

Allied Drive Home Buyer Education and Readiness Program

Overview

Purpose:

To provide education and tools to support existing Allied Drive (and surrounding area) residents and Section 8 voucher holders, in their quest to become successful long-term homeowners whether it be at Mosaic Ridge or elsewhere.

Team:

Director: Ellen Bernards, GreenPath Debt Solutions (GP)
Deb Neubauer, Financial Education Center (FEC)
Sue Taylor, Financial Education Center (FEC)

Other Partners and Advisors:

Rita McCann-Walker and Arlene Scalzo, WHEDA
Angie Grim, Habitat for Humanity Dane County

Karen Wells, Wis. Women's Business Initiative Corp. (WWBIC)
Bill Druliner, GreenPath Debt Solutions Group Manager & Madison Center Staff
Susan Day, AnchorBank and other affordable housing lenders
Pastor David Smith, formerly of Harambee Center Tom Conrad, City of Madison CDA Section 8 Supervisor

Goals:

40 people through the one-on-one screening process resulting in:

- 3 mortgage ready home buyers in spring/summer 2012 (dependent on applicants' credit worthiness including but not limited to credit scores, capacity, debt to income ratios, etc.)
- 20 participants in the Home Buyer Readiness 12 month program resulting in:
 - 10 home buyers who have completed the 12 month program, saved for a down payment and are mortgage ready.

Possible Barriers:

We expect the potential homeowners to have significant barriers to homeownership including:

- Poor credit history including and especially credit score
- Lack of existing savings for down payment
- Possible budgetary constraints
- Complexity of the home building process
- Limited knowledge base about home ownership in general, both pre- and post-purchase, including maintenance

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Plan:

- **Recruitment** to be provided by the Community Development Authority of the City of Madison (“CDA”) with participation by the Home Buyer Readiness Team (the “Readiness Team”)
- **One on One Credit and Budget Review** for up to 40 interested home buyers to be provided by the Readiness Team
- **Screening** w/referrals for mortgage-ready applicants and those not accepted in program to be provided by the Readiness Team
- **Home Buyer Readiness** program to be provided by the Readiness Team includes
 - Monthly 3 hour education sessions for 12 months (GP)
 - Individual quarterly sessions with a housing counselor (GP)
 - Coaching program (CHANGE) through Financial Education Center (FEC)
 - Individual Development Account (IDA) program with matching funds for down payment. Funding source(s) to be confirmed (WWBIC)

Process overview and timeline:

- March 2012: Finalize and receive approval for Program, publicize Orientation
- March 2012: **Recruitment** meeting(s)
 - City takes lead on this
 - Introduce CDA Phase II plan and Home Buyer Education and Readiness Programs
- April 2012: One-on-One credit and budget **Reviews** at GreenPath local office
 - Counseling and Screening Tool completed
- April and May 2012 (depending on recruitment success): **Screening**
 - Director, with partners, reviews applicant files
 - Applicants are accepted into program or referred as appropriate
- May 2012: Notification of status
 - All applicants will be informed of their status with referral information as needed
- June 2012 through May 2013: **Home Buyer Readiness Program** including:
 - Monthly 3 hour education program with GP/FEC and content experts
 - Hands on application and homework
 - Coaching (FEC)
 - Quarterly one-on-one credit review (GP)
 - Individual Development Account program if funding is secured
- May 2013 – **Graduation!**