

2009-
2010

Homebuyer Education & Counseling Program Report



Acknowledgements

The Minnesota Home Ownership Center staff would like to thank Laura Jean, 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.

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Executive Summary

This report provides a summary of findings from an evaluation of the Home Stretch home buyer 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 38 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, 2009 through September 30, 2010.

Home Stretch Workshop Results

- The Home Ownership Advisors Network of Home Stretch agencies graduated 6,617 households from the 8 hour Home Stretch workshop. A slight decrease of 3% from last year.
- The Homeownership Advisors Network held 531 workshops throughout Minnesota, a 3% increase over the previous year.
- Twenty-nine workshops were offered in Spanish and ten in Hmong. Five 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 \$32,971.

Pre-Purchase Counseling Results

- The Home Ownership Advisors Network of Pre-Purchase Counseling agencies provided counseling services to 2,067 households, 8% more than the previous year.
- Eighty percent 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-two percent of Home Stretch participants and 70% of Pre-Purchase Counseling participants were first time homebuyers.
- Thirty-three percent of counseling participants and 26% of education participants were single heads of households.
- Participants in both workshops and counseling are primarily unmarried, more than 55%. They are mostly female, more than 65%. The majority fall between 26-40 years of age.
- The counseling program saw a 10% increase in the number of non-white households while there were no significant changes in the non-white households participating in education. Overall non-white participation accounted for 32% of education participants and 44% of counseling participants. This is significantly higher than the state's population data, which reports 14% non-white population.

Loan Closed Information

- This year, 1,976 households are known to have purchased a home after participating in Home Stretch, this represents 32% of all graduates this year. The average purchase price was \$127,764, with an average mortgage interest rate of 4.93%, and an average annual household income \$32,971.

Post-Workshop Survey

- At the end of the Home Stretch workshop, a post-workshop survey is distributed. This year 5,571 or 90% of graduates completed the post-workshop survey.
- The majority of participants, 63% travelled less than 15 miles to reach a Home Stretch workshop.
- Attending Home Stretch can be a loan requirement for some participants. This year 63% reported they were required to attend Home Stretch. This is a slight increase, 8% more than the previous year.
- A high percent of participants report great satisfaction with the Home Stretch workshop. This year, 93% would recommend the workshop, 90% feel knowledgeable about the home buying process, and 95% felt Home Stretch will help in the process of buying a home.
- At the end of the workshop participants are asked to rate their knowledge level before and after the workshop. Over 90% of participants report their knowledge level as excellent or good after the workshop.

Three-Month Follow-up Survey

- A three-month telephone survey is completed by Center staff on a sampling of Home Stretch participants, this year 495 or 8% of graduates were contacted.
- Over a quarter of the participants report that the loan process information was the most helpful topic covered at the workshop.
- Once again, we asked the participants to rate their knowledge level after the workshop. Over 87% of participants report their knowledge level as excellent or good three months after the workshop.

About the Center

The Minnesota Home Ownership 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 Home Ownership 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 Home Ownership 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 Home Ownership Center. During the 2009-2010 program year, \$1,810,500 was allocated for the HECAT fund. Of that \$783,500 or 43% was allocated to the pre-purchase education and counseling programs featured in this report.

About Home Stretch

Home Stretch Program

Home Stretch is the Center’s proprietary pre-purchase education and counseling program. The statewide pre-purchase delivery network has more than 35 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.

Home Stretch: Pre-Purchase 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 and 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.

Home Stretch: Pre-Purchase 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

Home Stretch 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 3% over the 2009-2010 program year. The number of households receiving pre-purchase counseling increased 8% over the previous program year. Additional findings:

- 6,167 households completed Home Stretch workshops
- 531 Home Stretch workshops were held statewide
- 8% of the Home Stretch workshops were held in languages other than English
- 86% of the households served by education fell under 80% Area Median Income (AMI)
- 82% of the households served by education were first-time homebuyers
- 18% of the households served by education were first generation homebuyers
- 26% of the households served by education were single-female headed households
- 2,067 households received pre-purchase counseling, 8% increase from the previous

I. Home Stretch Education Statistics

The number of households participating in Home Stretch increased 14% last year and decreased 3% during this year. Even though we saw a slight decrease this year, the network providers have the capacity to serve additional households in the coming year.

Interest in Home Stretch workshops seems to be in part due to the media attention surrounding foreclosures and the affordable home prices. Several participants report they have attended because they don't want to get into trouble with their mortgage and are interested in buying foreclosed properties. In addition, some providers are reporting an increase in demand for services due to the Neighborhood Stabilization Program (NSP) and the Federal Home Buyer Tax Credit program. NSP is a grant program established by HUD to stabilize communities that have suffered from foreclosures and abandonment through the purchase and redevelopment of these properties.

Region	Households Completing	
	2008-09	2009-10
Twin Cities Metro*	4299	3809
Northwest	156	194
Northeast	578	457
Central	320	609
West Central	490	348
Southeast	374	537
Southwest	132	179
Statewide Total	6349	6167

*7-County Metro Area

*Note: The data in table 1.1 for 09-10 shows households by address and 08-09 by provider location

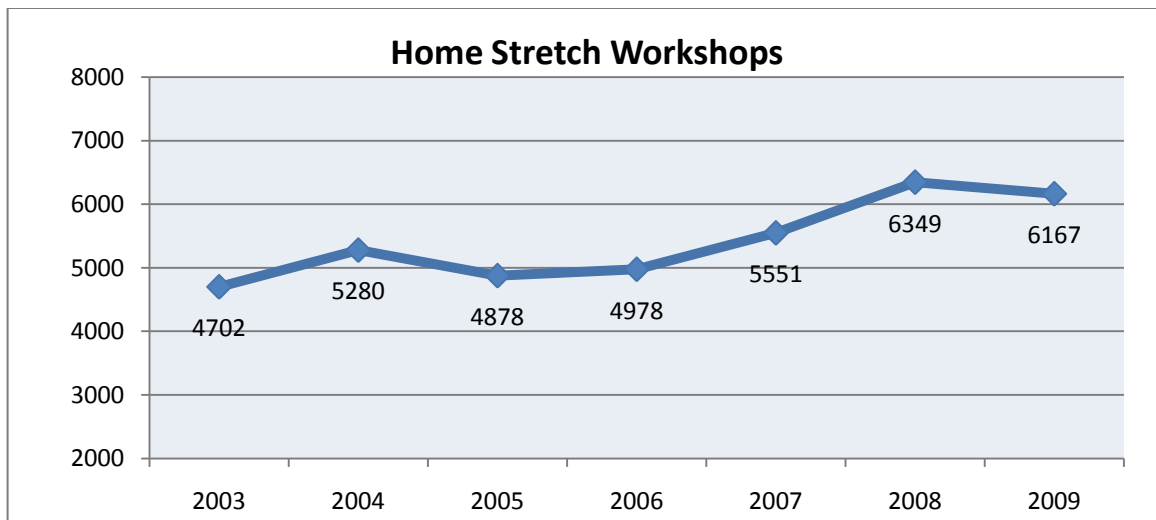
This year saw a 3% increase in the number of workshops offered throughout Minnesota at 531 workshops. There are some slight and noticeable differences in the regions from the previous year. Most noticeable is the increase in workshops in the South East region, a new provider began providing homebuyer workshops this year. The South West region also saw an increase in workshops, primarily targeting non-white households.

Region	Workshops Held	
	2008-09	2009-10
Twin Cities Metro	272	249
Northwest	22	38
Northeast	43	43
Central	38	52
West Central	58	41
Southeast	47	62
Southwest	34	46
Statewide Total	514	531

The Center began reporting statewide data in 2003, since then there have been 37,905 homebuyer education graduates and 3,464 workshops held.

Chart 1.3 Historic Roll-Up of Home Stretch Workshops								
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Totals
Home Stretch Workshops Held	426	500	489	486	518	514	531	3,464
Workshop Graduates (by household)	4,702	5,280	4,878	4,978	5,551	6,349	6,167	37,905

Even though this year we saw a slight decrease in the number of Home Stretch workshop graduates, the network is still showing an upward trend over the past seven years.



The majority of Home Stretch workshops are offered in English. Additional workshops are available in Spanish and Hmong. The African Development Center and Three Rivers Community Action Program translates 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. The Home Stretch manual is available in both English and Spanish. If needed, interpreter services are available to participants.

Table 1.4 Workshops by Language/Community		
Language	Workshops Held	
	2008-2009	2009-2010
English	483	487
Hmong	4	10
Spanish	23	29
Native American Curriculum based workshops	4	5
African Communities focused workshop	n/a	33
Total	514	531

Eighty-six percent (86%) of households participating in Home Stretch workshops earn below 80% of area median income. The average annual income for Home Stretch graduates is \$32,971.

Table 1.5 Percent of Area Median Income (AMI)		
AMI Range	Percent of AMI	
	2008-2009	2009-2010
0 - 50% of AMI	40%	50%
51 - 60% of AMI	17%	16%
61 - 80% of AMI	20%	20%
81 - 100% of AMI	9%	9%
> 100% of AMI	8%	8%

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.

Table 1.6 Home Stretch Participants Income		
	2008-2009	2009-2010
Average Annual Household Income	\$36,504	\$32,971

II. Pre-Purchase Counseling Statistics

Pre-Purchase 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 2009-2010 we saw an 8% increase in the total number of households receiving pre-purchase counseling services from the previous year.

Table 2.1 Pre-Purchase Counseling Intakes by Region		
Region	Counseling Intakes	
	2008-2009	2009-2010
Metro	857	1066
Northwest	6	33
Northeast	544	393
Central	8	26
West Central	396	251
Southeast	16	162
Southwest	89	96
Out of State	n/a	40
Statewide Total	1,916	2,067

Eighty percent (80%) of households taking part in pre-purchase counseling earn below 80% of area median income.

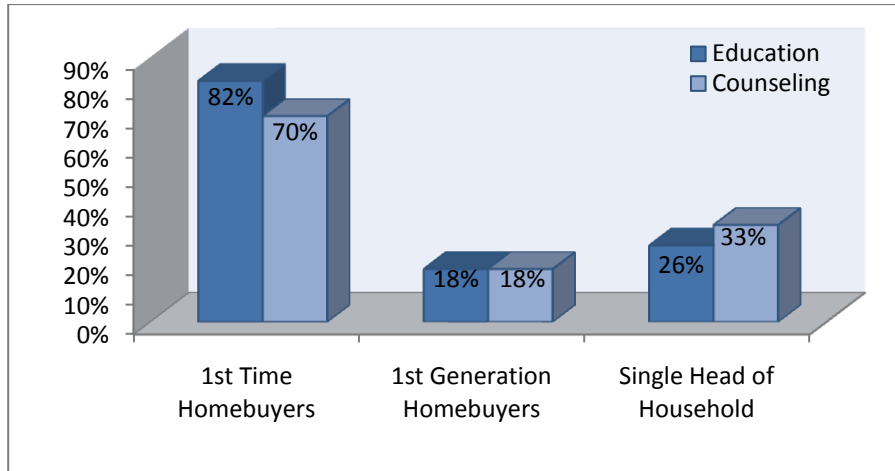
Table 2.2 Percent of Area Median Income (AMI)		
AMI Range	Percent of AMI	
	2008-2009	2009-2010
0 - 50% of AMI	43%	49%
51 - 60% of AMI	15%	15%
61 - 80% of AMI	22%	19%
81 - 100% of AMI	9%	8%
> 100% of AMI	8%	6%

In 2009-10, 62 households or 3% did not report income and were not included here. The AMI is based on HUD estimates of median family income, with adjustments for family size and county of residence.

III. Household Characteristics

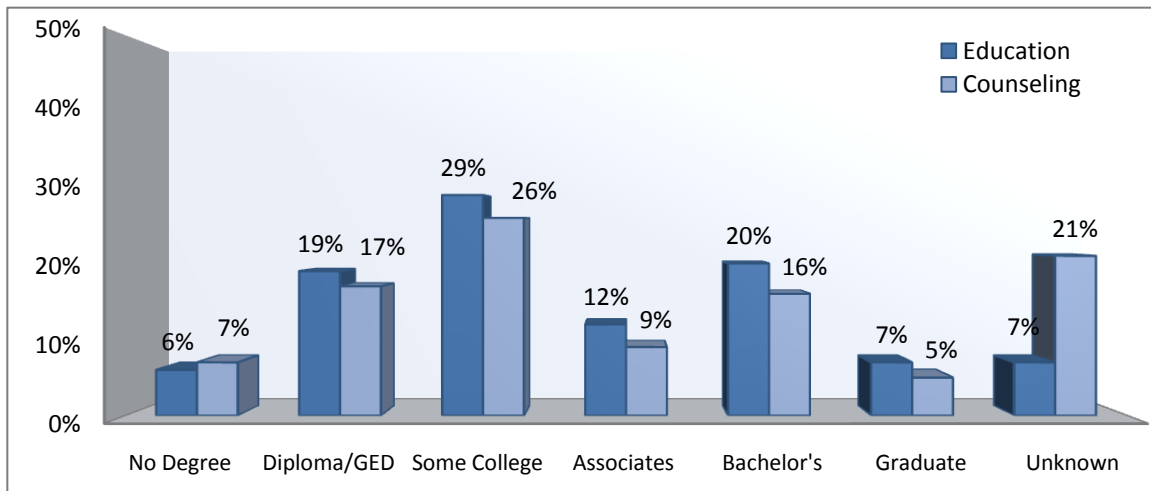
The majority of the participants in Home Stretch and Pre-Purchase Counseling are first-time homebuyers. While this is the target audience, Home Stretch and Pre-Purchase Counseling are available to any homebuyer. First-time homebuyers include those who have not had ownership interest in a home for the past three years.

Chart 3.1 Household Characteristics



Sixty-eight percent (68%) of workshop participants and 56% of counseling participants have completed some college or graduated from college including Associate, Bachelor, and Graduate degrees.

Chart 3.2 Education Level



Participants in both the workshops and counseling are primarily unmarried, more than 55%.

Table 3.3 Marital Status		
	Education	Counseling
Unmarried	66%	55%
Married	28%	27%
Unknown	6%	17%

Of the single adults, females participated in both Home Stretch Workshops and Pre-Purchase Counseling at a higher rate than males.

Table 3.4 Gender of Single Adults		
	Education	Counseling
Male	27.5%	35%
Female	72.5%	65%

The largest group of education participants is between the ages 26-40, approximately 50%. The average age for workshop participants was 33 and the average age for counseling participants was 35.

Table 3.5 Age		
	Education	Counseling
Under 25	22%	14%
26 - 40	49%	37%
41 - 55	15%	19%
55 +	3%	5%
Unknown	11%	25%
Average Age	33	35

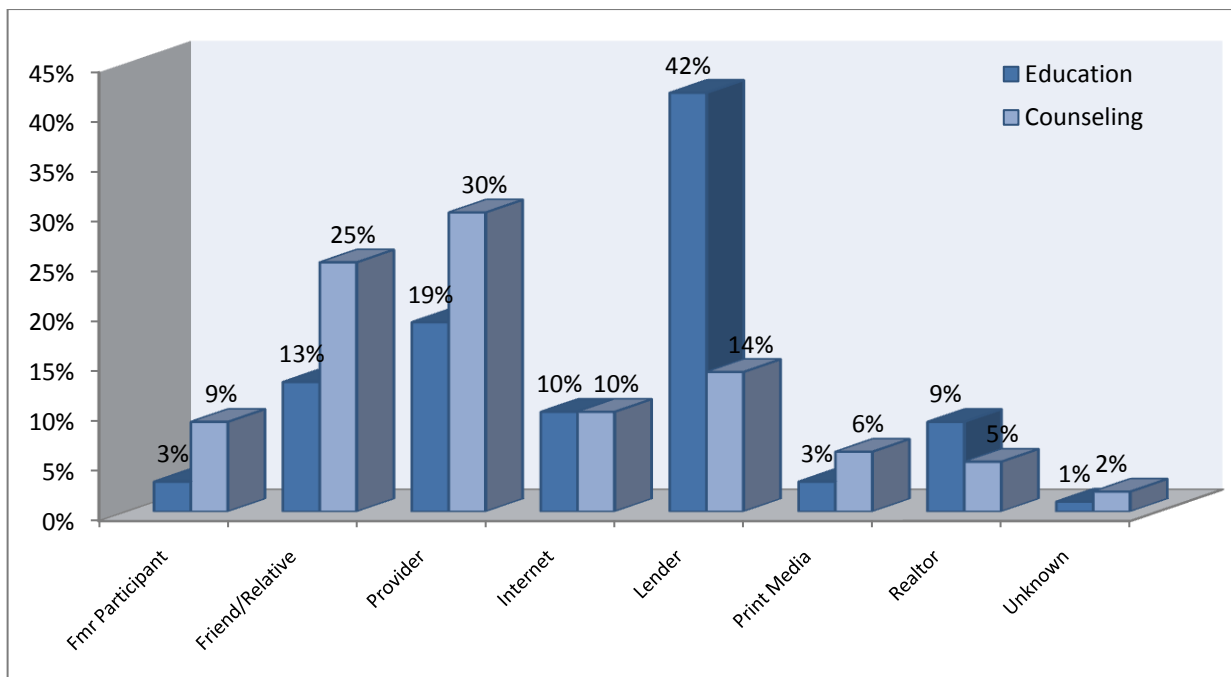
In 2009-2010, we saw a 10% decrease in the number of white household participating in Counseling. However, there were no significant changes in the race of Education participants. Overall non-white participants accounted for 32% of workshop graduates and 44% of counseling participants. This is significantly higher than the state population data, which reports approximately 14% of the total population as non-white.

Table 3.6 Race			
	Education	Counseling	Minnesota 2008
American Indian / Alaskan Native	0.5%	2%	1.2%
Asian	8.5%	7%	3.5%
Black or African American	14%	21%	4.6%
Native Hawaiian/ Pacific Islander	0.2%	0%	0.1%
White	67%	55%	85.4%
Hispanic	5%	11%	4.1%
Multiple Race	3.5%	4%	1.5%
Unknown/Not Reported	1%	.9%	n/a

Minnesota race source: U.S. Census Bureau, Minnesota Quick Facts. <http://quickfacts.census.gov/qfd/states/27000.html>

Similar to the previous program year, the largest referral source for workshops 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 3.7 Referral Source



IV. Loan Information

According to Minnesota State Demography Office¹ the median sales price from January to September 2009 was \$174,600. This is an 8% decrease from the previous year (\$190,000) and a 13% decrease from 2 years prior (\$200,790).

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

¹ Minnesota Department of Administration, Geographic and Demographic Analysis Division, Minnesota Housing Prices 2008-2009, June 2010.

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

Purpose

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

Methodology

Two surveys are used to evaluate the Home Stretch workshops, a post-survey and a three-month follow-up survey. At the end of the workshop, a post-workshop survey is distributed to each household to complete. Following the workshop, a three-month follow-up telephone survey is conducted by the Center.

Sampling

All Home Stretch participant households are asked to complete the post-workshop survey. The three-month follow-up surveys are conducted on each household completing the post-workshop survey. The three-month follow-up survey is conducted by Center staff over the telephone. At a minimum, one attempt is made to reach each household for the follow-up survey. Completion of the surveys is voluntary and the completion rate varies from year to year.

Results and Comments

During the reporting period for the 2009-2010 program year, 531 workshops were held across the state. A total of 6,167 households completed a workshop.

- N = 5571 households, 90% completed the post-workshop survey
- N = 495 households or 8% completed the three-month follow-up survey

Overview of Key Findings

- 95% reported they learned more than they expected
- 95% felt the Home Stretch workshop would help with next steps towards home ownership
- 93% would recommend the Home Stretch workshop to someone else
- 61% reported their attendance at the workshop to be required

Part One: Post Workshop Survey Results

Chart 5.1 Distance Traveled

Sixty-three percent (63%) of participants traveled less than 15 miles to attend the Home Stretch workshop.

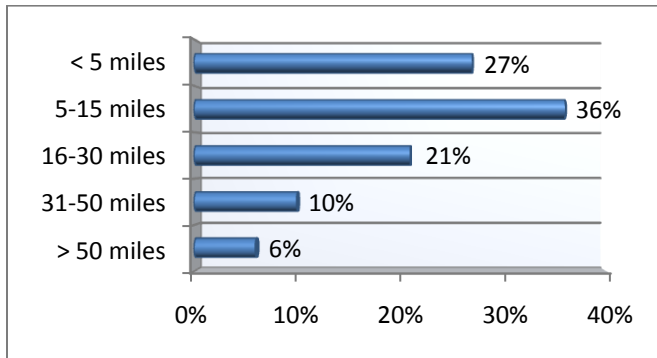


Chart 5.2 Choosing a Home Stretch location

All participants were asked, “What best describes your reason for choosing this Home Stretch workshop location?” Forty-two percent (42%) reported it was the best option for their schedule.

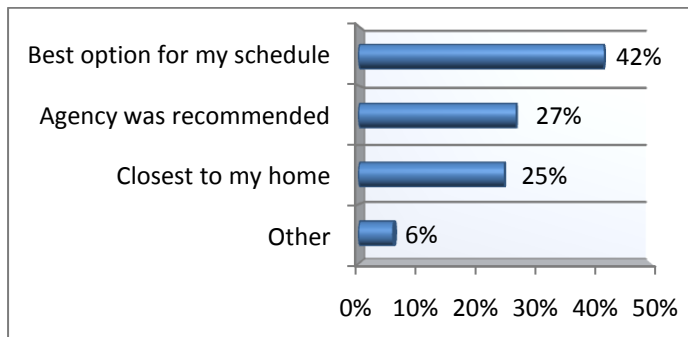


Chart 5.3 Length of Workshop

Participants were asked if the 8 hour workshop was the right length, too long, or too short. Seventy-four percent (74%) of participants felt the workshop was the right length.

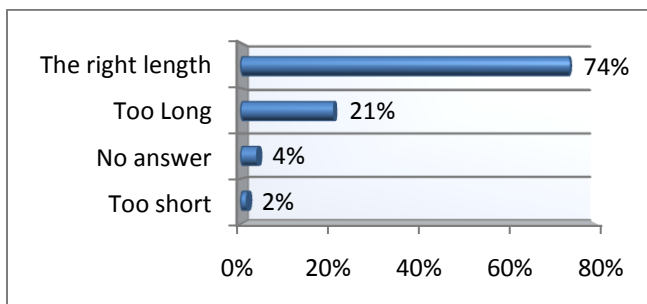


Chart 5.4 Reasons for Attending – Statewide Historical Roll-Up

For the purpose of this report, *required* means participants who completed the Home Stretch workshop as part of a loan requirement. This year’s Home Stretch has seen a decline in voluntary attendance (37%), coupled with an increase in the percentage of participants required to attend (63%). The reason for the increase in required participants is unknown however it’s likely due to down payment and closing cost assistance programs requiring the workshop.

Historic Roll-up of Home Stretch Participation						
	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009	2009-2010
Voluntary	42%	43%	40%	41%	45%	37%
Required	57%	57%	59%	59%	55%	63%

Chart 5.4b Reasons for Attending - Regional Results

There are some regional variances when looking at the question, “was your participation required by lender/developer or voluntary.” Two regions are reaching more voluntary participants than the statewide average these regions are North East and West Central. Both of these regions have down payment and/or closing cost assistance available to Home Stretch participants that require the homebuyer to attend the workshop prior to signing a purchase agreement. The Central Region is showing slightly more participants that are required to attend (72%) than the statewide average (63%).

Region	Participation	
	Required	Voluntary
Central	72%	28%
Metro	66%	34%
North East	38%	62%
North West	59%	41%
South East	64%	36%
South West	67%	33%
West Central	44%	56%
Total All Regions	63%	37%

Table 5.5 Steps Taken Prior to Attending the Workshop

Participants were asked if they had taken any steps to homeownership prior to attending the Home Stretch workshop. These steps are in no particular order and participants could select more than one. Almost fifty percent of those who attended the workshop were already in the process of buying a home.

Steps Taken Prior to Workshop	Percent
Signed a contract with a Realtor	49%
Obtained pre-approval for a loan	56%
Signed a purchase agreement	48%
Scheduled your closing	38%
No steps taken yet	28%

Table 5.6 Participant Experience

Ninety-five percent (95%) of those surveyed reported participation in Home Stretch helped in the process of buying a home and 95% reported learning what they expected or more at the workshop.

Workshop Satisfaction	
95%	Felt their participation in Home Stretch will help in the process of buying a home
95%	Reported they learned the amount they expected, or more from the workshop
90%	Feel knowledgeable about the process of buying a home
93%	Would recommend Home Stretch to someone else.

Chart 5.7 Participant Satisfaction with Presenters

The Home Stretch workshop is taught by an Educator/Instructor that has been certified by the Minnesota Home Ownership Center.

Home Stretch providers utilize experts from the housing industry as volunteer guest speakers to present specific topics at the workshops. The most common guest presenters are Home Inspectors, Real Estate professionals and Lenders. The table demonstrates the percent of participants who rated the presenters as excellent or good. Percentages below exclude those respondents who answered N/A to their satisfaction to the following presenters.

Satisfaction with Home Stretch Presenters	
Educator/Instructor	97%
Home Inspector	96%
Real Estate Professional	95%
Lender	94%

Table 5.8 Overall Workshop Satisfaction

Home Stretch workshop participants were asked to rate their satisfaction on various aspects of the workshop. This table reflects those who responded very satisfied or satisfied when rating the topics listed here. Satisfaction with the workshop has increased 3% overall from last year.

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

Chart 5.9 Participant Understanding Before and After Workshop

At the end of the Home Stretch workshop, participants were asked to rate their knowledge level before and after the workshop. The chart below shows the percent of participants who rated their knowledge level good or excellent before and again after the workshop. Of those participants the area showing the largest amount change (before and after) in knowledge (58%) was preparing for closing.

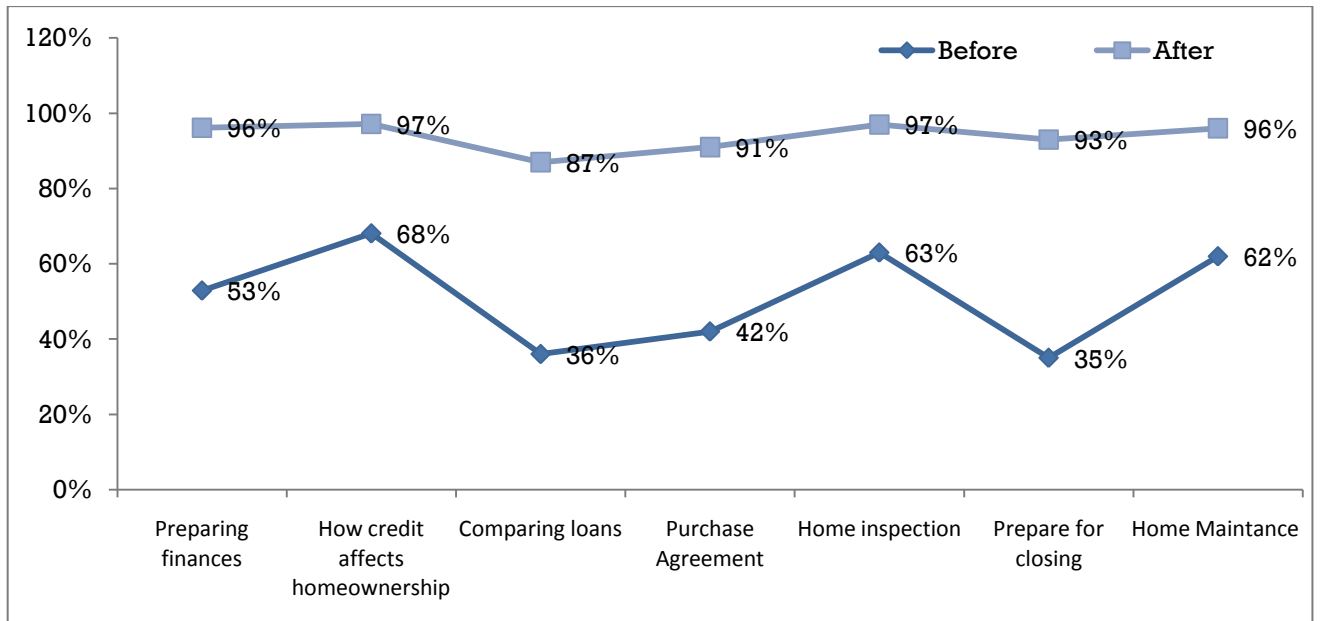


Chart 5.9 Most Helpful Part of Home Stretch

Participants were asked to explain which topics were most helpful to them. Twenty-eight percent (28%) reported the mortgage & the loan process information was most helpful.

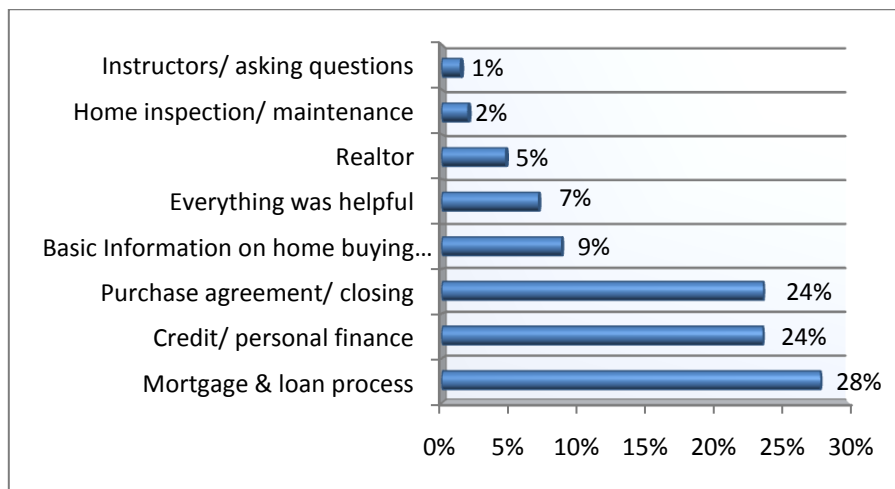


Table 5.10 Follow-up Topics for Individual Counseling

Participants were asked if they need any additional help understanding the four topics listed below. Twenty-eight percent (28%) of participants requested help understanding the types of mortgage loans available. Individual Pre-purchase Counseling services are offered to those who request further help with any of these topics.

Topics	Looking for Additional Information
What types of mortgage loans are available	28%
Creating a spending plan	18%
How much can I spend for a home	17%
Reviewing credit history	17%

Chart 5.11 Suggestions for Improvement

Twenty-six percent or 1,446 participants offered their suggestions for improving the Home Stretch workshop. The largest suggestion was a change in logistics including offering snacks and beverages, using more comfortable chairs, adjusting room temperature, parking and directions. The chart below lists the number of comments made for each suggestion.

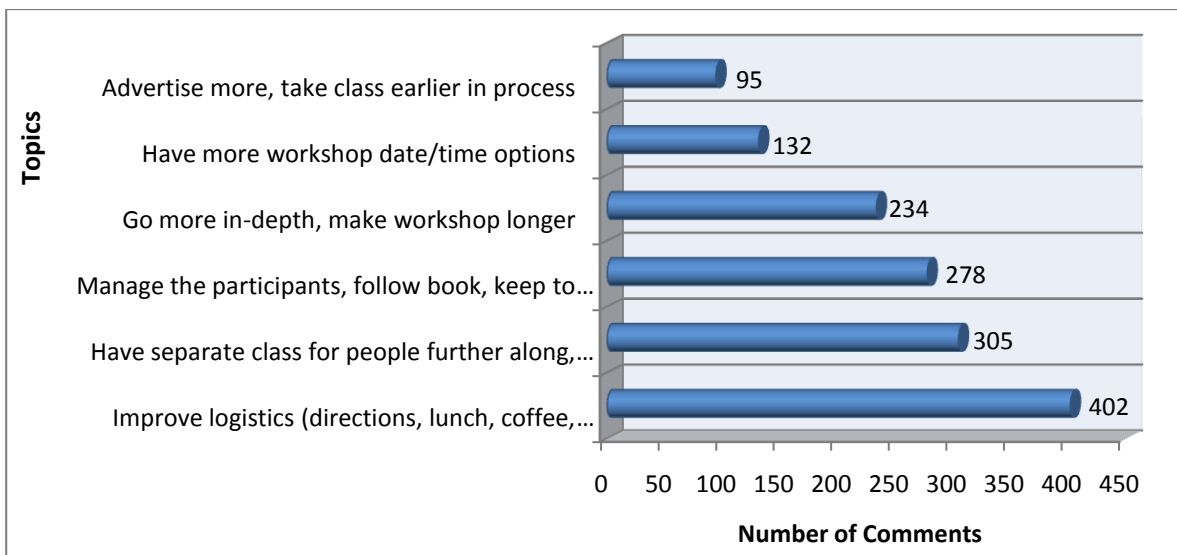


Table 5.12 Promoting Home Stretch

Participants were asked how potential homebuyers could become informed about the availability of Home Stretch earlier in the process. The top suggestions included having realtors and lenders refer clients to the workshop early in the home buying process.

Common themes included:

- **Suggesting language to use when advertising**
 - It's a great class to start earlier in your process because it makes you aware of all of your options before the deal is sealed and you get stuck with something you can't handle.
 - The workshop will prepare you a little more and give you ideas about buying you didn't think of before.
 - If you are serious about buying a home, this is the first thing you should do.
 - I highly recommend taking the class. It made me feel more comfortable with the purchasing process.
 - Go to Home Stretch if you want to get great, unbiased, professional information about buying a home.

- **Work with Realtors**
 - Advertise on Realtor sites since people usually go online and browse those first.
 - Work with agents to suggest this is done before talking to a bank.
 - Having realtors suggest it upon first visit.
 - Inform real estate agents about how useful those of us further along in the process think it could have been earlier in the process.
 - Ask realtors to recommend it.

- **Work with banks, loan officers, and mortgage companies**
 - Advertise at lending institutions.
 - I think all lenders should emphasize the value of doing Home Stretch class at the beginning of their home search.
 - Lenders should suggest that buyers complete class ASAP so they have a better understanding of the process.
 - Every loan officer should tell people about the class when they go in for their pre-approval.
 - Have flyers in banks, have tellers hand them out to get the word out.

- **Advertise on the Web**
 - Provide web links and blogs, have class members talk about their experiences.
 - Internet ads like on government websites.
 - Advertise on county websites under information for residents
 - Have classes easier to find on the internet

- **Advertise to reach people earlier in the home buying process**
 - Let prospective homebuyers know about the class earlier in the process.
 - Making information available to reach those just starting to look so the information presented is more useful.
 - Would be more helpful to take class earlier in buying process.
 - Have it be the first thing to do.

Part Two: Three Month Follow-Up Survey Results

A three month follow-up telephone survey is completed by the Center on a sample of Home Stretch participants. This year we reached 495 participants, 8% of the total participants for the year. The sample reflects regional participation in Home Stretch for the 2009-2010 program year.

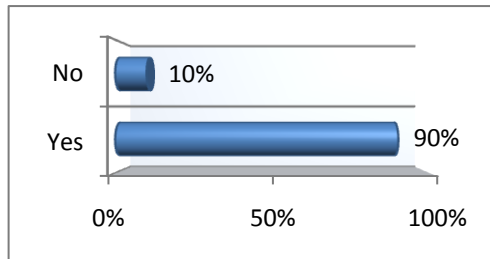
Table 6.1 Survey Respondents by Region

3 Month Survey Respondents	
Region	2009-2010
Metro	349
South East	28
North East	33
West Central	20
Central	41
South West	7
North West	17
Total	495

Home Stretch Helps with Steps Towards Homeownership

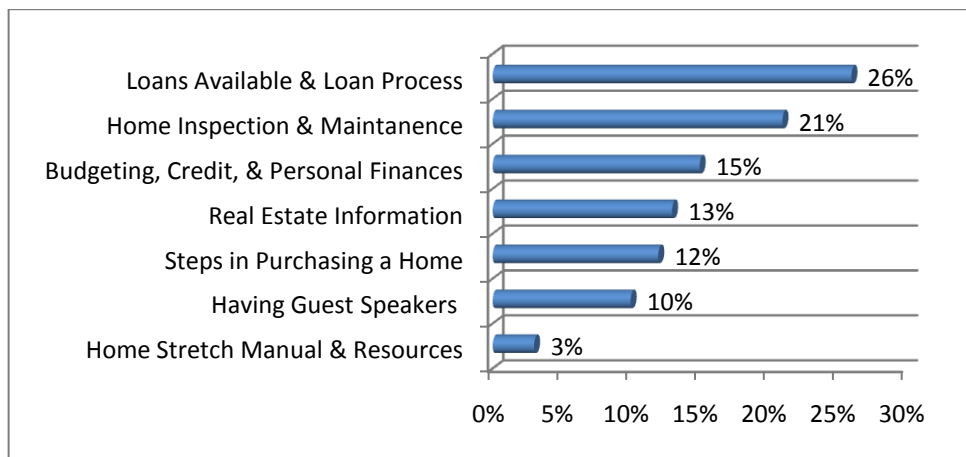
Three months following the workshop, survey respondents were asked if taking the Home Stretch workshop helped them with the steps they have taken towards home ownership. Ninety percent (90%) reported that Home Stretch was helpful in gaining insight and knowledge about moving into homeownership.

Chart 6.1 Did Home Stretch help you with steps towards homeownership?



Information about loans and the loan process was listed most often as the most helpful topic at the Home Stretch Workshop. The variety in respondents comments suggest that participants have a variety of reasons for attending the Workshop. This question is also included in the post-workshop survey administered at the close of the workshop (see chart 5.9).

Chart 6.2 What part of Home Stretch was most helpful?



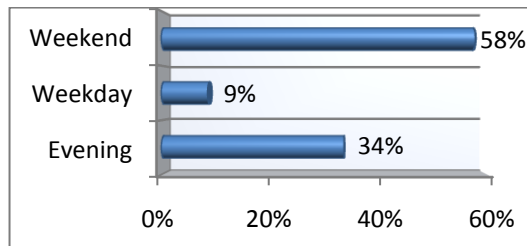
We asked the respondents (n=43) who reported Home Stretch was not helpful to tell us why and here's what they had to say.

- Completed steps in the home buying process prior to workshop (11 comments)
- Knew information before now (11 comments)
- Previously owned a home (6 comments)
- Unable to secure grant/loan after attending workshop (6 comments)
- Required to attend (5 comments)
- Some of the information was not explained well (4 comments)

Workshop Scheduling Preference

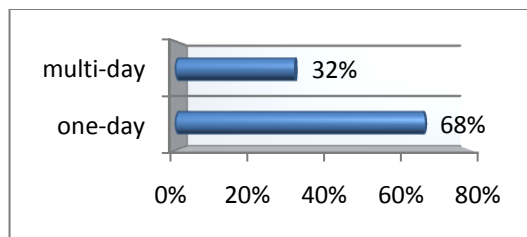
Ninety-six percent (96%) of survey respondents were satisfied with the class times available to choose from. We asked the 4% of respondents who were not satisfied with the class times to tell us more about their preferences. The majority, 58% would have preferred a weekend class.

Chart 6.3 Would you have preferred evening, weekday, or weekend classes?



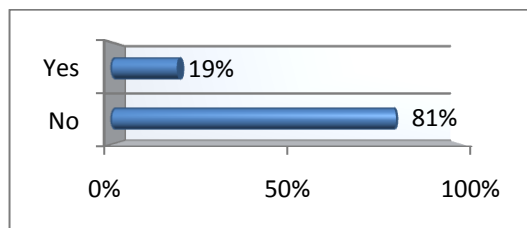
When asked if they preferred multiple sessions or all in one day, 68% preferred one-day.

Chart 6.4 Would you prefer multiple sessions or all in one day?



Eighty-one percent of all respondents did not miss school or work to attend a Home Stretch workshop.

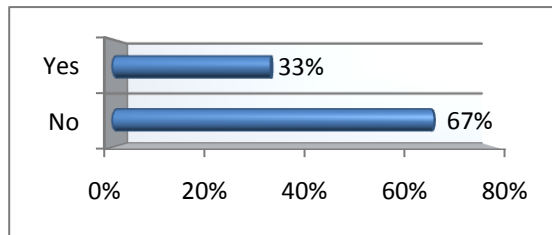
Chart 6.5 Did you have to take time off work or school to attend?



Home Stretch Online

We asked all respondents if they felt the workshop could be taught online. Thirty-three (33%) answered that they felt the course could be taught online. They also said, it would be more convenient, you could complete the workshop in less time, and felt anything can be taught online. In addition, they acknowledged that interaction, video, and opportunity to ask questions would make it better than reading the manual online alone.

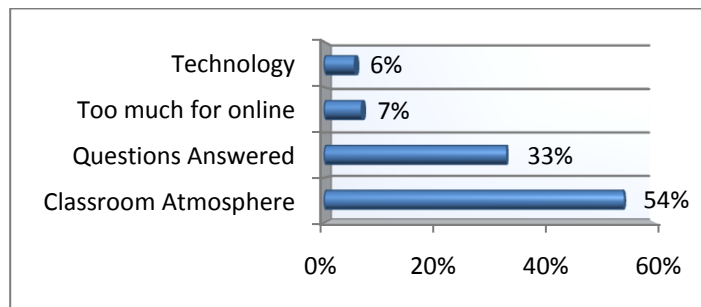
Chart 6.6 Do you feel Home Stretch could be taught online?



Sixty-seven percent (67%) of the 3-month follow-up survey respondents felt the course could not be taught as effectively online. We asked them to tell us why. The most common response was they would miss the classroom atmosphere and ability to ask questions. Many of the respondents imagined an online course to include no more than reading the manual online or reading text online.

Fifty-one percent (51%) of those responding said they would miss the classroom atmosphere and felt the interaction portion of the classroom experience would be most missed. Some of their comments included; face to face interaction is better than reading by myself, it's easier to pay attention in person, interacting with other first-time homebuyers is helpful, and I'm more of a hands-on learner. Forty-six percent (46%) of those who mentioned missing the classroom atmosphere felt the instructors would be most missed. Here's what some had to say; it's good to have an instructor explain things, need to be taught by someone with experience, the speakers make the materials easier to understand, and the instructor can emphasize the really important parts.

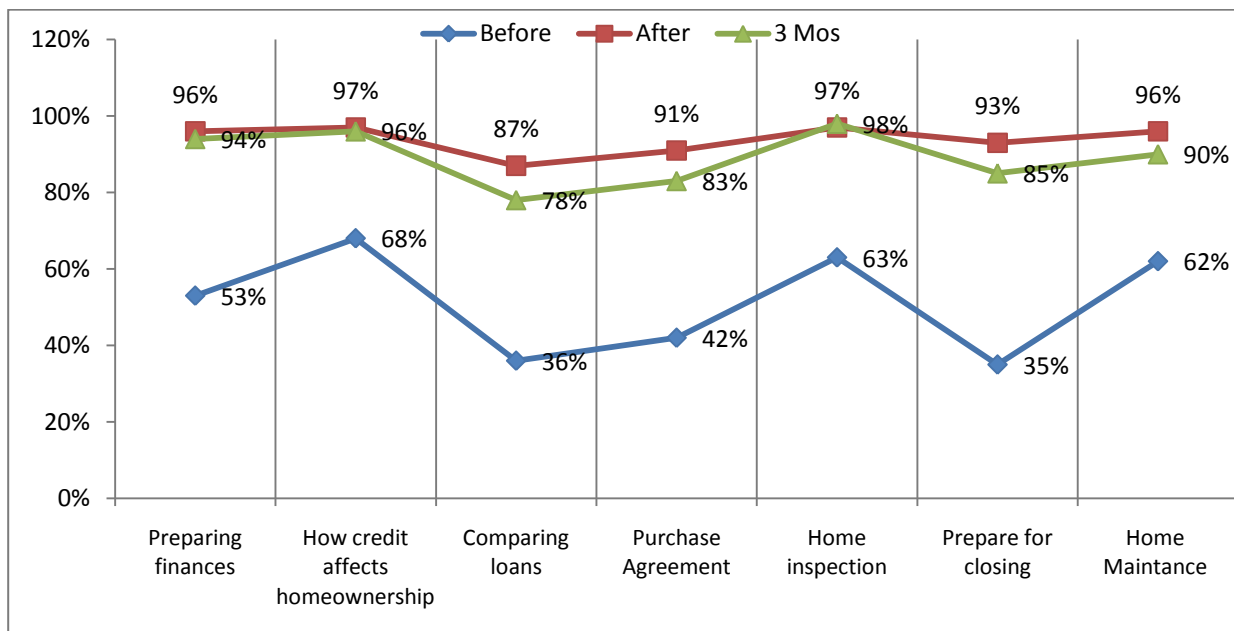
Chart 6.7 Reasons why the course should not be taught online?



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 (see chart 5.10). During the three month follow-up survey, we asked participants to rate their knowledge level again. The chart shows the percent of respondents who rated their knowledge level as excellent or good at the three points in time (before the workshop, after the workshop, and 3 month follow-up). The three topics that participants report their knowledge level the highest are preparing finances, how credit affects homeownership, and the home inspection.

Chart 6.8 Participant Understanding



Loan Information

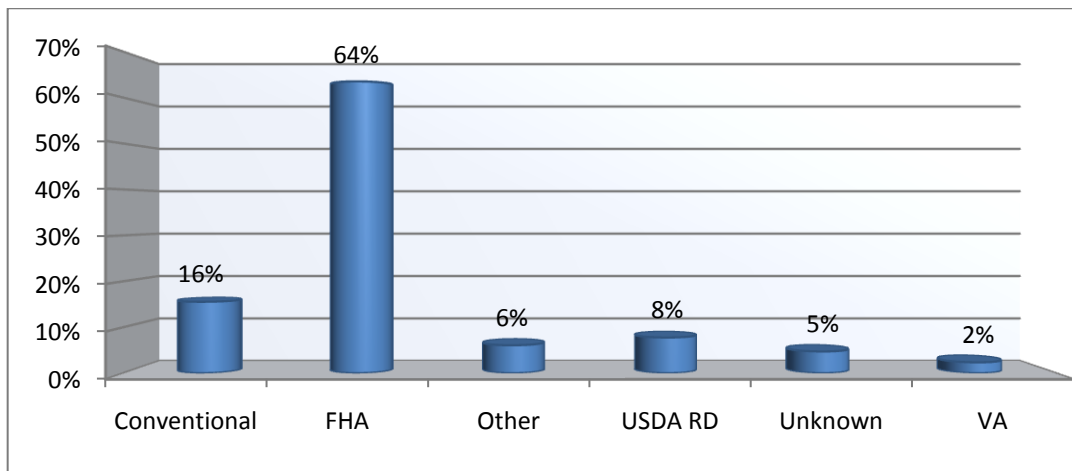
Of the 495 households that we contacted through the three-month follow-up survey, 296 (40%) had purchased a home since taking the workshop. On average, the typical survey respondent is purchasing a home for \$125,000 with a fixed-rate mortgage and mortgage interest rate less than 5%. Fifty-seven (57%) reported their interest rate was less than 5%.

Table 6.10 Loan Stats

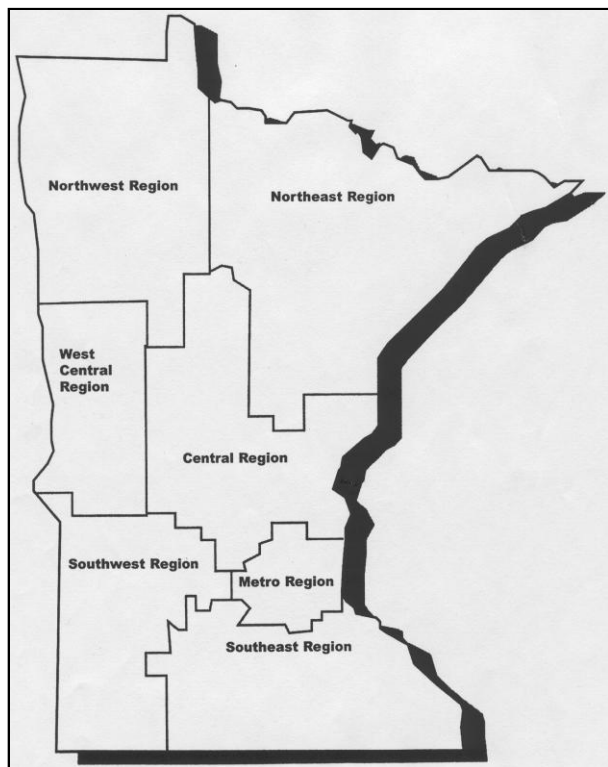
Loan Stats	2008-2009	2009-2010
Purchased a home	286	296
Median Purchase Price	\$122,000	\$125,000
Received Down Payment Assistance	27%	37%
Fixed Rate Mortgage	97%	97%
Interest Rate 6% or less	96%	97%

The most common loan type among three month follow-up survey respondents is an FHA Loan, (64%).

Chart 6.11 Types of loans



APPENDIX A – Providers by Region 2009-2010



Twin Cities Metro Area

African Development Center, *Minneapolis*
 American Dream Services, *St. Paul*
 Anoka County Community Action, *Blaine*
 Build Wealth Minnesota, *Minneapolis* ❖
 Carver County Community Development Agency, *Chaska*
 Children’s Home Society and Family Services, *St. Paul*
 Community Action Partnership of Suburban Hennepin, *Hopkins*
 Community Neighborhood Housing Services, *St. Paul*
 Dakota County Community Development Agency, *Eagan*
 Model Cities, *St. Paul*
 Neighborhood Development Alliance, *St. Paul*
 Neighborhood Housing Services of Minneapolis, *Minneapolis*
 PRG, Inc, *Minneapolis*
 St. Paul Urban League, *St. Paul*
 Strickland & Associates, *St. Paul*
 Washington County Housing & Redevelopment Authority, *St. Paul Park*

Northeast

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

Northwest

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

Central

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

Southeast

Austin Housing & Redevelopment Authority, *Austin*
 City of Mankato Economic Development Agency, *Mankato*
 City of Owatonna Housing & Redevelopment Authority, *Owatonna*
 Community Housing Partnership, *Rochester*
 Minnesota Valley Action Council, *Mankato*
 Three Rivers Community Action, *Zumbrota* ❖
 University of MN Extension Service, *Mankato/Dodge Center*

❖ Indicates new provider



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