



4th Annual

Native CDFI Capital Access Convening

June 25–27, 2019 • Lihue, Hawaii

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How Native CDFIs Can Support Native Homeownership Beyond Lending



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Introductions


- Name
- Organization
- Location and Target Market
- Why You Selected This Session



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Preventing Foreclosure, Preserving Homeownership: How Native CDFI's can use High-touch Servicing to support Homeowners

Kate Davidoff, Ph.D.

June 26, 2019

Native CDFI Capital Access Convening



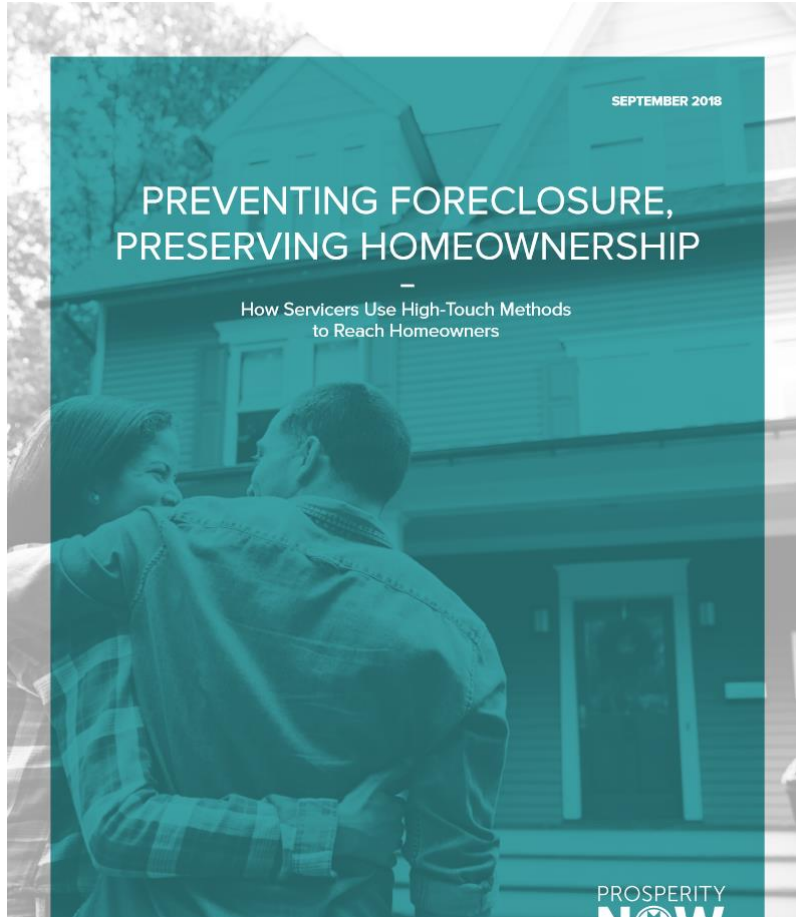
**Prosperity
Now's mission**
is to ensure
everyone in our
country has a
clear path to
financial stability,
wealth and
prosperity.

Affordable Homeownership

- Prepare low-and-moderate income families for homeownership
- Expand the supply of affordable homes
- Reduce the risk of homeownership



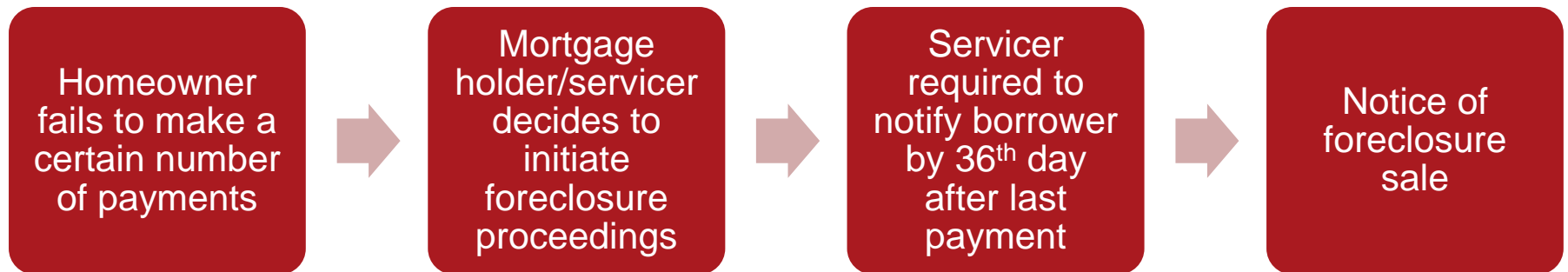
High – Touch Servicing



- 12 Community Development Financial Institutions (CDFIs), state housing finance agencies (HFAs) and other mission-oriented servicers
- Directly service a portfolio of loans
- Implement unique solutions in their outreach to borrowers

Overview of Foreclosure Process

Governed by state law
Judicial v Administrative



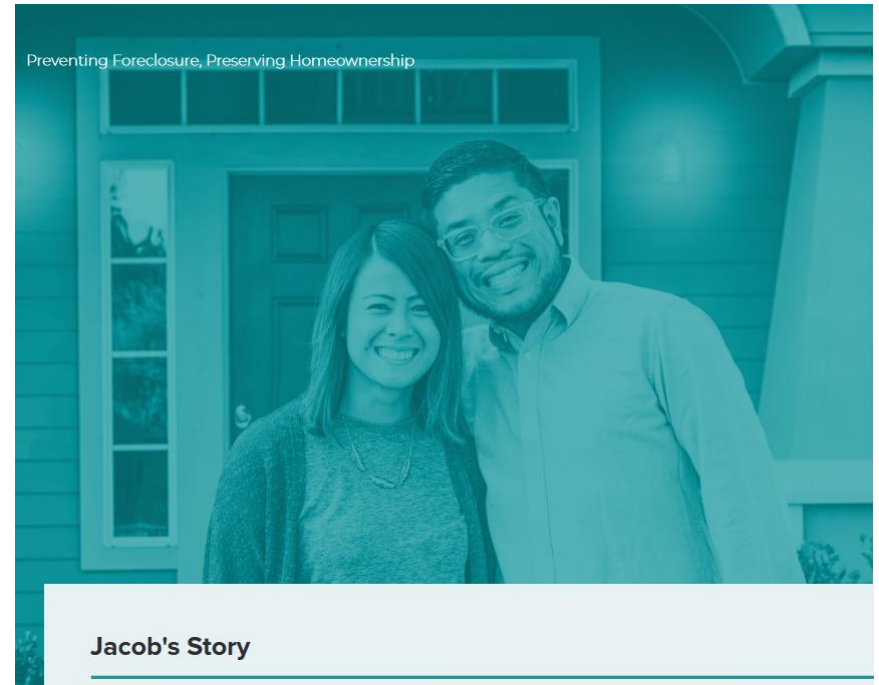
Options for Borrowers

- HUD housing counseling
- Federal programs in 2009/2010
 - HAMP
 - MHA
- Work with servicers for loan modification
 - Bank servicers
 - Nonbank lenders
 - Mission-driven and nonprofit



High-touch servicing solutions

- Timely and proactive initial contact
 - Partner with nonprofits to gain trust
- Hands-on interaction with the borrower
 - Full-time staff for contacting borrowers
- Provide targeted modifications/resolutions
 - Understand the “why”



Potential for Native CDFIs



- Portfolio lending
- Starting programs for the ground-up
- Close relationship with borrowers

Questions?

Kate Davidoff, Ph.D

Prosperity Now

Director, Affordable Homeownership

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202-373-0083



ABOUT ENTERPRISE

OUR VISION & MISSION

ONE DAY every person will have an affordable home in a vibrant community, filled with promise and the opportunity for a good life.

OUR MISSION is to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities

Enterprise's Approach

What sets Enterprise apart is how we work.

We're one of the only social enterprises in the U.S. with deep expertise in each of the **three catalysts for systems change**:

Capital.

At Enterprise, we direct public and private capital to the right places, having delivered more than \$36 billion to low-income communities across the U.S.

Policy.

Enterprise is a crucial voice for America's low-income communities with a strong presence in Washington, D.C., and city halls across the country.

Solutions.

We work with local partners to test and scale new solutions to some of the most pressing housing and economic problems facing low-income communities.

Enterprise's Native CDFI Grant Partners



- Mazaska Owecaso Otipi Financial
- Lakota Funds
- Four Directions Development Corporation



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Section 4 Capacity Building Grants Funding Opportunity



- Call for Letters of Interest – June 17th
- Overview Webinar for Rural & Native American – June 27th , 2:00 Eastern
- LOIs Due – July 15th



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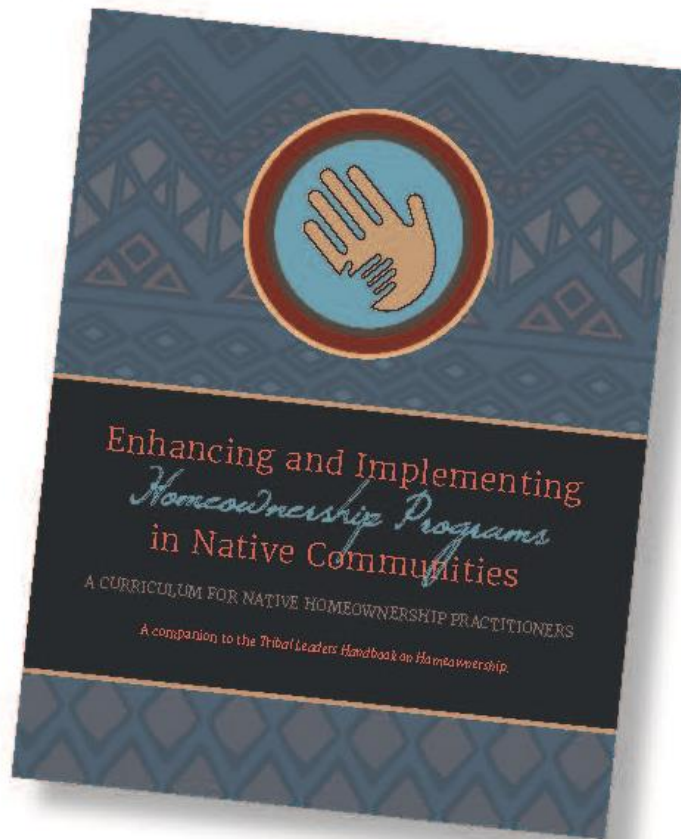


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Native Homeownership Learning Communities Cohort



- **Training:** Kicks off with the curriculum
- **Workshopping & Coaching:** Helps participants *make decisions* and *take actions*
- **Resources:** Participants are eligible to receive targeted technical assistance and grant funding to support their homeownership program
- **Community and Accountability:** Not just information. The cohort fosters peer to peer networking and developing a supportive community of professionals



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Role of CDFIs with SD Native Homeownership Coalition



SOUTH DAKOTA
Native Homeownership
Coalition

www.sdnativehomeownershipcoalition.org

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Convened in 2013

- USDA Rural Development
- SD Housing Development Authority
- SD Department of Tribal Relations
- SD Governor's Office



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Mission

To increase homeownership opportunities for South Dakota's Native people to build strong and healthy communities.



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Coalition Structure



Statewide coalition

Governed by executive committee

Volunteer working committees

Paid facilitators

Fiscal agent



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Coalition Members

- Tribes
- Tribally Designated Housing Entities (TDHEs)
- Federal, State, and Tribal Agencies
- Native and Non-Native Nonprofits
- Housing Developers and Contractors
- Lenders
- CDFIs
- Philanthropic Supporters



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Working Committees



Physical Issues

**Homebuyer
Readiness**

Sustainability

Policy

**Veterans
Homeownership**

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Annual Coalition Activities



Tribal Site Visit



SD Housing Conference Native Homeownership Track

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CDFI Members



Native CDFIs

- Black Hills Community Loan Fund, Inc.
- Four Bands
- Mazaska Owecaso Otipi Financial, Inc
- Lakota Funds
- Lakota Federal Credit Union

Non-Native CDFIs

- Dakota Resources
- Grow South Dakota
- Homes Are Possible Inc.
- Neighborworks Dakota Home Resources



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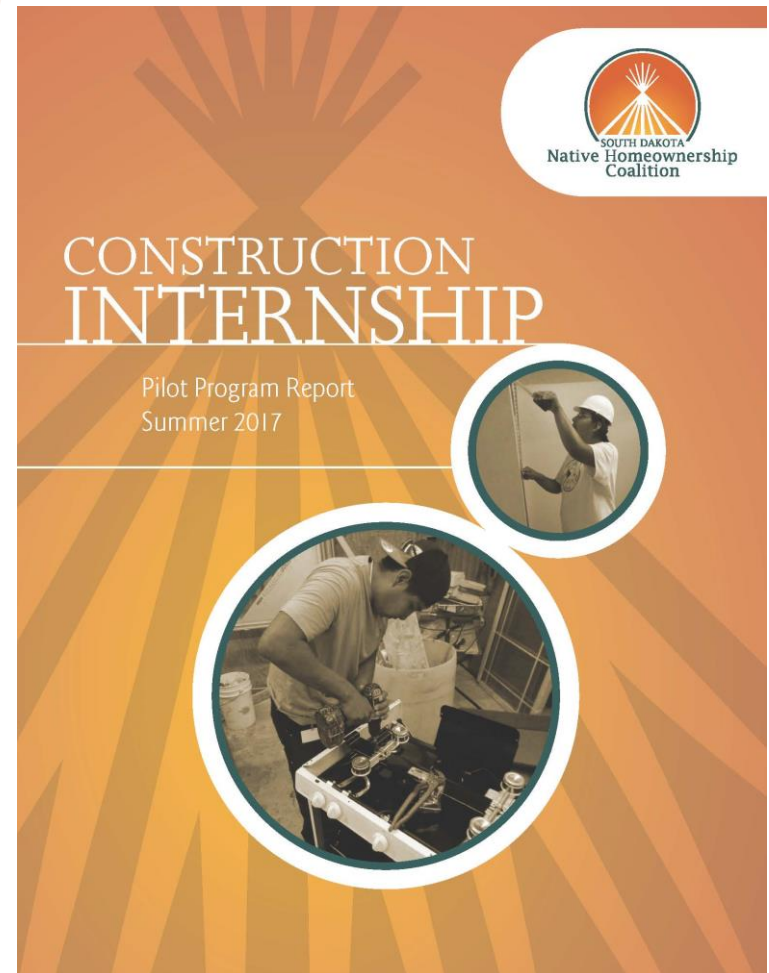


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Lakota Funds

- SDNHOC fiscal agent
- Construction internship program
- Residential construction professional industry
- Homebuyer education – SD HERO Partner
- Veterans TA



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Four Bands

- Home improvement loans
- 502 relending demonstration
- Homebuyer education – SD HERO partner
- Partner with TDHE
- Construction internship program
- Credit builder loan



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Mazaska

- First mortgage, rehab loan
- Construction loan
- Down payment and closing cost assistance
- Contractor assistance
- 502 loan packaging and relending demonstration
- Homebuyer education – SD HERO partner
- Credit builder



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Black Hills Community Loan Fund, Inc.



- Co-chair, SDNHOC Homebuyer Readiness Committee
- Homebuyer education
- Credit builder loan
- First and second mortgages (gap financing)



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Non-Mortgage Activity

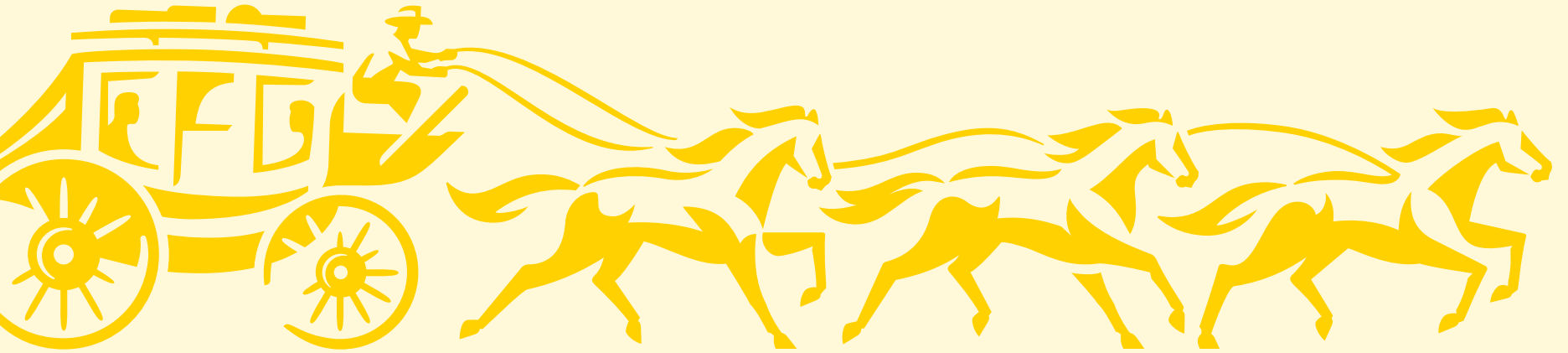
Benefits

- Homebuyer readiness
- Asset building
- Economic development
- Policy change opportunities

Challenges

- Does not generate revenue
- Requires operating income
- Not sustainable





How Native CDFIs Can Support Native Homeownership Beyond Lending – Wells Fargo

June 26, 2019

Connie Wright

Senior Vice President and Assistant Director

Housing Philanthropy

The Vision, Values & Goals of Wells Fargo



Our Vision

We want to satisfy our customers' financial needs and help them succeed financially.

Our Values

- What's right for customers
 - People as a competitive advantage
 - Ethics
 - Diversity and inclusion
 - Leadership
-

Our Goals

We want to become the financial services leader in these areas:

Customer service and advice	Team member engagement	Innovation
Risk management	Corporate citizenship	Shareholder value

Wells Fargo Foundation mission

Pave a path to stability and financial success for individuals, families, and underserved communities by applying resources and a problem-solving mindset to three areas critical to economic advancement: **housing affordability, financial health, and small business growth.**



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The Wells Fargo Foundation focuses on three key areas where we can leverage our expertise and solve big problems



Housing Affordability

Reduce the cost burden of housing and increase access to safe, affordable places to live, including transitional housing, rentals, and home ownership, with a focus on individuals and families historically shut out of the market.



Financial Health

Improve the financial health of low- and moderate-income Americans through evidence-based planning and education and innovative financial services.



Small Business Growth

Strengthen communities and help create local jobs by investing in underserved small business owners and entrepreneurs through capital, capacity-building education and networks of support.

We're starting with a renewed focus on housing affordability

Our renewed focus

Expand and scale ideas across the full housing spectrum – homelessness, transitional housing, rental inventory, and homeownership – with an emphasis on people of color, veterans, seniors, and others historically facing challenges.

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We want to make housing more affordable for everyone

\$1 billion

We are committing **\$1 billion over the next six years** to help American families find safe, affordable homes.

Our plan

- Collaborate with communities to develop scalable national and local solutions.
- Team up with advocacy organizations and encourage consideration of housing policy issues.
- Implement a \$20 million Housing Innovation Challenge to bring forward new housing affordability ideas in the areas of finance, construction and residential support services.
- Educate stakeholders and positively create action around housing issues.



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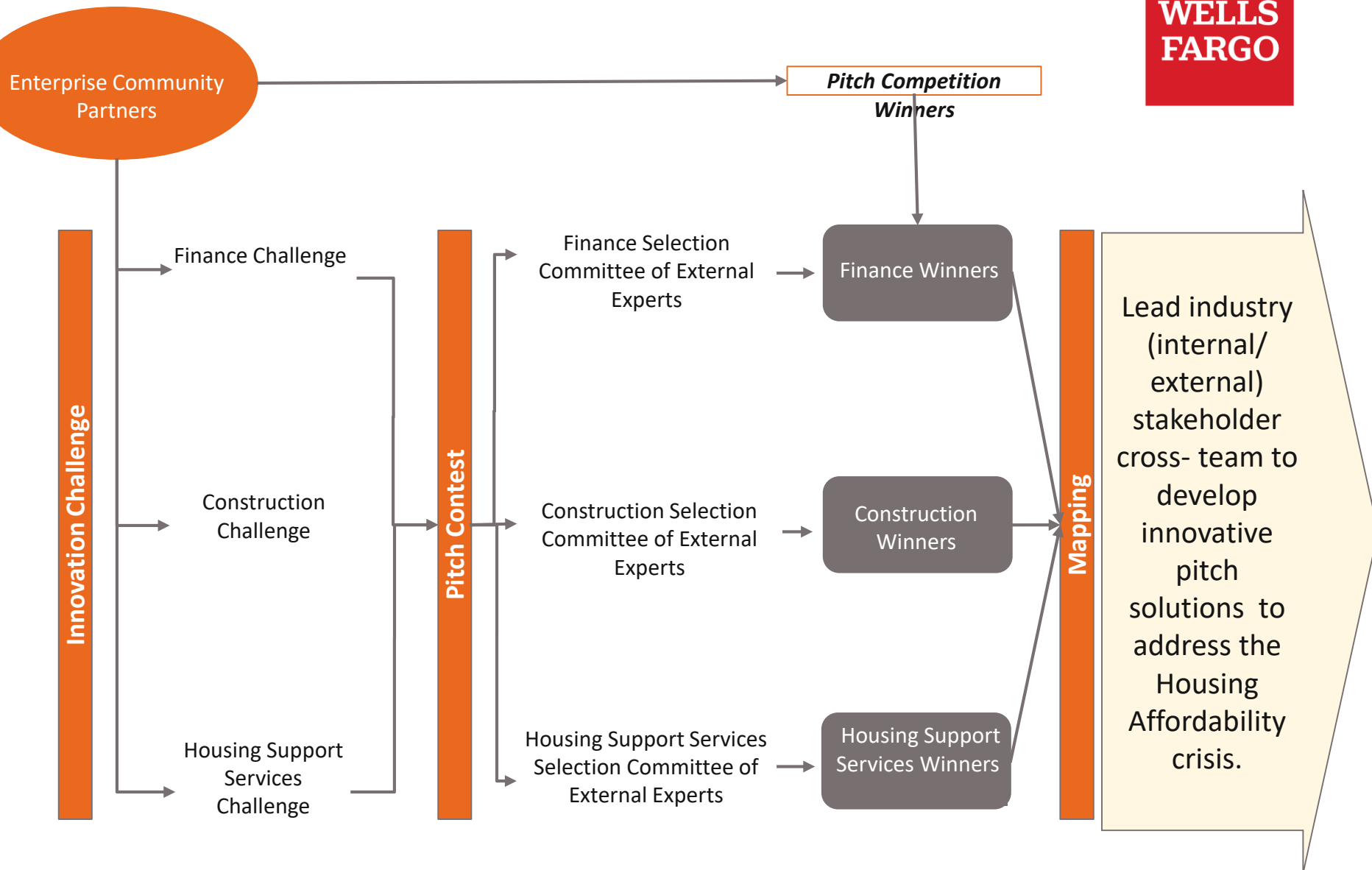


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\$20M Innovation Challenge



Wells Fargo Housing Philanthropy Programs

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- Wells Fargo BuildsSM
 - Provides financial support to nonprofit organizations when Wells Fargo team members help build, renovate, paint, or repair a home for low- to moderate-income households.
- VeteranWINS[®]
 - Provides financial resources to help invest, strengthen, and support sustainable military veteran housing programs focused on addressing safe and secure housing for all veterans, especially homeless and at-risk veterans.
- Homeownership Counseling Grant Program
 - Provides financial resources to local nonprofit housing organizations to create sustainable homeownership opportunities for low- to moderate-income families. The goal is to address the demand for all aspects of housing counseling, including homebuyer education and pre-purchase, credit, post-purchase, and foreclosure prevention.



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In addition to housing affordability, Wells Fargo will seek new ideas and innovation around small business growth and financial health



Helping people reach their full potential through financial health

Wells Fargo will examine ways to help lift families out of poverty and help underserved communities by expanding access to financial education, financial coaching, homebuyer counseling, and other programs or products that increase overall financial success.



Supporting small business growth so we can create local jobs

Wells Fargo will intensify efforts to scale technical assistance — such as business plan development, budgeting and marketing — alongside initiatives that will deliver more capital to startups and existing small businesses.



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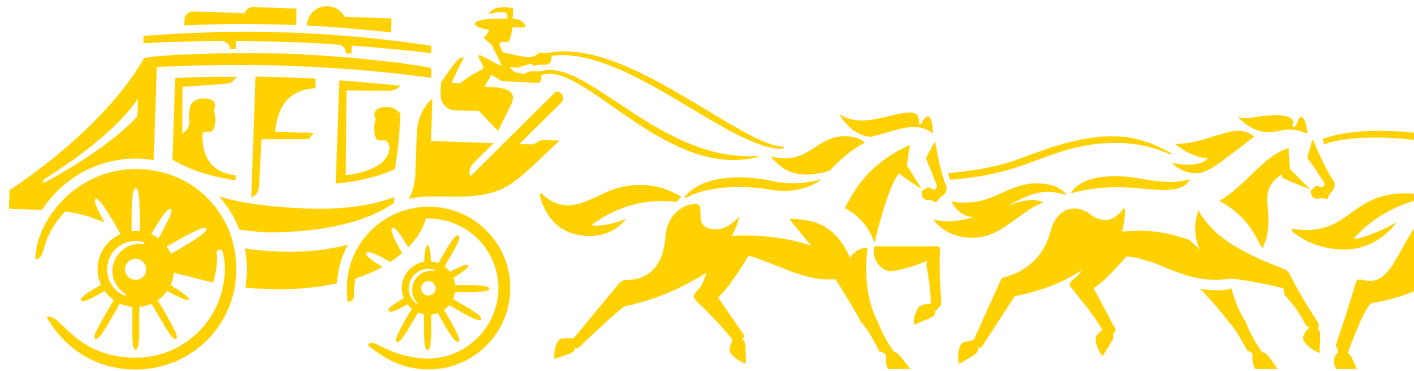


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Wells Fargo Commitment to fund a 5 year \$50 MM to Native Community Builder Grant Program



Native American Current Challenges:

Access to Capital/ Banking Services, Education, Economic Development & Housing, Sustainability Opportunities & Challenges, Other Economic and Tribal Services Needs.



Health Care/
Facilities/
Professionals



Underbanked



Lacks Wi-Fi &
Telecommunications
Digital Divide



Tribal Youth Education
Development &
Resources



Needs Partnership
Support



Lack of Environmental
Sustainability Initiatives



Affordable Housing,
Economic & Social
Services Needs

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Priorities and 5 year Funding Commitment:

Effective 2018 to 2022 (for National Native 501c3s)

Priority	Description
Environment Sustainability	Renewable energy Clean Water Programs
Economic Development	Community Development Financial Institution (CDFI) and Native 501C3 Capacity Building; Asset Building
Housing	Affordable Housing, Down Payment Assistance
Leadership Development	Leadership Certification Small Business Procurement and Technical Training
Financial Capability Training	Customized Hands on Banking Curriculum, Student Ambassador Program
Leverage Existing Programs & Funding	Strategic Philanthropy (Scholarships): Sustainability: Housing Foundation
Marketing Support	Segment Insights, Sponsorships, Media Advertising, Program Activations
Wholesale and Middle Market Banking Support	Diverse Segment Full Time Employee AI/ AN Relationship Manger



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\$10 Million Capital Pool

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- Due to increased lending demand on the local level Native CDFIs need access to long-term capital to meet their local demands for their loan products
- Oweesta worked with Native CDFIs steering committee members and potential investors to develop the structure of capital pool
- 13 Native CDFIs will now have access to 10 year patient capital in the amounts of \$500,000 to \$1,000,000 per organizations
- 9 investors funded the pool of \$10,000,000 including Wells Fargo with \$1,000,000 investment



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2018 – National Housing Grants

Non-Profit	Purpose
Enterprise	Create Native American Homeownership Manual. Previewed on 7/10/18 at Minneapolis Federal Reserve
Housing Assistance Council	Peer-to-peer learning exchange to include eLearning and place-based training
Operation Tiny Home	Tiny home builds in support of Lummi Nation in Bellingham, WA 9/20/18 – 9/22/18
Prosperity NOW	Create education curriculum in support of Native American manufactured housing homebuyers. Outreach to attract and retain more Native American representation in the I'm Home Network
NWA	Partner with First Nations Oweesta to create and offer requisite training for Native CDFI Finance certificate
Rural LISC	Conduct 3 convenings focused on affordable housing options on tribal land including manufactured housing. Scholarships provided
First Nations Oweesta	Down payment pool to be used in conjunction with home purchased on tribal land
First Nations Oweesta	Administration fee for down payment assistance program
National American Indian Housing Council (NAIHC)	HUD intermediary to provide required housing counseling in conjunction with down payment assistance program



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Oweesta and Wells Fargo DPA Program

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- Homeownership opportunities for Native Americans has been extremely difficult to attain due to a variety of barriers
- Oweesta has partnered with Wells Fargo to launch a national Down payment Assistant Program to assist with Native American homeownership opportunities in the amount of \$500,000
- 5 Native CDFIs will initially participate in the program receiving \$100,000 per organization to provide grants for DPA up to \$5,000 per family



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American Indian/ Alaskan Native Commitment

\$500,000 for down payment assistance

The assistance program has been committed to the following five Native Community Development Financial Institutions (CDFIs):

1. Anchorage, Alaska – Cook Inlet Lending Center
2. Orono, Maine – Four Directions Development Corporation
3. Pine Ridge, S.D – Mazaska Owecaso Otipi Financial
4. Laguna, N.M. – Native Community Finance
5. Isleta Pueblo, N.M. – TIWA Lending Services



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Operation Tiny Home – Lummi Nation

Partnering with Operations Tiny Home & Lummi Stepping Stones this 3 –day workshop with tiny house specialist and A&E Series Tiny House Nation Co-Host, Zack Giffin, provided hands-on training of the basic tiny home construction process, from the foundation to the finishing trim for Lummi Tribal Members. Tribal Members gained value skills to continue to build Lummi Nation Eagle Haven Tiny Home Village



Operation Tiny Home & Lummi Tribal Members



1st Tiny Home of Eagle Haven Completed – Each Door with their tribal symbol

2019 – Housing Grant Request Pending

- Grant Repair Program – For Senior and Veterans on tribal land
- Oweesta serves as HUD intermediary: 11 Native CDFIs which would serve as the HUD Housing Counseling network.
- Culturally specific manufactured housing counseling
- Course to consider challenges and the partnerships to be created to develop housing on native lands.
- Building the capacity of Native Community Development Financial Institutions (CDFIs), Tribally Designated Housing Entities (TDHEs), and other federal and tribal agencies, as well as community-based organizations (CBOs)



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Thank you

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