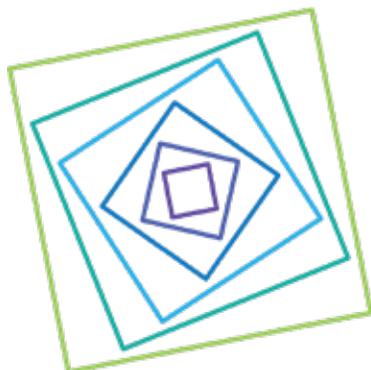




**2021**

# 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



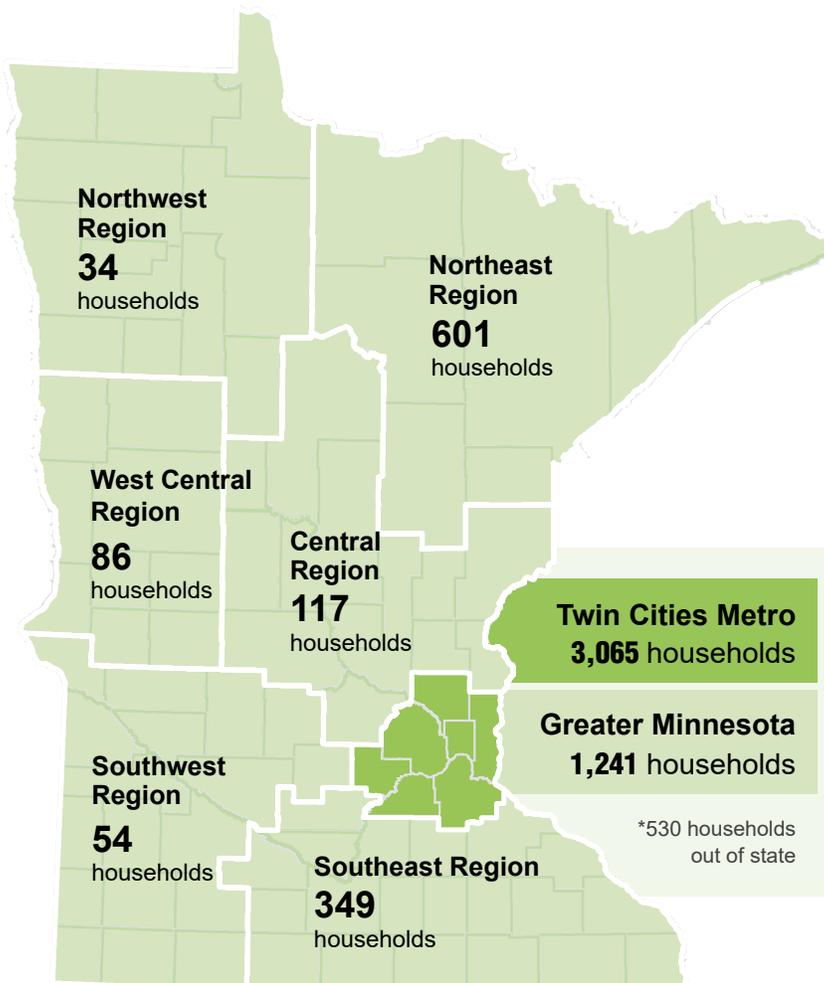
**1,379** Homebuyer Advising  
**1,162** Financial Wellness Advising



**17,172**  
Online<sup>1</sup>

### Households Across Minnesota

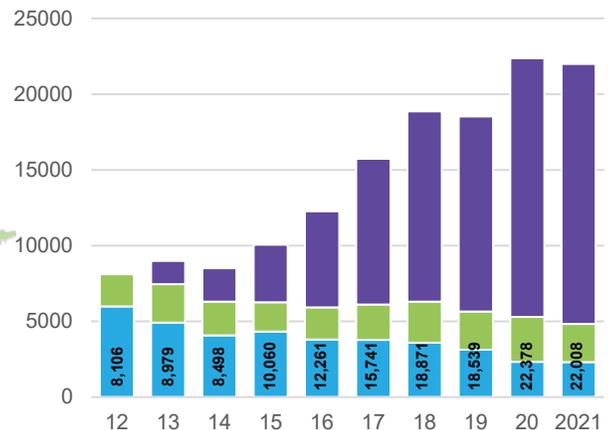
Participated in Classroom and One-on-One Homebuyer & Financial Wellness Advising



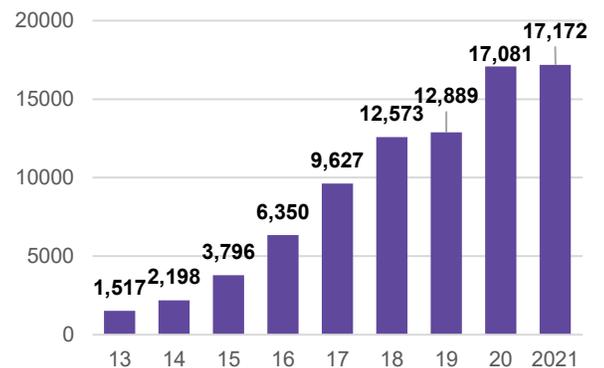
### Program Participants from 2012 - 2021

from 2012 - 2021

Classroom One-on-one Online



### Online Education Growth Framework®



<sup>1</sup> Number includes Framework Use in Minnesota only.

# Profile of Homebuyer Services Participants

**91%** 1st time homebuyers

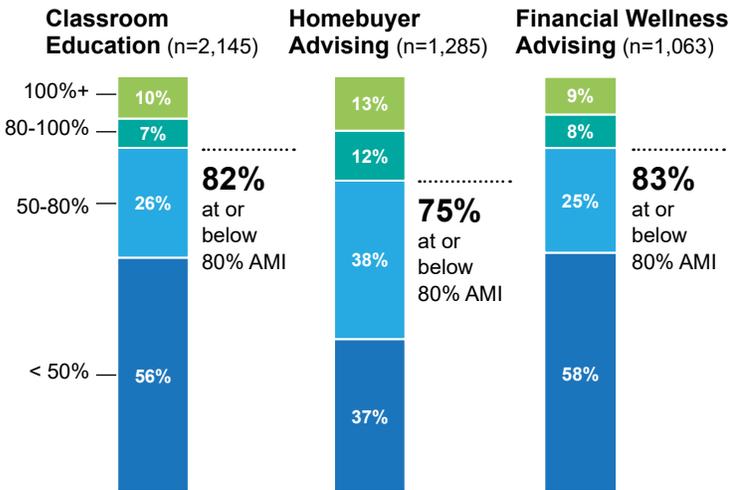
**42%** 1st generation homebuyers



**\$43,200**  
Median Participant Household Income

## Working with Low Income Families to Achieve Homeownership

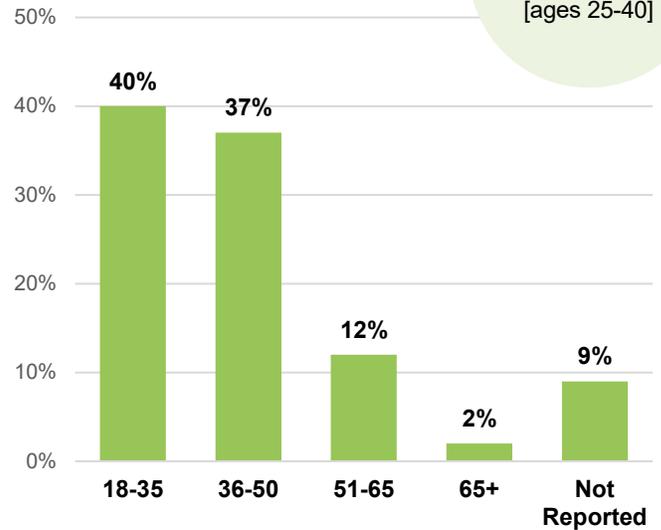
Area Median Income



## Reaching More Millennials

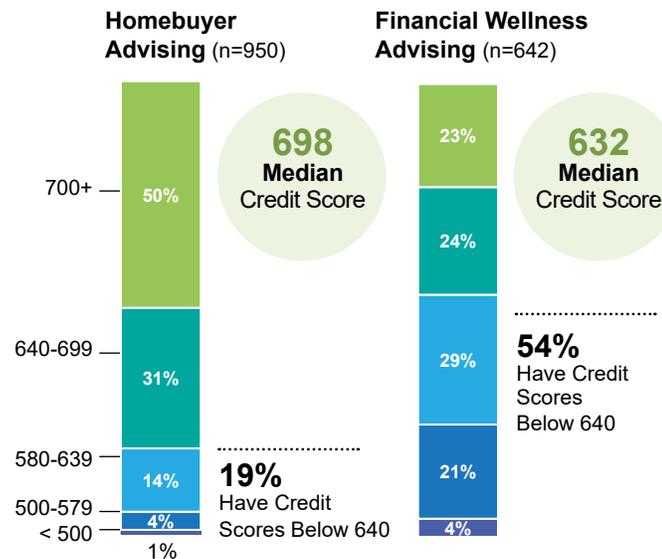
Participant Age

**49%** participants are millennials [ages 25-40]



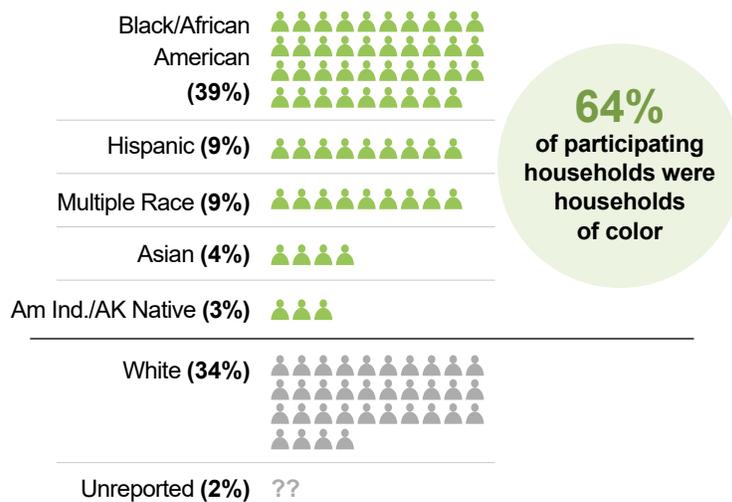
## Homebuyers Need Help Improving Credit

Participant Credit

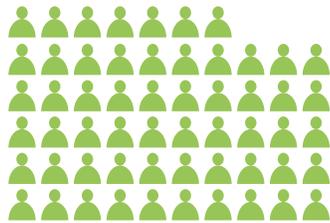
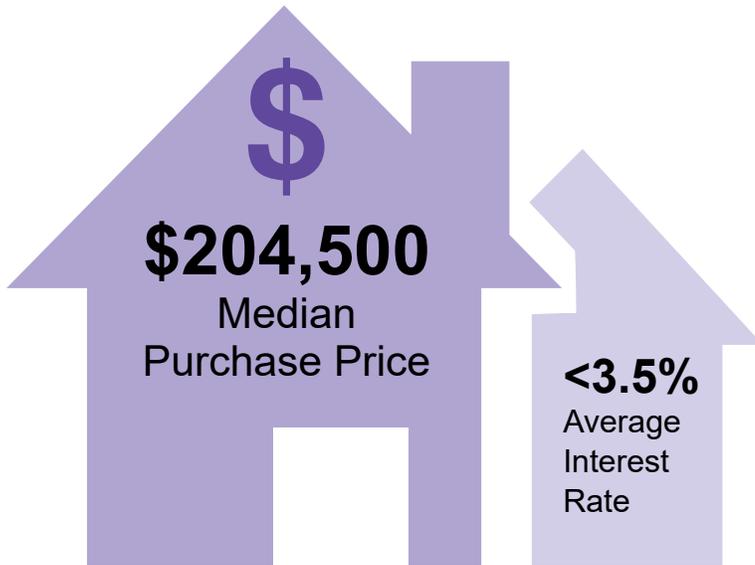


## Reaching Diverse Communities to Advance Homeownership

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!

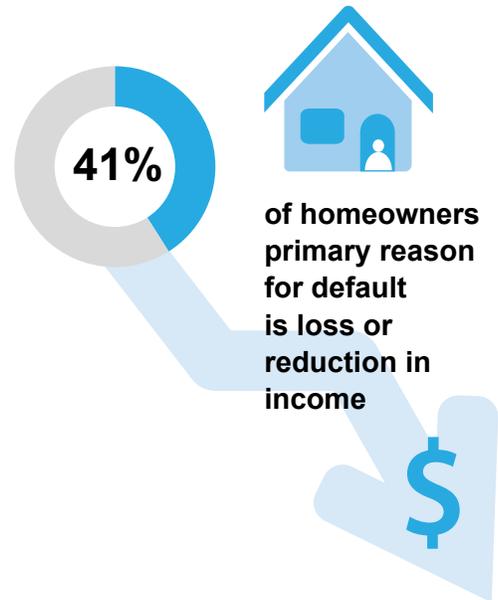
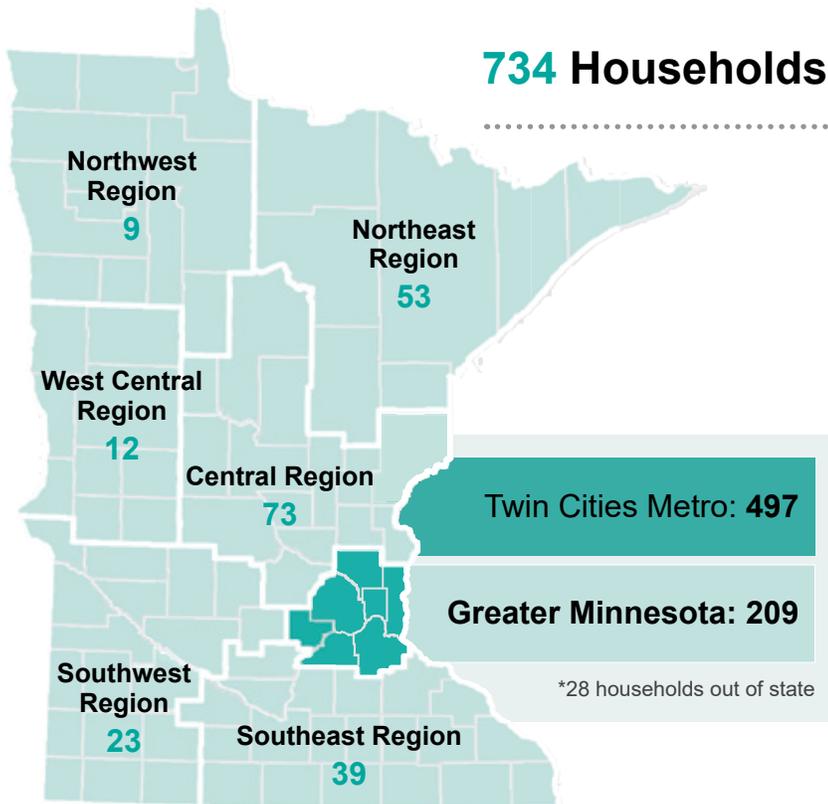
So grateful our Realtor® recommended this class to us!

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

— Homebuyer Education Participants

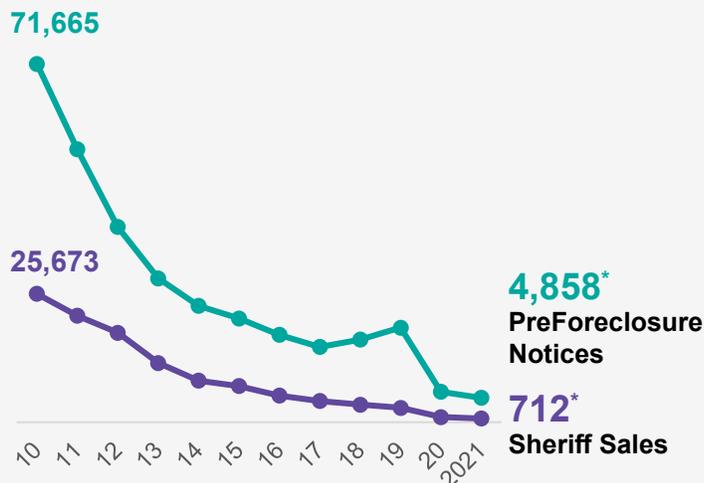
# Foreclosure Advising

## 734 Households Initiated Services in 2021

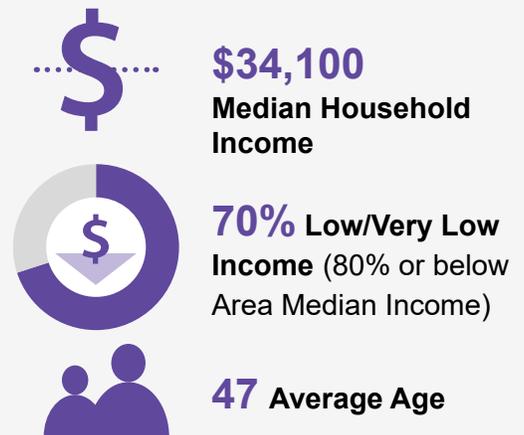


## 39,014 households avoided foreclosure since 2008

### Foreclosure Trends



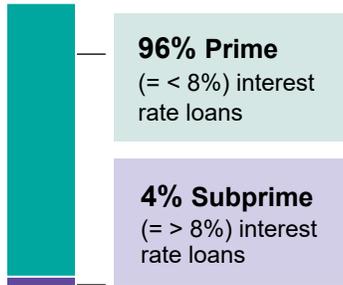
### Demographics



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

# Loans and Affordability

## Loan Type

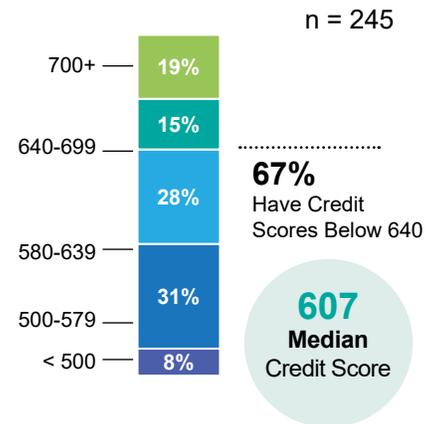


## Income Spent on Housing

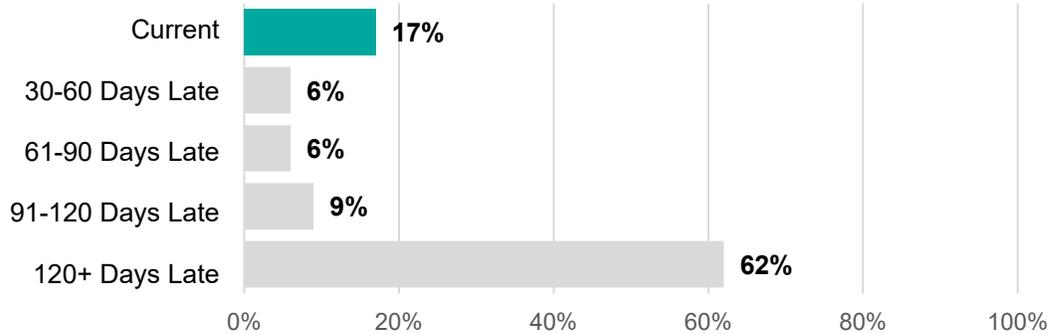


spend > 30% of their income on their monthly mortgage payment

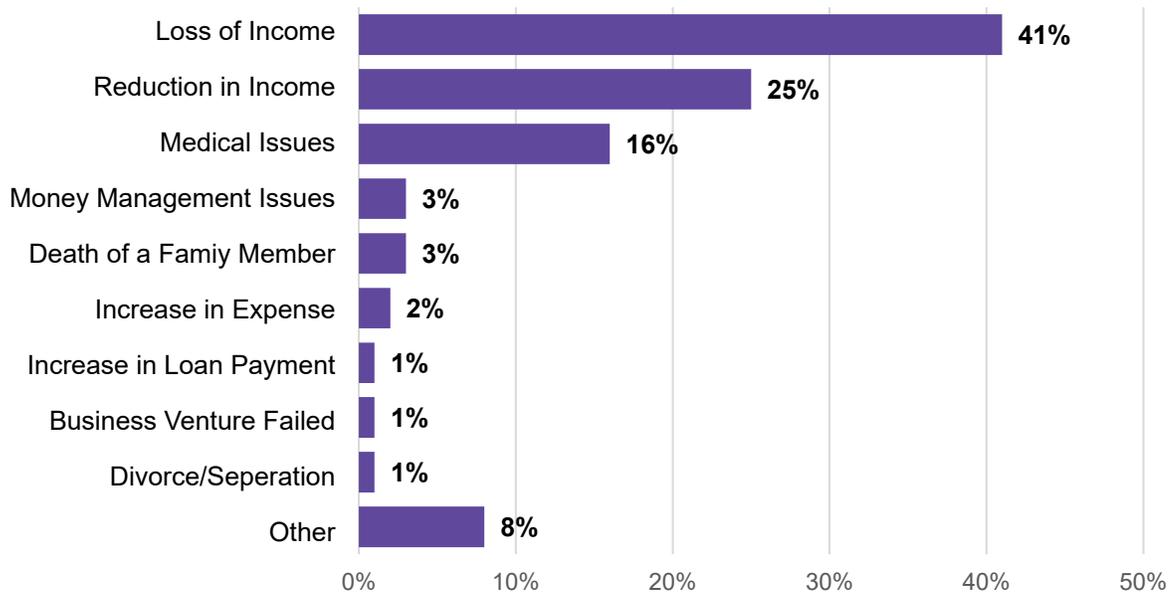
## Median Credit Score



## Loan Status at Intake



## Default Reason



# Demographics and Outcomes

## Race

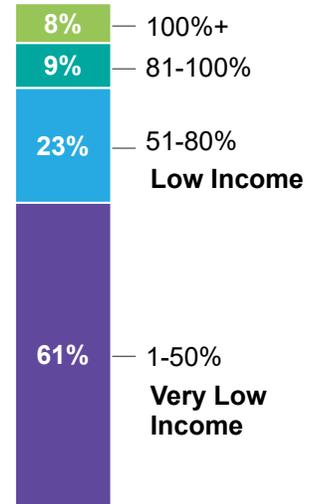
56%	White
22%	Black/African American
5%	Hispanic
5%	Multiple Race
3%	Asian
2%	American Indian/Alaska Native
1%	Native Hawaiian/Pacific Islander
8%	Not Reported

## 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



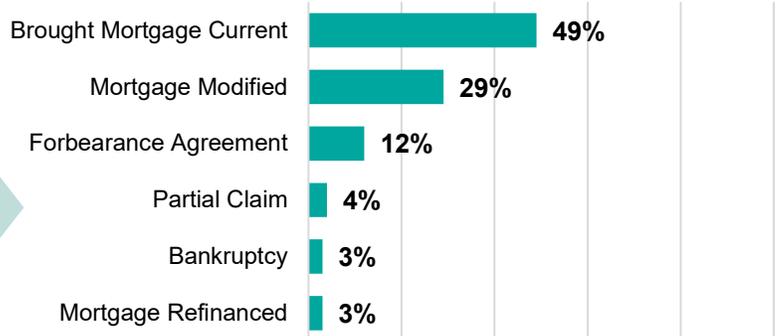
= 466 households

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

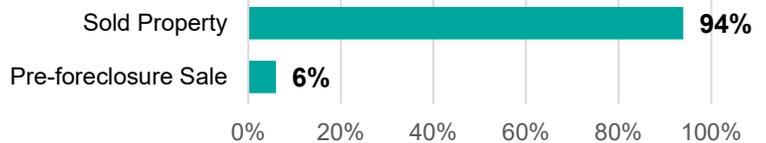
Resolution



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

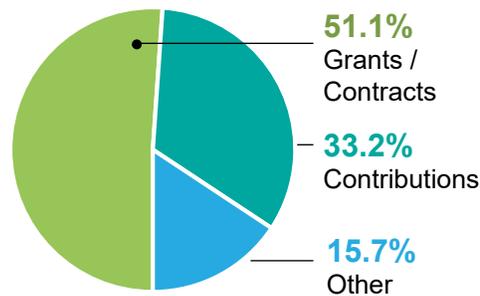
## 2021 Financials

### Net Assets

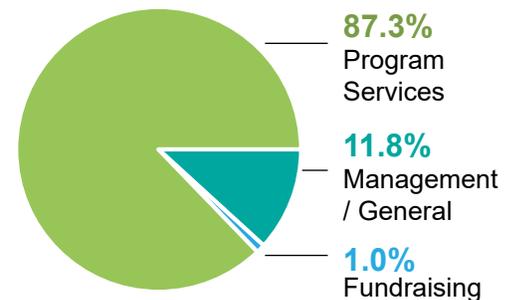
**2021: \$15,512,148**

**2020: \$16,584,916**

### Income Total: \$4,587,917



### Expense Total: \$4,101,254



**MINNESOTA  
 HOMEOWNERSHIP  
 CENTER**

Helping Minnesotans achieve sustainable homeownership for more than 25 years.

[www.hocmn.org](http://www.hocmn.org)