Product Mapping Session

Homeownership Opportunity Alliance
Panelists:
Andrea Brennan, City of Minneapolis
Joannette Cintrón, Klein Bank
Nira Ly, Minnesota Housing
Ela Rausch, Federal Reserve Bank of Minneapolis*

*Disclaimer: The views expressed in this presentation are my own and are not necessarily representative of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.
Product Mapping Overview

To better understand where people are being well-served and where there are needs and gaps

To inform the Get Ready, Be Ready campaign and identify opportunities for industry leaders to take action

Research led by SDK Communications and HOA members

Conducted data analysis and 30 key informant interviews with lenders and real estate professionals

Produced a product grid- available on MN Homeownership Center website soon!
Product Mapping Key Findings

100+ offerings, including targeted loan products, down-payment assistance, homebuyer education, and credit building opportunities.

**Spatial mismatch:** Some products only available in distinct markets; not always where they are most needed.

**Limited capacity:** Limited funds; long waitlists; lack of understanding and underutilization.

Expanded programs and services are needed in order to meet the goal of increasing & sustaining homeownership for households of color.
Federal Reserve Bank of Minneapolis Companion Analysis

Examined the creditworthiness of non-mortgage holders age 25 to 44

Equifax Consumer Credit Panel- proprietary dataset which includes the credit histories of residents with a social security number

4 Study Areas: North Side Minneapolis, East Side Saint Paul, Saint Cloud, and Wilmar

5 Factors: Length of credit history, credit score, debt loads, and delinquency rates
Length of credit history for non-mortgage holders age 25 to 44
(among those with a credit file)

**Near North**
- 5 Years or Less: 25%
- 6-11 Years: 27%
- 12 Years or More: 48%

**East Side**
- 5 Years or Less: 26%
- 6-11 Years: 35%
- 12 Years or More: 39%

**Saint Cloud**
- 5 Years or Less: 22%
- 6-11 Years: 38%
- 12 Years or More: 40%

**Wilmar**
- 5 Years or Less: 31%
- 6-11 Years: 31%
- 12 Years or More: 38%

Source: FRBNY Consumer Credit Panel/Equifax Data (2018), Calculations performed by Federal Reserve Bank of Minneapolis.
Equifax credit risk scores for non-mortgage holders age 25 to 44
(among those with a credit file)

- **Near North**
  - 720+: 10%
  - 620-719: 20%
  - Below 620: 53%
  - No score: 17%

- **East Side**
  - 720+: 13%
  - 620-719: 26%
  - Below 620: 44%
  - No score: 17%

- **Saint Cloud**
  - 720+: 23%
  - 620-719: 32%
  - Below 620: 36%
  - No score: 9%

- **Wilmar**
  - 720+: 18%
  - 620-719: 22%
  - Below 620: 42%
  - No score: 18%

Source: FRBNY Consumer Credit Panel/Equifax Data (2018), Calculations performed by Federal Reserve Bank of Minneapolis.
Number of open tradelines for non-mortgage holders age 25 to 44
(among those with a credit file)

Source: FRBNY Consumer Credit Panel/Equifax Data (2018), Calculations performed by Federal Reserve Bank of Minneapolis.
Average debt loads for non-mortgage holders age 25 to 44
(among those with a credit file)

Source: FRBNY Consumer Credit Panel/Equifax Data (2018), Calculations performed by Federal Reserve Bank of Minneapolis.
Delinquency rates for non-mortgage holders age 25 to 44
(among those who carry that type of debt)

Source: FRBNY Consumer Credit Panel/Equifax Data (2018), Calculations performed by Federal Reserve Bank of Minneapolis.
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