

## SCH Homeownership Center Outcomes and Impact Report for 2006

The Spanish Coalition for Housing (SCH) comprehensive counseling program is designed to stabilize families who have limited incomes, provide access to housing and bridge the affordability gaps that make homeownership possible for the very low income prospective homebuyers. SCH works to assist people to identify and access affordable rentals and homeownership opportunities in the City of Chicago and surrounding suburbs. Designing programs that can assist low-income and very low-income families meet the demand for safe, decent and affordable housing is very challenging, however it is within the realm of possibilities.

### **SCH Comprehensive Housing Counseling Program**

SCH Housing Counseling program is very hands-on and comprehensive in providing a variety of support services critical to the success of stabilizing our families housing situation so that they can then concentrate on moving towards self sufficiency and a better quality of life. Through education, advocacy and innovation, SCH has helped low income families realize their dreams of becoming homeowners.

### **Key Accomplishments**

- ◆ From **January to December of 2006**, SCH provided comprehensive pre-purchase counseling to **1,034** clients. These clients were serviced with one-on-one pre-purchase counseling, first-time homebuyers' education, post-purchase, default and foreclosure prevention counseling, credit restoration, and financial literacy education. The following breakdown showcases the successful outcomes and impacts of SCH work.

<i>Total clients counseled</i>	<b>1,034</b>
<i>Total clients referred or currently working with SCH lender partner</i>	<b>395</b>
<i>Total number of clients who purchased homes</i>	<b>210</b>
<i>Total number In Default with mortgage</i>	<b>92</b>
<i>Prevented foreclosures</i>	<b>60</b>
<b>Credit Repair</b>	<b>83</b>
<b>Financial Education Participants</b>	<b>543</b>

### *List of SCH Lender Partners, referring Mortgage Banks & Brokers*

<i>Bank/Mortgage Co</i>	<i># of SCH Clients</i>
<b>Mid-America Bank</b>	<b>52</b>
<b>Bank of America</b>	<b>50</b>
<b>Harris Bank</b>	<b>48</b>
<b>LaSalle Bank</b>	<b>46</b>
<b>CitiBank</b>	<b>40</b>
<b>Countrywide</b>	<b>29</b>
<b>Marquette Bank</b>	<b>24</b>
<b>WAMU</b>	<b>18</b>
<b>Charter One</b>	<b>9</b>
<b>Chase Bank</b>	<b>8</b>
<b>National City</b>	<b>6</b>
<b>Fifth Third</b>	<b>5</b>
<b>Various other Mortgage Co.'s</b>	<b>60</b>

- ◆ SCH has a comprehensive homebuyer education curriculum that includes training in all the latest affordable homeownership opportunities such as (New Homes for Chicago, Chicago Properties for Affordable

Neighborhoods-CPAN, Employer Assisted Housing, Community Land Trust units, rental properties and landlord training, etc.).

- ◆ SCH has developed expertise at layering financing for low-income homebuyers to close the affordability gap.
- ◆ SCH provides an enhanced and customized money management training curriculum to prepare families to stabilize their finances and become self-sufficient.

### *SCH Homeownership Programs*

#### **(1) SCH Homeownership Initiative - IHDA**

In partnership with Illinois Housing Development Authority (IHDA), the Spanish Coalition Housing Initiative Program assists families making less than 50% of HUD median income. A low interest fixed rate mortgage is combined with the 0% interest second mortgage of \$10,000 to \$40,000 to assist low-income Latino populations achieve their homeownership goals. In addition, buyers are eligible for a closing cost assistance grant. The secondary loans and the grant close the affordability gap and help make the dream of homeownership for families with annual incomes as low as \$19,750 a reality.

#### *Outcomes*

- ◆ SCH has an impressive record of assisting families under 50% of area median income (AMI) to become new homeowners. Through counseling, education and innovative layering of financing, SCH made the dream of homeownership a reality for **93 very low-income families** at and below 50% of the Area Median Income (AMI) and another **40 low-income families** at and below 80% AMI. .
- ◆ SCH provided **\$3,000,000** in down-payment and closing-cost assistance to our low income families.

#### **(2) Housing Choice Voucher Homeownership**

SCH screens all Housing Choice Voucher holders that visit our offices for the Choose-To-Own program. Interested families are provided with a customized plan of action to help transform them from rental voucher holders to home owners. Making the transition from being a voucher holder to becoming a homeowner may be a difficult and sometimes intimidating process. Participants are also prepared for the financial responsibilities of homeownership by participating in the CHAC Family Self-Sufficiency program.

#### *Outcomes*

In total, the Choose-To-Own program has counseled

- **560 voucher holders** and **206 families have become homeowners.**
- SCH provided the pre-purchase counseling to **40% (207 families)**, of which **45% (90 families)** purchased homes, and the remainder are in credit restoration, searching for affordable units and/or preparing to become mortgage ready.
- SCH provided deep subsidies of down-payment and closing-cost assistance through various programs.
- SCH has assisted HCV families with the lengthy and complex process of layering deep subsidies to make possible the dream of homeownership and in some cases, turn over vouchers for other needy families.

The training and counseling provided by SCH helps the families become better prepared for the challenges and rewards of homeownership.

## **Post-Purchase/Foreclosure Prevention Counseling**

Post-purchase counseling is a continuation of the pre-purchase counseling and a mandatory component of the policy to provide regular 30, 90 and 180 day follow-up sessions to ensure sustainable homeownership for our very low-income clients. Information is provided on refinancing, how to avoid predatory lending, homeowners' insurance, property taxes and exemptions, budget-preparation, home equity and/or property rehabilitation loans, upkeep and maintenance, Ongoing condo training and technical assistance, and a wide range of other information and services.

The demand for foreclosure prevention counseling is growing rapidly, our counselors went from seeing two (2) cases per week last year to four (4) cases a day this year. We hope to assist many more families when we increase our foreclosure prevention staff, thus increasing our capacity to service more people in this housing crisis.

### **Outcomes**

- ◆ In 2006, SCH served **92 clients** with default/foreclosure prevention counseling, of which
- ◆ **60 families** prevented foreclosure by forbearance agreements, loan modifications, reinstatements, short sales and properties sold.
- ◆ There was **1 deed-in-lieu,**
- ◆ **1 bankruptcy** and
- ◆ **21** dropped program with no responses
- ◆ We address and prevent foreclosures through our training and relationship with Home Ownership Preservation Initiative (HOPI), National Training & Information Corporation (NTIC), National Community Reinvestment Corporation (NCRC).
- ◆ In addition, SCH provided emergency assistance to our clients, with mortgage and rental arrearages, in the amount of **\$62,426.00.**

The SCH foreclosure prevention counseling is conducted on-site in our three conveniently located offices in the north, central and south sides of Chicago.

## **SCH Financial Literacy Program**

The SCH Financial Literacy Education Program offers an enhanced, comprehensive, and customized curriculum to meet the four identified levels of need in our community.

**Level 1,** Basic Budgeting and Stabilizing Household Finances - tailored to service our low-income clients who are receiving assistance through our rental support services.

**Level 2,** Preparing for homeownership and credit repair - Part of our Homebuyer education counseling.

**Level 3,** Avoiding Financial Pitfalls and Building Wealth - This curriculum addresses the need of current homeowners, as well as others, who need information and training on making sound financial decisions, avoiding predatory and/or abusive loans, and utilizing wealth building financial products and practices.

**Level 4,** Planning for Retirement - These workshops assist our older clients and others interested in financial planning strategies in preparation for retirement.

### **Outcomes**

In 2006, SCH has provided financial education workshops for **543 participants, of which**

- ◆ **131 clients** avoided homelessness through our homeless prevention program.

- ◆ **210** became new homeowners.
- ◆ **83** improved their credit scoring and have continued with credit repair counseling to become mortgage ready.
- ◆ **50 clients** prevented foreclosure and have stabilized their housing finances.

### **Credit Restoration**

Clients serviced fall into various categories. For those clients that are not mortgage-ready, SCH then works with them on credit restoration for as long as it takes (3mos. to 3+ years). SCH assists clients with creating a plan to address derogatory credit and works with client to follow up and follow through with the proposed credit restoration plan.

#### **Face-to-face One-on-one Counseling**

Repairing credit issues can result in following dispositions;

1. Short-term mortgage ready plan (3-6 months).
  - Minor, easily correctable credit issues
2. Intermediate-term mortgage ready plan (9-12 months)
  - Collections, slow pays, need to settle or close accounts.
3. Long-term mortgage ready plan (>1-3+years).
  - Bankruptcy, judgments, collections, savings need, employment requirement, etc.

#### **Outcomes**

- ◆ **83 clients** were provided credit repair counseling, which
- ◆ Those that were in short-term counseling have become mortgage-ready. And
- ◆ Those in intermediate-term range have graduated to the short-term and will become mortgage ready within the following three months.
- ◆ Those in the long-term plan have begun to improve their credit scoring and have continued on with credit repair counseling until they become mortgage ready.

### **New Affordable Housing Opportunities**

SCH has established a network of community partners that provide the affordable units necessary for SCH to meet the growing demand for homeownership opportunities for the low-to-moderate income families we serve.

- A) *Humboldt Park Re-development Area – Affordable Condos set aside program for our low-to-moderate income prospective buyers.*
- B) *Centro 18 – A 400 unit Condo development in the Pilsen Community with 86 units set aside as affordable for our low-to-moderate income prospective buyers*
- C) *First Community Land Trust of Chicago (FCLTC) – SCH is the counseling agency charged with preparing the (30) FCLTC homebuyers.*
- D) *Choose-To-Own (CTO) – SCH is counseling the CHAC voucher holders to prepare them for home purchase utilizing their subsidy to help pay the mortgage.*
- E) *Chicago Community Land Trust (CCLT) - SCH has been designated to provide the training for this program which the City of Chicago has started in order to preserve affordability in a unit perpetually.*
- F) *Chicago Partnership on Affordable Neighborhoods (CPAN) is another program that has been in existence for quite some time now but has become even better because of the CCLT. Now the units that are CPAN once the owner decides to sell will have to pay back the PPA in order for someone else to take advantage of that but they will not have to pay back the difference between the market rate and the affordable unit. Since these units are part of the CCLT it will roll with the property.*

G) *New Homes for Chicago* also has been a program that has been around for a long time but like other programs will now also be part of the CCLT and therefore the PPA will have to be repaid back within 40 years of purchase but the affordability of the unit will always be guaranteed because of it being part of the CCLT.

All of these initiatives have increased demand from our growing target population of Latinos, immigrants and low-to-moderate income clients.

### **Impact**

The support received by our lender partners has improved SCH capacity to provide the quantity and quality of housing counseling and other services to our growing client base. The comprehensive housing counseling program of SCH has provided valuable homebuyers education and has prepared low-to-moderate income families to become financially stable and well on the path to more economic self-sufficiency.

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### **Housing Choice Voucher Program (Section 8)**

The Mobility program, managed by Spanish Coalition for Housing (SCH), began in 1999 as an attempt to remedy the low participation of Latinos in the Housing Choice Voucher (HCV) program. In 1998, the marketing and outreach coordinated by SCH netted **15,000 applicants for the voucher program**. SCH has an impressive record of providing services to the HCV program. Last year, SCH served

- **18,779 clients** with housing services such as; apartment listings, moving papers, re-certifications, port-ins and outs, inspections, abatements, family obligations, family self-sufficiency, etc.
- **369 families** signed new leases, of which
- **275 or 74.5% were in housing opportunity areas (low-poverty census areas)**
- **1,013 new units** were recruited, of which
- **502 units** are in housing opportunity areas.
- **363 hard to place families** were assisted with relocation services as part of the CHA Plan for Transformation

### **CHA Site Office – Tenant Services**

Three (3) strategically located offices provide professional bilingual service for Latinos throughout the City of Chicago and surrounding areas.

North Side Office	Near South/West Side	Southeast Side
4037 W. North Ave.	1917 S. Blue Island Street	9117 S. Brandon
Chicago, IL 60639	Chicago, IL 60608	Chicago, IL 60617
773. 292-5784	312. 850-2660	773. 933-7575

**Basic Office Functions** - Wait list status checks, change of address, support services, information and referrals.

**Senior Housing Applications** - CHA is accepting applications for senior buildings. Applications for these buildings are available to people aged 50 and older, with priority given to those 62+ yr. Olds.

**Marketing & Outreach** - Marketing to promote the affordable and market-rate housing opportunities at mixed-income developments to the Latino community.

### ***Outcomes for 2006***

Number of People served	<b>7,526</b>	Number of Outreach activities	<b>41</b>
CHA applications	<b>79</b>	CHA inquiries	<b>2,033</b>
Status checks	<b>1,011</b>	Phone	<b>1,343</b>

Social Service referrals      **1,267**

### **In-House Support Services**

#### **Assistance with Utility Bills**

SCH is an official site for the Low-Income Heating & Energy Assistance Program (LIHEAP). SCH in partnership with Community Economic Development Association (CEDA), intakes utility assistance applications for people in need. This assistance is crucial to stabilizing household incomes for many renters, as well as homeowners on low fixed incomes.

#### **Outcomes**

- *During the 2006 -07 program season, **3,937 families** received assistance with LIHEAP.*

#### **Weatherization Program**

The Illinois Home Weatherization Assistance Program (IHWAP) is designed to help low-income residents save fuel and money while increasing the comfort of their homes. SCH has partnered with IHWAP to assist resident complete and submit their applications for the program.

#### **Outcomes**

- In 2006, SCH assisted **205 residents** complete and submit applications for the IHWAP.
- 205 households now benefit from weatherization services provided for;
  - Insulation of attics and walls
  - Repairing windows and doors
  - Sealing cracks with weather stripping and caulk
  - In some cases, replacement of heating units.

#### **Emergency Homeownership Assistance Program – EHAP**

Provides grants to low-income homeowners to repair roofs, porches and heating units that are in serious disrepair. SCH has partnered with Chicago Department of Housing to provide services to our clients.

#### **Outcomes**

- SCH assisted **12** low-income homeowners complete, submit and access resources to repair their porches, roofs, and/or heating units.

#### **Homeless Prevention Program**

In cooperation with the City of Chicago's goal to end homelessness, SCH provides funds, when available, for people with rental, utility and mortgage arrearages in an effort to avoid homelessness. To qualify for funds clients must meet program income guidelines and they must take a money management workshop provided by Spanish Coalition for Housing.

#### **Outcomes**

- **131 families** at risk of becoming homeless,
- **67 families** through the Chicago Connections program and **an additional 64 families** with funds from our Chicago Tribune Grant.
- SCH assisted with the **distribution of a total of \$68,780**, in collaboration with **Chicago Connections (\$40,920 was distributed)** and the **Chicago Tribune Charities (\$27,860 was distributed)**.

The funds were distributed in the following breakdown;

<u>Type of Assistance</u>	<u>No. of families</u>	<u>Average Assistance Amount</u>
Security Deposits	55	\$792.00
Rental & Mortgage arrearages	35	\$859.00
1 <sup>st</sup> Month	10	\$640.00
Utility	31	\$509.00

### Citywide Landlord Resource Center

Through the Chicago-land Bilingual Landlord Association (CBLA), staffed by SCH, low-to-moderate income landlord become educated and empowered to better manage their properties, applying their rights and responsibilities as owners and provide families with safe, decent and affordable rental units.

#### Outcomes for 2006

- **1,569** Landlords receiving one-on-one counseling and/or service by phone, e-mail, or fax.
- **330** Landlords attended workshop presentations.
- **925** landlord applications submitted for Chicago Low Income Housing Trust Fund for new Rental Subsidy Program
- **12** Workshop/Seminar presentations

Landlords are more aware and comply with the Chicago Residential Landlord Tenant Ordinance. Landlords are exercising their rights and initiating evictions in a legal manner. Landlords are saving time and money by negotiation and conflict resolutions as an alternative to the eviction.

#### Evaluation

All Spanish Coalition for Housing activities are tracked on Home Counselor Online (HCO). Fannie Mae works closely with SCH to monitor and improve the accuracy of the HCO. The HCO helps track progress and generates reports on as needed basis. SCH always exceeds stated yearly goals. The Executive Director closely monitors program quality by working with staff to identify needs, make improvements when necessary and meet new goals.

#### Summary

Every grant received provides leverage to attract other funding sources to cover expenses, increase capacity and balance the agency's annual budget. SCH and it's lender partners have increased the number of families accessing affordable rentals, transitioning into homeownership and have contributed to building wealth and stabilizing their local communities.