

2011

Homebuyer Education & Counseling Report



Karen Duggleby, MSW, LISW
Minnesota Home Ownership Center

Acknowledgements

The Minnesota Home Ownership Center staff would like to thank Jen Magnuson, MSW Intern who contributed her time and expertise to this project.

Additionally, the Minnesota Home Ownership Center is profoundly grateful for the dedicated professionals working within its Home Ownership Advisor Network. The many positive results identified in this report would not have been possible without their hard work, patience and compassion for serving families looking to purchase a home.

Table of Contents

Executive Summary	4
Introduction	6
Section 1: Home Stretch Workshop Statistics	9
Section 2: Home Stretch Counseling Statistics	14
Section 3: Home Stretch Participants Household Characteristics	16
Section 4: Loans Closed Information	21
Section 5: Home Stretch Survey Results	22
Post Survey Results	23
Three-Month Follow-up Survey Results	31
Appendices	36
Appendix A: List of Home Stretch Providers by Region	36

The content of this report is © 2011, Minnesota Home Ownership Center. Reproduction of part or all its contents in any form is prohibited without the written consent of the Minnesota Home Ownership Center.

Executive Summary

This report provides a summary of findings from an evaluation of the Home Stretch homebuyer workshop and Pre-Purchase Counseling programs supported by the Minnesota Home Ownership Center. Through these programs, local education and counseling services are delivered to consumers through 37 agencies throughout Minnesota. The report summarizes workshop and counseling results, participant characteristics, loans closed information, post-survey and three-month follow survey results for households receiving education and counseling during October 1, 2010 through September 30, 2011.

Homebuyer Education Results

- The Home Ownership Advisors Network of Home Stretch agencies graduated 5,796 households from the Home Stretch workshop. A decrease of 6% from last year.
- The Homeownership Advisors Network held 541 workshops throughout Minnesota, a 2% increase over the previous year.
- Eighty-one workshops or 15% of all workshops held were aimed towards reaching emerging markets. Twenty-two workshops were offered in Spanish and thirteen in Hmong. Nine workshops were offered to Native American communities using a culturally specific curriculum. Thirty-three workshops were offered to African communities.
- Eighty-six percent of households participating in Home Stretch workshops earn below 80% of the area median income. The average annual household income is \$34,477.

Homebuyer Counseling Results

- The Home Ownership Advisors Network of Pre-Purchase Counseling agencies provided counseling services to 2,040 households, slightly less than the previous year.
- Eighty-six percent (86%) of households participating in Counseling earned below 80% of area median income.

Participant Characteristics

- The majority of the participants in Home Stretch and counseling are 1st time homebuyers. Eighty-eight percent of Home Stretch participants and 80% of Pre-Purchase Counseling participants were first time homebuyers.
- Thirty-one percent of counseling participants and 21% of education participants were single heads of households.
- Participants in both workshops and counseling are primarily unmarried, more than 59%. They are mostly female, more than 60%. The majority fall between 26-40 years of age.
- In 2010-2011, there were no significant changes in the race of participants from either program. Overall participants of color accounted for 31% of workshop graduates and 40% of counseling participants. This is significantly higher than the state population data, which reports approximately 17% of the total population is people of color.

Loan Closed Information

- This year, 1,889 households are known to have purchased a home after participating in Home Stretch, this represents 33% of all graduates this year. The average purchase price was \$116,845, with an average mortgage interest rate of 4.45%, and an average annual household income \$36,853.

Post-Workshop Survey

- At the end of the Home Stretch workshop, a post-workshop survey is distributed. This year, 4,720 or 81% of the graduates completed the post-workshop survey.
- The majority of participants (63%) traveled less than 15 miles to attend a Home Stretch workshop.
- Attending Home Stretch can be a loan requirement for some participants. This year, 63% reported that they were required to attend Home Stretch which is the same percentage as last year.
- A large percentage of participants report high satisfaction with the Home Stretch workshop. This year, 98% learned the amount or more than they expected, 97% felt knowledgeable about the process of buying a home, and 99% would recommend Home Stretch to someone else.
- At the end of the workshop, participants are asked to rate their knowledge level both before and after the workshop. Over 88% of participants rated their knowledge level as good or excellent on seven topics.

Three-Month Follow-up Survey

- A three-month telephone survey is completed by the Center staff on a sampling of Home Stretch participants. This year, 390 or 6.7% of graduates were contacted.
- Over 20% of the participants reported that the home inspection and maintenance information was the most helpful topic covered at the workshop.
- Once again, we asked the participants to rate their knowledge level three months after the workshop on the same seven topics from the Post-Workshop Survey. Almost three-quarters of the participants rated their knowledge level as good or excellent on all seven topics.

About the Center

The Minnesota Homeownership Center's mission is to promote and advance successful home ownership in Minnesota, with a focus on serving the needs of low- and moderate-income families. At the core of this mission is the belief that lower income households can achieve and recognize the benefits of long-term home ownership if they enter home ownership through the *right* door – prepared to make wise, informed, decisions for their families.

The Minnesota Homeownership Center offers a unique approach to home ownership preparedness and sustainability: using a centralized, managed structure. In its centralized role, the Center provides leadership for key initiatives and partnerships that promote home ownership preparedness and sustainable home ownership throughout Minnesota. The Center ensures statewide access to high quality, consistent services by convening a network of agencies that deliver its home ownership education and foreclosure counseling programs.

The Center's approach emphasizes:

- High-quality programming grounded in national best practices
- Programming that is responsive to the changing environment
- Consistency of service delivery for consumers regardless of programming location
- A leadership entity serving as a single point of contact and expertise for industry stakeholders, funders, and the broader community

Mortgage stakeholders concerned with affordable, sustainable home ownership founded the Minnesota Home Ownership Center in 1993. Since that time, the Minnesota Homeownership Center and its network have achieved a strong record of accomplishment across the state in helping primarily economically disadvantaged and underserved households access sustainable home ownership.

Homeownership Education, Counseling and Training Fund (HECAT)

The HECAT fund provides financial support to eligible community-based organizations to deliver a variety of homebuyer and homeowner education, counseling and training services to Minnesotans, including; pre- and post-purchase education, pre- and post-purchase counseling, home equity conversion counseling, and foreclosure counseling. Four funding partners contribute to HECAT each year; Family Housing Fund, Greater Minnesota Housing Fund, Minnesota Housing, and the Minnesota Homeownership Center. During the 2010-2011 program year \$1,870,434 was allocated for the HECAT fund. Of that \$737,300 or 39% was allocated to the homebuyer education and counseling programs featured in this report.

About Homebuyer Education and Counseling

Home Stretch Program

Home Stretch is the Center’s proprietary pre-purchase education and counseling program. The statewide pre-purchase delivery network has 37 Home Stretch providers operating throughout the state. Providers are individual organizations with their own history, governance, operating roles and records of achievement. Most were established as citywide or countywide entities, though some began as neighborhood-based community development corporations. Each has built and nurtured strong partnerships among public, private and community interests. Providers operate in all types of markets – urban, suburban and rural – and sponsor a wide range of development, lending, counseling and service programs. Though diverse in nature, they share ambitious missions and defining characteristics.

Homebuyer Education

Pre-purchase education provides general information designed to prepare potential homebuyers in a group setting for the responsibilities of home ownership. Home Stretch workshops are a minimum of eight hours, Homebuyer clubs are 12 hours minimum and both cover the following topics:

- How to prepare financially for homeownership
- How your credit affects becoming a homeowner
- Understanding mortgage programs and processes
- Shopping for a home
- The importance of having a home inspection
- The closing process
- Home maintenance responsibilities
- Predatory lending practices and avoiding foreclosure

Attending the workshop is a pre-requisite for many first-time homebuyer affordable loan products offered by Minnesota lenders. Home Stretch may also open doors to down payment and closing cost assistance offered by many communities throughout Minnesota.

Homebuyer Counseling

Home Stretch pre-purchase counseling services are tailored to participants. Counselors assist participants in creating an action plan to help them achieve their goal of home ownership. Counselors are available to meet in person or by telephone. Services include:

- Assessing mortgage readiness
- Reviewing finances and credit
- Discussing affordable mortgage programs
- Preparing for closing

Homebuyer Education and Counseling Annual Report

Purpose

Throughout the program year participant data, mainly demographic data and household characteristics are collected from participants' of the Home Stretch program. The data is used to create this report, review patterns and trends, and improve program effectiveness.

Methodology

At the time of intake participants are asked to complete a standardized registration form that includes demographic questions on the participant and household.

Sampling

All Home Stretch participants are asked to complete the registration form. Providers are responsible for collecting the information from participants and entering the data into the web-based case management system called CounselorMax™.

Overview of Key Findings

The number of households participating in Home Stretch workshops decreased 6% (371 households) over the 2010-2011 program year. The number of households receiving pre-purchase counseling decreased 1% (27 households) over the previous program year. Additional findings:

- 5,796 households completed Home Stretch workshops
- 541 Home Stretch workshops were held statewide
- 17% of Home Stretch workshops were targeted towards emerging & underserved markets
- 86% of the households served by education fell under 80% Area Median Income (AMI)
- 5,126 (88%) of the households served by education were first-time homebuyers
- 1,046 (18%) of the households served by education were first generation homebuyers
- 1,274 (22%) of the households served by education were single-headed households
- 2,040 households received pre-purchase counseling, 1% increase from the previous year
- 79% of households served by counseling fell under 80% AMI

I. Homebuyer Education Statistics

Home Stretch Workshops Summary

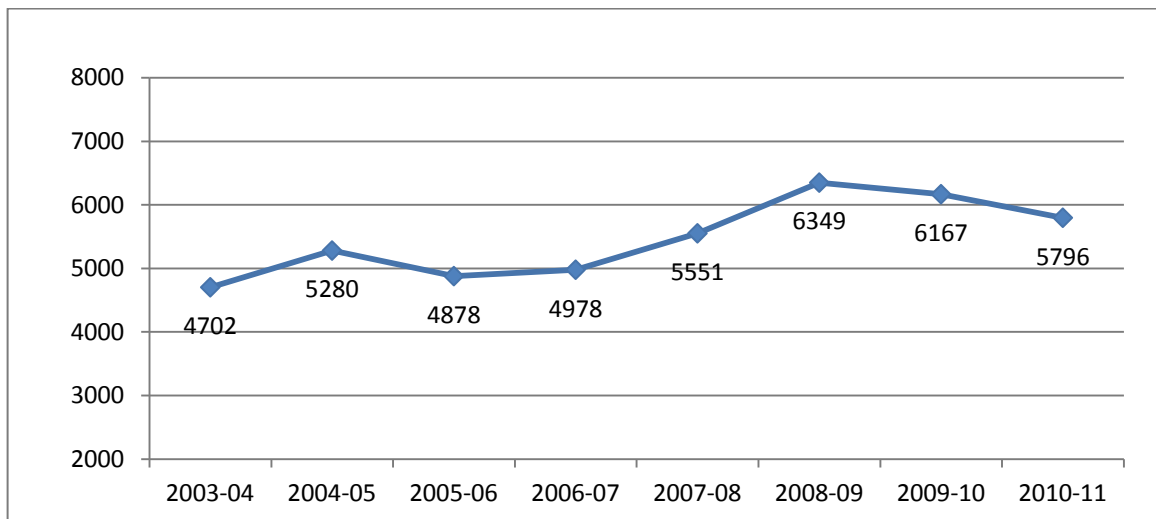
The Center began reporting statewide data in 2003, since then there have been 43,701 homebuyer education graduates and 4,005 workshops held.

In 2008, 2009, and 2010 many first time homebuyers were eligible for the first-time homebuyer tax credit up to \$8,000. During this time, Home Stretch saw record numbers of graduates partly because of affordable housing prices and the tax credit. Now that the tax credit has ended, fewer participants are seeking Home Stretch. During 2010-11, the number of households participating in Home Stretch decreased by 6%. Even though we saw a slight decrease in participation, the network providers have the capacity to serve additional households in the coming year.

Table 1.1 Summary of Workshops Held and Graduates

	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	Totals
Workshops Held	426	500	489	486	518	514	531	541	4,005
Graduates (by household)	4,702	5,280	4,878	4,978	5,551	6,349	6,167	5,796	43,701

Chart 1.2 Historical Look at Home Stretch Graduates by Year



Graduates by Region

In 2010-11, sixty-five percent or 3,473 participants were from the 7-county Twin Cities metro region. The largest increases this year were in the southwest (29% increase) and northeast (20% increase) regions. The increases are in part a result from including new data to the report on homebuyer club workshops. Homebuyer clubs are similar to Home Stretch workshops, both use the same Home Stretch curriculum but, the homebuyer clubs provide education in a longer format, typically 12 hours minimum. The homebuyer club is offered over 6 sessions and delivered over several months. The Home Stretch workshop is 8 hours minimum, offered in one-day or multi-day formats, delivered in less than 3 weeks.

Chart 1.3 Graduates by Region

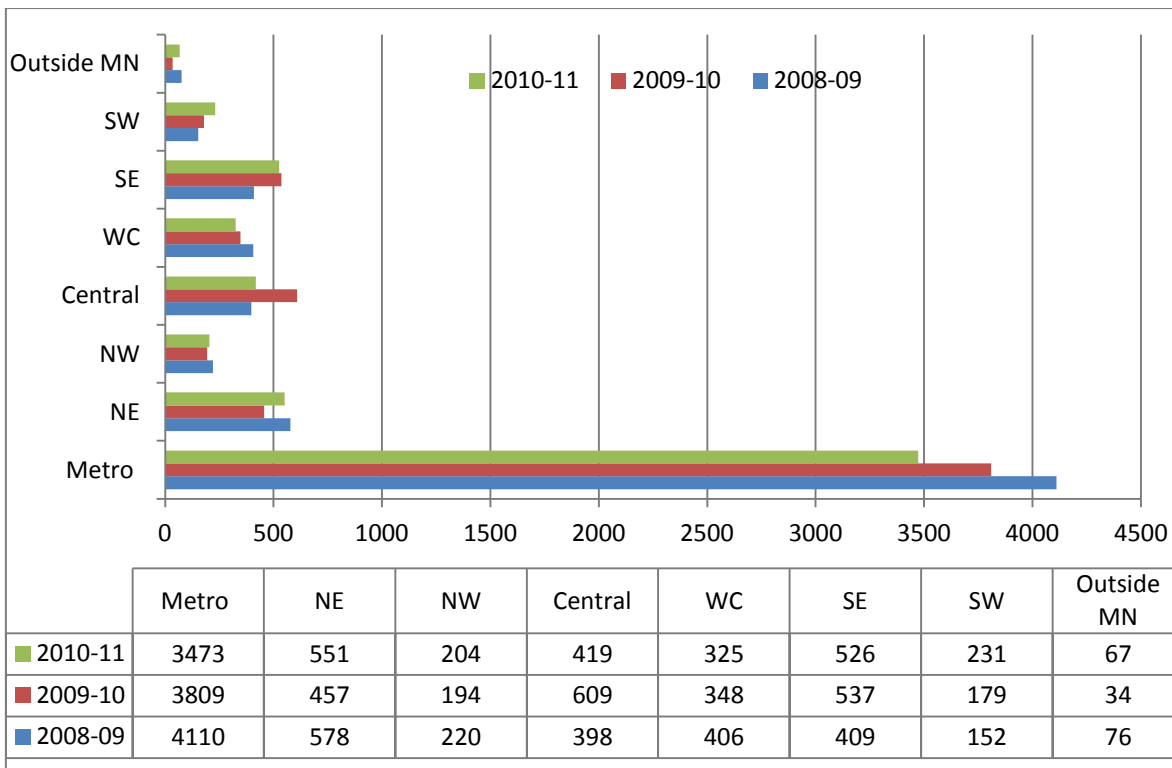


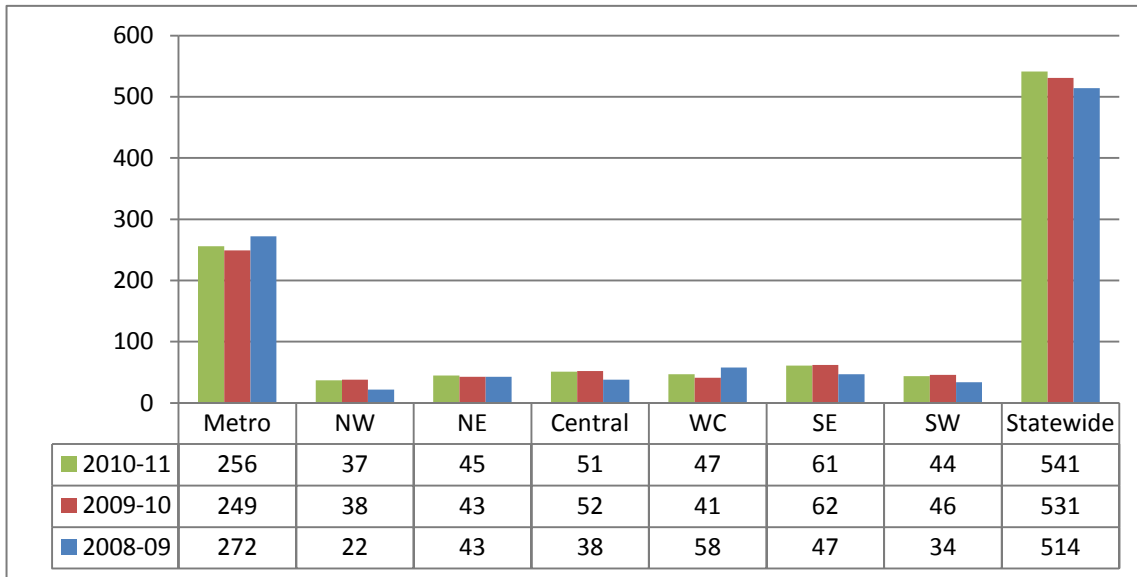
Chart 1.4 Homebuyer Club Workshops and Graduates

Provider	Workshops Held	Household Graduates
Community Action Duluth	13	121
Scott County Community Development Agency	3	27
Southwest Minnesota Housing Partnership	4	21
Three Rivers Community Action	2	37
Totals	22	206

Workshops Held by Region

This year saw a 2% increase in the number of workshops offered throughout Minnesota, 541 workshops. There are some slight differences in the number of workshops held across the regions from the previous year but no notable changes. Four new organizations joined the Homeownership Advisors Network this year. The American Indian Community Development agency and Hmong American Partnership began working in the metro region. Southwest Minnesota Housing Partnership and Three Rivers Community Action began offering homebuyer clubs in the southwest and southeast regions.

Chart 1.5 Workshops by Region and Statewide



Reaching Emerging Markets

The Center, HECAT funders and members of the Homeownership Advisors Network work together to support and increase homeownership opportunities for emerging and underserved markets. Home Stretch workshops are available in Spanish, Hmong and new this year, Karen language. Seventeen percent (17%) of the workshops held were targeted to emerging markets. The African Development Center and Three Rivers Community Action Program translate important terms in Somali during their English workshops targeted to African communities. The Pathways Home curriculum specifically tailored for Native American communities is used in combination with Home Stretch by American Indian Community Development Agency and White Earth Investment Initiative. The Home Stretch manual is available in both English and Spanish. If needed, interpreter services are available to participants.

Chart 1.6 Reaching Emerging Markets

Emerging Market/Culture	Workshops Held		
	2008-2009	2009-2010	2010-2011
Burmese/Karen	0	0	4
Hmong	4	10	13
Spanish	23	29	22
Native American curriculum	4	5	9
African Communities focused	n/a	33	33
Totals	31	44	81

Education Participant Income

During 2010-11, eighty-six percent (86%) of households participating in Home Stretch workshops earn below 80% of area median income. The median annual income for Home Stretch graduates is \$34,477, slightly up from last year. The AMI is based on HUD estimates of median family income, with adjustments for family size and county of residence. Households with no income reported were removed from the sample (n=5765) for 2009-10 and (n=5462) for 2010-11.

Chart 1.7 Education Participants by Percent of Area Median Income (AMI)

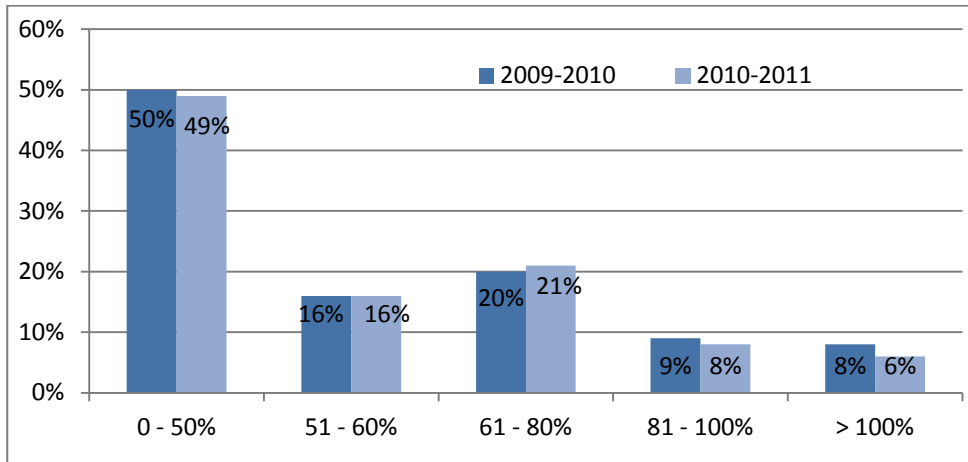
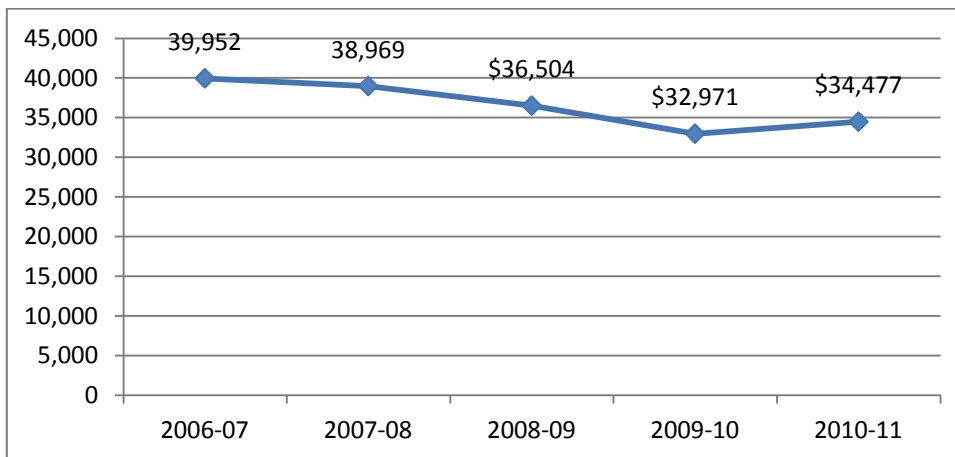


Chart 1.8 Education Participants by Median Annual Income



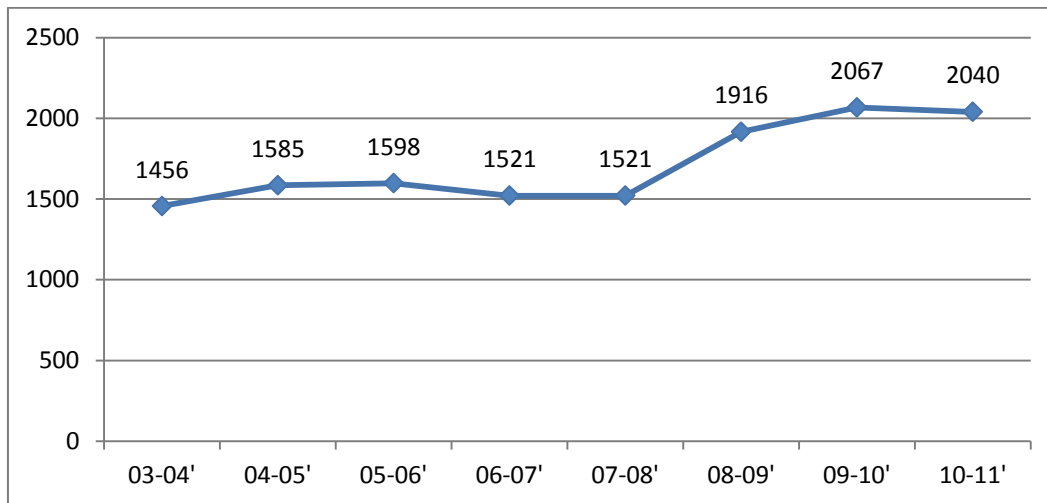
II. Homebuyer Counseling Statistics

Homebuyer Counseling is confidential, one-on-one assistance to review consumers' current financial situation, go over their credit report, and develop the best possible strategy to get them into a home. In 2010-2011 we saw a 1% decrease in the total number of households receiving pre-purchase counseling services from the previous year (2,040).

Table 2.1 Homebuyer Counseling Participants by Region

Regions	2009-10	2010-11
Metro (7 county)	1066	812
North West	45	126
North East	406	491
Central	40	35
West Central	251	252
South East	148	220
South West	96	67
Outside MN	15	37
Total	2,067	2,040

Chart 2.2 Historical Look at Homebuyer Counseling Intakes



Counseling Participant Income

During, 2010-11, eighty-six percent (86%) of households taking part in pre-purchase counseling earn below 80% of area median income. The Area Median Income (AMI) is based on HUD estimates of median family income, with adjustments for family size and county of residence. Households that did not report income were not included here (2009-10, 62 households, 2010-11, 47 households). The median income for participants in the pre-purchase counseling program was \$28,800 in 2010-11.

Chart 2.3 Counseling Participant by Area Median Income (AMI)

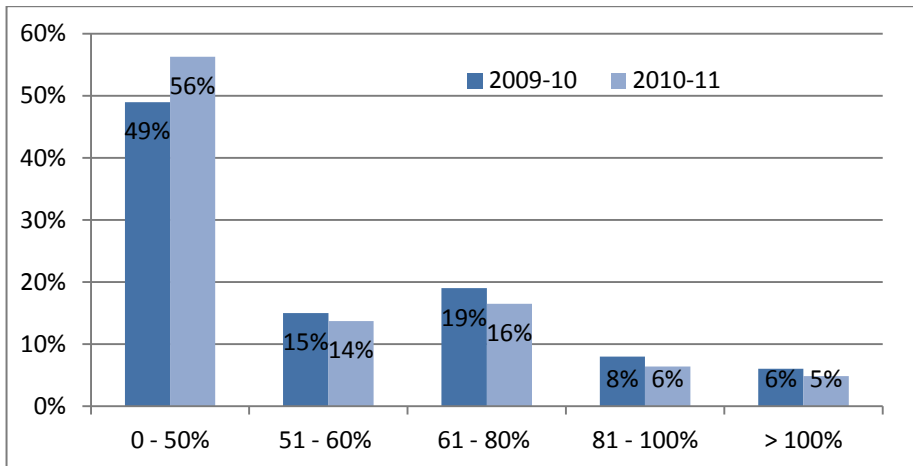
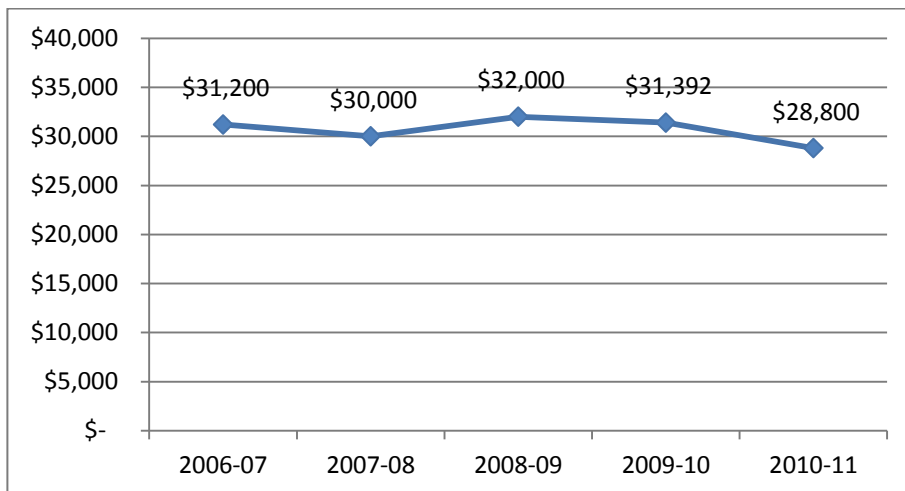


Chart 2.4 Counseling Participant by Median Annual Income



III. Participant Characteristics Across Programs

The majority of the participants in Home Stretch and Pre-Purchase Counseling programs are first-time homebuyers, over 88% for education and 80% for counseling. While this is the target audience, Home Stretch and Pre-Purchase Counseling are available to any homebuyer. First-time homebuyers include those who have not had ownership interest in a home for the past three years. Since 2004, 24,974 1st time homebuyers have completed the Home Stretch program.

Chart 3.1 Current Year Participant Characteristics (2010-11)

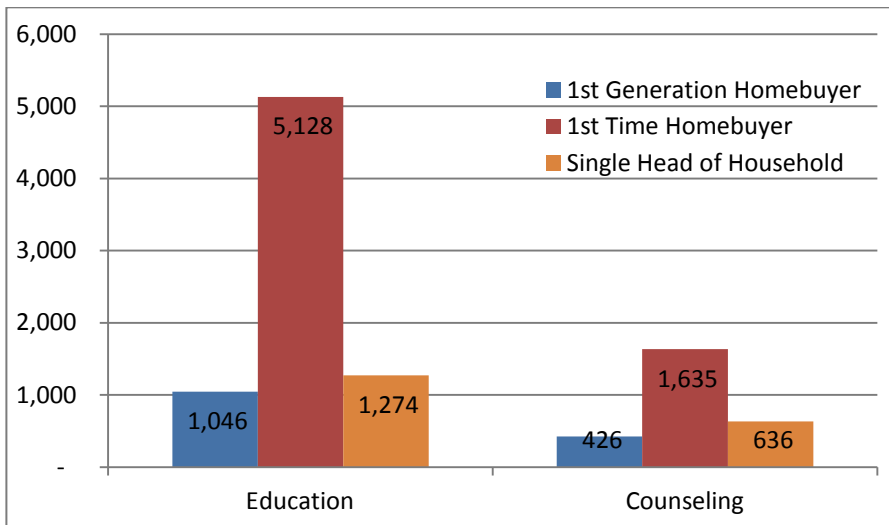
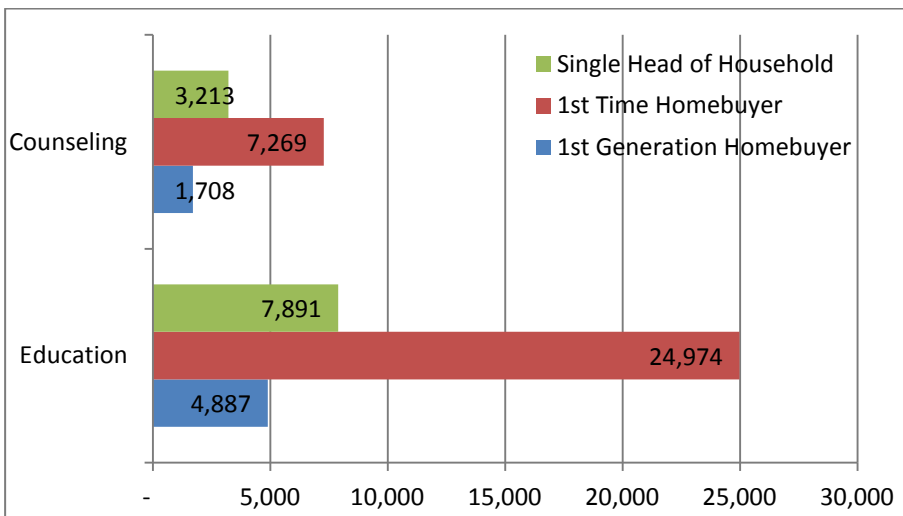


Chart 3.2 Historical Roll-up of Participant Characteristics (2004-2011)

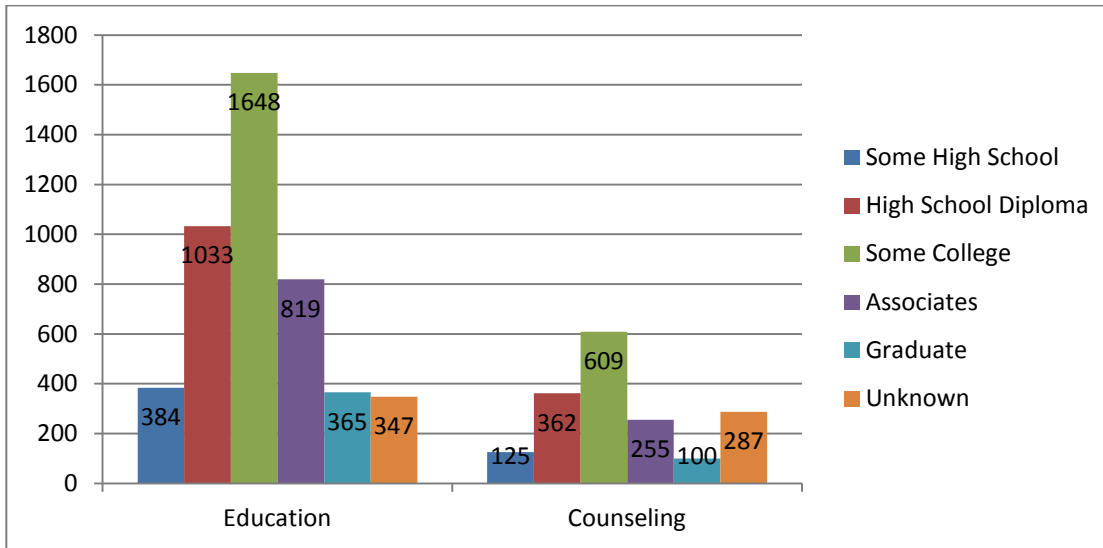
The chart below lists the number of 1st generation homebuyers, 1st time homebuyers, and single heads of household from 2004 through the current program year (2010-11).



Participant Characteristics

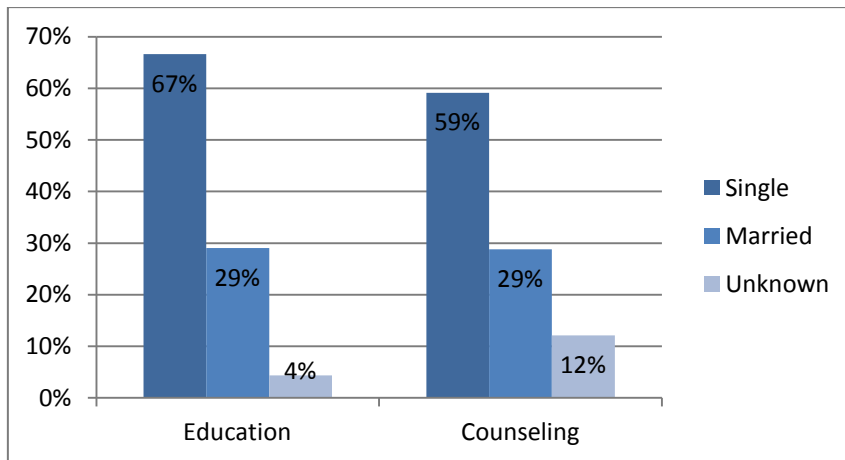
Forty-nine percent (49%) of workshop participants and 47% of counseling participants have completed some college or graduated from college including Associate, Bachelor, and Graduate degrees.

Chart 3.3 Education Level



Participants in both the workshops and counseling are primarily single, more than 59%. The majority of single participants are female, approximately 60%, for both programs.

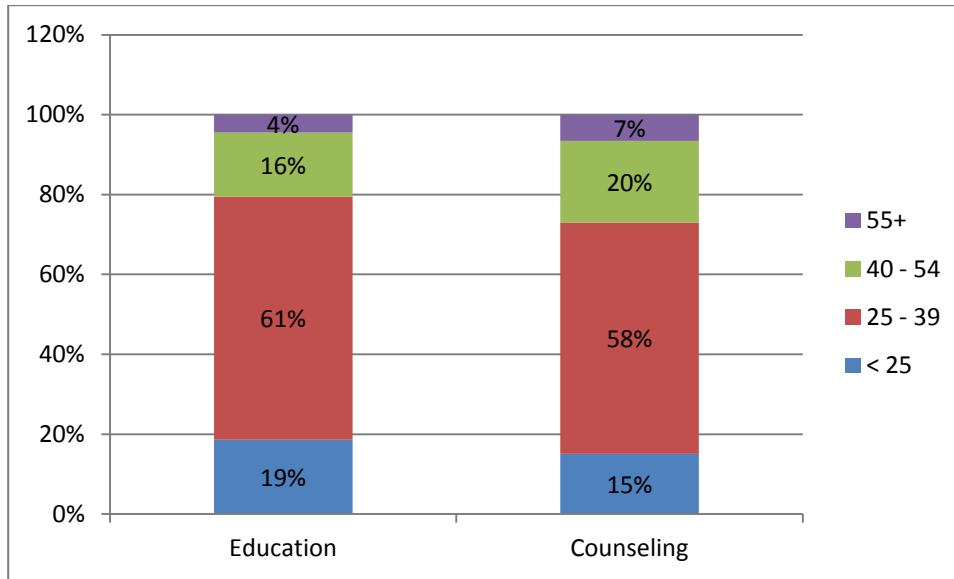
Chart 3.4 Marital Status



Age

The largest group of participants is between the ages 26-40, 61% for education and 58% for counseling. The average age for workshop participants was 33 and the average age for counseling participants was 35. Nine percent (9%) of education participants age and 21% of counseling participant age was unknown and has not been included in the chart below.

Chart 3.5 Age



Race

In 2010-2011, there were no significant changes in the race of participants from either program. Overall participants of color accounted for 31% of workshop graduates and 40% of counseling participants. This is significantly higher than the state population data, which reports approximately 17% of the total population is people of color.

Chart 3.6 Participant Race by Program

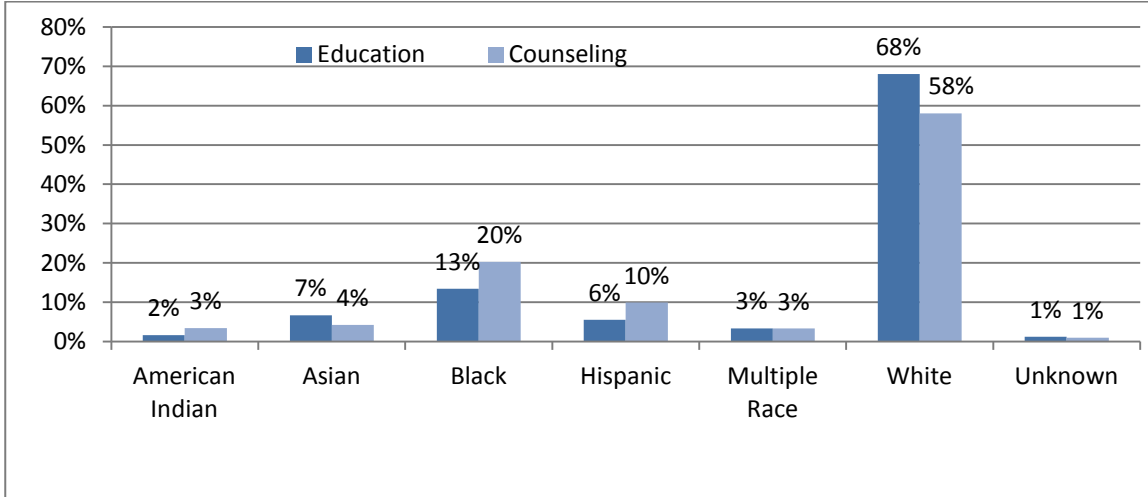
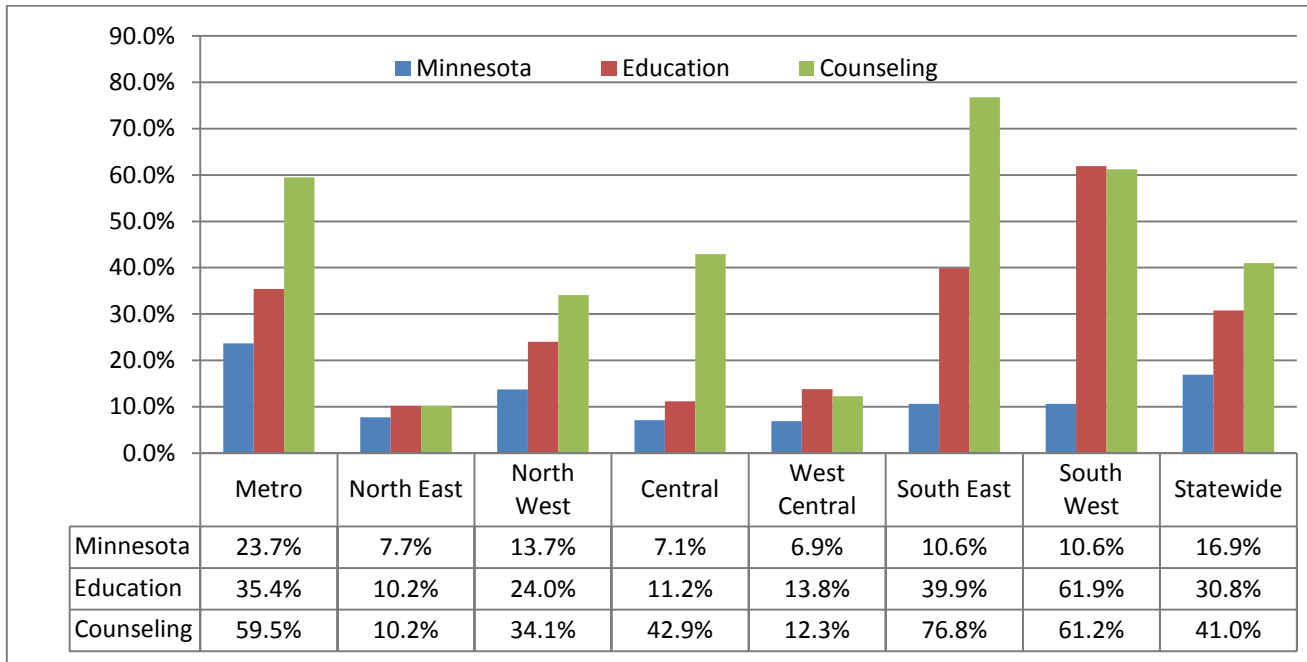


Chart 3.7 Percent of Color by Region, Program and Statewide

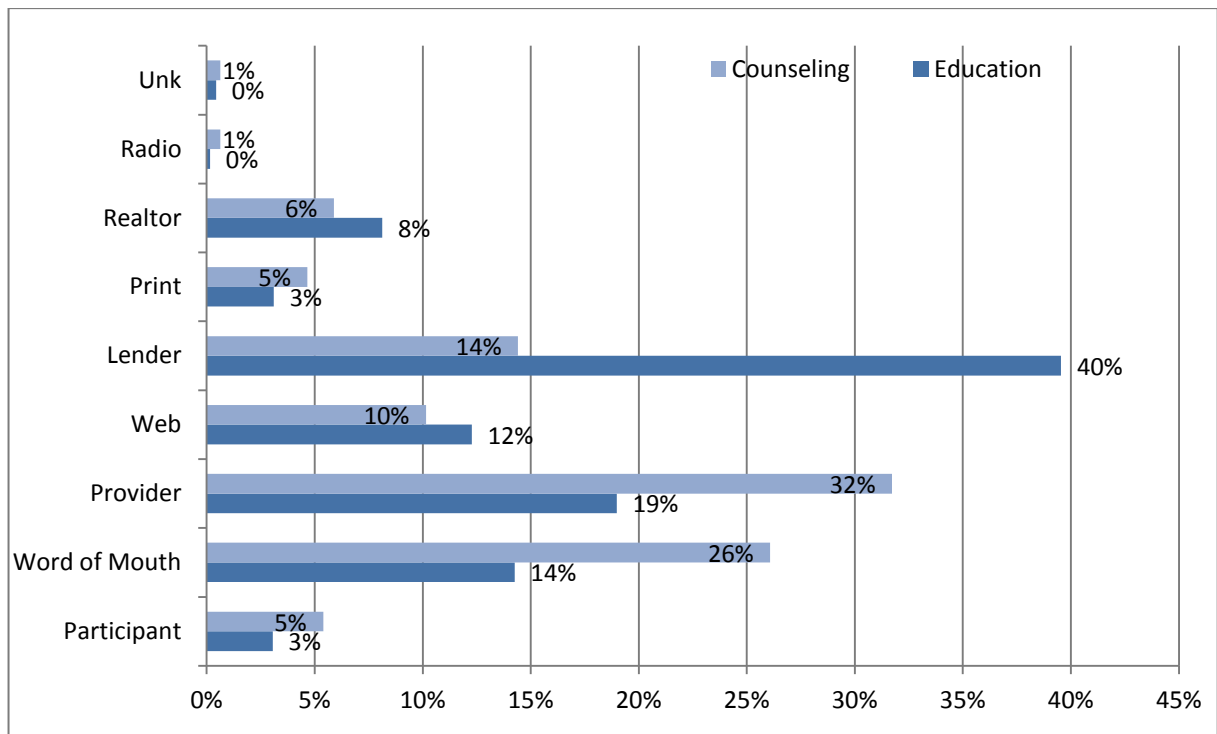


Source: Minnesota Compass, (2011). Retrieved November 12, 2011 from <http://www.mncompass.org>.

Referral Source

Similar to the previous program year, the largest referral source for education was the lender. This is likely because many loan programs require borrowers to attend the Home Stretch workshop. For counseling the Home Stretch provider was the primary referral source. Many participants learn about the availability of counseling from providers at the Home Stretch workshop.

Chart 3.8 Referral Source



IV. Loan Information

According to Minneapolis Association of REALTORS¹, the twin cities median sales price in 2010 was \$169,900. This is approximately a 3% decrease from the previous year (\$174,600).

Table 4.1 Loan Closing Information

Table 4.1 Loans Closed Information			
	2008-2009	2009-2010	2010-11
Closings (known)	1685 (27%)	1976 (32%)	1889 (33%)
Average Purchase Price	\$130,502	\$127,764	\$116,845
MN Median Sales Price	\$190,000	\$174,600	\$169,900
Average Interest Rate	5.47%	4.93%	4.45%
Average Annual Income	\$38,121	\$32,971	\$36,853

¹ Minneapolis Area Association of REALTORS®, 2010 Annual Report on Twin Cities Housing Market.

V. Home Stretch Survey Results: Post-Workshop & Three-Month Follow-up

Purpose

The Home Stretch workshop is studied on an on-going basis to help the Center understand the effectiveness of the program. The information collected is used to make changes to the program to better serve participants.

Methodology

Two surveys are used to evaluate the Home Stretch workshops: a post-workshop survey and a three-month follow-up survey. At the end of the workshop, the post-workshop survey is distributed to each household to complete. Three months after the workshop, the Center conducts the follow-up survey via telephone.

Sampling

All Home Stretch participants are asked to complete the post-workshop survey. Each household that completed the post-workshop survey is contacted via telephone to complete the three-month follow-up survey. At a minimum, one attempt is made to reach each household for the follow-up survey. Completion is voluntary and therefore, the number of surveys completed each year varies. Below is a table showing the response rates by year.

Post-Workshop Survey Response Rate	07-08	08-09	09-10	10-11
Home Stretch Graduates	5,551	6,349	6,167	5,796
Number of post-survey's	4,511	4,556	5,571	4,720
Percent of post-survey's	81%	72%	90%	81%

Results and Comments

During the reporting period for the 2010-2011 program year, 541 Home Stretch workshops were held across the state. A total of 5,796 households completed the workshop. 4,720 (81%) households completed the post-workshop survey. 390 (6.7%) participants completed the three-month follow-up survey.

For the purposes of this report, the word 'participants' denotes the number of people who completed a survey and the word 'respondents' denotes the number of participants who answered the specific question.

Overview of Key Findings

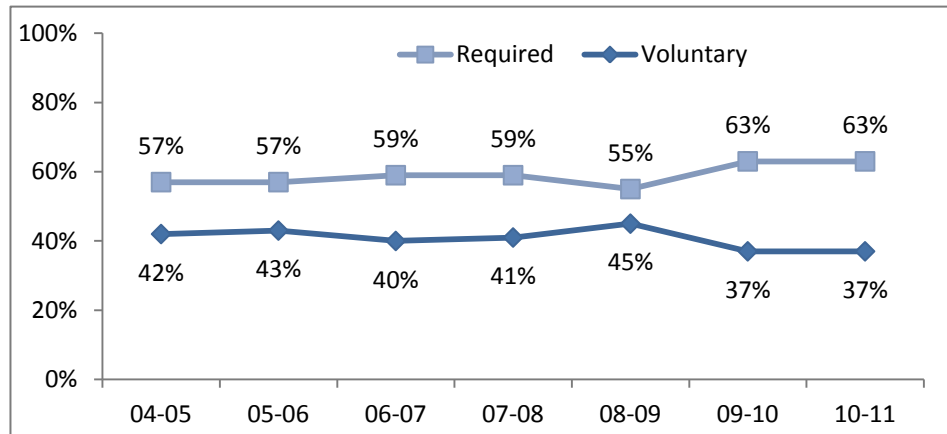
- 37% reported that they attended the workshop voluntarily
- 94% reported that the workshop will help them in the process of buying a home
- 95% learned the amount they expected or more than they expected at the workshop
- 99% would recommend Home Stretch to someone else

Post Workshop Survey Results

Reasons for Attending – Statewide Historical Trend

Sixty-three percent (63%) of participants were required to take the Home Stretch workshop as part of a loan requirement which is the same as last year. The reason for the increase from 2009 to 2010 is unknown but may be due to a new tax incentive offered in 2010 to people who closed prior to April 1, 2010.

Chart 5.1 Reasons for Attending



Reasons for Attending – Regional Results

When looking at the reason for attending the workshop, there are regional variances. The Central region has the highest percentage of required participants (74%) while the Northeast (21%) and West Central (39%) regions have the lowest percentage.

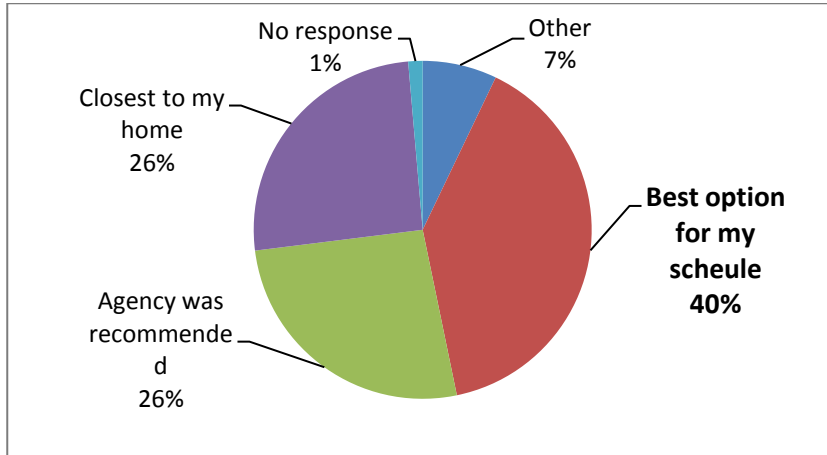
Table 5.2 Reasons for Attending

Region	Required Participation	Voluntary Participation
Central	74%	26%
Metro	68%	32%
Northeast	21%	79%
Northwest	53%	47%
Southeast	58%	42%
Southwest	47%	53%
West Central	39%	61%
Total All Regions	63%	37%

Selecting a Home Stretch Location

When asked why they choose the Home Stretch workshop location that they attended, 40% of the respondents reported that it was the best option for their schedule. Participants were able to choose from 541 workshops were held by 37 providers.

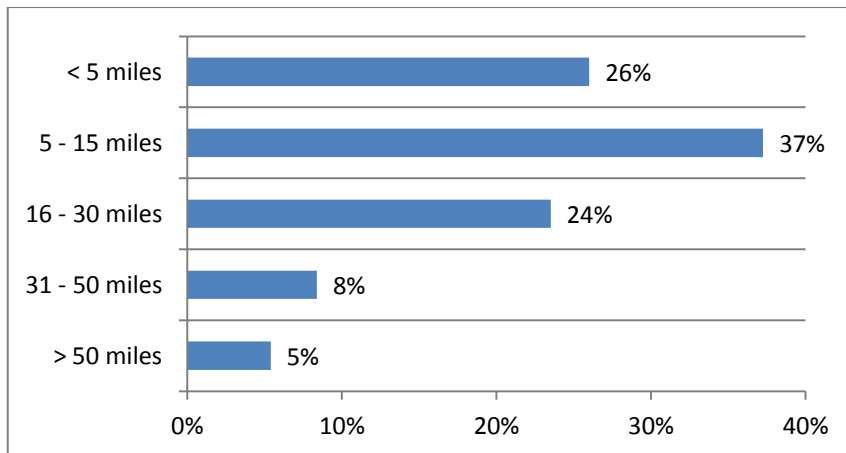
Chart 5.3 Selecting a Home Stretch Location



Distance Traveled to Home Stretch Workshop

Sixty-three percent (63%) of respondents traveled 15 miles or less to attend the Home Stretch workshop. This is unchanged from last year.

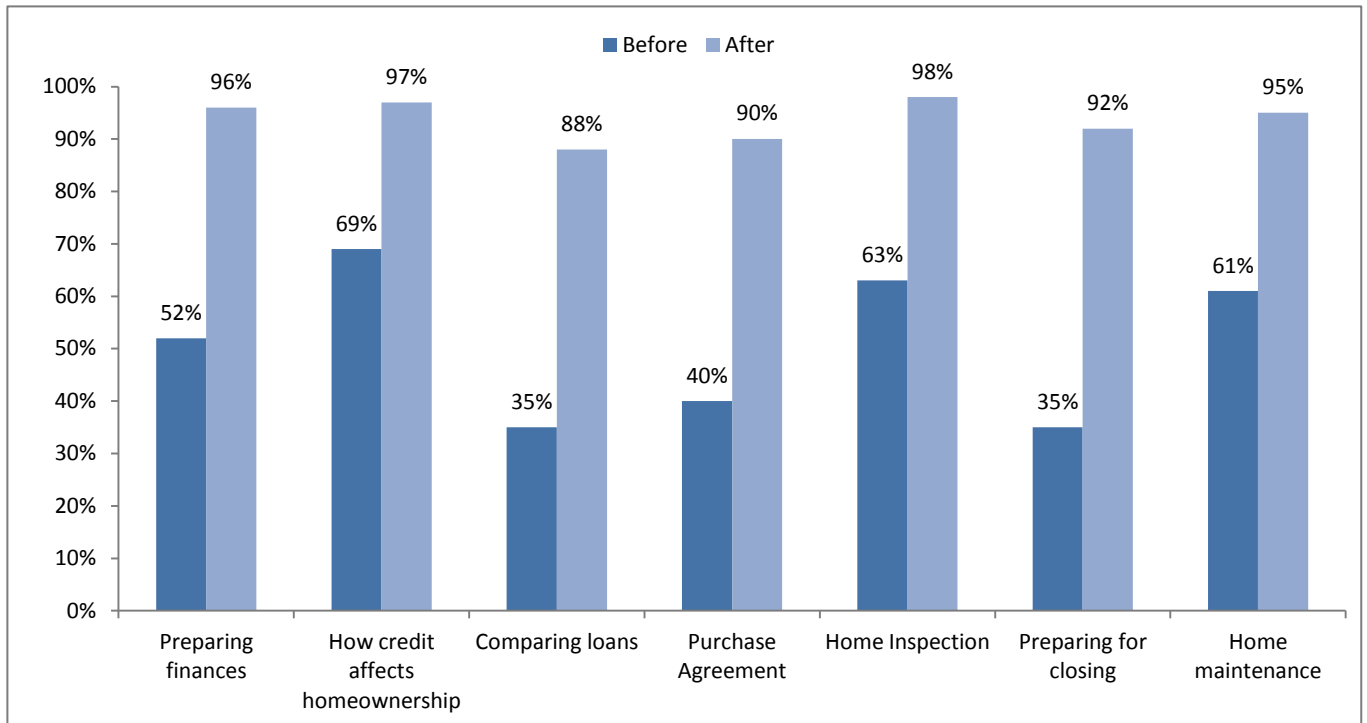
Chart 5.4 Distance Traveled



Participant Understanding Before and After the Workshop

After completing the Home Stretch workshop, participants were asked to rate their level of understanding of seven key topics before and after attending the workshop. This chart shows the percent of participants who rated their level of understanding at good or excellent on each topic both before and after the workshop. The largest gain in understanding before and after the workshop (56%) was in the topic of preparing for closing which also had the largest gain last year.

Chart 5.5 Participant Understanding Before and After the Workshop



Participant Experience

Participants were asked several questions regarding their experience with the Home Stretch workshop. The table shows how many respondents agree with the statements.

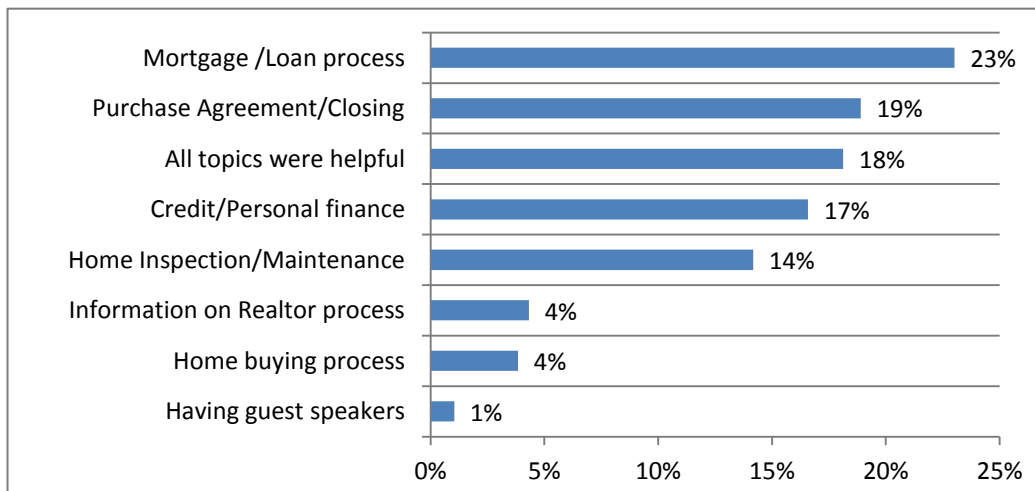
Chart 5.6 Participant Experience

Participant Experience	Percent Agree
I would recommend Home Stretch to someone else.	99%
In Home Stretch, I learned the amount I expected or more than I expected.	98%
My participation in Home Stretch will help me with the process of buying a home.	97%
I feel very knowledgeable about the process of buying a home.	91%

Most Helpful Topic of Home Stretch

Many topics are covered in the Home Stretch workshop such as home inspections, the steps in the home buying process, and mortgages. Participants were asked to note the topic that was most helpful to them. Of the participants that responded (3364), 20% reported that the mortgage/loan process was the most helpful.

Chart 5.7 Most Helpful Topic of Home Stretch



Participant Satisfaction

Participants were asked several questions regarding their satisfaction with the Home Stretch workshop. The first table shows those who were very satisfied or satisfied with four components of the workshop. The second table shows the number of respondents that rated their satisfaction with the presenters as excellent or good. Presenters volunteer their time to provide participants with their expertise in an area of home ownership.

Table 5.8 Participant Satisfaction

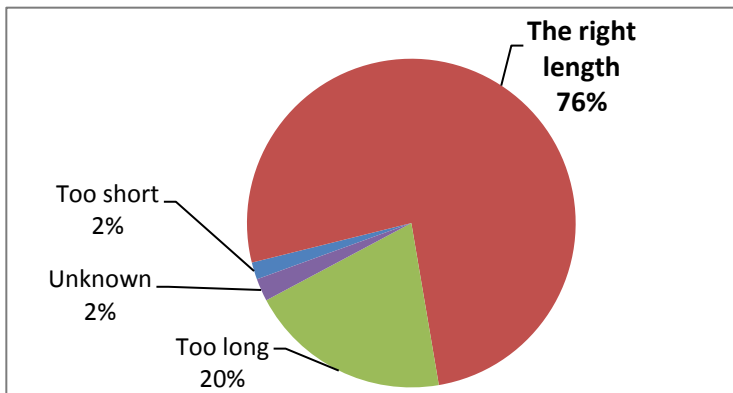
Workshop Components	Percent Satisfaction
Quality of materials and handouts	97%
Explanation of workshop topics	96%
Home Stretch workshop overall	94%
Classroom environment	93%

Presenters	Percent rated as excellent or good
Educator/Instructor	98%
Real Estate Professional	96%
Lender	96%
Home Inspector	95%

Length of the Workshop

Participants were asked if the eight hour workshop was the right length, too long, or too short. Seventy-six percent (76%) responded that it was the right length which is a 2% increase from last year.

Chart 5.9 Length of the Workshop



Steps Completed Before Attending the Workshop

Participants were asked if they had completed any steps towards homeownership prior to attending the Home Stretch workshop. They were allowed to select more than one step. Sixty-eight percent (68%) of participants had completed at least one step towards purchasing a home.

Table 5.10 Steps Completed Before Attending the Workshop

Step Completed	Percent Complete
Obtained pre approval for a loan	54%
Signed a contract with a Realtor	48%
Signed a purchase agreement	45%
Scheduled a closing	36%
No steps taken yet	30%

Follow-up Topics for Individual Counseling

Participants were asked if they needed additional help understanding any of the four topics shown. Participants needed the most help (29%) understanding the types of mortgage loans available to them. Individual Pre-purchase Counseling services are offered to those who request further information on any of these topics. Pre-purchase Counselors can review finances and credit reports and provide information on current mortgage loan programs.

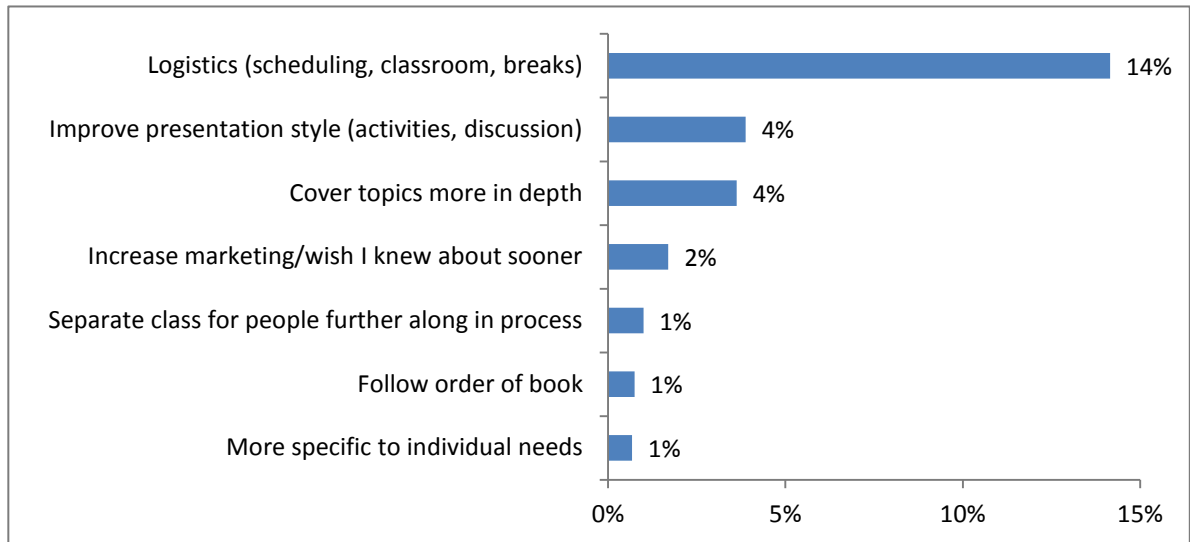
Table 5.11 Follow-up Topics for Individual Counseling

Topic	Looking for additional help
Types of mortgage loans available	29%
Creating a spending plan	18%
How much I can spend for a home	17%
Reviewing credit history	16%

Suggestions for Improvement

809 survey respondents offered suggestions for improving the Home Stretch workshops. The majority of participants (14%) recommended changes to logistics including making updates to classrooms or offering more breaks.

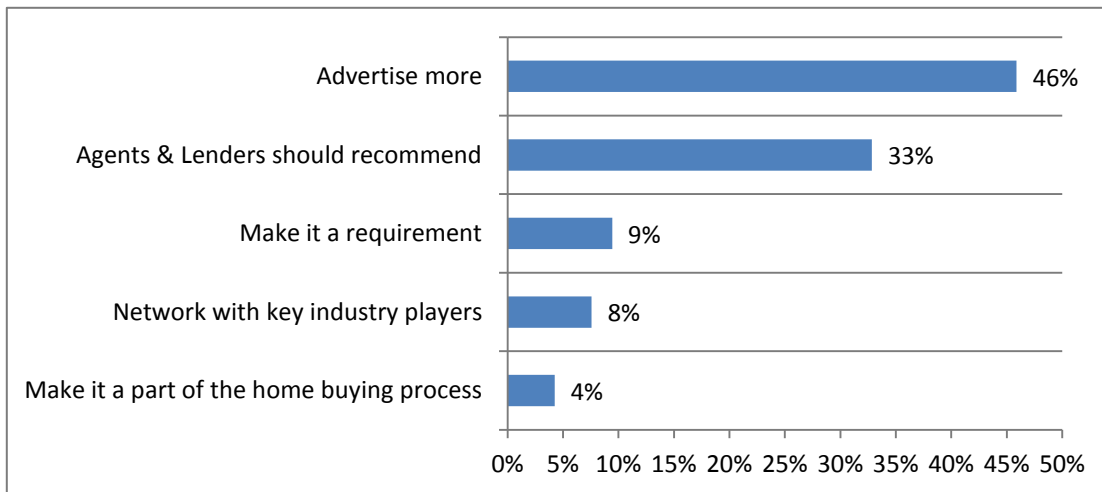
Chart 5.12 Suggestions for Improvement



Promoting Home Stretch

Participants were asked for suggestions on how to inform potential homebuyers about Home Stretch earlier in the home buying process. Sixteen percent (16%) of participants responded. The majority of respondents (46%, 345) suggest using advertising more. Suggestions include using print/internet/social media or reaching out to high school/college students.

Chart 5.13 Promoting Home Stretch



Three-Month Follow-up Survey Results

Three-Month Follow-up Survey Respondents by Region

A three-month follow-up survey is completed by the Center on a sample of Home Stretch participants. This year 390 participants completed this survey, 6.7% of the total participants for the year. This chart shows the number of respondents by region for the past two years. The lower number of respondents for this year may be attributable to technological errors with the data program. The good news is that this survey is switching to an online survey for the 2011-2012 program year which will help reduce errors.

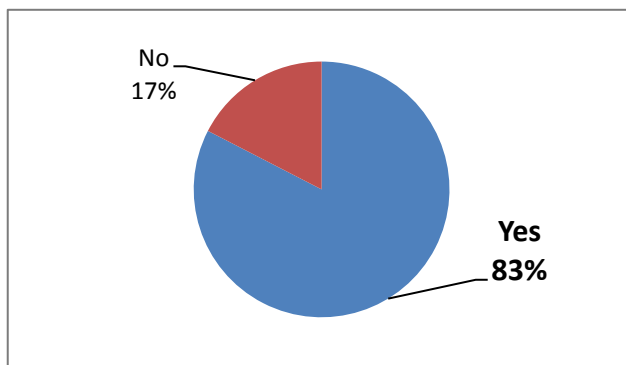
Table 5.14 3 Month Follow-up Respondents by Region

Region	09-10 respondents	10-11 respondents
Central	41	33
Metro	349	266
Northeast	33	32
Northwest	17	8
Southeast	28	18
Southwest	7	4
West Central	20	29
Total All Regions	495	390

Home Stretch & Steps towards Homeownership

Participants were asked if taking the Home Stretch workshop helped them with the steps they have taken towards homeownership. Eighty-three percent (83%) reported that Home Stretch did help them with the steps they had taken.

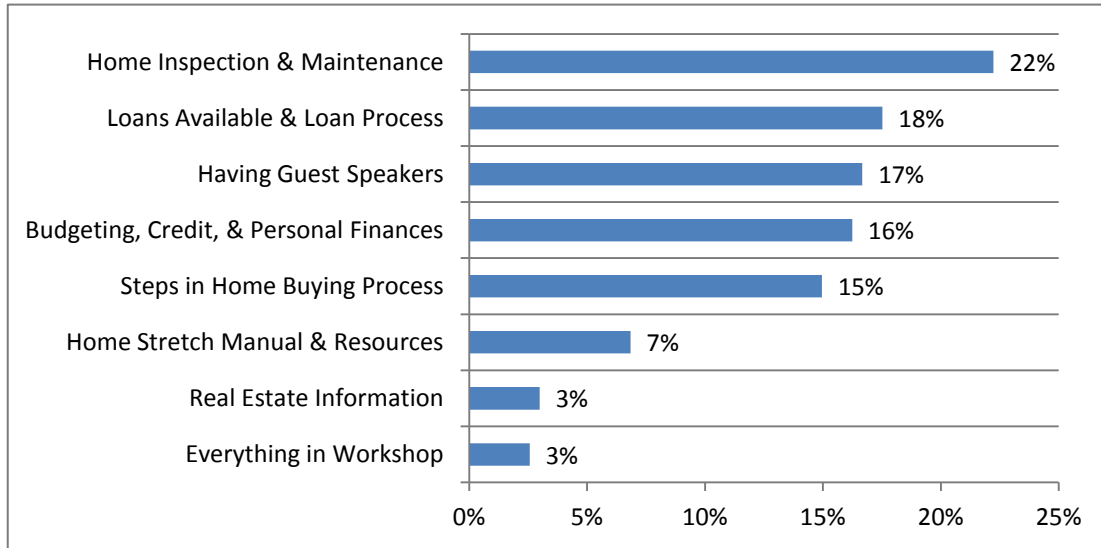
Chart 5.15 Home Stretch & Steps towards Homeownership



Most Helpful Part of Home Stretch

Participants were asked to name the most helpful part of the Home Stretch workshop. Of the participants that responded (234), 22% reported that the information on home inspection and maintenance was the most helpful. This result is not surprising because home inspection and maintenance is an important part of purchasing a home. This question is also included in the post-workshop survey administered at the close of the workshop (chart 5.7).

Chart 5.16 Most Helpful Part of Home Stretch



Reasons Home Stretch was not Helpful

Sixty eight (68) respondents reported that Home Stretch was not helpful to them. They were asked to explain why. Fifty-eight (58) people responded; most people noted that the workshop was not helpful because they had already completed steps in the home buying process prior to attending.

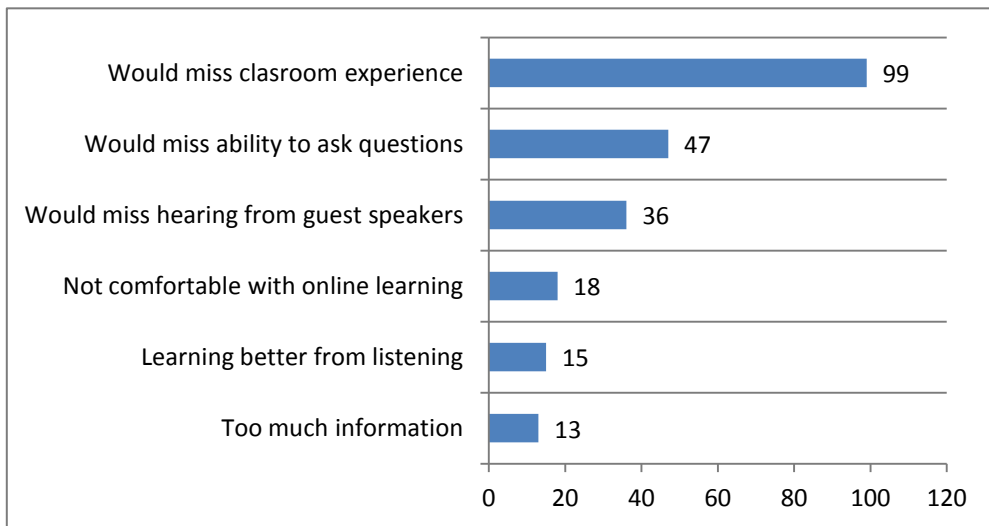
Table 5.17 Reasons Home Stretch was not Helpful

- ✚ Completed steps in the home buying process prior to attending workshop (32 comments)
- ✚ Knew information prior to attending workshop (10 comments)
- ✚ Previously owned a home (5 comments)
- ✚ Unable to secure a loan/grant after attending workshop (4 comments)
- ✚ Wanted more or different information presented (4 comments)
- ✚ Did not like guest speaker(s)/Guest speaker (s) did not show up (3 comments)

Home Stretch Online

Participants were asked if they felt that the Home Stretch workshop could be taught online. Of the 229 respondents that did *not* feel that Home Stretch could be taught online, the majority of respondents (99) felt that they would miss the classroom experience. However, when asking, no information was given regarding what Home Stretch online would look like. Participants desire for an interactive online tool and the ability to ask questions have been taken into account in the development of an online tool, available in 2012.

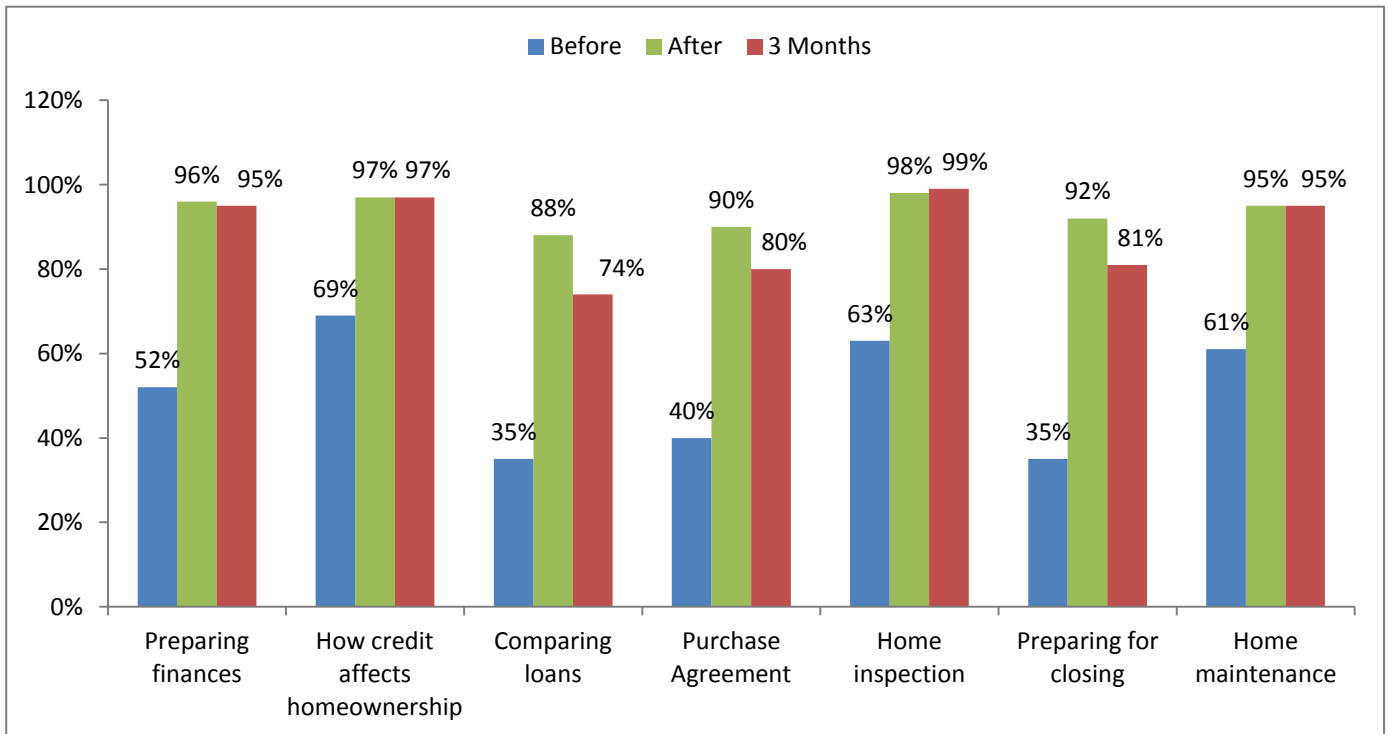
Chart 5.18 Home Stretch Online



Participant Self-Rated Level of Understanding

At the end of the Home Stretch workshop, participants were asked to rate their knowledge level of the main topics covered before and after the workshop (chart 5.5). Participants were asked to rate their knowledge level again during the three-month follow-up survey. The chart shows the percent of respondents who rate their knowledge level as excellent or good at the three points in time (before the workshop, after the workshop, and three months after the workshop). The two topics that participants rated their knowledge level the highest after three months are: understanding how credit affects homeownership and the home inspection process.

Chart 5.19 Participant Self-Rated Level of Understanding



Three-Month Survey Participants Who Have Purchased a Home

Of the 390 participants that completed the three-month follow-up survey, 214 (55%) had purchased a home after finishing the workshop. On average, the respondent purchased a home for \$129,000 with a fixed-rate mortgage and a mortgage interest rate of less than 5%. Eighty-seven percent (87%) reported their interest rate was less than 5%.

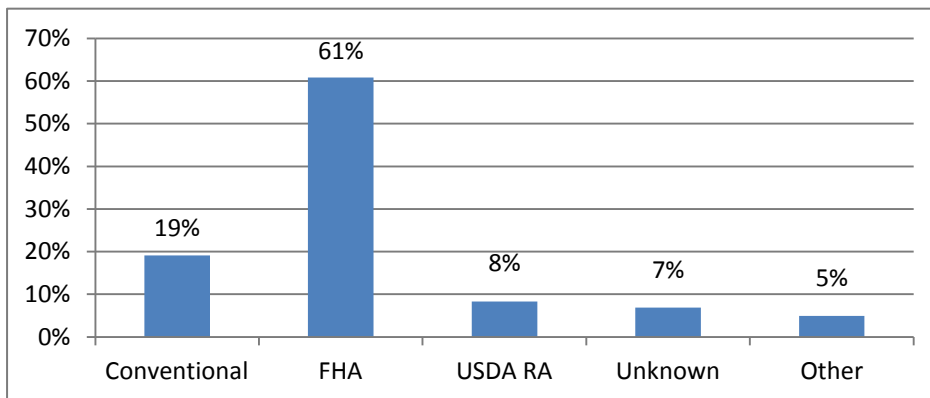
Table 5.20 Loan Statistics – Historical Trends

Loan Stats	08-09	09-10	10-11
Purchased a home	58%	40%	55%
Median purchase price	\$122,000	\$125,000	\$129,000
Received Down Payment Assistance	27%	37%	64%
Fixed Rate Mortgage	97%	97%	95%
Interest rate 6% or less	96%	97%	95%

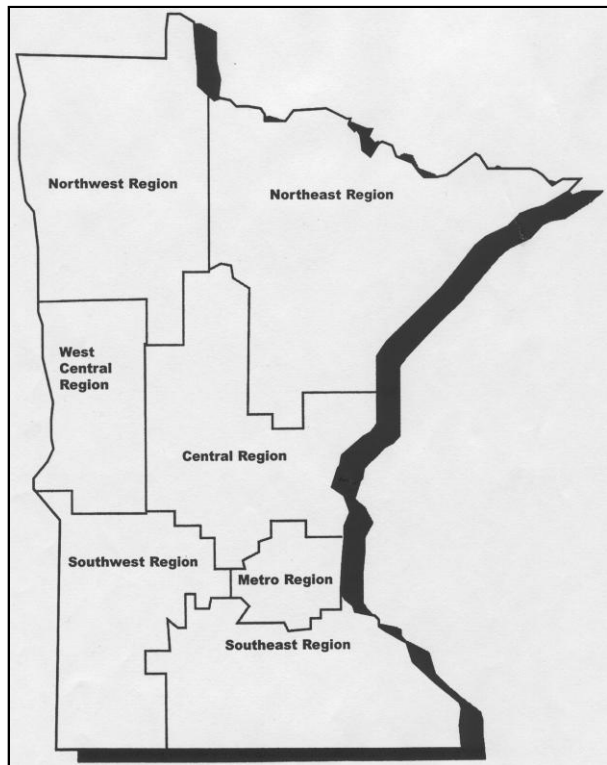
Loan Type

The most common type of loan among the three-month survey respondents is an FHA Loan (61%) which is down from last year (64%) but up from two years ago (59%). The other category includes loans from Minnesota Housing for first-time homebuyers.

Chart 5.21 Loan Type



APPENDIX A – Providers by Region 2010-2011



Twin Cities Metro Area

1st Home Network, St Paul ❖
 African Development Center, Minneapolis
 American Dream Services, St. Paul
 American Indian Community Development Agency, Mpls ❖
 Anoka County Community Action, Blaine
 Carver County Community Development Agency, Chaska
 Community Action Partnership of Suburban Hennepin, Hopkins
 Community Neighborhood Housing Services, St. Paul
 Dakota County Community Development Agency, Eagan
 Hmong American Partnership, St. Paul ❖
 Model Cities, St. Paul
 Neighborhood Development Alliance, St. Paul
 Neighborhood Housing Services of Minneapolis, Minneapolis
 PRG, Inc, Minneapolis
 RW Media, St. Paul
 Strickland & Associates, St. Paul
 Washington Co. Housing & Redevelopment Authority, St. Paul Park

Central

Central MN Housing Partnership, St. Cloud
 Wright County Community Action, Maple Lake

Northwest

Headwaters Regional Development Commission, Bemidji
 Northwest Community Action, Badger
 Pennington County Extension Services, Thief River Falls
 Tri-Valley Community Action, Crookston

Northeast

Arrowhead Economic Opportunity Agency, Virginia
 Community Action Duluth, Duluth
 Kootasca Community Action, Grand Rapids
 Neighborhood Housing Services of Duluth, Duluth ❖

West Central

CCCS of the Village Family Service Center, Fargo
 Family Life Credit Services, Moorhead
 West Central MN Communities Action, Elbow Lake
 White Earth Investment Initiative, Detroit Lakes

Southeast

Austin Housing & Redevelopment Authority, Austin
 City of Mankato Economic Development Agency, Mankato
 Owatonna Housing & Redevelopment Authority, Owatonna
 Rochester/Olmstead Community Housing Partnership, Rochester
 Three Rivers Community Action, Zumbrota

Southwest

Heartland Community Action, Willmar
 Southwest Minnesota Housing Partnership, Slayton

❖ Indicates new provider



1000 Payne Avenue • Suite 200
Saint Paul, MN 55130

P 651.659.9336 • **F** 651.659.9518
Toll free 866.462.6466
www.hocmn.org