



Education and Counseling Content Committee

Committee Charge

Homeownership counseling is an integral part of affordable housing and affordable lending in the United States. Counseling better prepares homebuyers to navigate the often complex process of purchasing and financing a home and to better recognize and accept the responsibilities of homeownership. Fortunately, Portland has a deeply committed and highly skilled volunteer and nonprofit infrastructure that promotes homeownership in each community of color and provides in-depth homebuyer education to help buyers succeed.

However, while the infrastructure exists, its capacity is inadequate to serve the volume of educational needs in each community of color in a culturally appropriate manner and to provide these services at venues and times that are easily accessible to potential homebuyers. To do so, delivery systems must be diversified and the number of instructors must expand. Additionally, new methods of delivering training may be necessary including increased use of technology.

The charge of the Education Content Committee is to develop prioritized strategies and recommendations to improve, expand and increase access to homebuyer education in Portland, with an estimate of the resources needed to implement each strategy and to identify an "owner" of each strategy that will move it towards implementation.

The Challenge

Despite the initiatives of recent years, there remains a sizable information gap about the homeownership and the home-buying process. Minority communities, particularly non-English speaking communities, continue to trail 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 their misconceptions about what it takes to become a homeowner.

Recent Fannie Mae surveys reveal that many 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 puts them at greater risk of falling prey to predatory practices throughout the home buying process.

These views were supported through the Operation HOME Town Hall meetings at which participants shared that information is not reaching “me” at a credible level. In each forum, 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.