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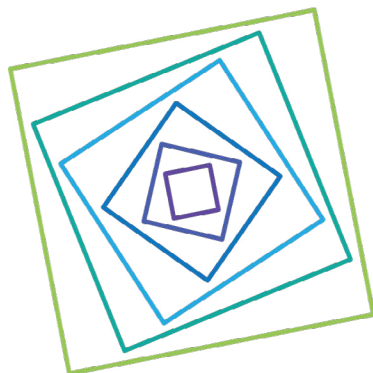
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Community Impact Report



MINNESOTA
HOMEOWNERSHIP
CENTER

Minnesota Homeownership Center 2022 Community Impact Report

Dear Friends:

You've likely heard by now that the 2023 Minnesota State Legislative Session was one of the best in history with regard to the amount in funding directed toward stable and affordable housing assistance across the housing ecosystem – from exiting homelessness to achieving and sustaining successful homeownership. This watershed moment is much needed as we face continuing increases in rent, limited home sales inventory, rising mortgage interest rates and other challenges to individual housing stability and affordability.

I'm especially proud of the role the Minnesota Homeownership Center played in securing funds for the homeownership side of the equation. In 2021, we partnered with Minnesota Realtors® to conduct a study looking at the potential impact of more readily available down payment assistance in our state. The results indicated that more than 100,000 renter households, currently unable to afford to buy a home, could do so with down payment assistance of \$10,500 or less. Further, with regard to our outsized racial ownership gap, transitioning just 11,600 Black renter households to homeownership would increase the Black homeownership rate in Minnesota by ten percent – a significant gap reduction.

In 2022, we brought forward a legislative proposal for a First-Generation Homebuyers Down Payment Assistance Fund, in partnership with Minnesota Realtors and Twin Cities Habitat for Humanity. While the proposal was well received, it died (along with most of the 2022 session's work) when that session ended in partisan gridlock. Reintroduced in 2023, the proposal passed into law in May with \$100 million to be managed and disbursed through Midwest Minnesota Community Development Corporation (MMCDC) and other community-based organizations, and another \$50 million to be managed and disbursed through Minnesota Housing.

The focus on first-generation homebuyers was very deliberate, as this population is the least likely to be able to access generational wealth in order to facilitate a down payment. And because of Minnesota's large racial homeownership gap, the majority of potential first-generation homebuyers will be buyers of color. Thus the program should help to reduce Minnesota's overall racial homeownership gap simply due to our state's statistical reality.

While the specifics on accessing this new fund remain to be determined and finalized, the development framework is designed to greatly simplify the process for buyers, Realtors® and lenders alike. Funds will not be restricted to specific areas, cities or regions. They also will be 'reserved' at the beginning of the purchase process, ensuring availability at the conclusion of the sometimes-lengthy transaction timeline. Access to the program will be available via any lender, as opposed to being restricted to a specific entity. Up to ten percent of the home's purchase price will be available (capped at \$32,000), and the funds will be structured as a loan which is forgivable over five years of owning the home as the buyer's primary residence. The program is expected to become available to consumers in 2024. Stay tuned for more information on this important new program as details are nailed down and consumer outreach ramps up!

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.



Our collective 2022 community impact is documented in the pages that follow. Please feel free to reach out to me if you have any questions about our work, and thank you as always for your support and interest.

Julie Gugin, President
Minnesota Homeownership Center

Homebuyer Services

11,229 Households Served



2,665
Classroom



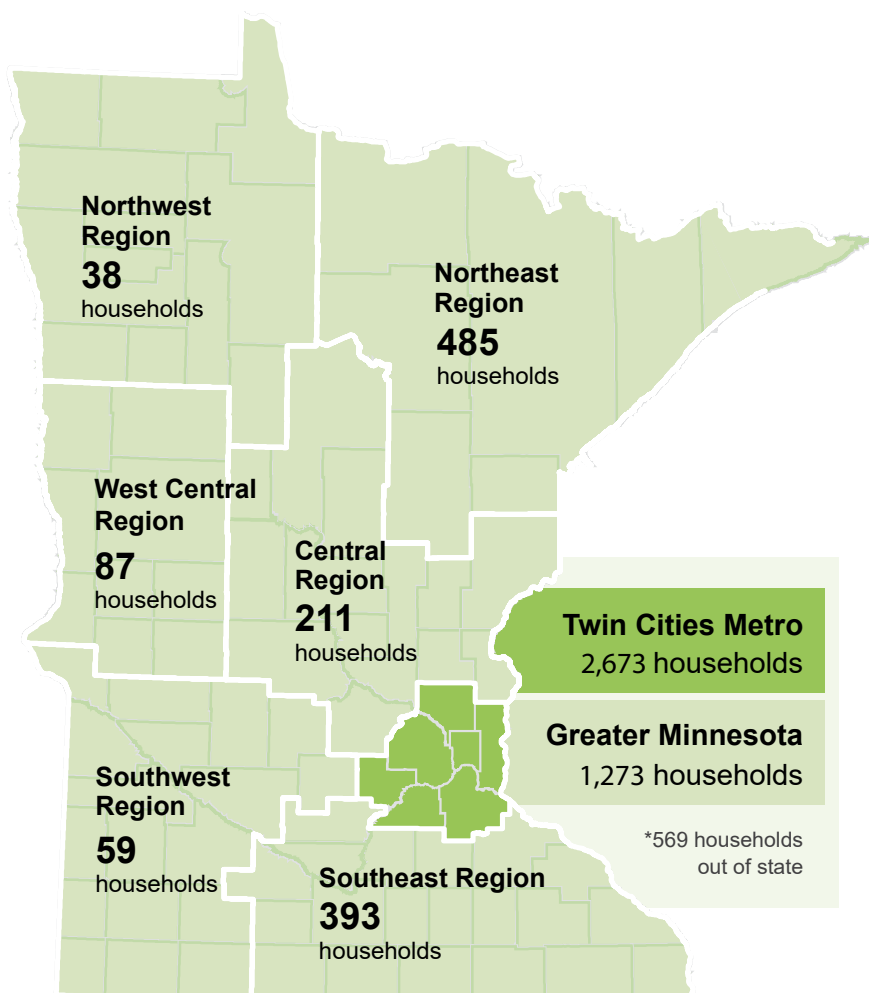
1,106 Homebuyer Advising
754 Financial Wellness Advising



6,714
Online

Households Across Minnesota

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



News About Framework®

Earlier this year, the Center sold its 50 percent ownership in the Framework® online homebuyer education enterprise to our fellow founding partner, Housing Partnership Network (HPN). Since launching in 2012, nearly 1.4 million U.S. households, including 90,000 here in Minnesota, have taken the Framework course online as part of their pursuit of homeownership. The online homebuyer education space is now in a period of rapid change, and Framework is evolving beyond homeownership education in order to expand its service reach and utility in response. The Center is extremely proud of its role in creating and launching Framework, and proud of Framework and its dedicated staff over the years for growing the enterprise into something far more successful than we would have envisioned back in 2012. We're excited to watch its continued evolution moving forward under the direction of CEO Omar Esposito, and we wish him and his team continued success.

Profile of Homebuyer Services Participants

83% 1st time homebuyers

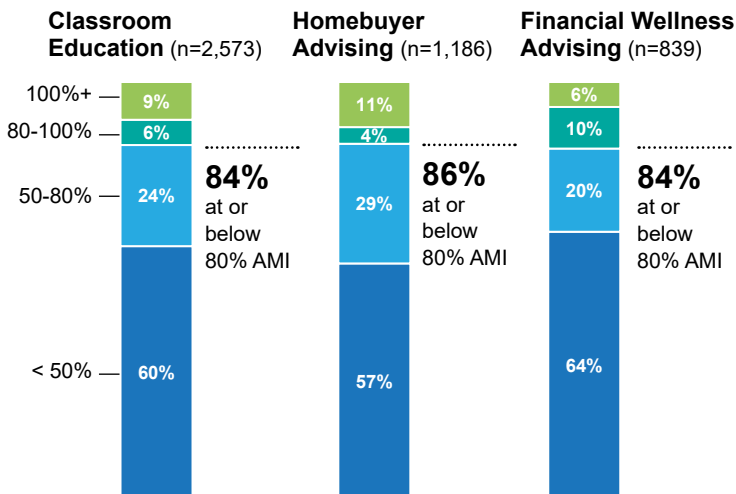
40% 1st generation homebuyers



Working with Low Income Families to Achieve Homeownership

Area Median Income

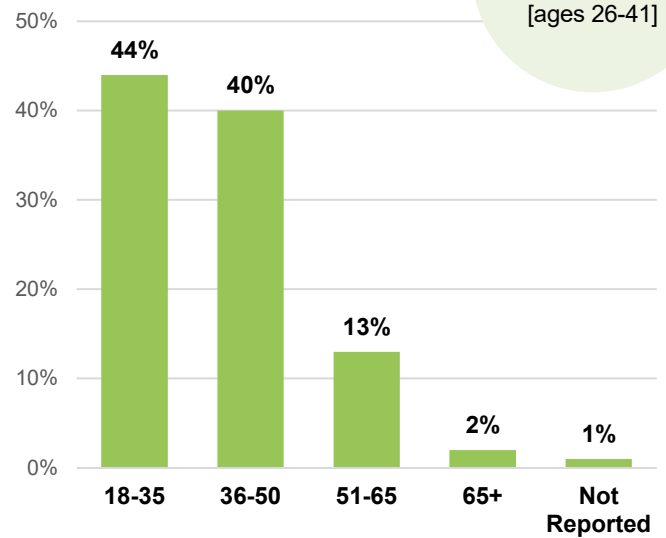
\$45,936
Median Participant Household Income



Reaching More Millennials

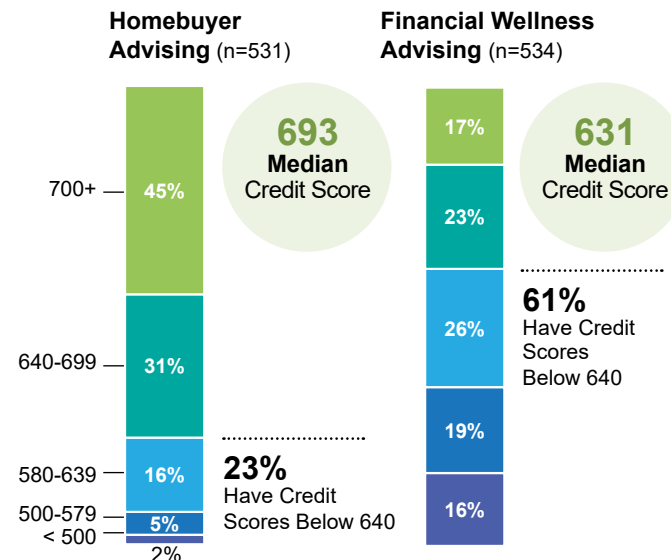
Participant Age

52% participants are millennials [ages 26-41]



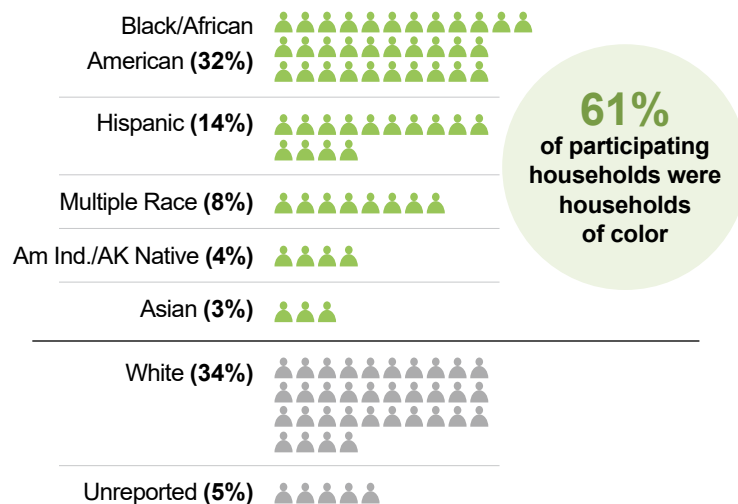
Homebuyers Need Help Improving Credit

Participant Credit

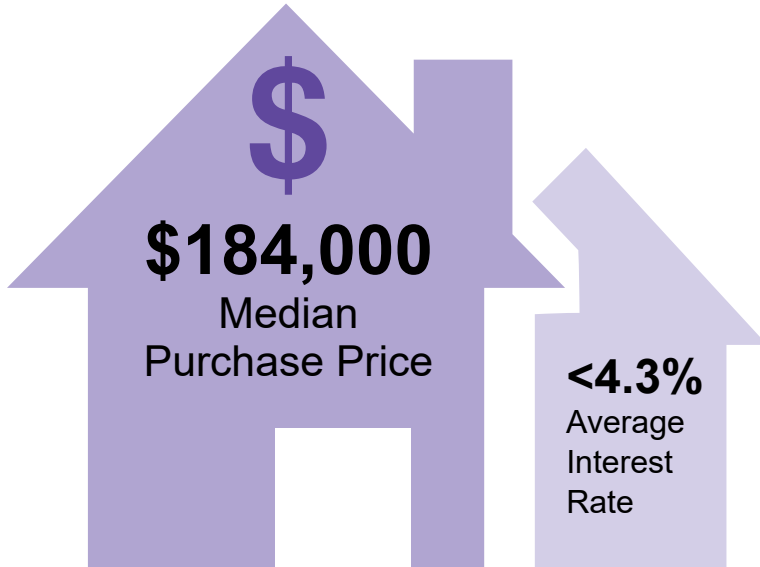


Reaching Diverse Communities to Advance Homeownership

Participant Households of Color



Classroom Education Stats & Comments



One of the best classes I have ever taken.

It was an amazing class. There was a lot to learn in one day but it was well worth it.

Would 10/10 recommend to all my friends and family.

The staff was knowledgeable, patient, and most importantly, looked like me.

The Home Stretch program is excellent and I highly recommend taking it.

— Homebuyer Education Class Participants



58%

Voluntarily
participated



42%

Required
by lender to participate

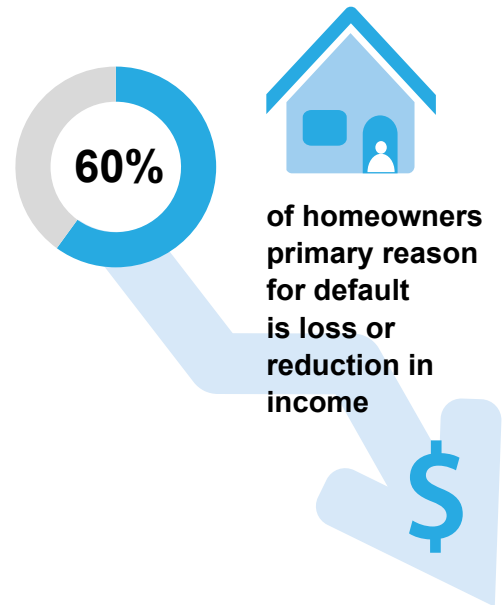
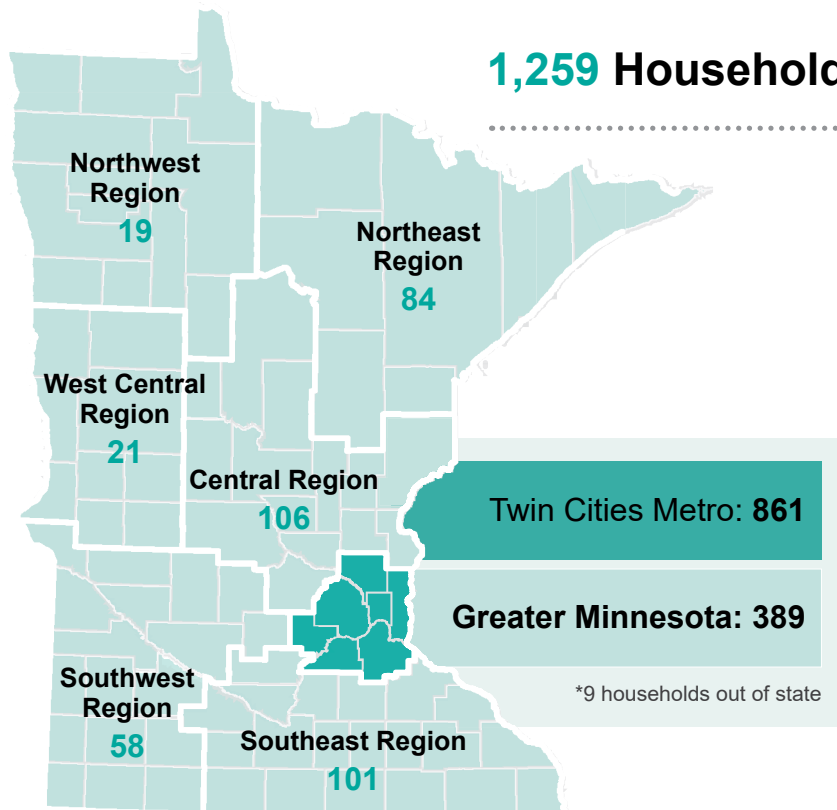
89%

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

98%

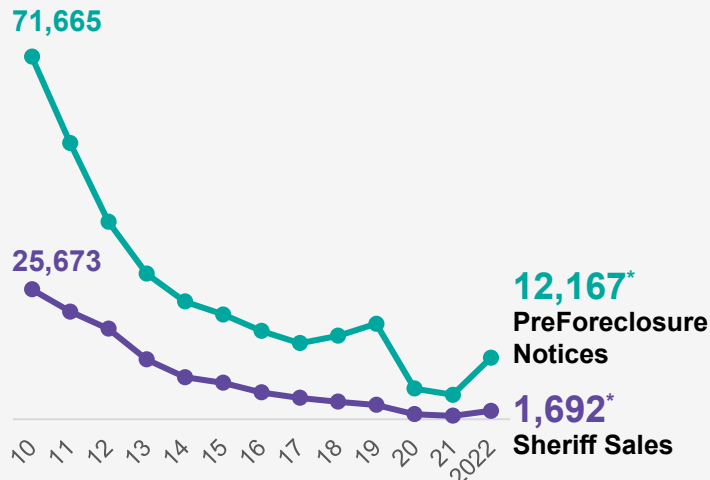
of respondents would **recommend the homebuyer education course** to others

Foreclosure Advising

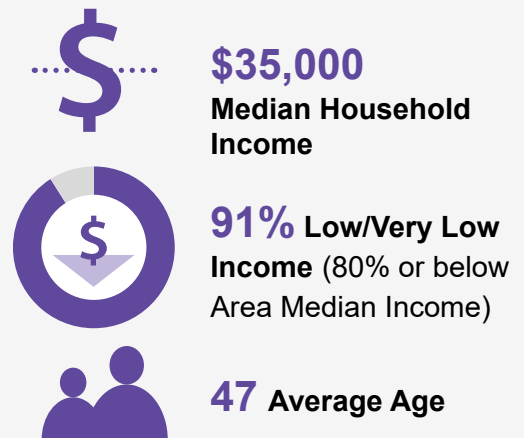


39,872 households avoided foreclosure since 2008

Foreclosure Trends



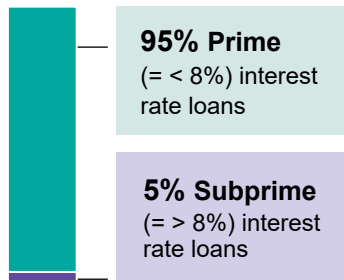
Demographics



*2020 and 2021 data reflects the impact of COVID-19 mortgage forbearance. 2022 data is still below pre-COVID levels.

Loans and Affordability

Loan Type



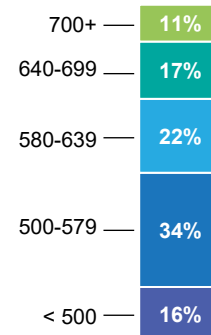
Income Spent on Housing



34% households
spend > 30% of their income
on their monthly mortgage payment

Median Credit Score

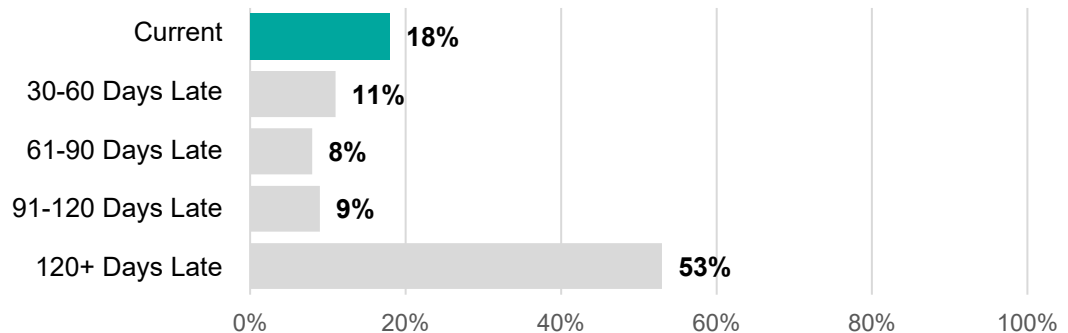
n = 407



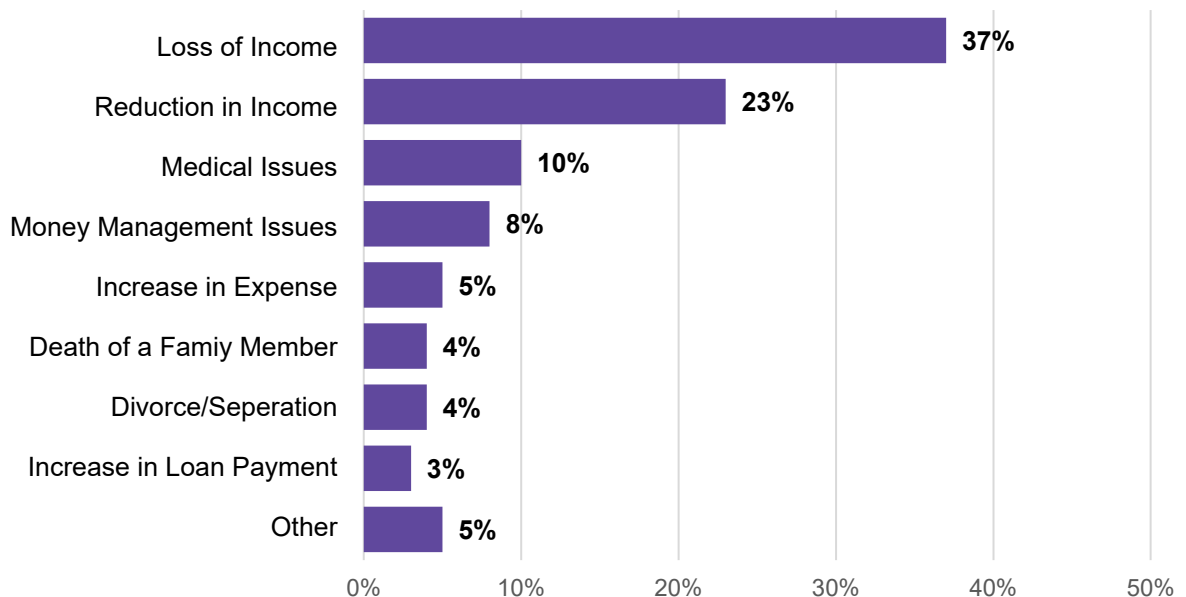
72%
Have Credit
Scores Below 640

584
Median
Credit Score

Loan Status at Intake



Default Reason



Demographics and Outcomes

Race

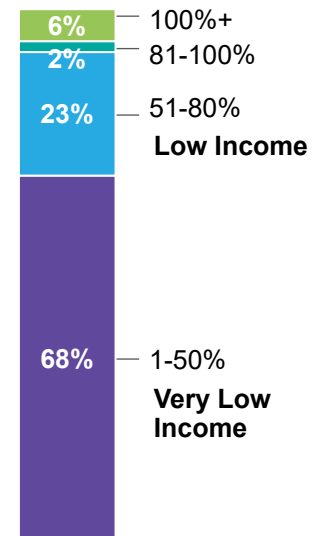
55%	White
21%	Black/African American
8%	Hispanic
5%	Multiple Race
3%	Asian
2%	American Indian/Alaska Native
6%	Not Reported

Household Type

31%	Single adult
24%	Female-headed single-parent household
20%	Married w/ children
10%	Married without children
6%	Male-headed single-parent household
4%	Two or More Unrelated Adults
3%	Other
2%	Not reported

Percent Area Median Income

n = 1,264



Outcomes

93%

Avoided Foreclosure



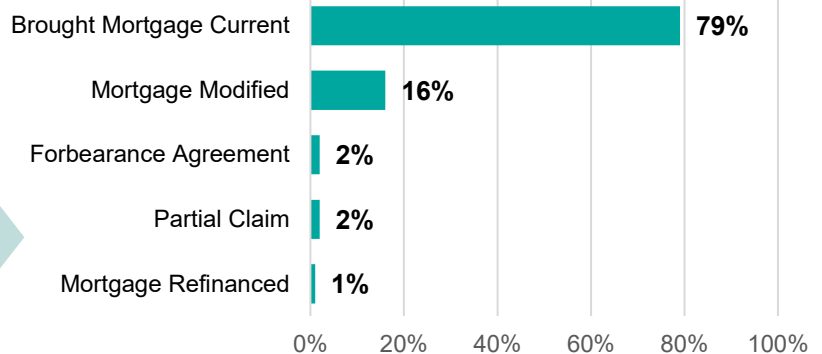
= 858 households

(based on 889 total households completing the process during 2022)

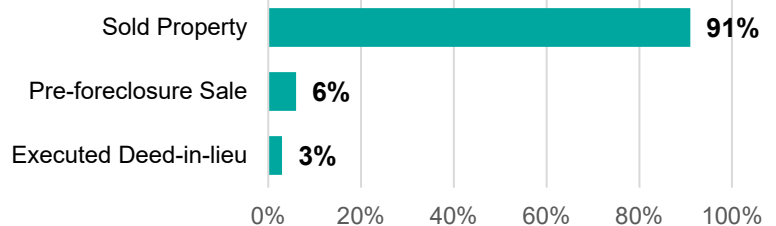
Resolution



Remained in Home = 826 households



Unable to Remain in Home = 32 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

- Tara Beard City of St Paul
- Aarica Coleman, City of Bloomington
- Mohammad El-Sawaf, USI Insurance Services
- Jim Erchul, Dayton's Bluff Neighborhood Housing Services
- Mike Happe, SFM Mutual Insurance
- Nancy Healy, Bremer Bank
- Roxanne Kimball, City of Minneapolis

- Darcy McDonald, Wings Financial Mortgage
- Fatima Moore, City of Minneapolis
- Patty Pannkuk, Wells Fargo
- Keenan Raverty, Bell Bank Mortgage
- John Rocker, Greater Minnesota Housing Fund
- 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
International Institute of Minnesota
KOOTASCA Community Action, Inc.
Lakes and Prairies Community Action Partnership
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

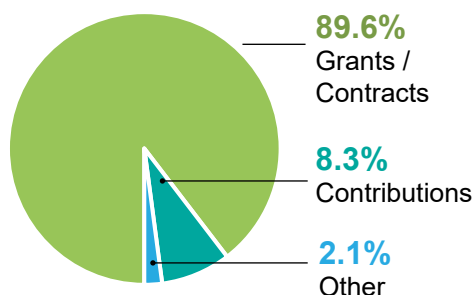
2022 Financials

Net Assets

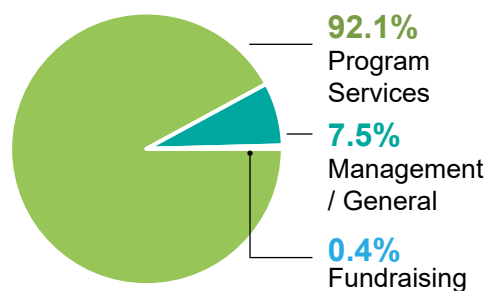
2022: \$12,863,603

2021: \$15,512,148

Income Total: \$6,140,294



Expense Total: \$8,558,865



**MINNESOTA
HOMEOWNERSHIP
CENTER**

Helping Minnesotans achieve sustainable homeownership for more than 30 years.

www.hocmn.org