Dear Friends:

It’s obvious that 2020 was a year none of us will soon forget. The economy went from generally healthy to severely distressed in a matter of just a few weeks, and daily life changed drastically for all of us almost overnight. But we persevered, both personally and professionally. Along with our Network partners, we built up our default prevention capacity, learned to continue meeting consumer needs via virtual technologies, and successfully mobilized to lead the way in avoiding another foreclosure crisis.

• As businesses were forced to temporarily close and job loss spiked, we worked to secure emergency funding for the expansion of foreclosure prevention services, and we spread the word in the media and elsewhere that mortgage forbearance was available for those in need if they reached out to their lender to ask for it.

• As the crisis dragged on, we embarked on the largest public outreach campaign in the history of the Center promoting mortgage forbearance and foreclosure prevention advising. The campaign utilized paid social media video produced in multiple languages, audio stream advertising and other assets. Our videos alone were viewed in their entirety by more than ten percent of the state’s population.

• As fall approached, we partnered with Habitat for Humanity of Minnesota to develop a system to administer and distribute millions of dollars in relief to homeowners from Minnesota Housing’s COVID-19 Housing Assistance Program (CHAP).

I’m very proud of what we were able to accomplish and deliver for struggling homeowners during an unprecedented time in our country’s history. But as things begin to return to a new normal, our work to help at-risk homeowners recover from the COVID crisis is actually just beginning. Streamlined mortgage forbearance programs are set to expire soon, as are eviction moratoriums and other emergency provisions enacted at the onset of the crisis. Yet we know that many homeowners are still experiencing financial difficulty. In response, we’re planning another major round of paid public outreach to struggling homeowners this fall. We’re gearing up to provide direct financial relief in partnership with Minnesota Housing. And we’re continuing to expand one-on-one default prevention advising capacity through our Network.

In sum, we remain more committed than ever to preventing another foreclosure crisis and the loss of ground against the homeownership gap that would undoubtedly accompany it. Thank you for your support of our work.

Julie Gugin, President
Minnesota Homeownership Center
Homebuyer Services

22,378 Households Served

- **2,330** Classroom
- **1,283** Homebuyer Advising
- **1,684** Financial Wellness Advising
- **17,081** Online

Households Across Minnesota
Participated in Classroom and One-on-One Homebuyer & Financial Wellness Advising

Program Participants from 2011 - 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Classroom</th>
<th>One-on-one</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>7,836</td>
<td>8,106</td>
<td>8,970</td>
</tr>
<tr>
<td>2012</td>
<td>8,489</td>
<td>8,765</td>
<td>9,649</td>
</tr>
<tr>
<td>2013</td>
<td>10,258</td>
<td>10,521</td>
<td>12,201</td>
</tr>
<tr>
<td>2014</td>
<td>15,741</td>
<td>16,036</td>
<td>16,872</td>
</tr>
<tr>
<td>2015</td>
<td>18,871</td>
<td>19,259</td>
<td>22,378</td>
</tr>
</tbody>
</table>

Online Education Growth Continues with Framework®

<table>
<thead>
<tr>
<th>Year</th>
<th>Classroom</th>
<th>One-on-one</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,517</td>
<td>2,198</td>
<td>3,796</td>
</tr>
<tr>
<td>2012</td>
<td>6,350</td>
<td>9,627</td>
<td>12,573</td>
</tr>
<tr>
<td>2013</td>
<td>9,627</td>
<td>12,573</td>
<td>12,889</td>
</tr>
<tr>
<td>2014</td>
<td>17,081</td>
<td>12,889</td>
<td>17,081</td>
</tr>
</tbody>
</table>

1 Number includes Framework Use in Minnesota only.
Profile of Homebuyer Services Participants

89% 1st time homebuyers
19% 1st generation homebuyers

Working with Low Income Families to Achieve
Area Median Income

<table>
<thead>
<tr>
<th>classroom education (n=2,259)</th>
<th>homebuyer advising (n=1,264)</th>
<th>financial wellness advising (n=1,643)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%+</td>
<td>9%</td>
<td>$43,260 MEDIAN participant household income</td>
</tr>
<tr>
<td>81-100%</td>
<td>10%</td>
<td>67% participants are millennials [ages 24-39]</td>
</tr>
<tr>
<td>51-80%</td>
<td>35%</td>
<td>81% at or below 80% AMI</td>
</tr>
<tr>
<td>1-50%</td>
<td>46%</td>
<td>13% at or below 80% AMI</td>
</tr>
<tr>
<td>1-50%</td>
<td>46%</td>
<td>76% at or below 80% AMI</td>
</tr>
</tbody>
</table>

Homebuyers Need Help Improving Credit
Participant Credit

<table>
<thead>
<tr>
<th>homebuyer advising (n=391)</th>
<th>financial wellness advising (n=529)</th>
</tr>
</thead>
<tbody>
<tr>
<td>700+</td>
<td>46%</td>
</tr>
<tr>
<td>641-700</td>
<td>27%</td>
</tr>
<tr>
<td>581-640</td>
<td>26%</td>
</tr>
<tr>
<td>500-580 &lt; 500</td>
<td>6%</td>
</tr>
<tr>
<td>700+</td>
<td>693 MEDIAN Credit Score</td>
</tr>
<tr>
<td>641-700</td>
<td>27% have credit scores below 640</td>
</tr>
<tr>
<td>581-640</td>
<td>20% have credit scores below 640</td>
</tr>
<tr>
<td>500-580 &lt; 500</td>
<td>6% have credit scores below 640</td>
</tr>
</tbody>
</table>

Reaching More Millennials
Participant Age

| 18-35 | 31% |
| 36-50 | 9%  |
| 51-65 | 1%  |
| 65+   | 13% |
| Not Reported | |

Reaching Diverse Communities to Advance Homeownership
Participant Households of Color

- Black/African American (36%)
- Hispanic (9%)
- Asian (5%)
- Multiple Race (9%)
- Am Ind./AK Native (3%)

- White (37%)

63% of participating households were households of color
Classroom Education Stats & Comments

$185,000
Median Purchase Price

3.69%
Average Interest Rate

61%
Voluntarily participated

35%
Required by lender to participate

90%
of respondents reported
the course helped to
build confidence in
home buying

99.9%
of respondents would
recommend the
homebuyer education
course to others

“The class was great for someone like myself who knew nothing of the processes involved with home purchasing.”

“I don’t have anyone to help me through this process. I’d be totally lost without this class!”

“I’m very glad I took this course at the onset of the process, and not just as a check-box activity before signing loan docs!”

“We thought we had an understanding of the home buying process, but we only knew like 10 percent. So glad this class is available!”

— Homebuyer Education Participants
Foreclosure Advising

568 Households Initiated Services in 2020

55% of homeowners primary reason for default is loss or reduction in income

38,548 households avoided foreclosure since 2008

*2020 data reflects the impact of COVID-19 mortgage forbearance
Loans and Affordability

**Loan Type**
- 97% Prime (= < 8%) interest rate loans
- 3% Subprime (= > 8%) interest rate loans

**Income Spent on Housing**
- 54% households spend > 30% of their income on their monthly mortgage payment

**Median Credit Score**
- 77% have credit scores below 640
- Median Credit Score: 563

**Loan Status at Intake**
- Current: 11%
- 30-60 Days Late: 8%
- 61-90 Days Late: 7%
- 91-120 Days Late: 12%
- 120+ Days Late: 62%

**Default Reason**
- Loss of Income: 37%
- Reduction in Income: 18%
- Medical Issues: 11%
- Divorce/Seperation: 9%
- Increase in Expense: 6%
- Money Management Issues: 5%
- Death of a Family Member: 5%
- Increase in Loan Payment: 3%
- Business Venture Failed: 2%
- Other: 2%
Demographics and Outcomes

Race

- 66% White
- 12% Black/African American
- 12% Hispanic
- 5% Multiple Race
- 3% Asian
- 1% Not Reported

Household Type

- 32% Single adult
- 9% Two or More Unrelated Adults
- 14% Married w/ children
- 20% Married without children
- 19% Female-headed single-parent household
- 5% Male-headed single-parent household
- 1% Other

Percent Area Median Income

- 10% 100%
- 8% 100-100%
- 27% 51-80%
- 55% 1-50%

Outcomes

84% Avoided Foreclosure

- Remained in Home = 455 households
- Sold Property = 100%

Unable to Remain in Home = 78 households

Outcomes (based on 637 total households completing the process during 2020)
Supporting Organizations

Archie D. & Bertha H. Walker Foundation
Associated Bank
Bank of the West
Bell Mortgage
Bremer Bank
Edina Realty
Family Housing Fund
Greater Minnesota Housing Fund
Hennepin County
Housing Partnership Network
HRK Foundation
McKnight Foundation

Minneapolis Community Planning and Economic Development
Minneapolis Foundation
Minnesota Housing Finance Agency
Old National Bank Foundation
SFM Mutual Insurance Company
St. Paul Housing and Redevelopment Authority
Saint Paul and Minnesota Foundation
Target Foundation
TCF Foundation
U.S. Bank Foundation
U.S. Department of Housing & Urban Development
Wells Fargo Foundation

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- Jill Aleshire, Caribou Coffee
- Brian Crosby, Associated Bank
- Jim Erchul, Dayton's Bluff Neighborhood Housing Services
- Deborah Flannery, Greater Minnesota Housing Fund
- Karen Gajeski, Thrivent Federal Credit Union
- Mike Happe, SFM Mutual
- Nancy Healy, Bremer Bank
- Portia Jackson, Washington County CDA
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- Darcy McDonald, Wings Financial Mortgage
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- Keenan Raverty, Bell Bank Mortgage
- Kayla Schuchman, City of St. Paul
- Virginia Solis Zuiker, University of Minnesota - Twin Cities
- Matt Spellman, Minnesota Association of REALTORS®
- Julie Steinhager, TCF Bank
- Rose Teng, Metropolitan Consortium of Community Developers
- Jen Thompson, US Bank
- Stephanie Vergin, USDA Rural Development - MN
- Michelle Vojacek, City of St. Paul
- Stephen Wreh-Wilson, Twin Cities Habitat for Humanity

Leadership

Bill Gray, Stakeholder Relations Director
Julie Gugin, President
Karen Pederson, Associate Director

Dana Snell, Grants Management Director
Steph Stull, Member Support Director
Brooke Walker, Strategic Initiatives Director
Network

African Development Center
African Economic Development Solutions
Anoka County Community Action Program
Arrowhead Economic Opportunity Agency
CAPI USA
Carver County Community Development Agency
Catholic Charities of St. Cloud
Central Minnesota Housing Partnership
City of Saint Paul Planning and Economic Development
Community Action Duluth
Community Action Partnership of Hennepin County
Comunidades Latinas Unidas En Servicio (CLUES)
Dakota County Community Development Agency
Headwaters Regional Development Commission
Hmong American Partnership
KOOTASCA Community Action, Inc.
Lakes and Prairies Community Action Partnership
Lao Assistance Center of Minnesota
LSS Financial Counseling

MNI SOTA Fund (formerly Bii Gii Winn)
Model Cities Community Development Corporation
Neighborhood Development Alliance
NeighborWorks Home Partners
One Roof Community Housing
PRG, Inc.
Project for Pride in Living, Inc. (PPL)
Scott County Community Development Agency
Southeastern Minnesota Multi-County HRA
Southwest Minnesota Housing Partnership
Strickland Associates
Three Rivers Community Action
Twin Cities Habitat for Humanity
Urban League Twin Cities
Washington County CDA
West Central Minnesota Communities Action
White Earth Investment Initiative - MMCDC
Wright County Community Action, Inc.

2020 Financials

Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2020: $16,584,916</th>
<th>2019: $15,950,161</th>
</tr>
</thead>
</table>

Income Total: $6,904,884

- 66.2% Grants & Contracts
- 14.7% Social Enterprise
- 12.4% Contributions
- 6.7% Other

Expense Total: $6,270,129

- 92.3% Program Services
- 7.1% Management & General
- 0.7% Fundraising

Helping Minnesotans achieve sustainable homeownership for more than 25 years.
www.hocmn.org