

# Minnesota Homebuyer Training and Counseling

# Ed Nelson

**Marketing & Communications Manager,  
Minnesota Homeownership Center**



# Minnesota Home Ownership Center

*“Promote and advance successful home ownership in Minnesota”*

# What does the Center do?

## As a State Intermediary:

- Support providers and partners
- Raise awareness through public education
- Conduct research and analysis of program delivery, outcomes and trends
- Develop and direct efficient resource use

# Programs and Services

Delivered by a network of 50 Provider agencies

Pre-purchase

Post-purchase

Pre-purchase  
Education &  
Counseling  
[Home Stretch]

Post-purchase  
Counseling &  
Training

Refinance &  
HECM  
Counseling

Foreclosure  
Counseling &  
Assistance

# Home Stretch – Group Education

- Buyers are more prepared for homeownership
- Increased access to affordable loans and entry assistance
- Higher rates of successful closing
- Reduced rates of delinquency
- Participants satisfaction with workshop is 99%

5,551 households completed Home Stretch during the 2007–2008 program year

# Home Stretch – Group Education

- Standardized curriculum, minimum 8 hours
- Nationally certified trainers
- Topics include:
  - *Financial Management*
  - *Important of Credit*
  - *Mortgage Selection and Approval*
  - *Preparing for Closing*
  - *Responsibilities of Homeownership*

# Home Stretch – Counseling

- Customized one to one service
- Individual financial review
- Evaluate mortgage readiness
- Identify barriers
- Develop an action plan
- Review loan programs
- Ongoing support

*A study of Freddie Mac loans showed that the likelihood of ever reaching 90-day delinquency was reduced by as much as 34% for borrowers who received one-on-one counseling.*

# NSP Education Requirements

- Buyers are required to complete 8 hours of counseling/workshop
- Must be provided by approved HUD Counseling Agency
- Minnesota Housing submitted waiver to HUD office for any Home Stretch Provider

# HUD Counseling Agencies

- Anoka County CAP, *Blaine*
- Arrowhead Economic Opportunity Agency, *Virginia*
- Carver County HRA, *Chaska*
- **Central MN Housing Partnership, *St. Cloud***
- Com Action Partnership of Sub Henn, *Hopkins*
- Community NHS, *St. Paul*
- Dakota County CDA, *Eagan*
- Duluth NHS, *Duluth*
- SW MN Housing Partnership, *Slayton*
- Village Family Service Center, *Moorhead*

# Foreclosure

- *38,000 foreclosures occurred in Minnesota between 2005 and 2007*
- *26,265 foreclosures occurred in 2008*
- *80,000 Minnesotans missed at least one payment in 2008*
- *One of every 31 Minnesota households will have been foreclosed upon between 2005 and 2008*

# Foreclosure Counseling

11,809  
households  
received  
foreclosure  
counseling  
in 2008

- Explain foreclosure process
- Develop action plan
- Financial and Mortgage counseling
- Identify options for preventing foreclosure
- Loss mitigation
- ‘Smooth Transition’ counseling, as needed
- Avoid predatory practices

# Provider Agencies

To find a Home Stretch or Foreclosure Provider

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

Call: 651-659-9518/866-462-6466