



2021

Community Impact Report



MINNESOTA
HOMEOWNERSHIP
CENTER

The nonprofit 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.

Dear Friends:

If 2020 was a year of unprecedented social challenge, 2021 was the year we collectively embarked on the long road back to a new normal. We know that things will never be exactly as they were before. Virtual video meetings, once a complicated technical undertaking, are now commonplace. Conference calls via telephone seem to have gone the way of the dinosaur. Even the commute to the office seems unlikely to ever be back up to five days a week for most of us.

While much has changed, some things have not. With specific relevance for our work, the racial homeownership gap in Minnesota remains one of the highest in the country. And with mortgage rates rising, home prices high and inventory low, the likelihood of seeing any significant movement here without intervention is minimal.

The gap in homeownership in the U.S. was deliberately created via tools such as racial deed covenants, redlining in mortgage lending and the building of urban freeways through existing minority neighborhoods. Today, while these tools have largely been set aside, their destructive impacts remain. Most impactful is the wealth gap – homeownership builds generational wealth, and today we see the median Black household's wealth sitting at just 12.7 percent of the median white household's wealth (\$24,100 vs. \$189,100 in 2019 according to the Center for American Progress).

Equitable access to homeownership is critical to our collective social future. And the Minnesota Homeownership Center remains committed to helping bring it about. Toward this end, the Center, Minnesota Realtors® and Twin Cities Habitat for Humanity worked with Minnesota state lawmakers this year to introduce a bill to create a first-generation homebuyer down payment assistance fund. The structure of this proposed fund was crafted with input from a cross section of industry partners.

Targeted and easily accessible assistance for first-generation homebuyers is particularly effective for individuals who do not have access to generational wealth, and 'but for' the assistance would not achieve homeownership. Our proposed approach and investment of \$170 million would support 5,000 first-generation homebuyers over the next three years, the majority of which would likely be Black, Indigenous and people of color (BIPOC) due to financial demographics. It's important to note that, if successful, these 5,000 BIPOC households would move Minnesota from the fifth largest gap in the nation to the 11th – so this would be a start, but certainly not a cure-all. Unfortunately, the bill did not make it into law during the 2022 session. It was largely favorably received, however, and we plan to introduce it again in 2023.

Our collective 2021 impact is documented in the following report. Please feel free to reach out to me if you have any questions about our work, and thank you very much for your support and interest.



Julie Gugin, President
Minnesota Homeownership Center

22,742

**Minnesota
Households Served**

91%

First-Time
Homebuyers

42%

First-Generation
Homebuyers

64%

Households of Color

466

Foreclosures Avoided

Homebuyer Services

22,008 Households Served



2,295
Classroom



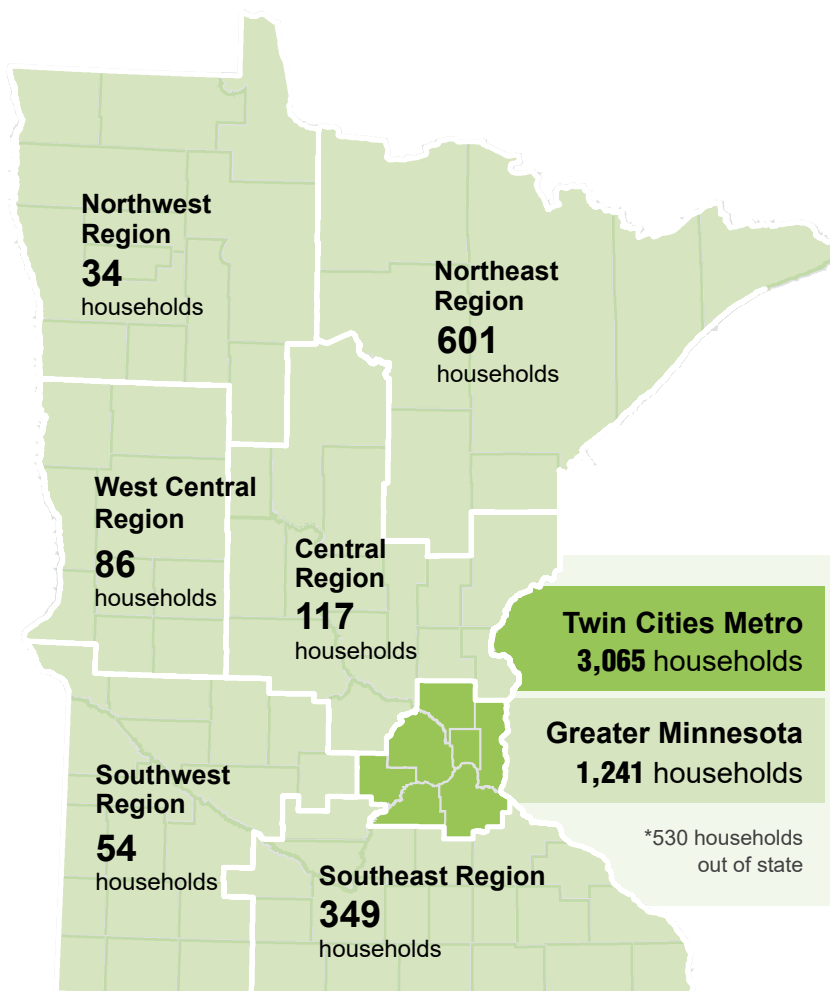
1,379 Homebuyer Advising
1,162 Financial Wellness Advising



17,172
Online¹

Households Across Minnesota

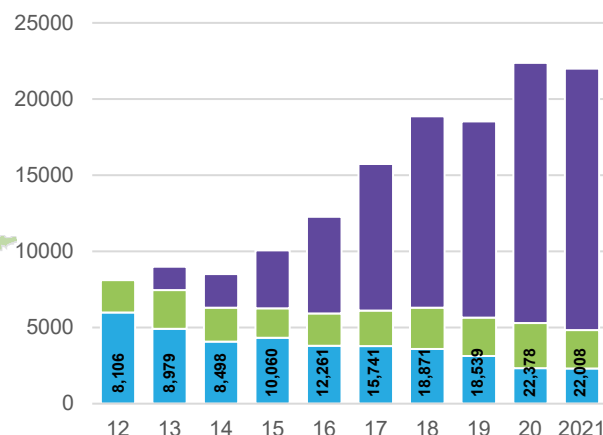
Participated in Classroom and One-on-One Homebuyer & Financial Wellness Advising



Program Participants

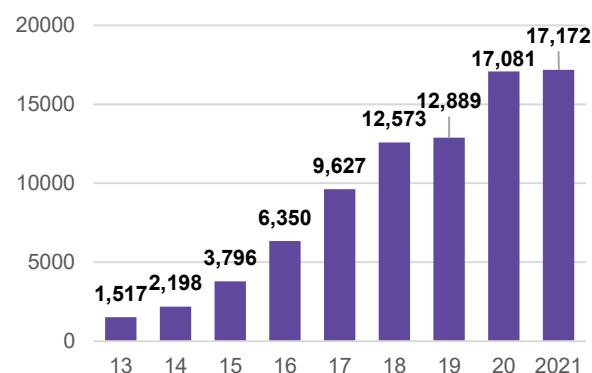
from 2012 - 2021

Classroom One-on-one Online



Online Education Growth

Framework®



¹ Number includes Framework Use in Minnesota only.

Profile of Homebuyer Services Participants

91% 1st time homebuyers

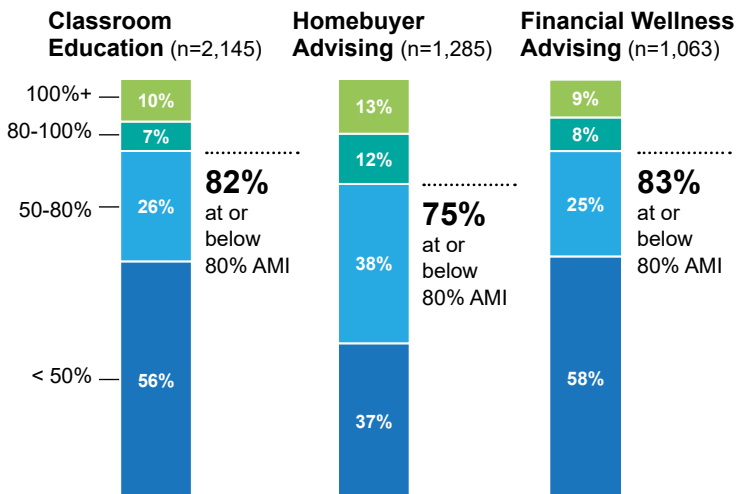
42% 1st generation homebuyers



\$43,200
Median
Participant
Household
Income

Working with Low Income Families to Achieve Homeownership

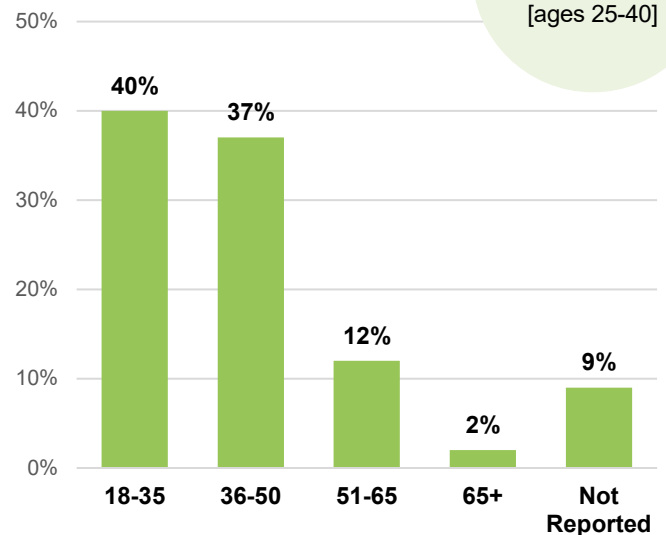
Area Median Income



Reaching More Millennials

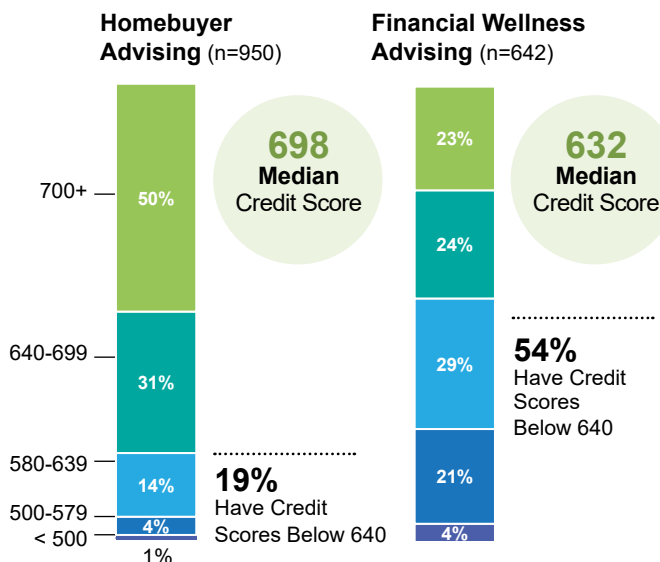
Participant Age

49%
participants
are millennials
[ages 25-40]



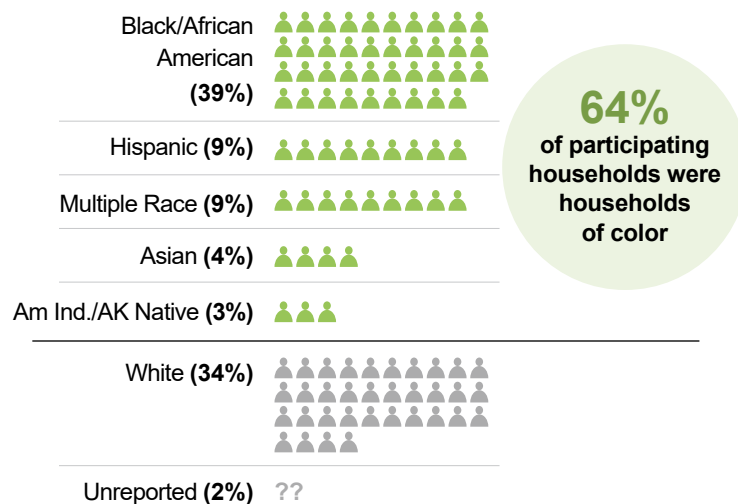
Homebuyers Need Help Improving Credit

Participant Credit

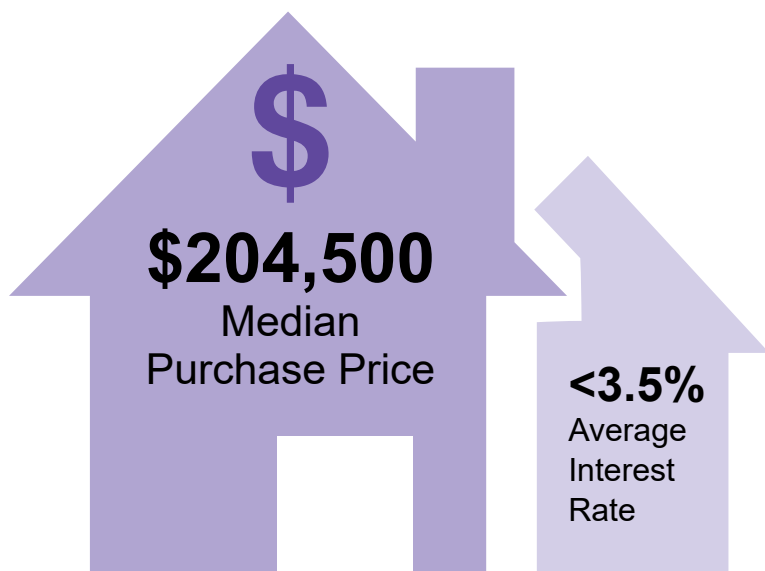


Reaching Diverse Communities to Advance Homeownership

Participant Households of Color



Classroom Education Stats & Comments



57%

Voluntarily
participated



42%

Required
by lender to participate

89%

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

93%

of respondents would
recommend the
homebuyer education
course to others

“A wonderful launching
point for someone who
knew very little about the
process and felt lost.”

“Wish I had taken this
class years ago!”

Phenomenal program!

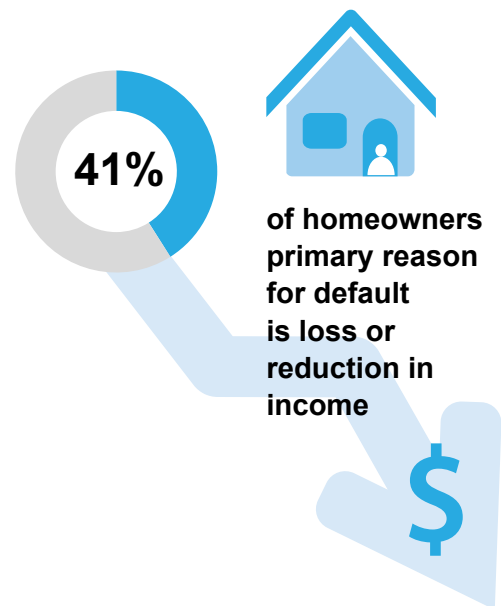
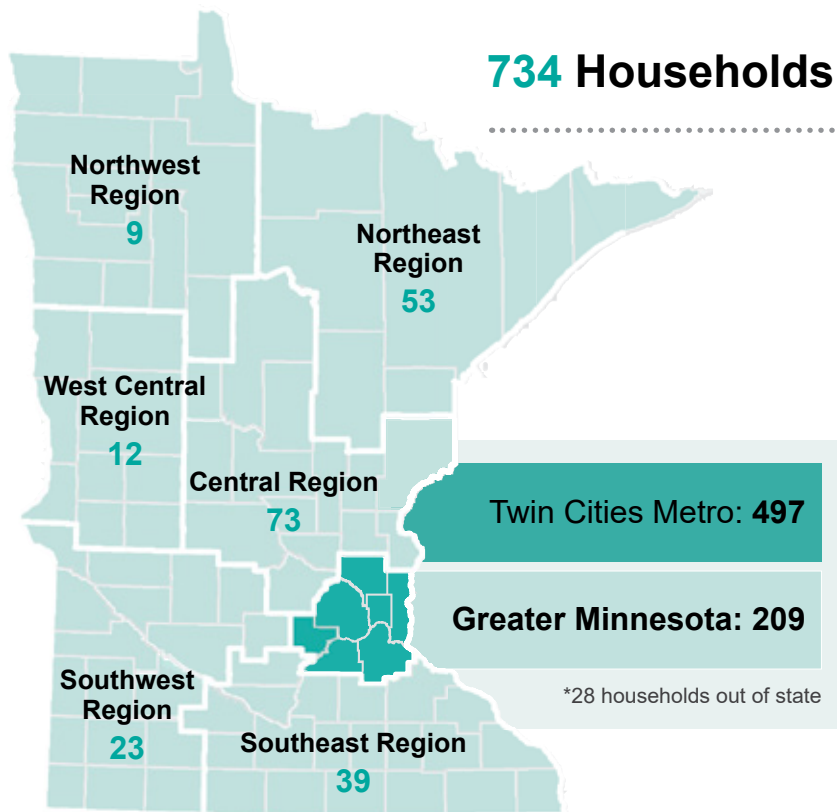
So grateful our Realtor®
recommended this class
to us!

The knowledgeable
presenters fostered a
positive atmosphere and
conveyed the information in
a way that was easy to grasp.

— Homebuyer Education
Participants

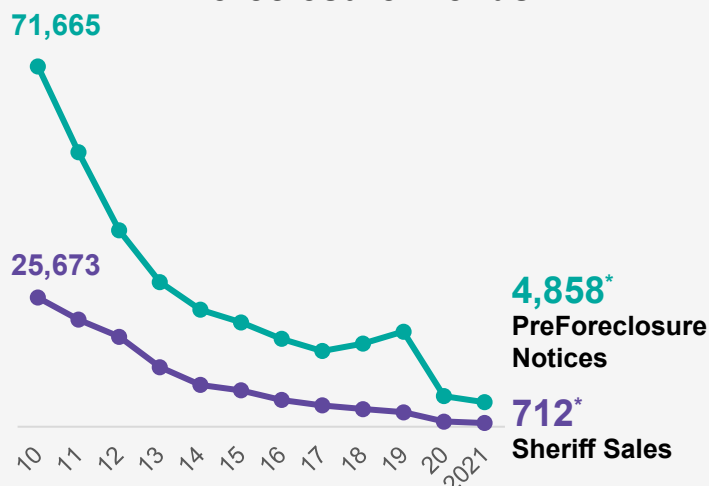
Foreclosure Advising

734 Households Initiated Services in 2021

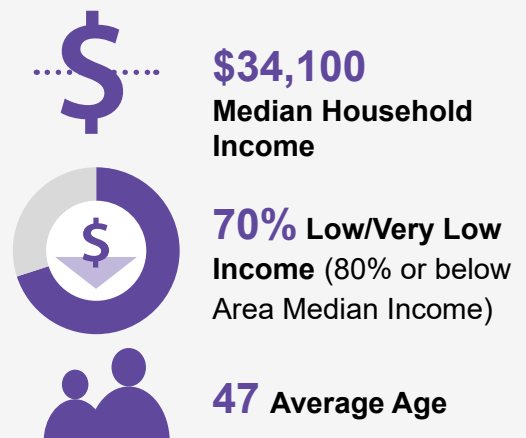


39,014 households avoided foreclosure since 2008

Foreclosure Trends



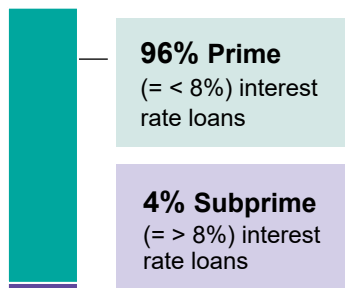
Demographics



*2020 and 2021 data reflects the impact of COVID-19 mortgage forbearance

Loans and Affordability

Loan Type



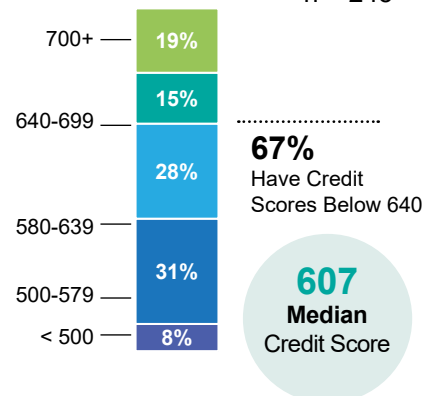
Income Spent on Housing



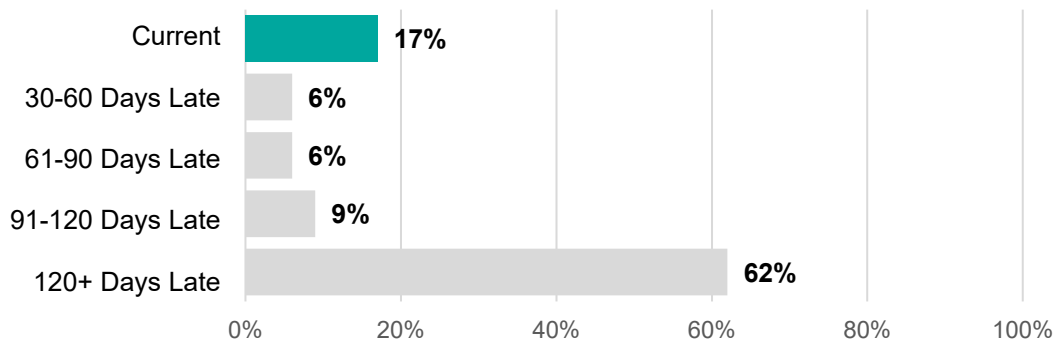
67% households
spend > 30% of their income
on their monthly mortgage payment

Median Credit Score

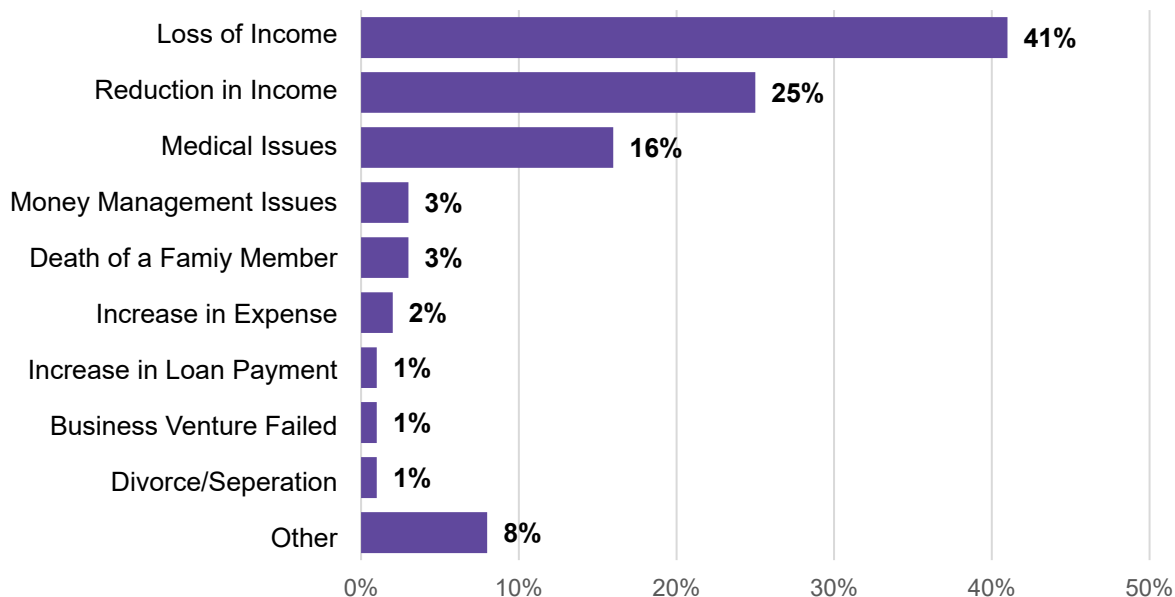
n = 245



Loan Status at Intake



Default Reason









Demographics and Outcomes

Race

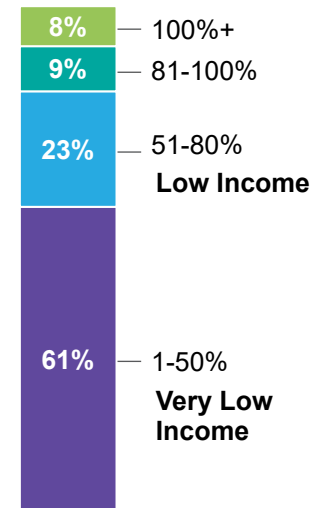
56%	White
22%	Black/African American
5%	Hispanic
5%	Multiple Race
3%	Asian
2%	American Indian/Alaska Native
1%	Native Hawaiian/Pacific Islander
8%	Not Reported

Household Type

	35%	Single adult
	19%	Married w/ children
	17%	Female-headed single-parent household
	11%	Married without children
	5%	Male-headed single-parent household
	4%	Two or More Unrelated Adults
	4%	Other
	6%	Not reported

Percent Area Median Income

n = 623



Outcomes

94%

Avoided Foreclosure



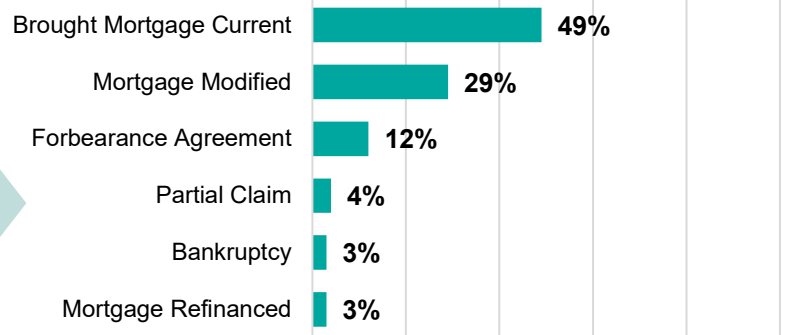
= 466 households

(based on 494 total households completing the process during 2021)

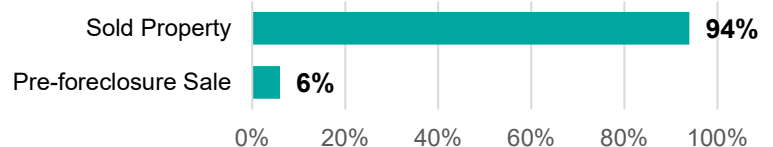
Resolution



Remained in Home = 430 households



Unable to Remain in Home = 36 households



Supporting Organizations

Archie D. & Bertha H. Walker Foundation

Associated Bank

Bank of the West

Bell Mortgage

Bremer Bank

Edina Realty

Greater Minnesota Housing Fund

Hennepin County

Housing Partnership Network

HRK Foundation

Huntington Foundation

McKnight Foundation

Minneapolis Community Planning and Economic Development

Minnesota Housing Finance Agency

Old National Bank Foundation

Redpath and Company

St. Paul Housing and Redevelopment Authority

Target Foundation

U.S. Bank

U.S. Department of Housing & Urban Development

Wells Fargo Foundation

Board

Chair: Robyn Bipes-Timm, Twin Cities Habitat for Humanity

Vice Chair: Rose Teng, U.S. Bank

Treasurer: David Lindstrom, Midwest One

Secretary: Brian Crosby, Associated Bank

- Jim Erchul, Dayton's Bluff Neighborhood Housing Services
- Mike Happe, SFM Mutual Insurance
- Nancy Healy, Bremer Bank
- Roxanne Kimball, City of Minneapolis
- Rebecca Martin, Greater Minnesota Housing Fund
- Darcy McDonald, Wings Financial Mortgage

- Fatima Moore, City of Minneapolis
- Patty Pannkuk, Wells Fargo
- 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, Huntington
- Jen Thompson, U.S. Bank
- Stephen Wreh-Wilson, Twin Cities Habitat for Humanity

Leadership

Bill Gray, Stakeholder Relations Director

Julie Gugin, President

Karen Pederson, Associate Director

Kim Smith-Moore, Homeownership Programs Senior Director

Steph Stull, Member Support Director

Brooke Walker, Strategic Initiatives Director

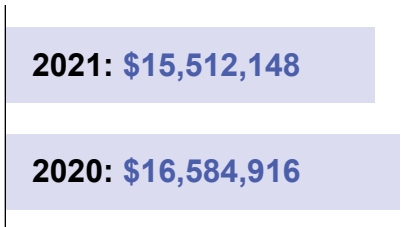
Network

African Development Center
African Economic Development Solutions
Anoka County Community Action Program
Arrowhead Economic Opportunity Agency
CAPI USA
Catholic Charities of St. Cloud
Community Action Duluth
Community Action Partnership of Hennepin County
Comunidades Latinas Unidas En Servicio (CLUES)
Dakota County Community Development Agency
Headwaters Regional Development Commission
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

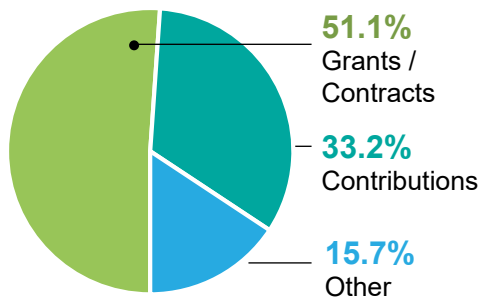
Neighborhood Development Alliance
NeighborWorks Home Partners
Northside Residents Redevelopment Council
One Roof Community Housing
PRG, Inc.
Project for Pride in Living, Inc. (PPL)
Scott County Community Development Agency
Southeastern Minnesota Multi-County HRA
Southwest Minnesota Housing Partnership
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

2021 Financials

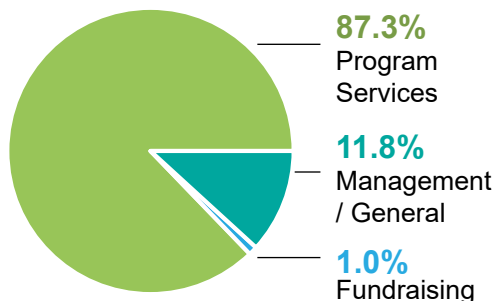
Net Assets



Income Total: \$4,587,917



Expense Total: \$4,101,254



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Helping Minnesotans achieve sustainable homeownership for more than 25 years.

www.hocmn.org