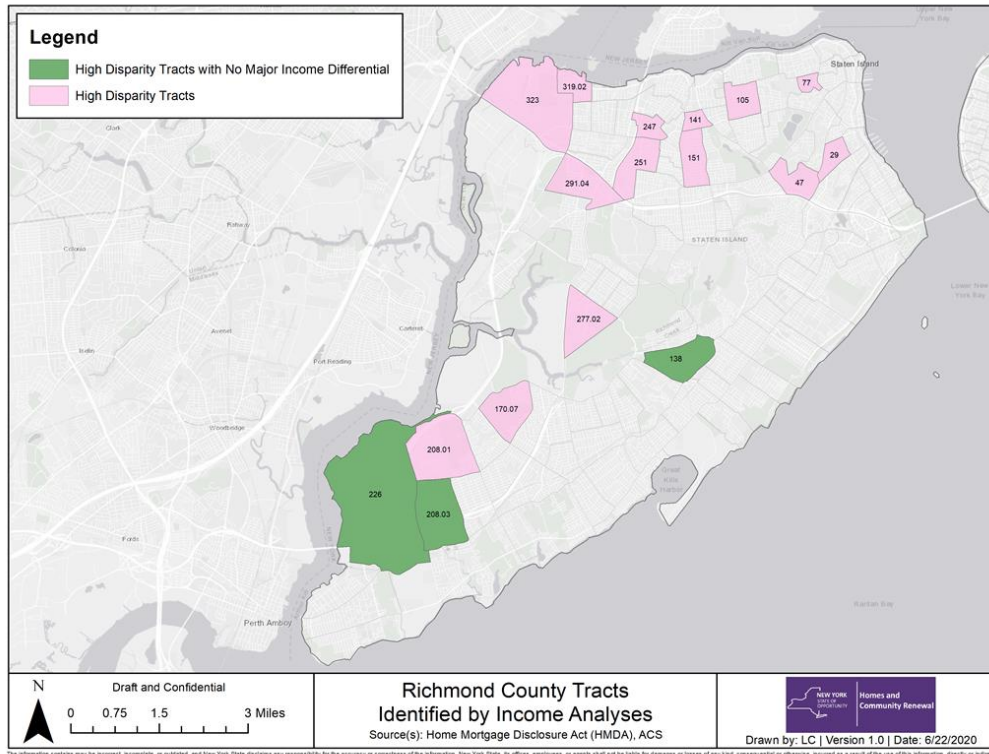


QUEENS COUNTY

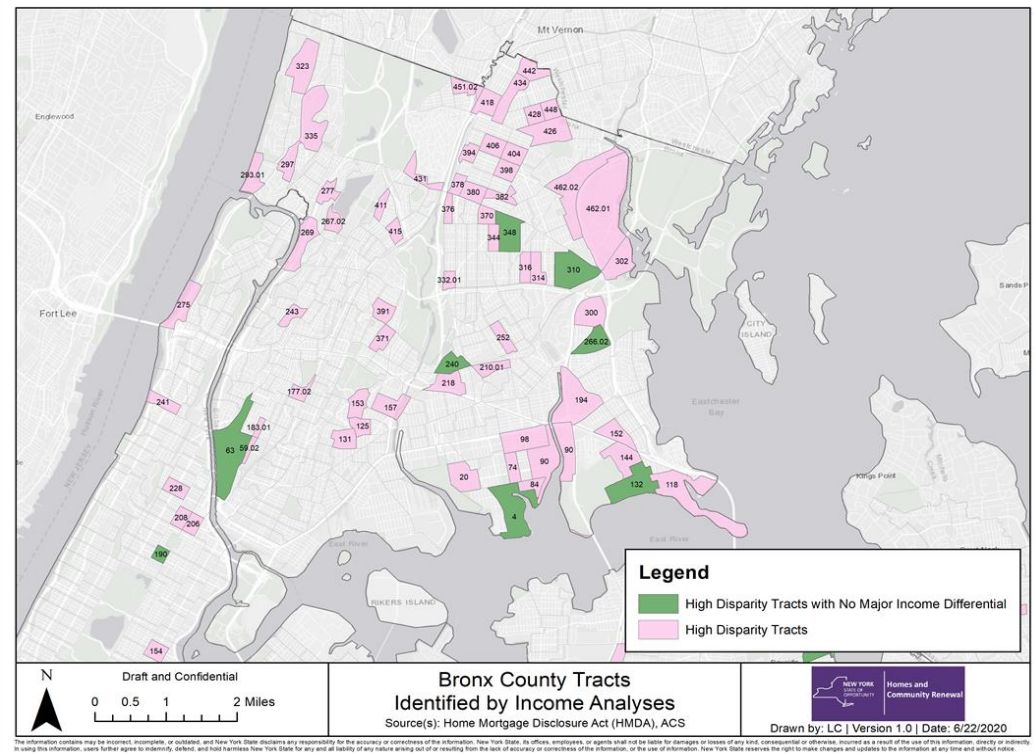


Disparities in NYC and Long Island

RICHMOND COUNTY

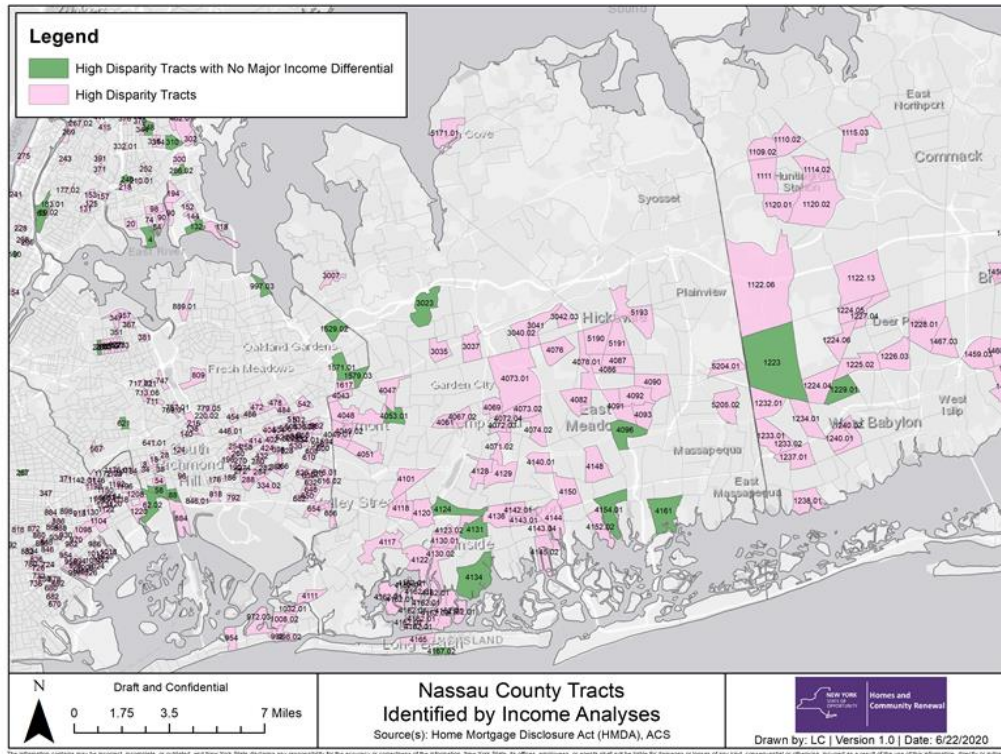


BRONX COUNTY

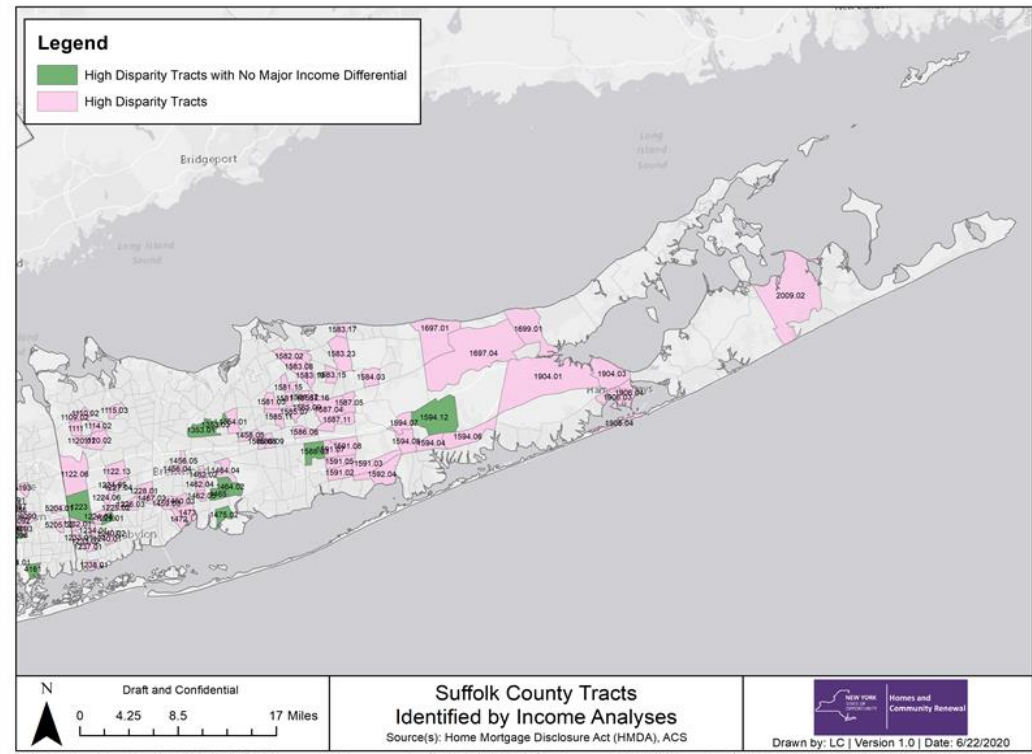


Disparities in NYC and Long Island

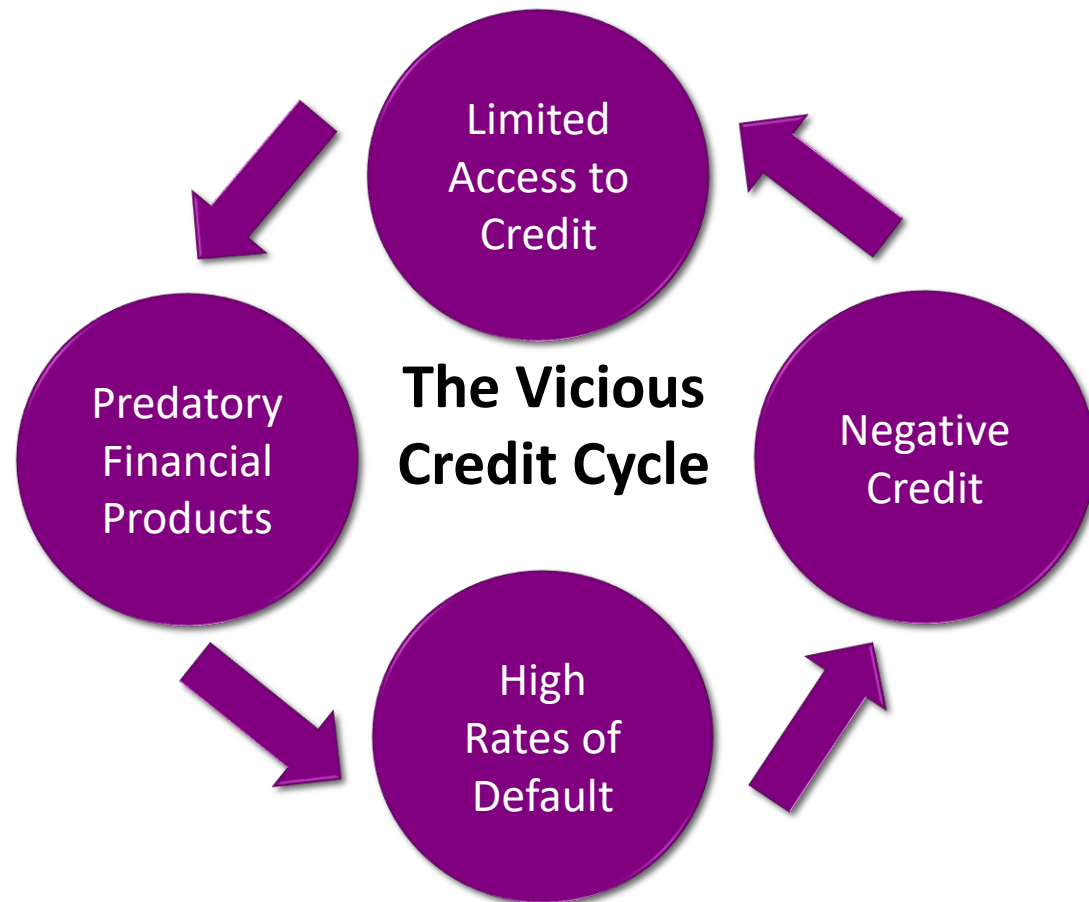
NASSAU COUNTY



SUFFOLK COUNTY

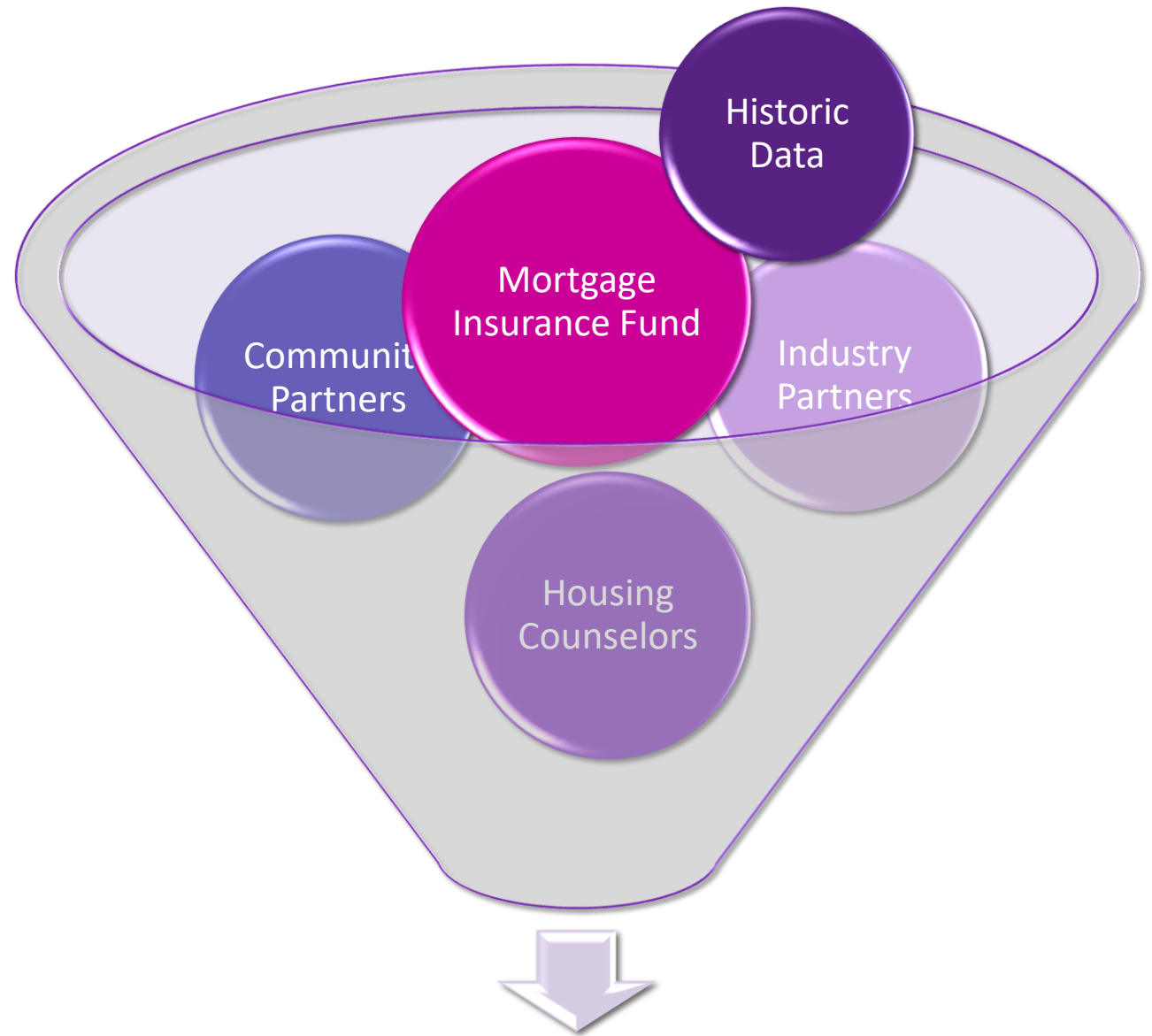


Reliance on “Credit Scores” Perpetuates Past Discrimination



- The racial wealth gap didn't happen by accident.
- Centuries of discrimination, redlining, and exclusion pushed communities of color into predatory products, with higher default rates
- Traditional credit reports perpetuate racial and economic inequality by restricting access to future financial access

Revised Credit Guidelines



Expanded underwriting guidelines.

“Give Us Credit”

A PILOT PROGRAM AIMED TO INCREASE HOMEOWNERSHIP IN TARGETED COMMUNITIES USING REIMAGINED METRICS AND STANDARDS TO EVALUATE CREDIT WORTHINESS.

The 300-loan pilot program was launched in July 2020 in New York City and Long Island, and expanded in 2021 to communities across the state. The program...

- Considers non-traditional forms of income in evaluating “ability to pay”.
- Accepts applicants with varied sources of down payment assistance.
- Allows more support from families and friends.
- Applies weighted importance for responsible financial management practices that may be overlooked in traditional credit reporting.
- Allows for borrowers who have overcome past financial difficulties.



Questions

Providing Affordable Homeownership Opportunities
With the New Markets Tax Credit: The
WHEDA/Urban League of Greater Madison Pilot



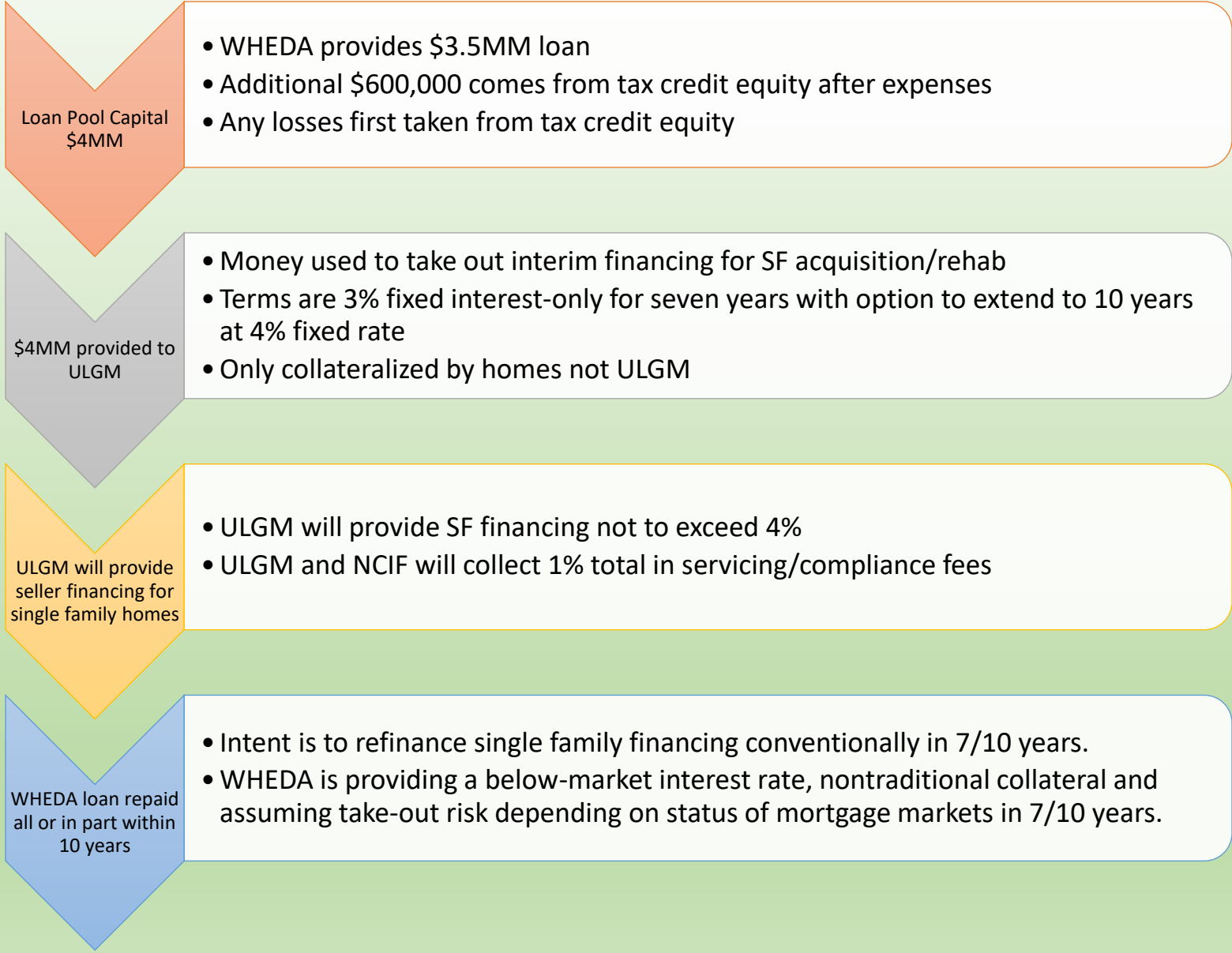
NMTC Single Family Loan Pool Summary

- NMTC regulations do not allow financing of single family/for sale housing as a sole activity.
- However, NMTC rules allow for financing of products that are produced by a qualifying business to also have the purchase of those products financed by the same business.
- So, financing for the purchase of homes is allowable if the homes are being purchased from the entity that built/rehabbed the homes and that same entity is providing “seller-financing.”
- Still, no repayment of principal can occur during the seven-year tax credit period.
- The homes must be located in qualifying NMTC low-income census tracts. Go to CDFIFund.gov or novoco.com to see qualifying census tracts.
- A grey area is the degree of required affordability. The “conservative” position is to have at least 20% of the homes purchased by individuals no more than 80% Area Median Income. The rest could be market rate.

Urban League of Greater Madison NMTC Housing Pilot

- Since the 2008 market crash, several studies have documented that Madison's racial disparities in employment, wealth, homeownership, and entrepreneurship are among the worst in the nation
- .For example, at 17%, Madison's African-American homeownership rate is lower than the state (26%) and the national (45%) homeownership rates.
- In 2020, ULGM partnered with WHEDA in implementing a novel pilot utilizing New Markets Tax Credits (NMTCs) that would allow participants to own their home immediately.
- The pilot is part of what ULGM expects will be a more extensive commitment by others to help make the re-development of South Madison into a model for economic inclusion.
- In addition to providing stable housing and homeownership for families who may not have access through conventional financing mechanisms, the program will also include a strong financial empowerment and wealth building component.

ULGM/WHEDA Pilot



Urban League of Greater Madison Will be Providing the Following

- ULGM will handle acquisition and rehab of all the homes and also provide “seller-financing.”
- Include organizations like Operation Fresh Start in the rehab work to maximize community impact.
- Provide interest-only financing to families during the seven-year NMTC at or below market interest rates.
- Relaxed credit score requirements on entry.
- Culturally relevant financial and homeownership education training and coaching.
- ULGM will handle acquisition and rehab of all the homes and also provide “seller-financing”

Benefits of the ULGM Pilot

- Help at least 16 low- or moderate-income households (most likely African-American/Latino) realize the dream of homeownership.
- Help address the City of Madison's extreme homeownership and wealth gap between low-income/families of color and white families.
- Help families collectively build savings and equity.
- Prototype a model that can be replicated locally and throughout the country especially through the network of 90 plus Urban League affiliates including Milwaukee.
- The pilot can also be replicated with non-NMTC sources. It would require \$600,000 of subsidy from other sources.
- Help ULGM build its organizational capacity for future homeownership and rental housing projects, and other real estate development projects.
- ULGM's construction training programs would help provide skills training opportunities by assisting with the renovation of some of the homes to be acquired.
- For the lender, this model provides risk mitigation with a \$600,000 equity cushion that acts like a loan loss reserve to the \$3.5MM loan.

What is Needed to Replicate the ULGM/WHEDA Pilot

- An organization or collaboration of entities to develop/sell the homes, provide loan servicing and homeownership education.
- A lender comfortable with providing financing for residential mortgages with a 15% loan loss reserve equivalent.
- A provider of \$600,000 in subsidy. To replicate the model in the exact matter a New Markets tax credit allocatee and purchaser of the tax credits.
- In The Pilot:
 - ULGM was the service provider
 - Johnson Bank was the interim construction financier
 - WHEDA was the lender for the permanent financing
 - National Community Investment Fund was the tax credit allocatee
 - Wells Fargo was the buyer of the tax credits

Questions?

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