

Leveraging Partnerships to Increase Lending to Minority and Immigrant Populations

Kentucky Housing Corporation

Homeownership: Empowering New Buyers

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[Click here to watch the synopsis video for the entry.](#)

Converting market needs to a reality-based solution has been one of Kentucky Housing Corporation's (KHC) approaches to encourage new production, through multicultural customer service coordination, that consists of developing marketing and outreach strategies that target Kentucky's growing minority and immigrant homebuyers. Kentucky is home to more than 173,000 foreign-born citizens who work in critical jobs, such as working with livestock or as software developers, and they positively impact the economic success of the Commonwealth. Yet only 31,096 are homeowners. Furthermore, only 4.4 percent of recent homebuyers were foreign-born. Immigrant families have long played an important role in helping to build housing wealth in the United States. The housing wealth held by immigrant households in Kentucky equals \$7.0 billion. Much of this is possible because immigrants moved into neighborhoods once in decline, helping to revitalize communities and make them more attractive to U.S.-born residents.¹

To increase first mortgage financing to minority and immigrant populations, KHC sought to identify potential partners in the state to form a collaborative partnership that connects referral agencies working directly with the target minority and immigrant populations (churches, local governments, non-profit agencies, etc.) to the services available (housing counseling, real estate agents, lenders, down payment assistance, etc.).

This strategic initiative is focused on identifying key players, building relationships, networking, and connecting partners with the services available to the state's minority and immigrant populations. Rather than working in silos, this collaboration creates a unique continuum where first-time homebuyers, housing counselors, lenders, real estate agents, local governments, churches, and referral agencies work together seamlessly. This effort saves time, strengthens rapport, develops trust, and optimizes existing resources for maximum impact.

Responds to an Important Housing Needs

By increasing the number of connections with partners that serve the minority and immigrant populations and providing them with full access to all of KHC's mortgage products, an increasing number of minority and immigrant homebuyers gain access to down payment assistance, which is often one of the biggest hurdles faced when buying a home. In fact, 86 percent of homebuyers accessed KHC's down payment assistance programs in 2018, compared to 41 percent in 2007. KHC's down payment assistance is frequently leveraged with other community programs, such as Federal Home Loan Bank's Welcome Home funding, to help communities address affordable mortgage issues by allowing low- to moderate-income families purchase homes.

Demonstrates Measurable Success to Targeted Customers

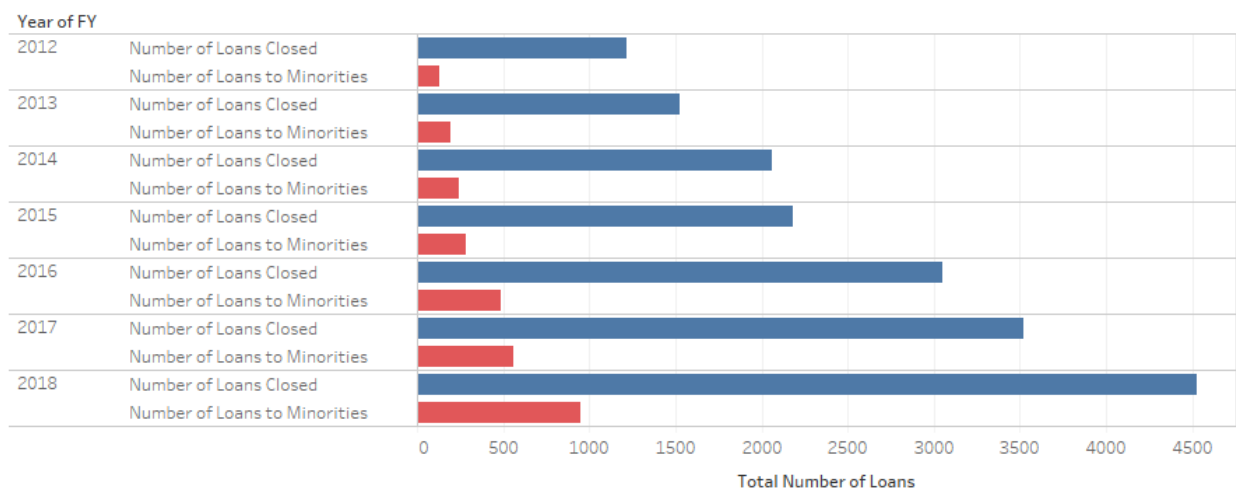
For the homebuyer with limited English proficiency, KHC's multicultural customer service and outreach coordinator (MCSOC) partners with housing counseling agencies to provide workshops and seminars in

¹ <https://www.newamericaneconomy.org/locations/kentucky>

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French, Spanish, Creole, and other languages with the goal of increasing language access and providing the homebuyer with the information needed to make informed decisions. The MCSOC also works with lenders and real estate agents to not only reach out to minority and immigrant homebuyers, but to also engage community leaders (churches, civic groups, and local governments programs) to expand homeownership opportunities through a collaborative partnership. Since this endeavor began in 2014, KHC has recognized a steady increase in the number of minority households financing their home purchases using KHC for first mortgage financing and down payment assistance. In 2012, this population accounted for 11 percent of KHC’s overall production. This rate has increased each year, being 21 percent of overall production in 2018.

Single-Family Loan Production by Year



By increasing access to first mortgage financing and down payment assistance, including homebuyer education and counseling to minority and immigrant households, KHC has provided homeownership to families who otherwise would not have been able to purchase a home. This has a direct impact on the housing markets in the state. In fact, the Mortgage Bankers Association of Kentucky recognized this impact on the marketplace and awarded KHC with its Housing Advocacy Award during its recent 2019 awards gala.

Provides Cost-Effective Benefits and Effectively Uses Resources

KHC’s investment in this endeavor has been minimal compared to the benefits gained. The investment by KHC has been staff time and approximately \$3,000 annually budgeted for travel. Through this investment, KHC has formed new partnerships, strengthened existing partnerships, increased lender and realtor engagement, and ultimately provided access to better lending options to minority and immigrant households.

In response to funding and pension constraints on the Corporation, KHC’s Single-Family Programs was prompted to more efficiently leverage their resources provided to partners in the state, so the burden does not fall on any one agency. For example, KHC has turned its language access line (which is where customers with limited English proficiency call for service questions) into referral sources. Additionally,

marketing materials are developed in English and Spanish as standard practice, and training videos are posted online.

To further conversations with lending partners and grow the Corporation's mortgage loan production, KHC started a Lender Liaison Committee in 2018. This committee then sparked a new subcommittee to serve the new American homebuyers and effectively address lack of access to homeownership by minority and immigrant populations. The New American Homebuyer Subcommittee's goal is to increase connections amongst lenders, real estate agents, housing counselors, referral agencies, churches, etc., to immigrant populations to provide education and homebuyer opportunities. KHC facilitates communication between local governments' specialized offices and the subcommittee members to promote community awareness, expand networking, and increase business opportunities.

Achieves KHC's Strategic Objectives

KHC's core mission is to invest in quality housing solutions for families and communities across Kentucky. Affordable homeownership is the beginning of wealth creation for families and is an investment in community stabilization. Minority and immigrant homebuyers not only expand KHC's client base, but they are an expression of achieving the "American Dream." Expanding efforts to increase homebuyer opportunities to these households has encouraged new production for KHC, by expanding potential customers and leveraging relationships with new and existing partners. This also advances KHC's Fiscal Year (FY) 2019 strategy to provide holistic housing solutions by aligning programs, resources, and partnerships for optimal impact.

Replicable

By seeking out and connecting stakeholders toward a common goal, this initiative is easily replicable. The key to success is to keep overall goals consumer-, stakeholder-, and community-centric. KHC's multicultural customer service and outreach coordinator travels to stakeholders to make those connections in person. This coordinator attends their events and provides insight on how KHC could enhance their model by introducing them to other partners in the state, as well as KHC's mortgage products, including down payment assistance.

KHC's Single-Family Programs provides multicultural marketing materials which are customizable for partner use. These materials are frequently used by real estate agents, lenders, and housing counselors. Homebuyers benefit from this seamless partnership and the homebuying process is much more successful because of it.

Visual Aids

[Single-Family Data for Calendar Year 2018](#)
[Social Media Posts for Single-Family Program Minority Outreach](#)
[Marketing Materials for Lending Partners and Real Estate Agents](#)
[KHC's Client and Customer Success Stories for Minorities and Immigrants](#)
[Spanish Page on KHC's Website](#)
[Commonwealth of Kentucky Analysis of Impediments to Fair Housing](#)
[FY 2019 Corporate Strategies](#)
[KHC's Language Access Plan](#)
[Kentucky Demographics](#)