



Impact Value Summary - Minnesota Homeownership Center

This prospectus outlines the social value created by the Minnesota Homeownership Center through its services supporting its network partners and homebuyers in Minnesota. This value is communicated through a benefit-cost ratio that goes above and beyond traditional financial returns.



**ECOTONE
ANALYTICS**

ABOUT MN HOMEOWNERSHIP CENTER

The Minnesota Homeownership Center was founded in 1993. Born out of a common civic desire to address the homeownership gap between white households and households of color, the Center partners with ground-level nonprofits and government agencies to offer homebuyer counseling and education classes and promote the wealth-building value of sustainable homeownership.

SOCIAL PROBLEM

Owning your own home is the most common way that individuals and families are able to build wealth in our country. But the home buying process is complicated and intimidating, and large segments of the population were essentially excluded from eligibility for homeownership for generations due to systemic racism. Today we're left with a daunting homeownership gap between white households and households of color, meaning that large segments of the population continue to miss out on the wealth building and other positive impacts of owning their own home.

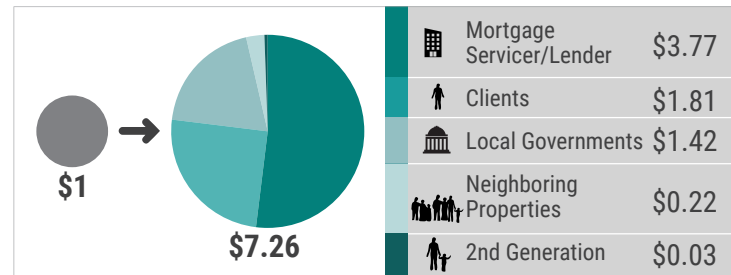
THE IMPACT OF THIS ORGANIZATION

The Minnesota Homeownership Center promotes and advances successful homeownership in Minnesota with special emphasis on serving low-and moderate-income and diverse households. In 2017, working with more than 40 individual community-based service organizations, the Center facilitated more than 6,100 in-person homeownership advisory and group education sessions. Participants of color made up 58 percent of individuals served, and 22 percent of participants were potential first-generation home buyers. The Center also facilitated foreclosure counseling for more than 1,300 households, and helped nearly 1,000 of these households to avoid foreclosure. We are proud of the collective positive impact we continue to have on our neighbors and on communities at large.

DESCRIPTION OF ANALYSIS

Ecotone Analytics conducted an impact analysis, taking a unique approach to map the long-term outcomes of the Center's work as an intermediary. Where possible and in alignment with Ecotone's value for methodological rigor, outcomes have been monetized and used to calculate an estimated Social Return on Investment (SROI). This is an initial estimate of value generated specifically by the Center.

STAKEHOLDER SOCIAL RETURN ON INVESTMENT 2008-2017



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The following SDGs and Targets are addressed with this program:



NON-MONETIZABLE IMPACTS

The Center's business model is designed to impact many facets of homebuyers' and prospective homebuyers' lives and society more broadly. However, some impacts are not readily monetizable. These include:

- Improved quality of services provided by the Center's network partners due to the Center's work
- Changes in clients' confidence and empowerment
- Effect of change in credit scores on future outcomes
- Value of avoided foreclosure from homebuyer advising and online homebuyer education
- Effects on the homeowner and their family from foreclosure such as stress, health, relationships
- Change in effects on crime and neighborhood stabilization



Impact Value Map

This diagram shows the value Minnesota Homeownership Center created between 2008-2017, and to whom those benefits accrue.

Social Return on Investment

Total SROI	\$1 → \$7.26	Mortgage Servicer/Lender	\$3.77
Clients	\$1.81	Neighboring Properties	\$0.22
Local Governments	\$1.42	2nd Generation	\$0.03

Costs and Benefits of Minnesota Homeownership Center from 2008-2017

Core Assumptions

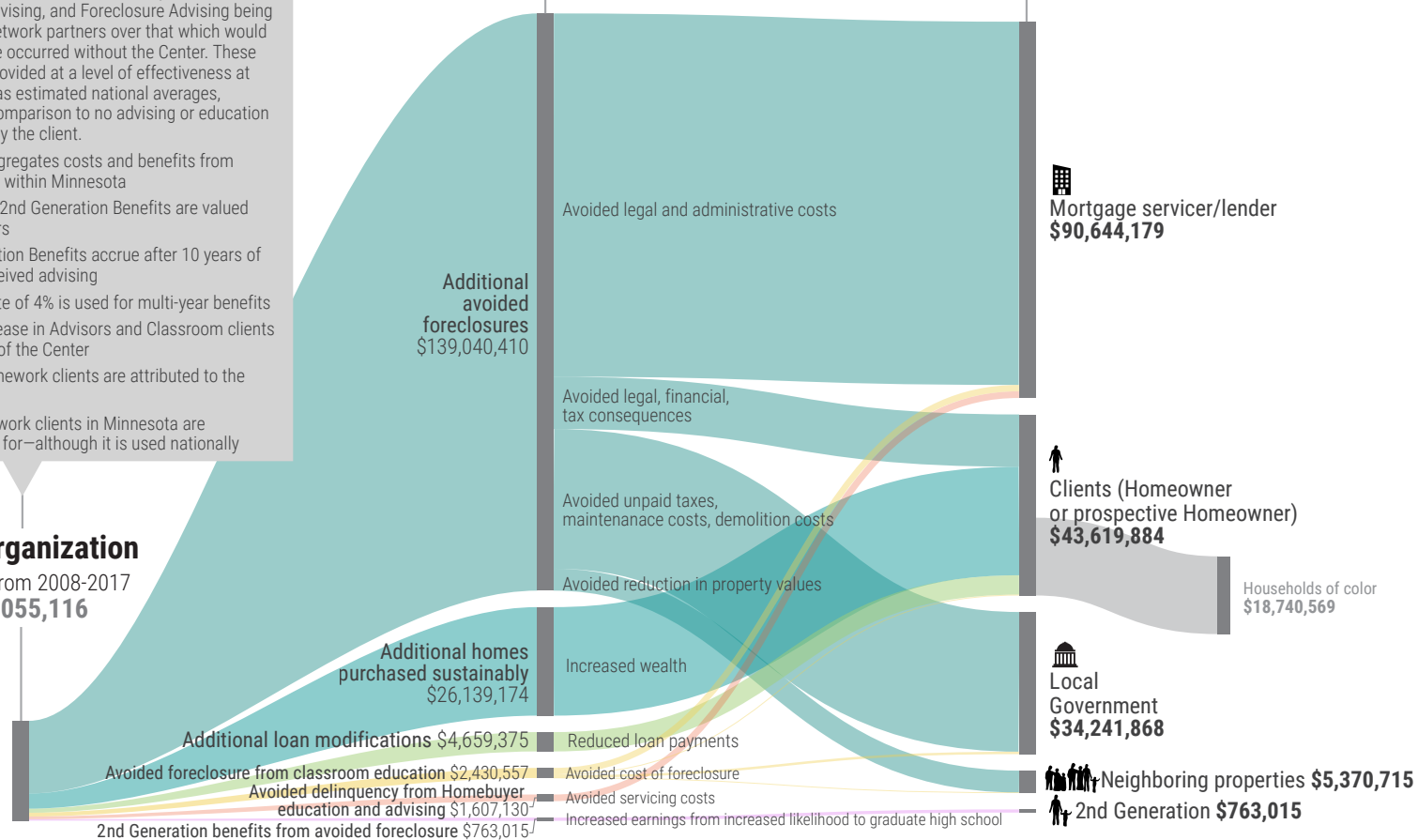
This analysis estimates the value attributable to the Center due to an increase in Homebuyer Education, Homebuyer Advising, and Foreclosure Advising being provided via network partners over that which would have otherwise occurred without the Center. These services are provided at a level of effectiveness at least as good as estimated national averages, measured in comparison to no advising or education being sought by the client.

- ✓ Analysis aggregates costs and benefits from 2008-2017 within Minnesota
- ✓ Wealth and 2nd Generation Benefits are valued over 3 years
- ✓ 2nd Generation Benefits accrue after 10 years of having received advising
- ✓ Discount rate of 4% is used for multi-year benefits
- ✓ 50% of increase in Advisors and Classroom clients is a result of the Center
- ✓ 50% of Framework clients are attributed to the Center
- ✓ Only Framework clients in Minnesota are accounted for—although it is used nationally

Total Organization Costs from 2008-2017
\$24,055,116

Estimated Return on Investment
\$174,639,661

Who Benefits?
\$174,639,661



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