

**2023
HOUSINGIOWA
CONFERENCE**

**Empowering
Homeownership:**

Fostering Financial Literacy among Historically Underserved Populations

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Home Opportunities Made Easy, Inc.

www.homeincdsm.org



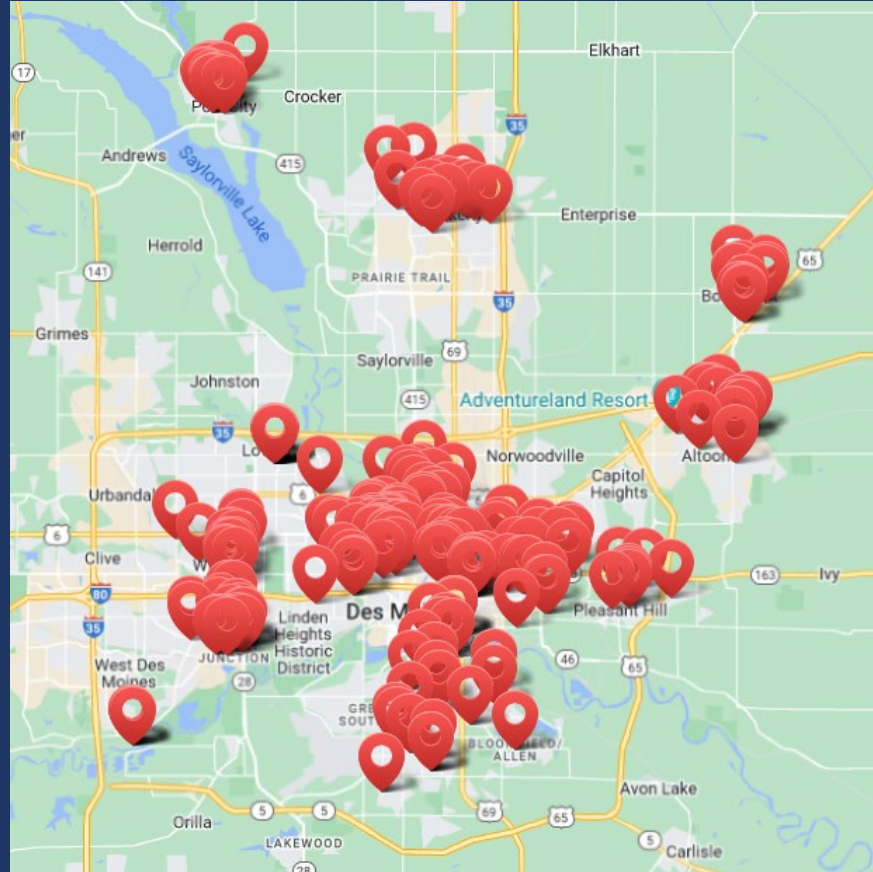
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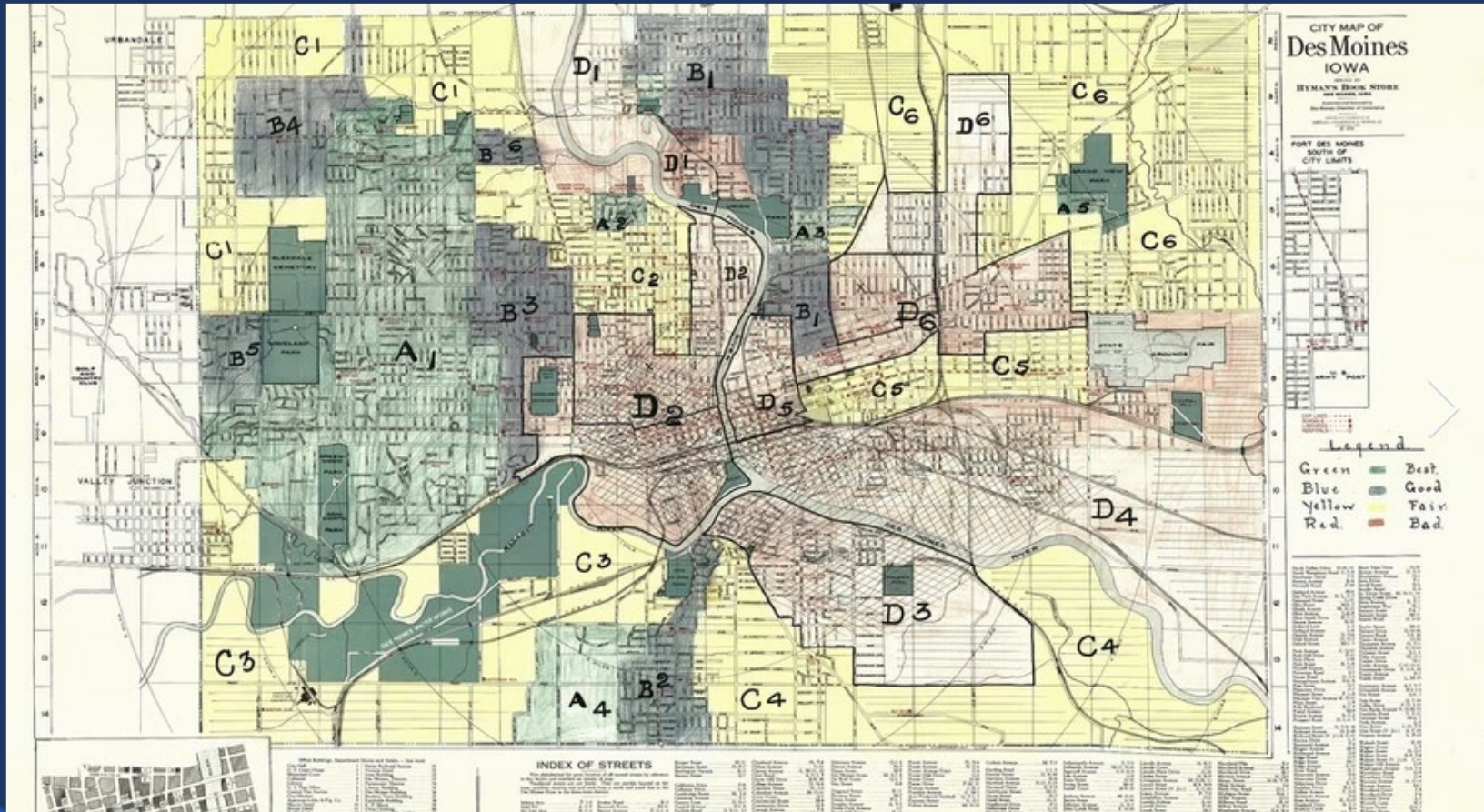
Services at HOME, Inc

- Meet with HUD Certified Counselors
- Landlord and Tenant Rights Counseling
- Hope for Stable Families Program
- Homebuyer Education
- Housing Development for Low Income Families
- Lease Purchase and Turn Key Sales

HOME, Inc Projects and Properties



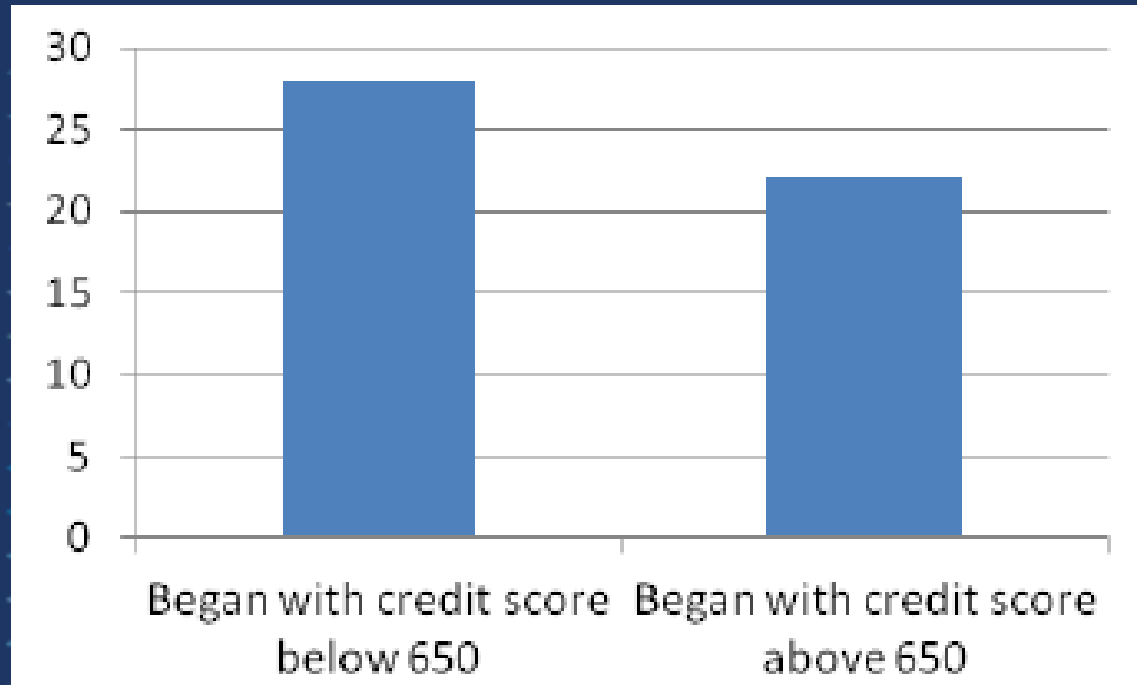
Impact of Redlining



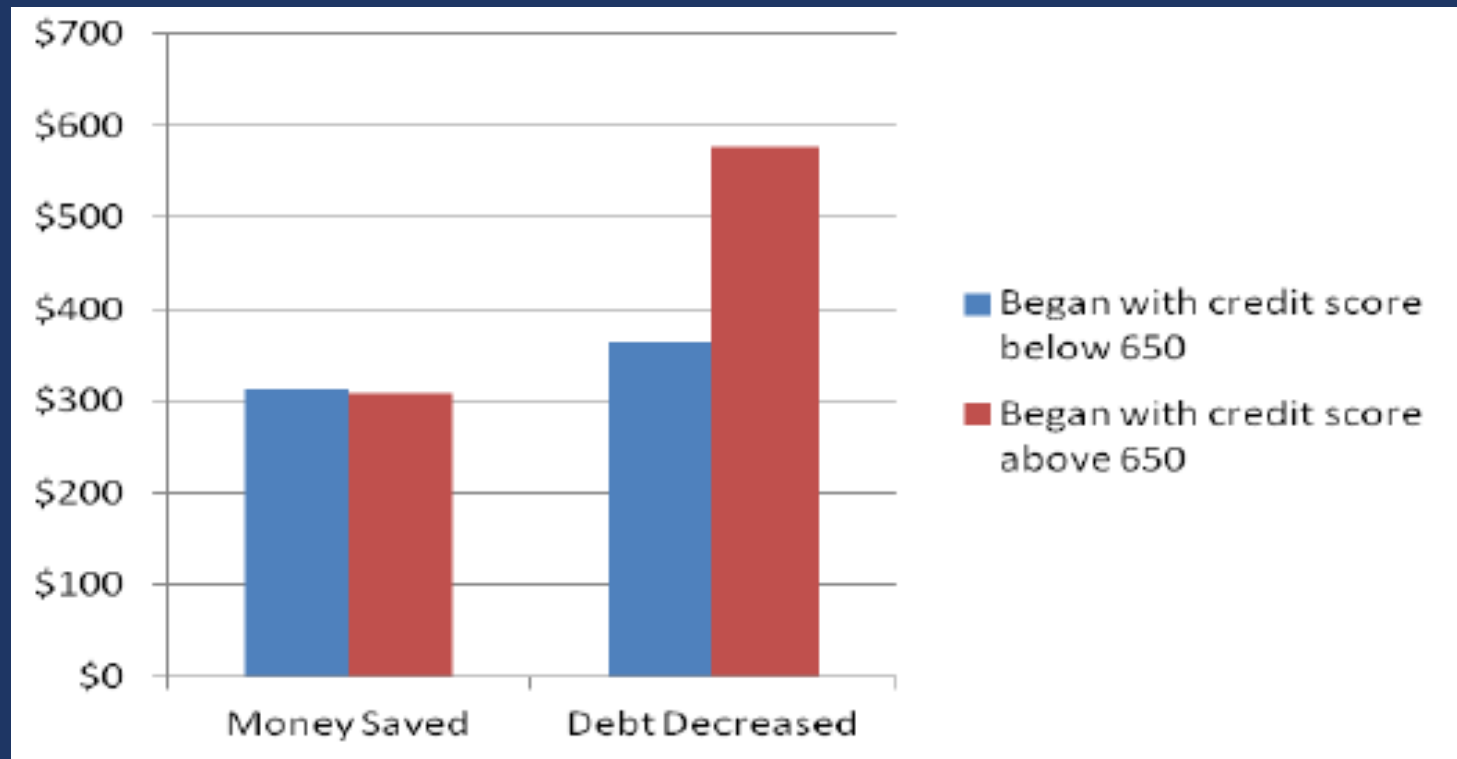
Homebuyer Education Classes

- Are You Ready To Buy A Home?
- Managing Your Money
- Understanding Credit
- Obtaining A Mortgage Loan
- Shopping For And Buying A Home
- Fair Lending and You
- Protecting Your Investment

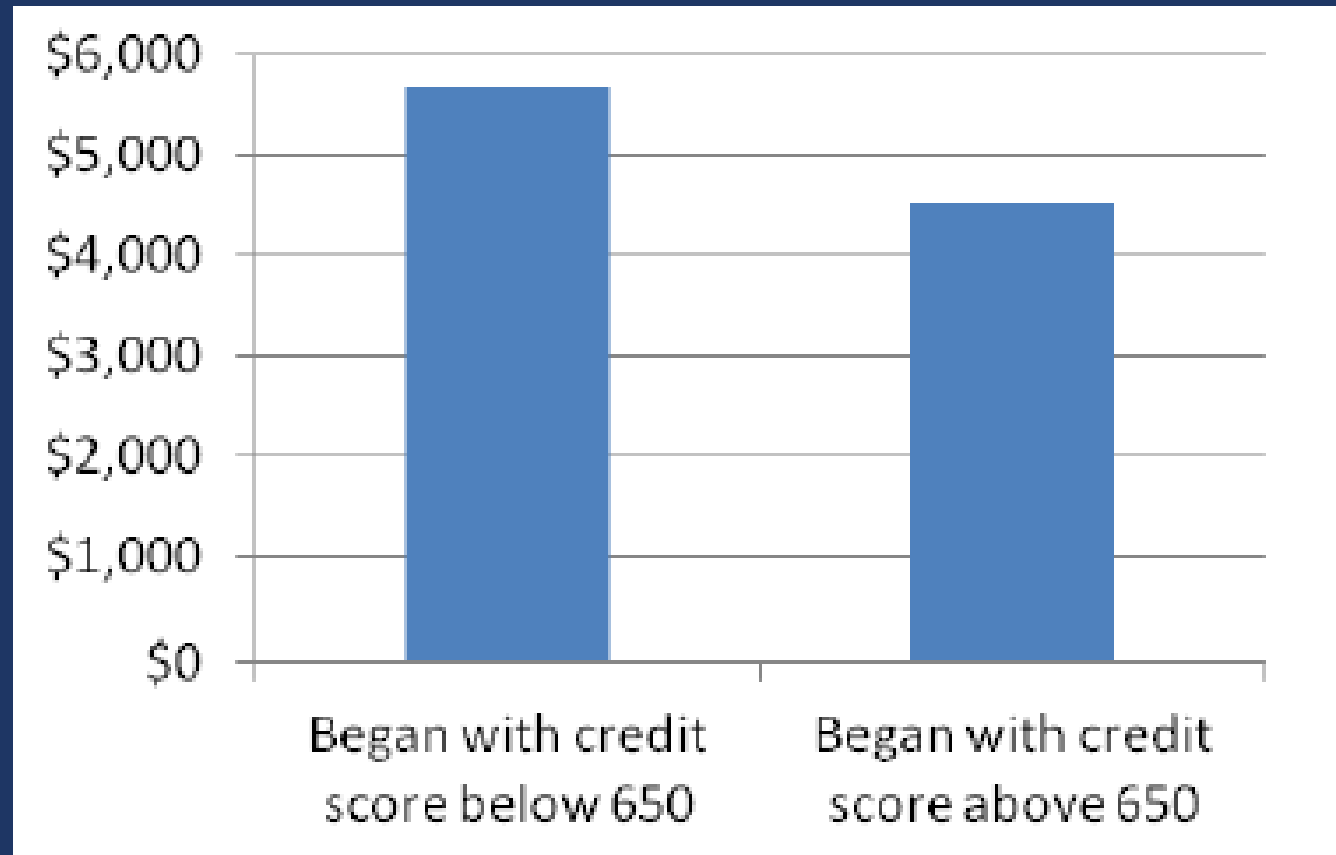
Increase in Credit Score after HBE



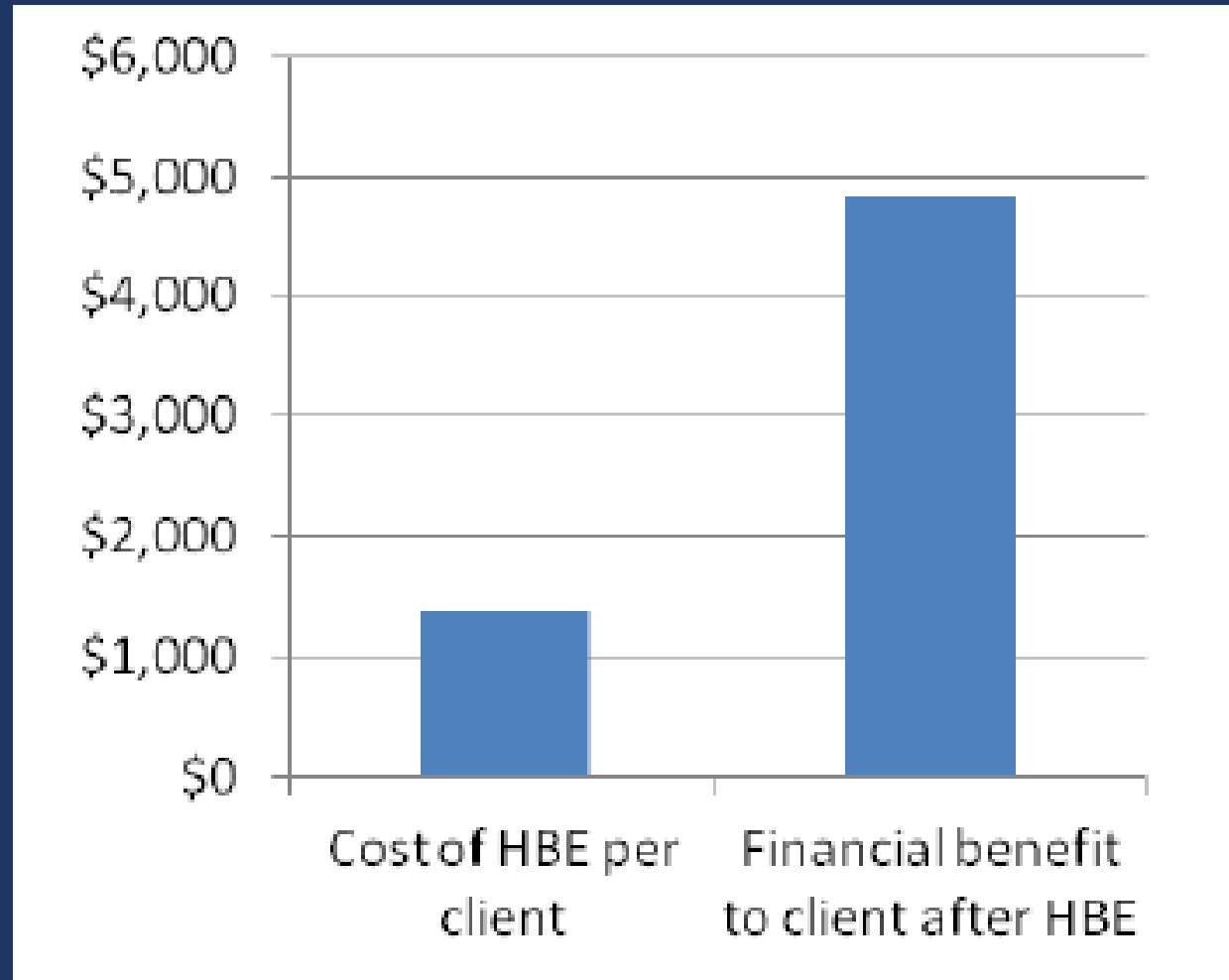
Money Saved and Debt Decrease After HBE



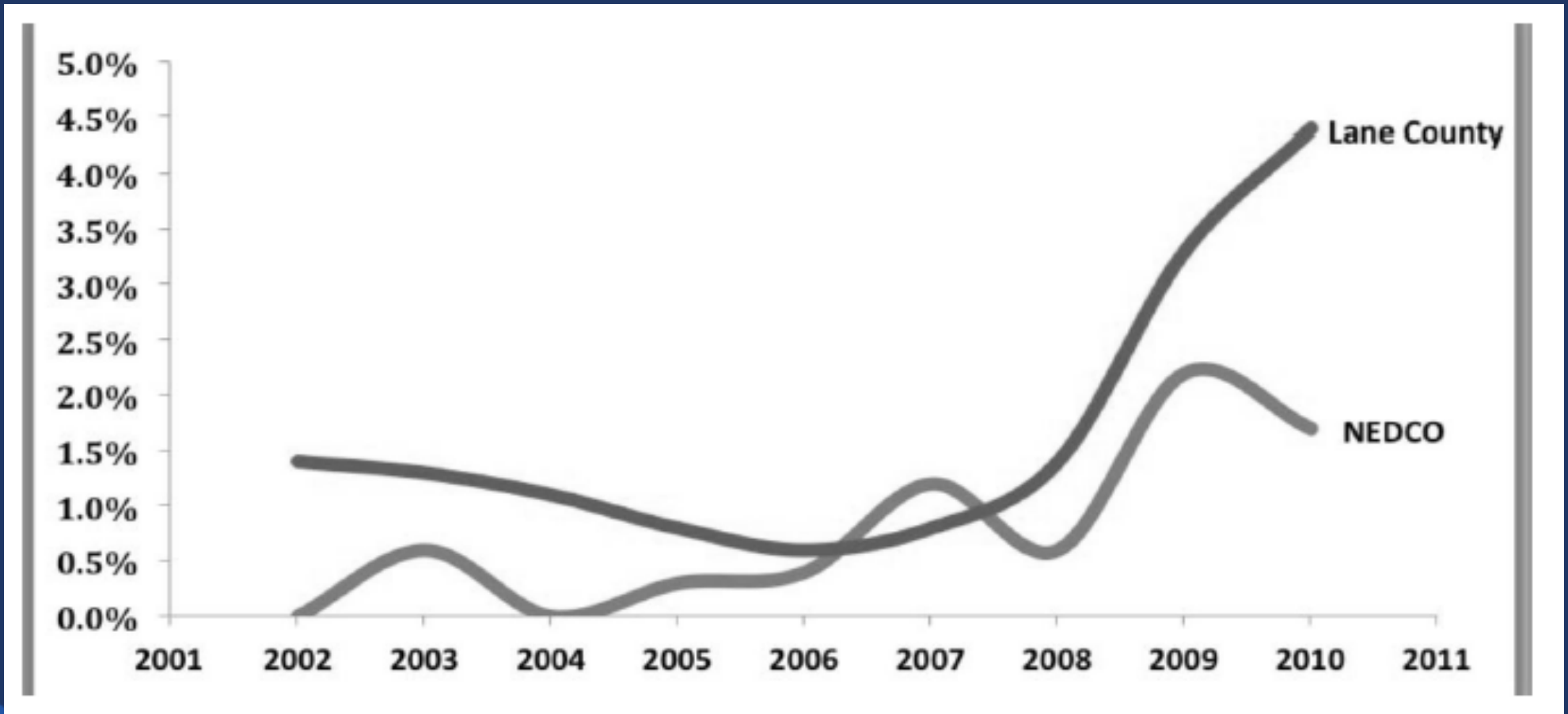
Increase in Buying Power



Cost Benefit of HBE



Lane County and NEDCO 90 Day Default Rates



Bankers Trust Sponsored Class

13

of individuals who participated in the homebuyer education workshops

7

of individuals working towards homeownership with a HOME, Inc, counselor 1:1

28

Average # of points increased on the homebuyer education test post workshop

67

% of registrants who identified as BIPOC

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Building Hope and Empowering Future Homeowners

Greater Des Moines Habitat for Humanity
Dan Warfel: Director of Family Services

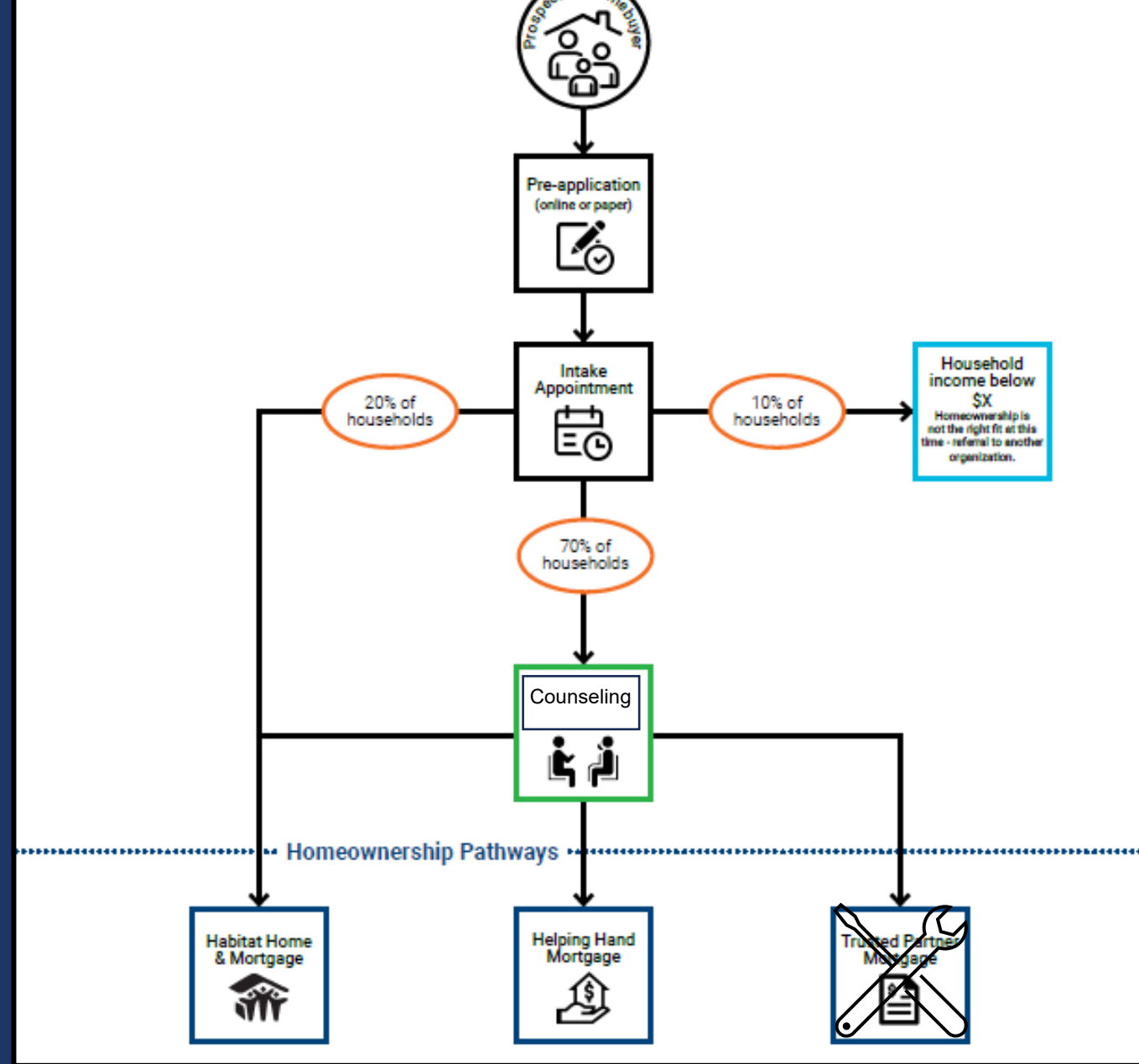
GDM Habitat for Humanity

Seeking to put God's love into action, Greater Des Moines Habitat for Humanity brings people together to build homes community and hope.

- Homebuilder and Lender
- Low-income Homeownership and Owner-Occupied Repairs
- HUD Pre-Purchase Counseling and Mortgage Ready Counseling
- Financial Literacy Classes
- Homeownership Education

Homeownership Pathways

- Everyone can take their next step toward homeownership
- Mortgage Ready Counseling
- Career Coaching Referral to Evelyn K. Davis Center



Empowerment Tools

Mortgage
Ready
Counseling

HUD Pre-
Purchase
Counseling

Financial
Literacy
Classes

Mortgage Ready Counseling

- Post application
- Focus on successful re-application
- Concentrated effort to resolve specific items and/or provide guidance over a longer time
- Guidance from 2 counselors on staff:
 - Collections
 - Judgements
 - Savings
 - Debt reduction strategies
 - Spending Plans designed for short or long term goals

HUD Pre-Purchase Counseling

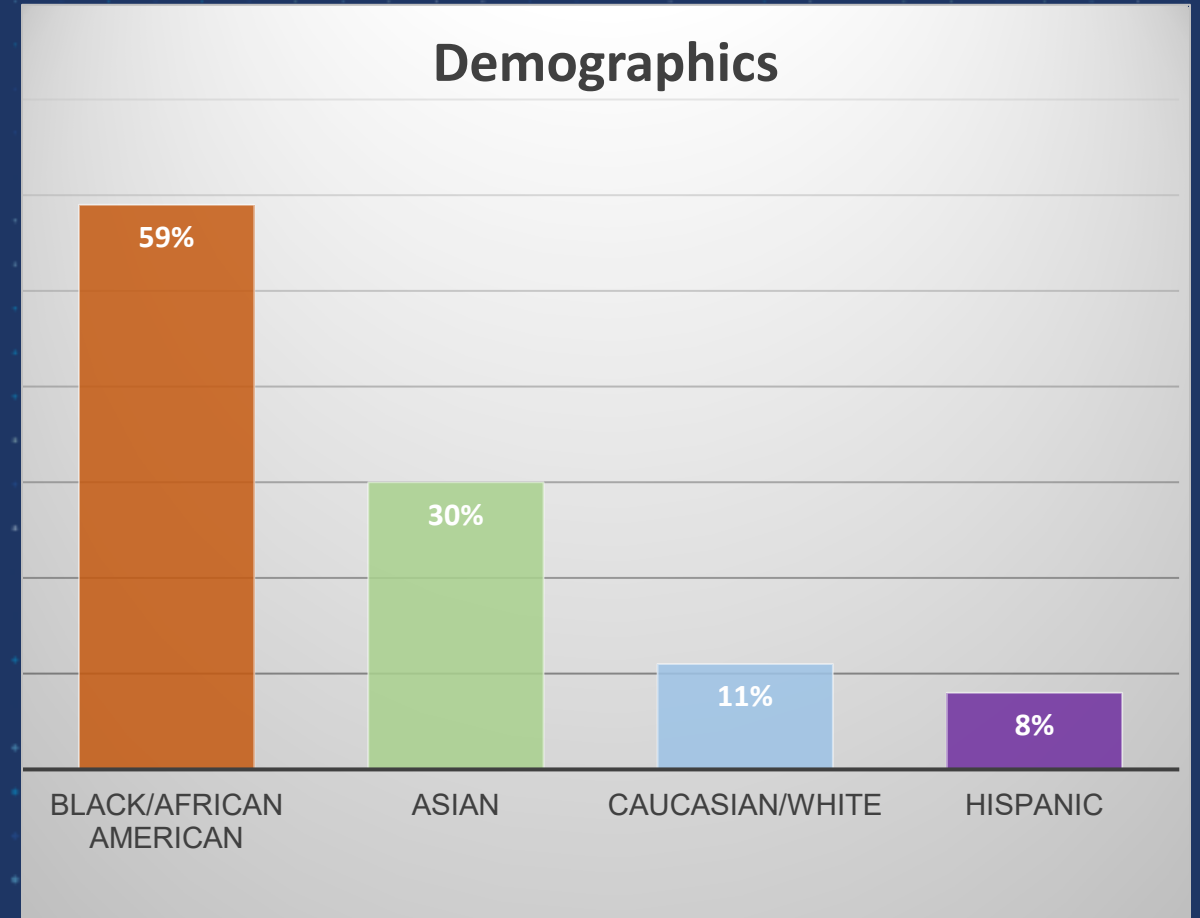
Currently utilized for:

- Approved Habitat Homebuyers in the Traditional and Direct programs
- Public Referrals

Counseling Snapshot

Over the last 2 years:

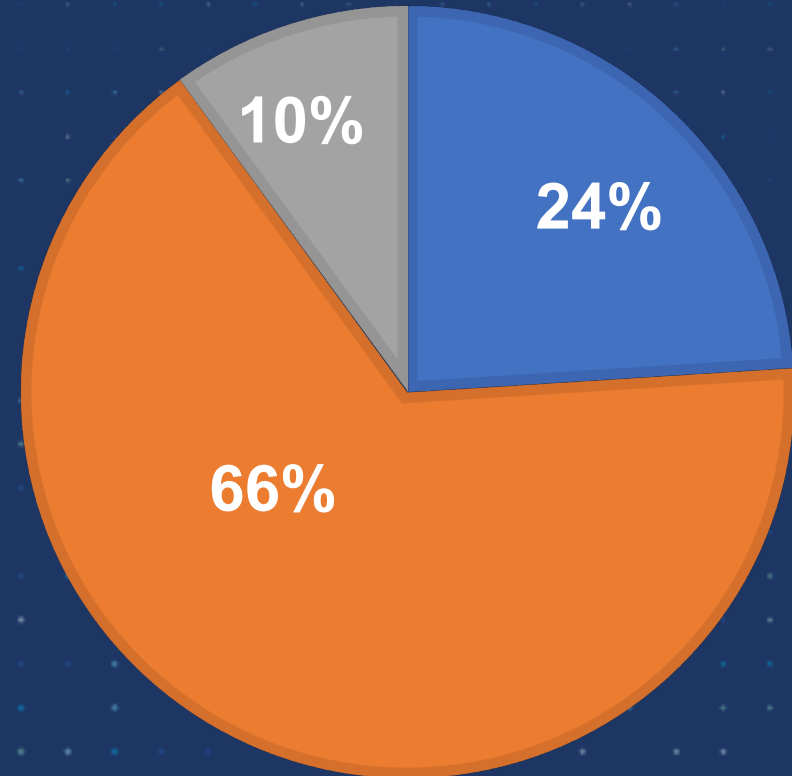
- Black/African American: 59%
- Asian: 30%
- Caucasian/White: 11%
- Hispanic: 8%



Counseling Snapshot

AMI

■ 50-79% ■ 30-49% ■ Under 30%



Financial Literacy Classes

- Series of 4 classes @ 2 hours each
 - Credit
 - Budgeting
 - Financial Services
 - Tools for Financial Success
- Integrated with Habitat's internal homeownership education
- Matched with strategic employment partners and community organizations

Working with historically underserved populations

- Habitat provides free interpretation
 - In person by appointment or on demand by phone
 - Over 50% of counseling clients have limited English proficiency
 - Similar for our approved homebuyer pool
- Counselors and Homeownership program staff work Tuesday-Saturday.
- Bi-lingual programs staff (Arabic and Nepali)

Working with historically underserved populations

- Multiple forms of communication: Text messaging, phone calls, and email. Assistance from Microsoft Translator
- Video or phone meetings available for all participants
- Business cards have appointment reminders
- Updated Credit Criteria to serve those with turbulent credit history
- Shorter application timeline with a dedicated staff member

Working on...

- Post purchase education
- Centralizing general first-time homebuyer information for public access
- Honorable mention: Habitat Homebuyer Education

Thank you!

“After taking the Financial Classes, I realized that I am my own financial advocate”

Dan Warfel- dwarfel@gdmhabitat.org

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Driving Wealth Home

A Racial Economic Equity Incubator Pilot Program

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Overview

- In early 2023 Veridian Credit Union sought out community partners to address the wealth gap that has consistently landed Black Hawk County, Iowa on the top 10 list of worst places to live for African Americans.
- Veridian Credit Union, Iowa Heartland Habitat for Humanity, 24/7 BLAC, and House of Hope happily answered that call to partner in the Racial Economic Equity incubator, now called Driving Wealth Home
- Filene Research Institute

African American Statistics in Black Hawk County

- Waterloo-Cedar Falls ranked 6th in the top 20 worst cities for African Americans by measuring racial socioeconomic gaps in the country's 383 metro areas- was from a website called 24/7 Wall Street.
- Waterloo-Cedar Falls has one of the largest unemployment gaps between white and black residents.
 - Just over 3% white
 - Almost 5 times that amount 14.7% African American
 - The national average is 5.3%
- The median income for African American residents is \$29,150, which is 47.7% of the median income for white residents is \$61,111.
- The report states less than 12% of white residents live in poverty, compared to more than one-third of African American residents.
- The African American homeownership rate in our Waterloo-Cedar Falls is 31.6%, compared to 72.7% for white residents.

Housing Trends 2015-2023

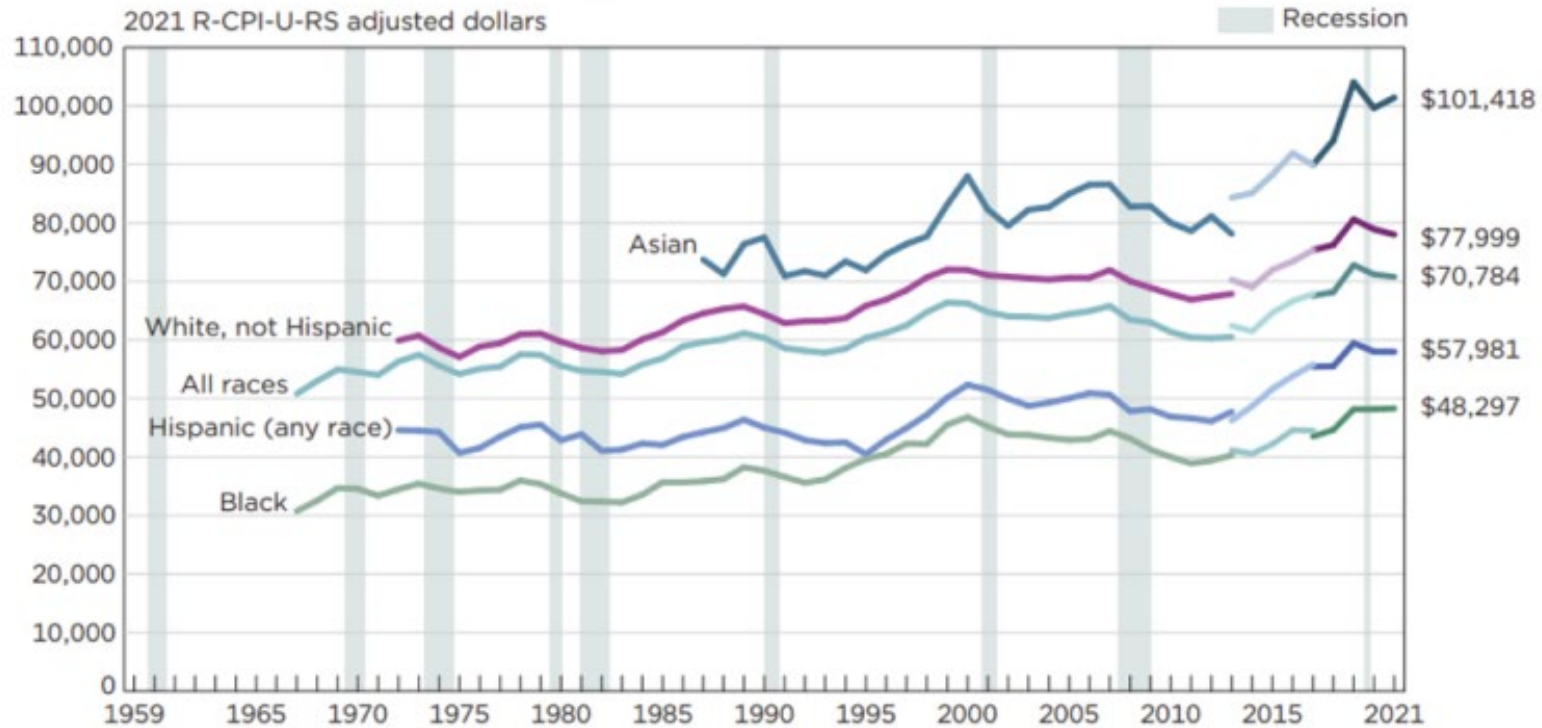


Household Income by Race

Figure 2.

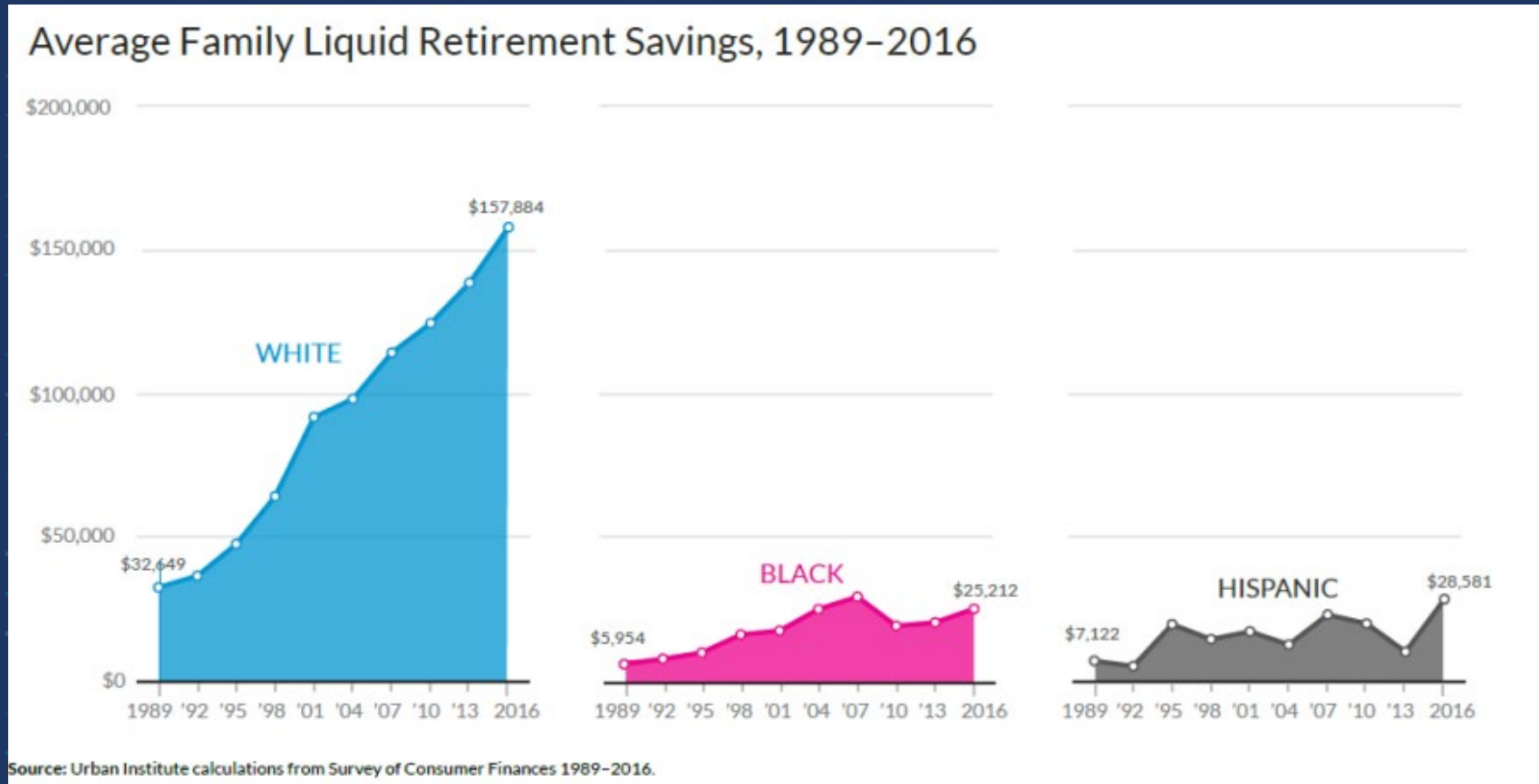
Real Median Household Income by Race and Hispanic Origin: 1967 to 2021

(Households as of March of the following year)



Source: U.S. Census Bureau, CPS ASEC

Retirement Savings, 1989-2016



Result Statement

RESULTS STATEMENT: All African Americans in Black Hawk County are liberated to have financial stability and build wealth.



The DRIVING WEALTH HOME project will coalesce and streamline existing pilot programs together to create a community collaborative incubator that:

Fosters African American homeownership opportunities,

Increase African Americans access to financial product/services;

And improve financial stability for African American families.

Programs

- Veridian Credit Union IDA Program
 - For participants who are 80% of the area median income or lower.
 - Teaching participants the discipline of saving money over a 24 month time period.
 - Participants should save \$25-\$350 a month for a minimum of 6 months.
 - Matching funds, dollar for dollar up to \$2,000.
 - Using funds for:
 - Down payment assistance or closing costs on a home
 - Paying down debts to decrease debt to income ratio
 - Paying off collections to increase credit scores

Programs

- 24/7 BLAC: Project HOME
 - There are no income limits to this program
 - 4 weeks of home buyer education geared towards purchasing a home.
 - One on one individualized financial coaching
 - Personalized action plan to help address barriers to achieving homeownership
 - \$2,500 grant assistance upon securing a mortgage for African American participants.
- Participants who need additional financial coaching are referred to IHFFH's Blueprints program.

Programs

- Project HOME Continued
 - 52 Participants have completed the program in 2 years
 - 5 Participants have been able to use the grant to aid in the purchase of a home.

Programs

- Iowa Heartland Habitat for Humanity: Blueprints
 - For participants who are up to 120% of the area median income
 - One on one financial coaching
 - Personalized spending plans with action steps
 - Reviewing credit reports
 - Debt reduction and savings
 - Homebuyer education
 - Up to \$15,000 in down payment assistance in addition to participating in Veridian's IDA program.
 - Up to \$15,000 in a 2% repair loan
 - Banking and realtor referrals

Programs

- Blueprints Continued
 - 10 Active Participants
 - 2 are ready to purchase their first home
 - 3 are working towards debt reduction
 - 4 are in active counseling
 - Getting ready to onboard 5 more participants

Programs

- House of Hope: Driving Hope Program
 - For women who live and participant in the House of Hope program
 - Allows participants who have completed a required financial education class, the ability to receive an auto loan regardless of their existing credit score to overcome transportation barriers.
 - Veridian provides the financial education program called Money Moves to HoH participants and car loans ranging from \$3500-\$4500 for 18 months.
 - House of Hope has a certificate of deposit with Veridian and the \$17,500 CD can collateralize up to 4 car loans.

Programs

- Driving Hope Continued
 - 9 car loans
 - 4 paid off
 - 0 defaults
 - Their revolving fund can currently support 1 more loan

Goal and Conclusion

- Close gaps in homeownership
- Increase financial empowerment
- Ensure equal access to consumer lending
- Remove transportation barriers
- Duplicate in other markets