



**Homeownership Capacity
Program Training**

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Our Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

Minnesota Housing | mnhousing.gov

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Homeownership Capacity Description

Homeownership Capacity provides financial support to eligible nonprofit and government organizations that provide intensive financial empowerment and homeownership training households of color and low-income renters who have the goal of homeownership.

Homeownership Capacity supplements the traditional homeowner training provided through funding sources such as HECAT.

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Homeownership Capacity History

Households of color are an increasing share of the state's population. The foreclosure crisis disproportionately impacted them, their homeownership rate declined significantly since 2008 and they struggle to access the mortgage market.

Minnesota has the fifth highest homeownership disparity (the homeownership rate differential between white/non-Hispanic and underserved households) rate in the nation.

The Homeownership Capacity program was created to help close that gap.

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Outreach

We're here to help you spread the word! Take advantage of free marketing materials:

- Overview flyers
- Postcards
- Email templates
- Press release templates
- Print ad templates
- Social media posts
- Loan program materials

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COMUNIDADES LATINAS UNIDAS EN SERVICIO
Para cultura, con amor. Muchas culturas, un solo sueño.

Dreaming of homeownership?
Buying a home is a big financial decision and an exciting opportunity for your future! We want to make sure you're fully prepared so you can make smart homeownership choices.

The Financial Empowerment Program at **Comunidades Latinas Unidas en Servicio (CLUES)** will give you tools and advice to take your first step towards homeownership - at no cost to you.

Contact CLUES to start your homeownership journey today!
micasa@clues.org

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Funding for this program provided by Minnesota Housing. It does not guarantee when your dream is our mission.



COMUNIDADES LATINAS UNIDAS EN SERVICIO
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¿Sueña en tener una vivienda propia?
Comprar una casa es una decisión financiera muy importante para su futuro. Queremos asegurarnos de que usted esté completamente preparado para tomar las mejores decisiones cuando esté listo para comprar su vivienda.

El Programa Proyecto Hogar de CLUES (Comunidades Latinas Unidas en Servicio) le dará las herramientas y consejos necesarios para dar el primer paso en la compra de su vivienda - sin costo alguno.

¿Qué puedo esperar de estos servicios?
Usted va a trabajar uno a uno con los miembros de nuestro equipo de expertos en los diferentes temas financieros y de vivienda, incluyendo:

- Reducción de las deudas
- Educación acerca del informe de crédito, reparación y reconstrucción
- Desarrollo de un plan de gastos y ahorros
- Educación acerca de la protección a los consumidores
- Declaración de impuestos
- Apertura y manejo de una cuenta bancaria
- Aprenderá todo sobre el proceso de compra

Una vez que haya logrado las metas del programa, le ayudaremos a decidir si usted está listo para la compra de su vivienda y que préstamos y opciones son las mejores para usted.


¿Soy elegible?
Si usted está interesado en ser dueño de una casa y está dispuesto a comprometerse con el Programa Proyecto Hogar, ¡Póngase en contacto con nosotros!

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Outreach Contact

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Program Evaluation Summary

August 1, 2014 – December 31, 2018

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Evaluation Objectives

- Reaching and engaging low-income renters and households of color who face barriers to homeownership
- Increasing the credit scores and savings of program clients
- Increasing clients' knowledge and positive financial behaviors
- Achieving sustainable homeownership

The complete evaluation can be found on [Minnesota Housing's website](#).

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Key Findings

- **The program is successfully reaching and engaging low-income renters and households of color with barriers to homeownership.**
 - August 1, 2014 - December 31, 2017, 2,193 clients had entered the program, with 87% of them identifying as a household of color.
 - The most reported barrier to homeownership is a low credit score, followed by inadequate savings.
 - Nearly three-fourths of clients entering the program had a credit score below 640, which is the typical cut-off for most mortgage products.
 - Clients remained engaged in the program even though it does not offer direct financial incentives, such as down payment assistance, gift cards, etc. The client engagement rate is similar to programs with incentives, demonstrating the strength of the relationship between the grantees and their clients.

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Key Findings

- **More than 80% of clients experienced an increase in their credit score**
 - The median credit score of clients with a reported outcome increased from 611 at program entry to 658 at the time of program completion.

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Key Findings

- **Program participants increased savings or paid off debt**
 - Of people who completed the program, 73% increased their savings.
 - Many of those who did not see an increase in savings chose to use funds to pay off debt collections and/or purchase their first home.
 - On average, clients experienced a \$3,600 improvement in their financial picture (increased savings and/or reduced debt collections), while those that purchased a home had a \$5,000 improvement.

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Key Findings

- **Clients who completed the program increased their knowledge and are taking positive financial actions.**
 - More than 79% of clients reported an increase or significant increase in their understanding of the banking system, the importance of a spending plan, and how credit and savings affect their ability to obtain a loan.
 - At least, 76% of clients reported an increase or significant increase in the frequency that they track their spending, make good financial decisions, and take steps towards improving their credit and saving money.
 - Seventy-nine percent reported an increase in their ability to handle financial obstacles.

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Key Findings

- **Increased homeownership:**
 - Nearly 60% of those with a reported outcome bought a home within a year of completing the program, and another 19% were still pursuing homeownership after one year.
 - The remaining 22% decided not to pursue homeownership at this time.

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Homeownership Capacity Program

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Homeownership Capacity Program Manual

- Review the [Homeownership Capacity Program Manual](#) found on Minnesota Housing’s website for program requirements.
- Manual chapters
 - 1 – Grantee Requirements/Warranties
 - 2 – Grantee Requirements
 - 3 – Program Requirements
 - 4 – Coaching Activities
 - 5 – Documentation, Reporting and Standards and Measures
 - 6 – Grant Funds

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Grant Contract

- **Program Year:** October 1- September 30
 - See the Grant Contract for the years
- **Household Goals:** New households that enter the program during the identified program year.

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Chapter 2 – Grantee Requirements

2.01 (pg. 5) - Grantee and Staff Standards

- Defines nonprofit
- [Financial Capability Certification](#)
- Attendance at required trainings

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Chapter 2 – Grantee Requirements

2.02 (page 5) – Program Delivery

- No conflicts of interest
 - If one exists, must be fully disclosed to the client on the Coaching Agreement/Disclosure Form
- Offices are accessible to people with disabilities
- Fluent coaches/offer translation services
- Fee policy
- No exclusivity agreements
- Proper firewalls in place if loan origination services are also offered
- Commits to providing services for all clients until reporting requirements are met (this may extend beyond program year)
- Must contact Minnesota Housing if changes to program are made

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Chapter 2 – Grantee Requirements

2.03 (page 6) – Budget and Grant Funds Tracking

- Use generally accepted accounting principles for financial records
- Tracking of income and expenses separate from all other funding sources
- Out-of-state travel allowed but must be pre-approved
- Track all new contracts following the contracting and bidding requirements

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Chapter 2 – Grantee Requirements

All of following can be found on pages 6 & 7:

2.04 – Date Privacy, Authorization and Disposal and
2.06 – Records Retention

- See Grant Contract for current requirements

2.05 – File Documentation and Maintenance and
2.07 - Monitoring

- Maintain files and make available when requested by Minnesota Housing or other parties identified in the Grant Contract

2.08 – Additional Requirements

- Use of the Data Collection System (DCS) for client reporting
- Provide personnel required to perform the grant requirements
- Repay any unexpended funds once all reporting requirements are met

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Chapter 3 – Program Requirements

3.01 (page 8) – Eligible Households

- Reside in MN
- Goal of homeownership
- Barriers that can be addressed in 3 years or less
- Adequate (or anticipated adequate income) to support homeownership
- Willing to commit to services
- Agree to take homebuyer education

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Chapter 3 – Program Requirements

3.02 (page 8) – Eligible Activities

- Financial Education
 - Builds financial skills and knowledge
 - Can be offered in person, by phone or online
- Financial Coaching
 - Focus on behavioral change
 - Must be provided 1:1 in person or by phone

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Chapter 3 – Program Requirements

- (Page 8-9) Topics covered in financial education, financial coaching or both:
 - Asset building
 - Credit report education
 - Development of spending plans, including discussions of financial best practices and pitfalls
 - Consumer protection training and education
 - Other financial empowerment services could include or be referred for the following, as applicable:
 - Workforce development
 - Technology training
 - Entrepreneurship opportunities
 - Career development
 - Educational opportunities
 - Community responsibility of homeownership

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Chapter 3 – Program Requirements

- (Page 9) Post-Purchase
 - Must include educational opportunities specific to post home purchase (i.e. home maintenance basics, home insurance coverage, etc.)
 - Continued 1:1 financial coaching regardless of outcome
 - Available to clients in person or by phone

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Chapter 3 – Program Requirements

3.03 (Page 9) – Eligible Use of Funds

- Used to provide administrative support or support for activities specific to the program. Costs associated with the program can include:
 - Salaries for those providing services or are in a support or oversight role
 - Consultant or professional fees
 - Credit reports (soft pull only)
 - Rent for classroom to provide financial education
 - Marketing materials
 - Education materials
 - Staff development/training

- Office supplies
- Travel
- Equipment
- Printing/Copying
- Telephone/Fax
- Postage
- Rent and utilities
- Indirect costs (may only be included if not represented elsewhere in the budget and must include an explanation of how indirect costs were calculated)

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Chapter 3 – Program Requirements

The following can be found on page 10:

- Grant Funds may only be used to cover the cost to serve the Client. Clients may not be served under the program if the funds received from all sources to serve the client exceed the cost to serve the client.
- Funds received are to cover the cost to serve the client for all services from intake through post-purchase and outcome collection.
- Carry over of a reasonable amount of funds to cover clients who require services beyond the program year is allowed.

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Chapter 3 – Program Requirements

3.04 (Page 10) – Ineligible Use of Funds

- Grant funds cannot be used:
 - For borrower financial incentives (e.g., down payment assistance, gift cards, loans of any kind);
 - To cover all of a Grantee’s indirect costs;
 - To pay for a Client previously served under the Program that are less than six months from the “Client Stopped Communication” date.

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Chapter 4 – Coaching Activities

- (Pages 11 and 12) Grantees are required to follow the phases and reporting requirements. The four phases are:
 - Intake
 - Annual after Intake
 - Program Completion
 - Outcome
 - Purchases a home
 - Decides to no longer pursue homeownership
 - Still pursuing homeownership one year after Program Completion
- Clients may be entered as “Client Stopped Communication” at any point after Intake.

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Chapter 5 – Documentation, Reporting and Standards and Measures

5.01 (page 13) – Client File and Data Collection System (DCS) Requirements

- **System requirement.** Use of the DCS is required. See the DCS User Guide and training on Minnesota Housing’s website.
- **Client data updates.** Reporting on an annual basis although client interactions should be more frequent. Reporting may be annual, program completion, outcome or stopped communication.
 - All new intakes and current client data updates are due on a quarterly basis. See Reporting Schedule for details.
- **Recent data only.** Data reported must be within 30 days of the required reporting date.
- **Length of time.** Reporting is required until all reporting requirements are satisfied even if it’s outside of the program year the client began receiving services.
- **Client file documentation.** The client file must support with proper documentation what is reported in the DCS. Minnesota Housing has samples available.
- **Reporting due dates to Minnesota Housing.** See the Reporting Schedule (exhibit to the Grant Contract).

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Chapter 5 – Documentation, Reporting and Standards and Measures

Q & A

Q: Where do I find the list of documents that I need to retain in the client file to support the data that I report for each phase?

A: The [Client File and DCS Reporting Chart](#) (Page 13)

Q: Where do I find the requirements for the Coaching Agreement/Disclosure Form and Combined Privacy Act Notice/Tennessee Warning?

A: [Housing Counseling Disclosure and Privacy Act Notice*](#) (Page 14)

*Contains sample templates for grantee use.

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Chapter 5 – Documentation, Reporting and Standards and Measures

Q: Where do I find the list of fields that must be completed in the DCS for:

- Intake, Annual and Program Completion data?
 - A: [DCS Reporting – Intake, Annual, Program Completion](#) (Page 14)
- Client Survey data?
 - A: [Client Survey*](#) (Page 15)
- Outcome data?
 - A: [Outcome Data Form*](#) (Page 15)

*This is also available as a form for use by the grantee.

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Chapter 5 – Documentation, Reporting and Standards and Measures

Q: What other resources are available for me to use with clients?

A: [Spending Plan](#) (Page 14), [Action Plan](#) (Page 15)

Q: Where do I find the required steps to take to report a client as “stopped communication” in the DCS?

A: The [Homeownership Capacity Program Manual](#)

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Chapter 5 – Documentation, Reporting and Standards and Measures

Expenditure reports

- Program budget
 - Built off of RFP
 - Based on your estimated expenses for the actual award amount
 - Deviating from the budget/submitting a narrative
- Semi-annual expenditure report
 - Demonstrates spend down of grant funds against budget
 - Addition of general ledger column
 - Hint: The general ledger and semi-annual expenditure report should match.
 - See the Reporting Schedule for due dates

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Chapter 5 – Documentation, Reporting and Standards and Measures

General Ledger Checklist

Does your general ledger clearly identify the following?

- Date range of _____ - _____
- Specific to the Homeownership Capacity program
- All disbursements from Minnesota Housing for the 18.19 year
- All expenses specific to the Homeownership Capacity 18.19 program year
- All of the expenses detailed out for each category. This should include date the expense was paid, who it was paid to, the amount and method of payment (at a minimum).
- A total for each expense category

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Chapter 5 – Documentation, Reporting and Standards and Measures

Recommendations before submitting:

- Check to ensure that all expenses are eligible under the Homeownership Capacity program. See your Grant Contract for details.
- Determine if any expense cannot be tied back to the Homeownership Capacity program and/or supported with documentation (i.e. proof of the expenditure, proof of payment, etc).
- If you have determined that an expense is ineligible, cannot be tied to the Homeownership Capacity program and/or supported with documentation, these expenses should be allocated to another program prior to submission of your materials.

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Chapter 5 – Documentation, Reporting and Standards and Measures

Narrative Report. Submission of a semi-annual report through an online reporting tool responding to the following questions:

- Describe the post-purchase services that your organization has provided over the last six months. Please be specific about the topics covered and the way that it was delivered (i.e., classroom, one-on-one, etc.).
- Indicate the number of clients that participated in each of the following post-purchase services:
 - Classroom
 - One-on-one
- Identify what is and is not working under the program. Items may include program requirements, reporting, client engagement, outreach, etc.
- What can Minnesota Housing do to help you improve program services (i.e., training, technical assistance, etc.)?
- Share a Homeownership Capacity Program success story.
- Report the number of phone calls and appointments from Minnesota Housing referral partner relationships (i.e., CommonBond).

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Chapter 5 – Documentation, Reporting and Standards and Measures

- [Standards and Measures](#)
 - Grantees will be measured against program results outlined in the Standards and Measures.

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Chapter 6 – Grant Funds

Disbursement Schedule


Disbursement Threshold 1

- Grantee will receive 25% of their total award following execution of the Grant Contract.

Disbursement Thresholds 2-5

- The Grantee will be reimbursed for households served over the initial 25% of their total award on a quarterly basis on or after the due date referenced in the Reporting Schedule. The amount reimbursed is determined by the number of households served multiplied by the amount per client (referenced in Grant Contract).

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Chapter 6 – Grant Funds

Disbursement Schedules Notes

- **Reporting:** Households must be reported through Homeownership Capacity Data Collection System (DCS)
 - No other forms to demonstrate progress against goals will be accepted
- **Disbursements:** Encouraged to enter data monthly, but data entry is required on quarterly basis
 - Minnesota Housing program staff will review DCS system entries within 15 days after the reporting due date
 - Disbursements will be made once we review the DCS
- **Overdue reports:** Disbursements will not be made until all overdue reports have been submitted to Minnesota Housing
- **Bank:** Funds are wired to your organization from Wells Fargo. The deposit will not identify the program name.

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Chapter 6 – Grant Funds

- Why the incentive fund?
- De-obligation language in the Grant Contract
- If funds are available, Grantees must apply for the incentive fund using the [Incentive Fund Application Form](#).

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Contact Information

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