



**OPERATION H.O.M.E.**  
HOME OWNERSHIP & MINORITY EQUITY

## **Education and Counseling**

### **Content Committee Recommendations and Education and Counseling Plan**

# **DRAFT**

**January 30, 2007**

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## **Executive Summary**

Homeownership education and counseling is important. Culturally appropriate and dynamic models are valuable to communities of color as research indicates that education plays a significant factor for homeownership. Education and counseling prepares homebuyers to navigate the complex process of purchasing and financing a home and to better recognize and accept the responsibilities of homeownership. Readers of this document should understand that not all consumers of color need education and credit counseling just like not all consumers in general need this service. However, for those who do, this kind of service is important to provide greater access and quality services. Portland has a deeply committed and highly skilled volunteer and nonprofit infrastructure that promotes homeownership and provides homebuyer services including education and counseling.

In this document, the reader will learn of the process and work outcomes of the Education and Credit Counseling Content Committee of Operation HOME. A diverse group of experts met for several meetings to discuss how changes to the current system of educating consumers of color about homeownership could impact the goal of the City of Portland to bridge the minority homeownership gap by creating 13,000 new homeowners of color by 2015.

Below is a summary of the committee recommendations:

### **GOALS**

1. Communities of color are exposed to, seek out and participate in educational and supportive activities that lead to home buying.
2. The homeownership industry identifies and responds to the educational/counseling needs of consumers of color.
3. Organizations established to support the social and informational needs of consumers of color include educational supports leading to homeownership.

### **RECOMMENDED STRATEGIES AND OUTCOMES**

For each goal area, the committee formulated strategies and tactics that would best support positive outcomes. Important themes that emerged from these strategies include:

1. Build on current capacity in order to improve quality, expand services and mitigate barriers that prevent consumers of color from accessing credible education and counseling services.
2. Coordinate current and future efforts across the community to ensure access and best use of community resources.
3. The responsibility for the implementation of these strategies needs to be shared across the community including government, non profit and private industry.
4. All of the strategies take into account the cultural differences and allow for implementation that is culturally appropriate and meets the needs of communities of color.

### **OUTCOMES**

1. Consumers of color see themselves as homeowners and aspire to it starting at an early age and those of age have the tools, information and support available to them so they can become homeowners.

2. Consumers of color are able to access programs and services from culturally and linguistically competent industry professionals who are informed of all available services and programs and their work with any of these institutions will be accepted for benefits by all lenders.
3. Consumers of color are able to receive information on homeownership from creditable sources and in creditable locations with appropriate additional supports.

The Education and Counseling Content Committee requests that the Operation HOME Steering Committee accept these recommendations as this community's most educated and humble offering in an effort to reach our shared goal. Additionally, these recommendations cannot be fully considered without an agreement to commit to implementing these recommendations over the duration of the goal period. We would like to thank each of the organizations who embraced the process by allowing their staff to participate and who provided meeting space.

# **OPERATION HOME EDUCATION AND COUNSELING PLAN**

## **INTRODUCTION**

For anyone new to buying a home, homeownership education and counseling is an integral part of ensuring successful homeownership. Culturally appropriate and dynamic models are particularly important to communities of color as research indicates that education plays a significant factor for homeownership. Education and counseling prepares homebuyers to navigate the complex process of purchasing and financing a home and to better recognize and accept the responsibilities of homeownership. Portland has a deeply committed and highly skilled volunteer and nonprofit infrastructure that promotes homeownership and provides homebuyer services including education and counseling.

The current capacity of these organizations' however, is inadequate to serve the volume of educational need in each community of color in a culturally appropriate and supportive manner. This includes the provision of services at times and in locations that are most accessible and in languages appropriate to the audience. To fully maximize what this kind of support can offer, delivery systems must continue to be diversified and the number of trained and culturally competent instructors must increase. Additionally, new methods of delivering training may be necessary for greater community based access including increased use of technology (i.e. internet and cable TV) and the current infrastructure (i.e. community college systems, parks and recreation, community education).

The committee, in its effort to think beyond today's system, expanded its focus for education beyond the traditional classroom setting by examining the effectiveness of one-on-one long term counseling, informal coaching or mentoring, financial fitness, and in depth credit counseling. By doing so, the committee expanded the range of recommended options for intended audiences and information delivery.

The Education and Counseling Content Committee met with the commitment to develop strategy recommendations to improve, expand and increase access to culturally appropriate homebuyer education and counseling in Portland, with an estimate of the initial resources needed to implement each strategy and a commitment to continue to meet to move the plan towards implementation.

## **THE CHALLENGE**

Despite the initiatives of recent years, there remains a sizable information gap about homeownership and the home-buying process. Communities of color continue to trail behind the general public in having accurate information about homeownership and the home-buying process. Many who could buy a home decide they cannot because of misunderstandings, misinformation, industry barriers or perpetuated stereotypes about what it takes to become a homeowner. Recent Fannie Mae surveys reveal that many people of color still believe that:

- A 30-year mortgage requires a 30-year commitment;
- You need a 20 percent down payment to purchase a home;
- Perfect credit is required to qualify for a mortgage;
- Lenders are required by law to give a borrower the best rates possible;
- Neighborhood mortgage brokers will give you a better deal than large banks and housing lenders; and
- You need to have been in the same job for at least five years to qualify for a mortgage.

For those that do enter the housing market, this lack of information or misinformation puts them at greater risk of falling prey to predatory practices throughout the home buying process.

Similar views were supported through the Operation HOME, qualitative listening process documented in "The Community Says..." report where potential homebuyers shared that information is not reaching "me" at a credible level. In this research, those represented discussed the need for credible information; a respected source from which a potential home buyer could gain support in learning about programs to help with the purchase, what to expect in the underwriting process, how to find respectable industry representatives who "look like," "act like," "speak like" me or who will at least understand me and my needs. Those who were aware of agencies that could help were concerned that these were not accessible due to language and cultural barriers or inconvenient class times and/or locations. Some expressed concerns with regard to general population focus agencies, believing they were culturally inadequate. Others called for an expansion of coaching and mentoring programs through capacity building provided by individuals from communities of color and a need for service providers who are willing to go the extra mile to meet the ownership and cultural needs of the buyer. Potential homebuyers also wanted to see the expansion of assistance programs that work for "my" community using vendors "I" trust and to make those programs more accessible to communities of color.

## **EDUCATION AND COUNSELING COMMITTEE FRAMEWORK**

Given the importance of the committee's commitment to develop effective strategies and the hefty challenges presented, a significant amount of resources and systems change will have to occur to meet our goals. The committee does not shy away from the challenge of leadership and in fact emphasizes the importance of community ownership of this process and resulting implementation. Therefore, there must be an opportunity for all organizations invested in Operation HOME to participate without the emergence of a monopoly of one or select few organizations. At the same time, the community should continue to celebrate and honor the work of established organizations committed to education and counseling work, by continuing to support their growth and added capacity. Additionally, the committee feels that success of the strategies proposed lies in the continued transparency and trustworthiness of the implementation efforts of Operation HOME. The same level of diversity and inclusiveness is critical to sustain the Operation HOME implementation oversight body.

## **OVERVIEW – GOALS AND STRATEGIES**

### **OPERATION HOME GOAL**

*Close the minority home ownership gap in Portland by 2015 and add 13,000 new home owners within Portland's communities of color.*

### **EDUCATION PLAN TARGET POPULATIONS AND GOALS**

To support the goal of Operation HOME and to develop effective strategies to impact the education and counseling needs of consumers of color, the education and counseling content committee focused their strategies on three primary target populations: consumers, industry, and local community. These target populations were specifically called out and identified because of the committee's commitment to a holistic approach regarding education. Focusing on one segment of the population of people of color without adequately addressing the surrounding and supporting segments would not achieve the level of effectiveness necessary to achieve the stated goal. As a result, the committee prioritized the importance of strategies that supported and reinforced each of the target populations. Goals and accompanying strategies are listed below and further described later in the document.

**CONSUMERS** – Consumers have been segmented into: young people (k- 12), college students, adults who are pre-contemplative, adults who are ready to pursue homeownership and adults with complications that prevent homeownership.

*GOAL* - Communities of color are exposed to, seek out and participate in educational and supportive activities that lead to home buying.

**INDUSTRY** – The industry has been segmented into: the finance community (banker, lenders, underwriters and title company representatives), non profit homeownership agencies, realtors, and government.

*GOAL* - The homeownership industry identifies and responds to the educational/counseling needs of consumers of color.

**LOCAL COMMUNITY** – The local community has been segmented into: employers, churches, schools, civic organizations, social clubs, unions/professional associations, and media/internet/online communities.

*GOAL*- Organizations established to support the social and informational needs of consumers of color include educational supports leading to homeownership.

## **EDUCATION AND COUNSELING STRATEGIES**

### **CONSUMERS STRATEGIES**

1. Integrate the concepts and processes of homeownership and financial fitness at an early age.
2. Coordinate and expand community agreed upon educational and counseling standards that are culturally relevant.

3. Coordinate and expand an accessible education and counseling service delivery system that is equitable.

### **INDUSTRY STRATEGIES**

1. Expand the capacity of nonprofit education and counseling agencies currently providing services with equitable access to all loan and support programs.
2. Institutionalize cultural competency training at all levels across the industry.
3. Establish a well supported clearinghouse of information for professionals describing all programs.
4. Establish an affordable and consumer friendly credit counseling service delivery system.
5. Build the workforce to include people of color.
6. Provide a "stamp of approval" for organizations who meet the guidelines of excellence established by Operation HOME.

### **LOCAL COMMUNITY STRATEGIES**

1. Expand educational opportunities that include a range of options that promote the idea of homeownership and financial fitness.
2. Coordinate opportunities with established homeownership industry.

## **CONSUMER STRATEGIES**

Education and Counseling recommendations for consumers were broken out into four distinct groups in order to meet these consumers where they are in the process of buying a home or learning about homeownership. These recommendations also seek to take advantage of opportunities that come naturally for consumers of color.

**CONSUMER GOAL** - *Communities of Color are exposed to, seek out and participate in educational and supportive activities that lead to home buying.*

## **CONSUMER STRATEGIES**

1. Integrate the concepts and processes of homeownership and financial fitness at an early age.
2. Coordinate and expand community agreed upon educational and counseling standards that are culturally relevant.
3. Coordinate and expand an accessible education and counseling service delivery system that is equitable.

## **APPROACH/TACTICS FOR YOUNG PEOPLE**

- Integrate the value of homeownership and the concepts and processes of homeownership into school curricula at all grade levels.
  - Use images and language representing minority community members.
  - Teach budgeting, savings and the use of credit.
  - Use curricula that teach the personal and community value of home ownership.
  - Share common barriers for those who try and fail as lessons learned
  - Develop ways for young people to share what they have learned with their families.
- Coordinate with schools districts and develop connections so there is consistency to financial education taught.
  - Combine different financial education curricula that meets agreed upon community standards and is widely used in Portland.
  - Combine different financial education personnel to create one large pool of dynamic financial speakers/teacher in Portland.
- Create a coordinated and expanded online database of resources for youth to refer to when they have financial questions. It should be specifically targeted towards youth and therefore reflect their interests, culture, etc.
  - Include topics such as: steps to keep your credit strong, spending and savings habits, good loans vs. bad loans, home buying steps, etc.

## **APPROACH/TACTICS FOR COLLEGE STUDENTS**

- Bring financial education into colleges through student groups and assemblies.
  - Hold programs similar to those currently being offered by banks and nonprofit financial educators where groups go through four, one hour sessions that cover the important aspects of managing your own finances.

- Work with student loan offices to educate their student clients.
  - Require financial education classes to all students applying for student loans

### **APPROACH/TACTICS FOR ADULTS WHO ARE PRE-CONTEMPLATIVE**

- Take advantage of opportunities to present at community venues such as union meetings, brown bag lunches at work, churches professional/social groups using a centralized and strategic marketing campaign.
  - Present messages that support the positive use of credit.
  - Present messages that make all aware of the help/resources available for individuals seeking homeownership.
  - Present messages that expand the idea of homeownership beyond the traditional single family home with a yard.

### **APPROACH/TACTICS FOR ADULTS READY TO PURSUE HOMEOWNERSHIP**

- Provide an industry embraced and quality consistent homeownership education, counseling, coaching and credit counseling services to all who seek them at times and in location that are supportive of the consumer's needs.
  - Provide weekend and evening classes/sessions.
  - Provide classes/sessions in convenient and trusted locations.
  - Provide classes/sessions in languages other than English.
  - Provide classes/session by trusted community educators.
  - Provide access supports that make classes/sessions possible, i.e. child care, transportation, meals, etc.
  - Provide free loan document review.
  - Use systems that are in place to aid in getting more people into classes (such as Portland Community College, Mt. Hood Community College and Portland Parks and Recreations) and possibly offer elective credit for completion of these courses.
  - Include content on sub-prime loans and how to understand closing costs.
- Coordinate services and education programs with all loan programs, enhancements and subsidies.

### **APPROACH/TACTICS FOR ADULTS WITH COMPLICATIONS THAT PREVENT HOMEOWNERSHIP**

- Adopt long term support models such as counseling and individual development account (IDA) programs.
  - Provide long term counseling.
  - Provide financial fitness classes.
  - Provide low cost, credible and non-punitive credit counseling services.
  - Provide IDA programs that have flexible requirements.

## **CONSUMER OUTCOME**

Consumers of color see themselves as homeowners starting at an early age and those of age have the tools and information available to them so they can become homeowners.

## **IMPLEMENTATION LEADERS**

This committee will continue to meet and make implementation recommendations.

Lead Convener	Primary Convener	Initiative Participants
TBD	TBD	TBD

## **INITIAL RESOURCES NEEDED**

- Additional funding for increased numbers of educators, coaches/mentors and counselors who are multicultural, multilingual and trusted by community members.
- Increased funding for organizational capacity building.
- Consensus on the definition of each service and an expectation of quality within the context of content and culture for each.
- School District(s) and higher education institutional support and coordination for integrating concepts and processes at all levels.
- Create a clearing house of information that is accessible in ways that are meaningful to each community.
- Curriculum/Tool/clearinghouse and kits for teachers at each grade level.
- Coordination and consensus on and funding for curriculum and coordinated implementation.
- Coordinated effort among in-school banking/financial education programs.
- Credit counseling and community agreed upon community wide standards for this kind of counseling.
- Funding for child care and other supports.
- Increased funding for down payment assistance.
- Additional funding for Individual Development Accounts and Grants for Down Payment assistance.
- Bank and Non-Profit support to teachers.
- Create workforce improvements that provide more people with a wage that makes homeownership accessible.
- Funding for the development and implementation of a marketing campaign that meets the needs for resonance within each community of color.

## **INDUSTRY STRATEGIES**

This committee recognized that there are institutional barriers within the industry that prevent consumers of color from owning a home within the community of their. As such, education and agreements for integrated standards must be completed. The Education and Counseling Content Committee recommends the following.

**INDUSTRY GOAL** - *The homeownership industry identifies and responds to the educational/counseling needs of consumers of color.*

## **INDUSTRY STRATEGIES**

1. Expand the capacity of nonprofit education and counseling agencies currently providing services with equitable access to all loan and support programs.
2. Institutionalize cultural competency training at all levels across the industry.
3. Establish a well supported clearinghouse of information for professionals describing all programs.
4. Establish an affordable and consumer friendly credit counseling service delivery system.
5. Build the workforce to include people of color.
6. Provide a "stamp of approval" for organizations who meet the guidelines of excellence established by Operation HOME.

## **APPROACH/TACTICS FOR BANKS/LENDERS/UNDERWRITERS/TITLE COMPANY REPRESENTATIVES**

- Coordinate with education and counseling organizations to learn about homebuyer assistance products and programs.
- Provide a free review of loan documents.
- Institutionalize educational opportunities in the loan denial process.
  - Coordinate referrals for educational opportunities.
- Provide increased professional development opportunities for people of color including fast tracking to critical positions such as management and support, internships, mentoring.

## **APPROACH/TACTICS FOR NON-PROFIT HOMEOWNERSHIP ORGANIZATIONS**

- Coordinate and established community standards for homeownership education and counseling in the following areas:
  - Homebuyer preparedness,
  - Content,
  - Trainers,
  - Cultural competency,
  - Shared outcomes,
  - Greater access,
  - Support and follow up,
  - Organizational capacity.

## **APPROACH/TACTICS FOR REALTORS**

- Reinforce training and accreditation standards with Operation HOME goals (seal of approval).
- Coordinate cross training with other professionals to learn about programs and resources.

## **APPROACH/TACTICS FOR GOVERNMENT**

- Coordinate policy and outcome development with community wide standards and goals.
- Increase access to funding through competitive processes, and provide more technical assistance and training around RFP's.
- Align funding allocation with community goals.
- Support legislative agendas that align with Operation HOME goals.

## **INDUSTRY OUTCOME**

Consumers of color are able to access programs and services from culturally and linguistically competent industry professionals who are informed of all available services and programs and their work with any of these institutions will be accepted for benefits by all lenders.

## **IMPLEMENTATION LEADERS**

This committee will continue to meet and make implementation recommendations.

Lead Convener

Primary Convener

Initiative Participants

TBD

TBD

TBD

## **INITIAL RESOURCES NEEDED**

- Coordination for the development of community wide educational standards.
- Clearing house of program information about programs with equal access to the information by non-profits and lending institutions.
- Support for the clearing house including providing an Operation HOME specific training about the clearing house available to industry partners, providing the information in a user friendly format and the establishment of a community list serve.
- Peer Collaborative for educators and their trainers.

## COMMUNITY STRATEGIES

Consumers of color seek information in many different ways. For our recommendations to be effective, we must learn and use alternative methods of sharing the message of homeownership. The following are the recommendations we offer to join trusted community information sources to the campaign.

**COMMUNITY GOAL-** *Organizations established to support the social and informational needs of consumers of color include educational support leading to homeownership.*

## COMMUNITY STRATEGIES

1. Expand educational opportunities that include a range of options that promote the idea of homeownership and financial fitness.
2. Coordinate opportunities with established homeownership industry.

## APPROACH/TACTICS FOR COMMUNITY GROUPS

- Utilize community media resources such as local cable access channels and programming.
- Create educational opportunities for work place audiences that include a range of options starting with a brown bag session (45 min) and extending to release-time and onsite classes.
- Create educational opportunities that can be deployed in church settings (i.e. sermons) that can be followed up with onsite classes.
- Create opportunities that can be deployed in civic and social club settings (i.e. brown bag session) that can be followed up with onsite classes.
- Create opportunities that can be deployed in Union and Professional settings (i.e. brown bag session) that can be followed up with onsite classes and that integrate benefits offered by their group.
- Create opportunities that can be deployed online and that can be followed up with either continued online services or referrals to in person settings.
  - Create a website that has information about how to buy a home that is culturally relevant and trusted by community members.
  - Develop media messages that are deployed by community media with a message that resonates with each community.

## LOCAL COMMUNITY OUTCOME

Consumers of color are able to receive information on homeownership from creditable sources and in creditable locations with appropriate and or additional supports.

## IMPLEMENTATION LEADERS

This committee will continue to meet and make implementation recommendations.

Lead Convener

Primary Convener

Initiative Participants

TBD

TBD

TBD

## **INITIAL RESOURCES NEEDED**

- Funding and staffing to develop and deploy programming that is culturally appropriate.
- Assistance establishing contacts, trust and credibility in various community venues.

## **SUMMARY**

Education and counseling are proven methods of bringing consumers of color into homeownership. When the message and supports are culturally appropriate and offered by a trusted source, there is greater likelihood that the consumer will, in time, become a successful homeowner. In order for the above to occur in Portland we must expand local capacity to offer services, train the industry to respond appropriately and utilize all possible venues and sources to get creditable information out to consumers of color.

# CONTENT COMMITTEE PLANNING PROCESS

## COMMITTEE RECRUITMENT AND MEMBERSHIP

The Education and Counseling Content Committee was comprised of a diverse set of professionals representing communities of color and a variety of non-profit, government and private sector organizations. The committee list of names and affiliations displays the richness of the group and their depth of experience and expertise. In order to ensure a high level of community engagement and representation, members were recruited not only for expertise in homeownership education and counseling, but also for their connection to the identified target populations. To be effective, the education and counseling committee had to reflect the diversity of the intended beneficiaries. Members were identified through the key informant interviews and the four town hall meetings held during the research phase of Operation HOME and through direct recruitment by staff from the City of Portland, Bureau of Housing and Community Development (BHCD) and the Community Solutions Consulting (CSC) team.

## EDUCATION AND COUNSELING CONTENT COMMITTEE PROCESS

The Outreach and Marketing Content Committee met five times. Thank you to Northwest Mutual Financial and First American Title for hosting the Education and Counseling Content Committee meetings. The dates, locations and stated goals for each meeting are listed below:

- **November 8, 2006; 2-4 pm – Northwest Mutual Financial Network Offices**  
*Goals for Meeting 1* – To orient the committee to Operation HOME, define the scope of work and determine the process for strategy development and review local education efforts.
- **November 28, 2006; 9-11 am – First American Title, KOIN Building**  
*Goals for Meeting 2* – To continue to review local education efforts and establish framework document for further group work.
- **December 19, 2006; 9-11 am – First American Title, KOIN Building**  
*Goals for Meeting 3* – To review work to date, focus discussion on consumers and plan for the next meeting.
- **January 5, 2007; 9-11 am – First American Title, KOIN Building**  
*Goals for Meeting 4* – To refine strategies developed to date
- **January 12, 2007; 9-11 am – First American Title, KOIN Building**  
*Goals for Meeting 5* - Review draft of education and counseling plan, and prepare for the steering committee presentation.
- **January 30, 2007; 3-5 pm – 1900 SW 4<sup>th</sup> Avenue, Suite 2500A**  
Presentation of recommendation to Steering Committee, notes will be added after the Steering Committee Meeting

Committee meetings, which were approximately 2 hours in length, were facilitated by CSC and BHCD staff. Consultants and staff met in between committee meetings to review meeting notes, to complete additional research requested by the committee, to draft the education and counseling plan for committee review and to prepare for upcoming meetings.

The Education and Counseling Content Committee members nominated five representatives to present the draft education and counseling plan and content committee recommendations to the Steering Committee for consideration. The presenters include David Bell, Sara Libby, Cheryl Roberts, Deborah Turner, and Dory Van Bockel.

## **COMMITTEE MEMBERS**

The following is a list of Education and Counseling Content Committee members and their affiliations:

**Clarence Bethune**  
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**Sara Libby**  
*Native American Youth and Family Center*

**Cynthia Lockett**  
*Enterprise Community Partners*

**Paul Martinez**  
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