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MINNESOTA
HOMEOWNERSHIP
CENTER



Study from Minnesota Homeownership Center and Minnesota Realtors® Highlights Need for Down Payment Assistance Programs

*More Than 100,000 Minnesota Renter Households Could Buy a Home
with Down Payment Assistance of \$10,500 or Less*

ST. PAUL, MN — May 10, 2021 — As part of ongoing efforts to reduce Minnesota's racial homeownership gap, nonprofit organizations [Minnesota Homeownership Center](#) and [Minnesota Realtors®](#) commissioned a research study to examine how down payment programs could potentially impact future homeownership among communities of color as well as low- and moderate-income households.

While many households could afford to maintain mortgage payments, gathering enough funds for a down payment often prevents the dream of homeownership from becoming a reality. The study, completed by Rosen Consulting Group, found that access to down payment assistance could enable more than 200,000 Minnesota households to purchase a home, with more than half achieving homeownership with \$10,500 or less in assistance.

"Quantifying the potential impacts of different amounts of down payment assistance is an important step in understanding what's needed to make achieving homeownership more equitable," said Christopher Galler, CEO of Minnesota Realtors. "Everyone knows that down payment assistance enables more households to become homeowners. Now we know the amount of assistance required to enable expanded ownership and facilitate a reduction in the racial ownership gap."

"This study is another milestone in our efforts to quantify what's needed to reduce the gap in homeownership between white households and households of color in Minnesota – and particularly Black homeownership, which experiences the widest gap," said Julie Gugin, President of the Minnesota Homeownership Center. "Owning a home is the number one way that families build household wealth in this country, and we need to ensure that it is achievable on an equitable basis."

Down payment assistance in a mortgage transaction is generally structured as either a grant, a second mortgage paid down along with the main mortgage, a second mortgage with deferred payments payable upon selling or refinancing, or a second mortgage that is forgiven after a set number of years. With regard to the state's racial homeownership gap, transitioning just 11,600 Black renter households to ownership would increase the Black ownership rate by ten percent – a significant gap reduction.

To learn more please visit www.mnrealtor.com/dparesearch. The full report, *Homeownership in Minnesota: Quantifying the Need for Down Payment Assistance*, is available online at <https://tinyurl.com/mndpa>.

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About Minnesota Homeownership Center

The Minnesota Homeownership Center promotes and advances successful homeownership in Minnesota with an emphasis on serving those facing the greatest barriers to homeownership: lower income households and communities of color. We link individuals, homeownership advisors and industry stakeholders. We support community-based organizations with the structure and funding to develop and deliver culturally-responsive homeownership education and advising. And we collaborate and lead the development of innovative homeownership programming. We believe equitable access to homeownership is essential to strong communities and creates opportunities for generations to come. Minnesota Homeownership Center is on the web at HOCMN.org and on [Facebook](#) at HOCMN.

About Minnesota Realtors®

Minnesota Realtors® (MNR) is the membership organization supporting all 21,000 Realtors® in the state of Minnesota. MNR is dedicated to helping Realtors® succeed in providing comprehensive and informed guidance to their customers seeking to buy or sell a home. MNR provides Realtors® with a code of ethics, continuing education, real estate transaction forms, legal services and dispute resolution, as well as lobbying and advocating for homeownership rights and the real estate industry. MNR works in partnership with the National Association of Realtors, as well as more than 15 affiliate regional associations within Minnesota. MNR is a non-profit organization founded in 1919, with headquarters in Minnetonka, Minnesota, and a branch office in St. Paul, Minnesota. Find us at www.mnrealtor.com and follow us on [Facebook](#), [Instagram](#), [Twitter](#) and [LinkedIn](#).