

# **EMERGING MARKETS HOMEOWNERSHIP INITIATIVE**

Conveners:  
Fannie Mae, the Federal Reserve Bank of Minneapolis and the Minnesota Housing Finance Agency

## **Listening Session Report**



### **Listening Sessions**

Duluth, October 13, 2004  
Twin Cities, October 15, 2004  
Rochester, October 19, 2004

### Initiative Conveners and Purpose

Conveners: Fannie Mae, the Federal Reserve Bank of Minneapolis and the Minnesota Housing Finance Agency

Purpose: Develop an actionable and achievable business plan that outlines strategies for improving the successful homeownership rate among emerging market populations in Minnesota.

### Initiative Participants

#### *Committee*

Bremer Bank  
Home Ownership Center  
Independent Community Bankers of Minnesota  
Minnesota Association of Mortgage Brokers  
Minnesota Association of Realtors

Minnesota Bankers Association  
Mortgage Association of Minnesota  
TCF Bank  
U.S. Bank  
Wells Fargo

#### *Advisory Group*

African American Family Services  
African Development Center  
American Indian OIC  
Bremer Bank  
Bremer Foundation  
Center for Asians and Pacific Islanders  
Chicanos Latinos Unidos en Servicios  
City of Minneapolis  
City of St. Paul  
Cross Cultural Homeownership Alliance  
Department of Housing and Urban Development  
Don't Borrow Trouble  
Duluth Local Initiatives Support Corporation  
Family Housing Fund  
First Homes  
Freddie Mac  
Greater Minnesota Housing Fund  
Greater Twin Cities United Way  
Habitat for Humanity MN  
Hmong American Partnership  
Joint Religious Legislative Coalition  
Local Initiatives Support Corporation

Metropolitan Alliance of Community Centers  
Metropolitan Council  
Mille Lac Indian Housing Authority  
Minneapolis Area Association of Realtors  
Minneapolis Urban League  
Minnesota Coalition of Community Land Trusts  
Minnesota Credit Union Network  
Minnesota Housing Partnership  
Minnesota Manufactured Housing Association  
Mortgage Guaranty Insurance Company  
Multicultural Network of Real Estate Professionals  
National Association of Housing and  
Redevelopments Officials  
Pohlad Family Foundation  
St. Paul Association of Realtors  
St. Paul Urban League  
TCF Bank  
U.S. Bank  
USDA Rural Development  
United Migrant Opportunity Services  
Wells Fargo

### Acknowledgements

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#### *Advisory Group and Community Members*

Pam Kramer, Duluth Local Initiatives Support Corporation; Jim Mischler-Philbin, Minnesota Coalition of Community Land Trusts; Sean Allen, First Homes; Kathi Svoboda, Southern Minnesota Initiative Foundation; Karel Weigel, Mayo Clinic.

#### *Convener Staff*

Missy Thompson, Fannie Mae Minnesota Partnership Office; Jackie Gausvik, Michael Grover, Shelley Gunn, Jacqueline Nicholas, and John Schaus, Federal Reserve Bank of Minneapolis; Mike Haley, Amy Melmer, and Kim Stuart, Minnesota Housing Finance Agency.

## **Listening Session Report**

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## Emerging Markets Homeownership Initiative (EMHI) Public Listening Session Summary Report

### Initiative Purpose

Governor Pawlenty has charged this initiative, a collaborative public-private effort comprised of close to fifty organizations reflecting the lending, real estate, governmental and non-profit sectors, to increase the homeownership rate for emerging market populations around the state “significantly and dramatically.” The initiative is currently in the process of developing a business plan that will outline actionable and achievable strategies to improve the successful homeownership rate for emerging market populations in Minnesota; this plan will be presented to Governor Pawlenty in March, 2005. The Minnesota Housing Finance Agency, together with Fannie Mae’s Minnesota Partnership Office and the Federal Reserve Bank of Minneapolis convene this effort. To access additional information on the initiative please visit the EMHI web page at [www.mhfa.state.mn.us/homes/EMHI.htm](http://www.mhfa.state.mn.us/homes/EMHI.htm).

### Public Listening Session Approach

A series of three public listening sessions were held throughout the state in October, 2004. The purpose of the sessions was to solicit public input into the homeownership barrier and strategy analysis phase of the initiative. Over 80 individuals from around the state participated in the Duluth, Rochester or Twin Cities sessions. The co-conveners presented an overview of the initiative at each session, with the remaining time dedicated for discussion and audience participation.

### Listening Session Results

After a substantial review of the primary homeownership barriers emerging market populations face, the Emerging Markets Homeownership Initiative identified six key barrier areas that the business plan should address. These six areas are as follows:

1. Wealth and downpayment
2. Credit and lending practices
3. Cultural factors, preferences and immigration
4. Discrimination
5. Information, marketing and outreach
6. Homebuyer education/counseling and financial education

Public comments related to each of these six barrier areas are discussed below.

#### **Wealth and Downpayment**

Listening session participants noted how difficult it is to amass funds for a downpayment, particularly when households have little savings or assets.

Furthermore, there is a perception that one can't own a home if they lack wealth—even though there are increasingly new low or no downpayment products available. Participants noted that many emerging market homebuyers are first generation homebuyers. As such, access to downpayment funds through traditional family networks can be limited. The source of the downpayment funds, such as mattress money, combined with the lack of traditional banking relationships, presents another formidable barrier.

*Specific strategies* mentioned include: provide additional resources for rehab; expand Individual Development Account programs in the state (matched savings accounts for income-eligible participants).

### **Credit and Lending Practices**

Many participants feel that credit is the biggest barrier to homeownership—and this can take either the form of a lack of credit history altogether, or a poor credit history. Participants noted that people may be using credit, but the type and form of credit may be considered “non-traditional” by credit bureaus, and thus, not captured in a credit score. Benefits of, and concerns related to, automated underwriting were discussed. While automation has increased loan approval rates for emerging market populations, available mortgage products designed for those without credit are lacking. At the Duluth listening session in particular, participants asked if housing market agents are overly concerned with trying to fit borrowers into a specific underwriting box, and suggested that the Initiative take bold steps to look at how the box could be changed to better serve these markets.

Participants noted the lack of marketing and financial institution presence in communities with a significant emerging market population. Participants also discussed the need to share information about products and resources with consumers as well as housing market agents.

*Specific strategies* mentioned include: develop statewide training and testing requirements for lending professionals such as brokers and loan officers; require licensing of brokers; develop responsible sub-prime products; partner with mortgage insurers to maintain reasonable rates; and implement more manual-based underwriting.

### **Cultural Factors, Preferences & Immigration**

Participants highlighted the importance of customized emerging market homeownership approaches and strategies; one size will not fit all. For example, it is important that strategies distinguish between needs of recent African immigrants and African-Americans. It was also noted that it may take time for recent immigrants to be well positioned for homeownership. The lack of diversity within the homeownership industry was also noted.

*Specific strategies* mentioned include: increase diversity in the homeownership industry; improve language translation service through oral and written communication; ensure that interpretation services are of good quality.

### **Discrimination**

Many feel that racism clearly continues to impact and effect emerging market access to homeownership. One participant noted that while it is clearly not in the best interest for housing market agents to treat others poorly, maltreatment still occurs.

*Specific strategies* mentioned include: think about how discrimination can be addressed when it occurs by entities outside the community; diversify the homeownership industry.

### **Information, Marketing & Outreach**

Current outreach methods require substantial improvement to reach emerging market populations. Alternative methods of outreach, which can better reach places frequented by emerging markets, should be explored. In many communities there is a lack of awareness of loan products.

*Specific strategies* mentioned include: go to where emerging market populations are; use existing employer, workforce center and faith-based networks; expand and sustain outreach and marketing efforts; research tactics used by predatory lenders—how are they reaching these markets; provide additional resources to homebuyer educators to implement creative outreach techniques; develop outreach tools that local communities can use; consider placement of financial institution branches in non-traditional locations (community centers, non-profits, other gathering spots); evaluate the effectiveness of outreach efforts which will help build trust.

### **Homebuyer Education/Counseling & Financial Education**

There was significant discussion at the listening sessions regarding the important role of homebuyer education and financial education. Many participants feel that money management and homeownership education should begin at an early age. There is concern that many new homeowners may be pushed into homeownership too quickly and lack sufficient “rainy day” funds that provide a necessary cushion to sustain homeownership. Participants noted that more time for individual one-on-one counseling is needed. The homeownership education infrastructure must be supported with resources.

*Specific strategies* mentioned include: offer user-friendly homebuyer education tools—what about DVDs; multiple-language education materials need to be accessible throughout the state; partner with school systems to provide financial education; leverage the use of children as a communication vehicle to parents; highlight and showcase successful homeowners reflective of emerging market populations; consider a mentor program; provide education to homeownership industry professionals; provide ongoing education to ensure successful, sustainable

homeownership. Use of basic language and vocabulary are important in making sure concepts are understood when working with immigrant communities.

### Other

While the Emerging Markets Homeownership Initiative is not explicitly focused on identifying strategies to increase the supply of housing that is affordable to emerging market populations, the initiative acknowledges the important role of housing supply. A number of listening session participants noted its importance as well. Specific concerns relate to high maintenance and rehab/repair costs for homes that are affordably priced; the rapid price appreciation of homes in recent years; the need for appropriately sized homeownership units for some larger emerging market families and the increased cost of such units; the lack of transportation or employment options for those outside of city limits (Rochester); and the mismatch between the location of affordably priced homeownership units and where people are choose to live.

## **Results by Listening Session Location**

Raw data results from each of the three listening sessions follows below.

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## **DULUTH RESULTS**

### **BARRIERS**

#### **Wealth and Downpayment**

- Family support is often lacking in supporting purchase and maintenance: The improvement in homeownership success in the Asian community is encouraging. There is good community and family support system for this population in Duluth
- Wealth/down payment issues are a huge inhibitor
- First generation homebuyers have less access to downpayment assistance – families don't have ability to gift funds from equity
- Concerns over restrictions/who can get money (e.g. – only “families”)
- Down payment assistance; no access to family wealth for down payment in Emerging Markets

#### **Credit and Lending Practices**

- Credit is the biggest barrier
- Poor credit
- No credit
- Aware of credit and knowledgeable in general
- HO is strongly emphasized, but the credit education is not (enough)

- Credit is the biggest issue. With automated underwriting EM HO approvals have increased dramatically. However, credit deterioration does need to be addressed
- This is a dynamic time for mortgage lending, new “players” every day
- Credit biggest barrier (past blemishes that have a long-term effect)
- We are seeing high rates of foreclosure in HOC
- Mortgage company locally owned by person of color, but was predatory
- MHFA money is only available to their lenders
- Fannie/Freddie are the problem with underwriting. They set the major standards. Do we try to fit them into the box, or do we address the need to change the box? How do we change the box?
  - MURL program works well for this area. Not enough units. 0% interest CD. Working with local agency. Credit not reported
  - Non-traditional lenders/non-profits
  - Make available programs such as CHAMP (Wells Fargo)
- Government is a barrier for rehab needs as far as funds
  - It’s a turf issue/everyone wants to claim it?
  - Programs are changing too often
- Lack of training/understanding by realtors, bankers, etc.
- Continual red-lining of persons of color, etc. by banks, realtors, and others making decisions on loans
- Intentionally low level of specific services to targeted markets such as communities of color

### **Cultural Factors/Preferences and Immigration**

- In real estate professionals list, not one person of color listed. Agent indicated that they tried – but no persons of colors applied for the “free funds” – wants to know how do we go about hiring?
- Barriers impact various Emerging Markets disproportionately
- Not all EM equally effected. What works for one population might not work for all

### **Discrimination**

- “Dominant Culture” not likely to change
- Racism

### **Homebuyer Counseling and Financial Education**

- More counseling time needed
- Concerns of cutting funds to homebuyer education

### **Personal incentive and Discipline**

- Individuals themselves—due to excessive spending. I.e., not get approved for a loan to purchase a home—go out and create other debt, end up not qualifying for final purchase



**Other**

- There just needs to be one person who treats you poorly for you to not return

**SUGGESTIONS****Wealth and Downpayment**

- Rehab funds needed for renovation, there is a lot of affordable housing here – but it's old!
- The problem of wealth can be addressed by expanding the number of IDA's in MN. IDA's are matched 3:1 in MN and can be used at any financial institution for a downpayment.

**Credit and Lending Practices**

- Maybe MHFA should require HO training on own loans.
- Policy of mortgage companies need to be user friendly partners
- Computer underwriting might not be the answer. "Old fashioned" underwriting needs to be used maybe

**Cultural Factors/Preferences and Immigration**

- People of color in the business would dramatically change EM HO rates
- Trusted interpreters needed
- People of color need to be on staff throughout the process
- Changing of hiring practices in the banking/mortgage companies in our area

**Discrimination**

- Discrimination is a big issue – especially here in the Duluth area. Discrimination in lending, real estate, and banking
- Realtor has seen lender discrimination by an underwriter (not a local lender) – especially toward American Indians
- How do we address discrimination by companies beyond our community?
- People of color need to be in positions in local industry. They (EMs) are using internet and predatory lending because they don't see the person they are dealing with

**Information, Marketing and Outreach**

- Evaluate the effectiveness of outreach efforts. What have been the results of TV commercials promoting HO?
- Need expanded and sustained efforts for a long period of time to establish trust
- Go to where people are and start early in schools
- Getting message out to those perennially underserved in our community

**Homebuyer Counseling and Financial Education**

- Education is key, especially with credit

- Hurray for EMs and the multiple language options available for education. We need to be able to access those resources across the state
- Need funding for money management education
- Education and money management skills can break down the barriers for EM
- Funding is needed for these programs to educate staffing money, financial/technical support
- #1 is education to all markets.

### **Process Advice**

- In re-directing resources what is getting cut? We should favor programs that are open to all – not specific groups. Participants were concerned over “metro-centric” policies - very rural areas need to be supported. Need first-come-first-serve programs. Education money is hard to come by.
- Concerned over priorities being given to certain populations.
- Increase out-state members (non-metro) Concerns over representation – rural not considered as much?
- Concerned over penalizing areas that don’t have large populations of emerging markets. Not being able to access funds
- Can we have more recent statistics? Most given are from 2000; there is an overabundance of rental in our community now – result of old data?

## **TWIN CITIES RESULTS**

### **BARRIERS**

#### **Wealth and Downpayment**

- Source of funds – lack of bank accounts, cash on hand/un-deposited funds
- Lack of down payment. People have income but no assets. No savings
- You can’t save for a down payment with daily living expenses
- Comments about wealth: The underlying block is a mindset that has people disqualifying themselves due to lack of wealth. This was agreed upon by several participants
- Source of funds issue (mattress money) is a big barrier

#### **Credit and Lending Practices**

- Credit – lack of traditional credit
- Credit
- Unregulated mortgage industry- ex: Fannie Mae (the fox watching the henhouse)
- The ratios that underwriting allows for housing costs does not allow for living expenses
- Credit scores and automated underwriting have only been beneficial for people with great established credit
- How do we get more product out there for people with no credit?

- Frustration with automated underwriting and how it doesn't look at the big picture of all the factors in a person's life
- Banks are not marketing to cash based companies – as EM populations use check cashing stores instead
- Banks don't have a presence in the neighborhoods
- A sharing of information for what is available. Lenders/Realtors might be keeping this info to themselves for their own clients instead of sharing.
- Lack of training on the products available is a barrier to borrowers. Loans are being submitted that aren't a good fit
- We are setting up these borrowers to fail with the very high allowable ratios.
- There is misinformation on how subsidies impact equity in the home investment
  - What came first? Housing subsidies or the house price increases? Did subsidy fuel the rise in house prices or is the market price increase just from increase in demand?
  - Interest rates and more favorable loan terms play a key part in this as well
  - Added subsidies are not the answer

### **Cultural Factors/Preferences and Immigration**

- We are finding that barriers are very different among various races/ethnicities, so different approaches may be needed.
- The USA has it's own value of HO. Not every culture values this – we should not assume that HO is best for everyone
- Belief that people need to learn how to use the systems we use in the USA if they want to own a home in the USA
- What percentage of people of color are in the business?
  - The rates are very low
  - It is key that there are people of color in professional positions in the business
  - There is money (scholarships) available for anyone interested from the Trade Associations.

### **Information, Marketing and Outreach**

- Outreach and lack thereof is a barrier.
- Communities need to be informed that loan products exist to assist them
- Alternative outreach is needed to reach people where they are.

### **Homebuyer Counseling and Financial Education**

- Lack of financial education
- Income vs. wealth: counseling and financial education needs to start at a very young age (credit cards & financial education). High school and college age students are targeted for credit cards.
- Huge concerns with the position we are putting borrowers in – not leaving any room for home upkeep costs and expenses/emergencies

- Financial education gap is a barrier

### **Personal Initiative and Discipline**

- Personal financial discipline
- Bankruptcy laws encourage irresponsibility, which ruins peoples credit and prevents them from qualifying for homeownership
- Want to see HO growth, but concerned over increased use of credit cards

### **Other—Housing Supply**

- Affordability – lack of affordable housing
- Suburbs have a lot more HO because it is more affordable (specifically town homes & condos)
- Housing supply concerns – the cost of maintaining homes in poor condition
- City home prices are increasing faster than suburbs
- Emerging market populations seem to have a greater emphasis on extended families. Houses that accommodate large families are needed.
- Housing supply – how can we help people who can only afford a \$110,000 mortgage with a family of 5?
- Minneapolis affordable housing
  - What about the blighted/boarded housing stock?
  - There is affordable housing available in Minneapolis, but people are choosing to live in more expensive areas – not many are choosing to live where the affordable homes are such as North Minneapolis
    - There are mountains of debt attached to the blighted properties – it doesn't make a lot of financial sense to the city to rehab these buildings.
    - How do we make these homes more affordable?
- Non-impacted areas need more affordable housing
- Comment over concern of placement of certain housing and how it affects the appreciation of neighborhoods
- Recent market change needs to be noted: There are approximately 3 homes for every 1 buyer

### **Other—General**

- Setting consumers up to fail
- Are we going to be able to keep up our current HO rates with the rapidly growing emerging populations?
- Persons with disabilities are not even on the radar for this initiative???

## **SUGGESTIONS**

### **Wealth and Downpayment**

- Wealth creation education
  - Association fees are being artificially set too low to trick people into coming into developments

- There needs to be more mandates

### **Credit and Lending Practices**

- Cookie cutter loan programs for trying to get certain groups of people into EM programs
- Establishment of testing for loan professionals
  - Guidelines for brokers, loan officers, etc needs to be established at a state level
  - Brokers want licensing too – but the big banks have been a political barrier to that need
  - Responsible lenders are ensuring that their staff are appropriately trained
- Responsible sub-primes products need to be created and held by local entities
- Mortgage insurance companies should be a partner in these initiatives. They are raising rates

### **Cultural Factors/Preferences and Immigration**

- The industry needs to reflect who they are trying to serve
- One lender comments that his mortgage company won awards two years in a row for serving households of color – at that time they had no employees of color but did provide service in languages other than English

### **Information, Marketing and Outreach**

- Borrowers with poor credit need to be reached by responsible lenders before the predatory lenders
- Best practices research of predatory lender outreach tactics. Predatory lenders are successful in reaching the markets we are trying to serve. We should research their methods
- Increase funding for HECAT to conduct needed outreach, unique ventures, etc. Our typical outreach, whether that be newspaper, etc. is not enough. More funds are needed to do Spanish radio ads, focus groups, working on reducing barriers, etc. and this can get people into the first step – education. We can't use funding that exists to do this added outreach as we don't want to take away from our current efforts which can reach hundred to only focus on emerging markets.
- Community centers/non-profits are gathering places for emerging markets. We put banks in grocery stores, why not in community gathering places?
- Nonprofits do exist which can do outreach and education, mortgage counseling, and know all the products to make sure those homeowners don't get in the wrong products. Use these experienced agencies to expand their efforts to reach this emerging market. I am surprised and pleased in greater MN we are doing better as far as percentages in emerging market and I think we can do more with that outreach.
- Getting to a classroom 3 nights a week just ain't happening....We need to offer other user-friendly mechanisms for homebuyer education such as DVD's

that (young) people can take home to learn about financial management (some work is being done on this by a researcher at the Humphrey Institute)

- Alternative outreach is needed to reach people where they are such as:
  - Employers lunch hours
  - Churches
  - Local media that serve protective classes
- We need to go to these populations – we can't assume they will come to us
- Affordability is not as much an issue in greater MN – but we do need outreach tools
- Consumers need to understand the very basic info
  - Don't try to bring the consumer up to the level of the professional - instead, speak the language of the consumer (very, very basic)

### **Homebuyer Counseling and Financial Education**

*For consumers:*

- Understanding the positive and negative aspects of HO is critical to sustainable homeownership
- Achievable goal involves credit and this requires a great deal of education
- Partner with school systems for financial education
- Successful households of color should be highlighted in this initiative as mentors
- There will be a faster impact if children bring home information about HO to their parents

*For professionals:*

- Educate the professionals who educate the consumers
- If we are stronger in education, then we wouldn't have to change our systems
- Professionals need to be properly trained (lenders, HO educators, real estate)
- Long term suggestion: education for the educators
  - Teachers of children need to at least be aware of the terminology used for credit

### **Other—General**

- Making homeownership affordable
- This initiative is needed at this time!
- The conveners power should be used to change the systems/policies
- Are other states with high HO rates (West Virginia) more successful than MN in EM HO rates? If so, we need to see what they are doing

## ROCHESTER RESULTS

### **BARRIERS**

#### **Cultural Factors/Preferences and Immigration**

- White populations have had longer to work on it (homeownership). White families are more experienced compared to the recent Somali immigrants.
- Asian families have been here longer and have had more homeownership experience compared to other racial groups.
- Distinction should be made between African Americans and Somali group. We need to put them into different groupings because they have different cultural aspects of homeownership.

#### **Other**

- Participants discussed the need for alternatives to traditional homeownership and ways to getting there after a comment by a representative of cooperative homes. He said the state needs to explore other ways, specifically cooperative housing, which is not subsidized, to getting low-income people into housing.

#### *Housing Supply*

- 50 miles beyond Rochester there are no jobs and transportation out there.
- At Mayo we do have transportation options for those employees who live outside of Rochester, but this does not cover the transportation needs of the people after work.

### **SUGGESTIONS**

#### **Wealth and Downpayment**

- Educate all groups involved in the homeownership process about modular homes and that a huge barrier exists in financing the down payment for these homes – which is still too high at 10%.

#### **Cultural Factors/Preferences and Immigration**

- We need to have increased access for people of color in jobs in the housing industry.
- The documents that they need to sign should be in their own language. We can also make the documents available to them in their own language beforehand so they can read them before signing.
- Maybe we need to provide more English as a second language training to families.
- Increase the number of language trained speakers in the industry, have more people of color employed in the industry.
- They want to live in Rochester, even though we have programs outside of Rochester. They don't want to move outside of Rochester, which they see as

their home. Some groups don't even want to move within Rochester but to stay in their own area.

- Many of the rural areas are the most closed off to minorities. It takes three generations for a population to absorb into a community. We are also asking the new populations to absorb a lot of our systems, including the idea of credit. Some get it fast others don't. There are also generational issues.
- Language barriers

### **Information, Marketing and Outreach**

- We need to go to where they are. You can make the process amenable to people.
- Need to do better marketing to people of color and call it outreach and not marketing.
- Need to go to employers and state workforce centers to deliver information, especially since some groups work with one employer or are concentrated in one industry, such as the Turkey store in Faribault.

### **Homebuyer Counseling and Financial Education**

*For Consumers:*

- It can be hard to get to those homebuyers who need the training. They don't want to come in because they have long work days and family commitments.
- Educate individuals of color and the groups that represent them that there is the potential for homeownership. Some may be assuming that you need to have the median income in Rochester (\$51,000) to own a home. They don't realize the income they REALLY need to have before they can get there.
- How do you get the information out to those groups? We need to think of creative ways to get the information about homeownership out there. Most first time homebuyers find out about it second hand, by word of mouth about how to get into a home.
- We need to try to find community gathering places to deliver the information. The opportunity to do this could be at communities of faith, by focusing on the information to be delivered there.
- Need to start early and target education to all communities.
- We need to educate people on money management and finances in the school systems, much younger than high school. Parents, too, will get information from their schools.
- They need continued support of homeowners after they buy and own. Asians had a wonderful mentor program to show them the importance of homeownership and savings. Their families would help them save and everyone would get into homeownership over time. Need mentors.
- Mentorship is a good idea.
- Education at all levels, not just for adults. Not only for homeowners, but also for those in the industry about the emerging markets needs.
- Develop a mentoring program in different areas. Habitat had a program like this at one point in time. May need to work with faith communities to do this too.



- Use residents as trusted advisors as much as possible.

*For Professionals:*

- Need to educate real estate people about the loan programs that are out there, Most don't require 20% down. There are subsidies. Educate single parents and others that the way they can get into homeownership, especially in rural parts of the state.
- Educate real estate professionals.
- Education at all levels, not just for adults. Not only for homeowners, but also for those in the industry about the emerging markets needs.

**Personal Initiative and Discipline**

- Some groups feel that the more subsidy they get the more entitled they are. Still the more you facilitate their independent living the better they get.
- We need to use stepping stones, you know, get people into nice and safe townhomes or apartments and get them ready for homeownership.
- Some groups feel that the more subsidy they get the more entitled they are. Still the more you facilitate their independent living the better they get.

**General**

- Need more soft money for training and pre development costs that are often overlooked.
- Minnesota has a good reputation for creativity in doing housing yet it is hard to make changes to industry standards, especially those driven by industry standards. Difficult to make these changes, especially when my hands are tied by national level issues. Minnesota should lead the pack in tweaking these standards in such a way that they really work!.
- We also need to have important players – Fannie Mae, Ginnie Mae, Freddie Mac – at the table in putting the business plan in the end.
- Excited to hear about the fact that 30% of the housing reason seems to be related to the demographic factors – the intangibles (70%) are the things that are very important to work on in order to have a real impact on EM success.
- I don't have a good feel for African American demographics and don't understand how single women with families (given that their husbands are absentee or in the criminal justice system) can get into a home.
- We need to ask the question backwards: what percent of the homeownership rates couldn't do it no matter what? Are we at a saturation level – it can't go any higher? What can be done with the 22% that don't own, especially if they don't want to.