



# Promoting Sustainable Homeownership for Native Americans

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# An important note about the seminar content

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# Agenda

- Fannie Mae Research
- Fannie Mae's Education Strategy and Partnerships
- Counseling vs Education
- Consumer & Educator Resources
- Summary and resources



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# Fannie Mae

Who we are and why we are here today



## What we are doing:

- We are listening
- We are learning
- We are committed to making homeownership more accessible

**We are committed to equitable access  
to sustainable homeownership for  
Native Americans**



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"The family home is what provides a solid foundation for the family."

**Fannie Mae Research Participant: Native American Qualitative Research**



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# Native American Homeownership Values



Based on Fannie Mae Research

- **“Family home” and its connection to the land is important to homeownership**
  - Native Americans feel deeply connected to the land and take pride in their cultural traditions
  - This connection is central to tribal life, both for personal identity and the community
  - Strong responsibility to care for elders and extended families to ensure there is a family home
- **Meeting people where they are:**
  - Most learned the importance of budgeting and building credit through real life experiences and past mistakes
  - Feeling safe, secure, and guided through the entire home purchase process are key emotional needs

Source: [www.Fanniemae.com/media/19816/display](http://www.Fanniemae.com/media/19816/display)



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# Addressing Key Obstacles



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# Key Obstacles



## Key obstacles to accessing Homeownership

- **Insufficient credit/access to credit:** Lower credit scores and credit invisibility create barriers to accessing financing.

## Housing stability key obstacles:

- **Financial resiliency:** Renter/homeowner inability to withstand financial shocks.
- **Property resilience and durability:** Lack of funds for preventative improvements and home maintenance.

**Housing Preparation**

In the following pages, we organize the actions of this Plan by the Consumer Housing Journey stage. Embedded in each action is the housing barrier we seek to help consumers overcome.

Equitable Housing Finance Plan 2023 | 14



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# Addressing Barriers to the Knowledge Gap



We asked consumers to identify key mortgage qualification criteria (down payment, credit score, and DTI ratio.) *Only about 50% could provide a correct answer.\**

- Lack of awareness of loan programs available for home purchase on tribal lands
- Ensuring Native Americans have access to trusted financial advisors (many participants mentioned getting guidance on financing options from a local Native CDFI)

**Once Native American buyers decide to look into getting a home, access to financial education and other pertinent information is hard to find.\*\***



\*\*Source: "What Do Consumers Know About The Mortgage Qualification Criteria?" Fannie Mae Economic & Strategic Research Group – December 2015

\*\*Source: Native American Homeownership Qualitative Research <https://www.fanniemae.com/media/19816/>



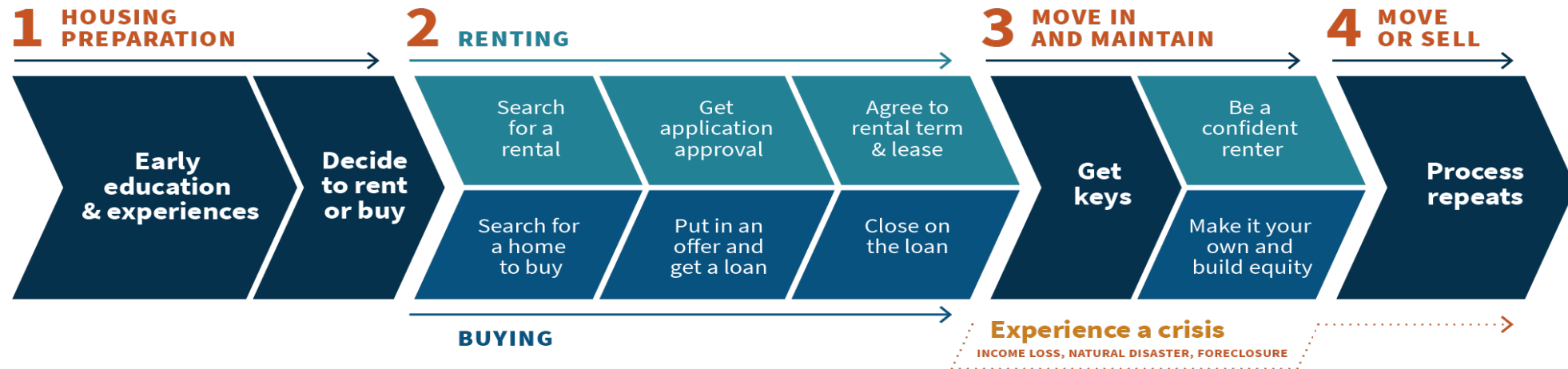
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# Fannie Mae's Strategy – Consumer Housing Journey



Housing Counseling and education are important to making impact across the Housing Journey and against key obstacles



- Housing Preparation**
- Financial Coaching /Financial Education
  - Homeownership Education

- Buying**
- Pre-purchase housing counseling
  - Build capacity of housing counseling organizations to better serve homebuyers

- Move in and Maintain.**
- Post purchase programs
    - Foreclosure Prevention
    - Disaster Response
    - Post-Modification Counseling



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# Oweesta & Fannie Mae Partnership Overview



- Oweesta became a **HUD-approved Intermediary** in 2021
- Network of 11 housing counseling affiliates
- **Oweesta provides:**
  - ❖ Provides technical assistance and support to Native CDFIs and Native non-profits providing counseling and education
  - ❖ Facilitate and partner to bring Housing Counseling trainings to network members
  - ❖ Compliance
  - ❖ QA/QC of programs and services

**Goal of partnership:** *Build capacity to increase access to housing counseling for Native Americans in need of services*



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# Counseling & Education Services



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# What is housing counseling?

One on one individualized services

- Housing counselors provide **customized expert advice** to assist with housing goals and needs
- Housing Counselors work with consumers to create **individualized action plans** based on the housing related goals
  - Examples include, purchasing a home or preventing a default or eviction.
- Counseling **increases understanding of**
  - The mortgage process
  - Budgeting and credit
  - Sources for down payment assistance
- All types of housing counseling **improve housing stability**



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# Addressing the Needs of the Community



## Market Scan of Needs

- ✓ What services exist?
- ✓ Where are their gaps in services?
- ✓ What are the locations of current counseling providers?

## Tailoring services based on location and population served

- Purchasing a home on tribal land
- New Construction and products
- Manufactured Housing and products
- Low Income Housing Tax Credit (LIHTC) conversions to homeownership



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# What is Homeownership Education?

Classroom or self-guided

- Homeownership Education is **general in nature**, not customized to the individual
- The course can be in different formats, such as **online** or **in person**
- **Completion times** vary from anywhere from a few hours to 8 or more hours
- Courses cover **important topics** such as:
  - Renting vs. Buying
  - Mortgage Financing
  - Budgeting and credit
- Down payment and **down payment assistance** options
- **Certificate of completion** given to denote timing, type and counseling provider



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# Homeownership Education Tips

- 1 Make sure to include local/specialized information on mortgage programs
  - This may include special DPA programs or products such as the HUD 184
- 2 What type of format best serves your audience?  
In person, via video conference or online
  - If in person, give additional materials for future guidance
- 3
  - Take home materials and online content can supplement in person course
  - This may include tools such as mortgage calculators and budgeting applications
  - Tools such as Fannie Mae's Down Payment Assistance Tool



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# Homeownership Education vs Housing Counseling?

Type	Delivery Method	Content
<b>Homeownership Education (HE)</b>	By qualified provider  Online or in-person	<b>Comprehensive curriculum</b> topics such as: <ul style="list-style-type: none"><li>✓ Knowing if you're ready to buy or rent</li><li>✓ Mortgage process and documentation needed</li><li>✓ Inspections, appraisals, insurance, and closing process</li><li>✓ Responsibilities of homeownership</li></ul>
<b>Housing Counseling</b>	By HUD-approved counseling agency  One-on-one assistance in-person, by phone, video conference, or other HUD delivery standard	Services address individual's unique financial circumstances, include HBE content, but <b>must cover</b> : <ul style="list-style-type: none"><li>✓ Buy vs Rent decision</li><li>✓ Review of credit report</li><li>✓ Establishing a household budget</li><li>✓ Developing a written action plan detailing individual's goals and next steps to become "mortgage ready"</li></ul>





# Education Resources



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# Fannie Mae HomeView® online course

Free, interactive, online homeownership education course launched in 2022

Seven modules guide borrowers through steps of homeownership:



- **Module 1:** Know When You're Ready
- **Module 2:** Saving for Homeownership
- **Module 3:** Working with a Lender
- **Module 4:** Shopping for a Home with a Real Estate Agent
- **Module 5:** Making an Offer on a Home
- **Module 6:** Getting Ready to Close on Your Loan
- **Module 7:** Welcome to Homeownership



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# Homeownership Education Requirements



## Fannie Mae's Affordable Loan Products

- Homeownership Education (HE) may be required for at least one borrower on some first-time homebuyer products, including HomeReady® loans, if ALL occupying borrowers are first-time homebuyers, regardless of LTV.
- **Fannie Mae HomeView®** is a free and easy way for most home buyers to fulfill the requirement.
- Fannie Mae also allows consumers to submit HE certificates from HUD and NIS HE providers.
- Go to [www.fanniemae.com/education](http://www.fanniemae.com/education) and sign up

The screenshot shows the Fannie Mae HomeView website. At the top, there is a dark blue navigation bar with the Fannie Mae logo, a 'START COURSE' button, a 'LOGIN' button, and a language selector for 'En español'. Below the navigation bar is a large orange hero section featuring a smiling couple. The text in this section reads: 'FANNIE MAE HomeView® Welcome to your go-to resource for every step of your homeownership journey. No matter your goals or background, we're here to help.' There are two buttons: 'START COURSE' and 'CURSO DE INICIO'. Below the hero section is a video player with a play button and the text 'Homeownership starts here.' To the right of the video player is a section titled 'Homeownership Starts Here' with a paragraph of text: 'When it comes to buying a home, it can be hard to know where to start. That's why we're here to help. HomeView is a comprehensive first-time homebuyer course, available in both English and Spanish, that will provide you with the information you need to take the next steps towards homeownership. Learn how to save and prepare for your home purchase, work with lenders and real estate professionals, understand the mortgage process, and so much more. Earn your completion certificate and start your homeownership journey today.' Below this is a section titled 'What's in This Course?' with a sub-header: 'HomeView has seven course modules that guide you through the steps of homeownership.' There are two module cards: 'Module 1 Knowing When You're Ready' with a description 'Learn about all of the things to consider when it comes to the decision to rent or buy a home.' and 'Module 2 Saving for Homeownership' with a description 'Discover planning tips and tools to get yourself financially ready to purchase a home.' Each card has an icon: a house for Module 1 and a piggy bank for Module 2.



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# Pathways Home: A Native Homeownership Guide



NAIHC (National American Indian Housing Council)'s Homebuyer Education to assist Native Families in their path to homeownership -  
Includes "Train the Trainer" and Homebuyer Guide

Objectives include:

- Exploring Homeownership
- Mortgage Based Homeownership
- Budgeting
- Evaluating Credit
- Finding a home
- Applying for a home loan
- Meeting Financial Obligations
- Protecting your investment



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# Building Native Communities: Financial Skills for Families (not HBE)



Oweesta Corporation created a curriculum to build financial capability among Native families

Lessons include:

- Building a healthy Economy
- Spending Plan
- Working with checking and savings
- Understanding Credit
- Using Credit
- Being a smart consumer

Please note this is a Financial Education course and NOT Homebuyer Education



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# Resources for Counselors and Educators



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# NeighborWorks® America (NWA)



NA247: Post-Purchase Homeownership Education

## Key Stakeholders that led to creation and launch in 2021

- Fannie Mae, NAIHC, NeighborWorks

## Post-Purchase Homeownership Education Methods in Native Communities

- 5-day course
  - Core concepts: financial management, home maintenance, community involvement
  - Understand the difference between Pre- and Post-purchase programs and services, as well as and how to create a marketing plan
  - Evaluate the role of tribes, tribal organizations and TDHEs (Tribally Designated Housing Entities), and other stakeholders in preserving Native homeownership.



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# Oweesta



## HUD Approved Housing Counseling Intermediary

- Provides support and advice for organizations looking to create or expand programming
- Information on HUD requirements for Housing Counseling
- Support on HUD certification testing
- Collaboration with Industry stakeholders
  - HUD Approved Intermediary Peers
  - Native CDFIs
- Expert advice on Resources for training, information and curriculums

**Oweesta supports organizations  
to become HUD Approved**



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# Housing Counseling Resources



## Oweesta Corporation

- HUD-approved intermediary
  - Contact: Sayre Savage
  - Oweesta.org
- **National American Indian Housing Council (NAIHC)**
    - Pathways Home “Train-the-Trainer” certification
    - <https://naihc.net/pathways-home/>
  - **RCAC**
    - HUD-approved intermediary
    - <https://www.rcac.org/trainings/>
  - **HUD**
    - <https://www.hudexchange.info/programs/housing-counseling/program-description/>
    - <https://www.homeownershipstandards.org/home/home.aspx>
  - **NeighborWorks® America Training Institute (NTI)**
    - <https://www.neighborworks.org/Training-Services/Training-Professional-Development>
  - **NIS (National Industry Standards for Homeownership Education and Counseling)**
    - <https://www.homeownershipstandards.org/home/home.aspx>



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# Are you interested in a potential partnership?

- If you'd like to discuss further ways to partner on Counseling and Education
- Contact: Cheryl Peterson
  - [cheryl\\_peterson@fanniemae.com](mailto:cheryl_peterson@fanniemae.com)



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