



WELCOME!

SUSTAINABLE BY DESIGN: MAKING HOMEOWNERSHIP HAPPEN

PANELISTS



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Black Homeownership Collaborative



3by30 Mortgage Calculator

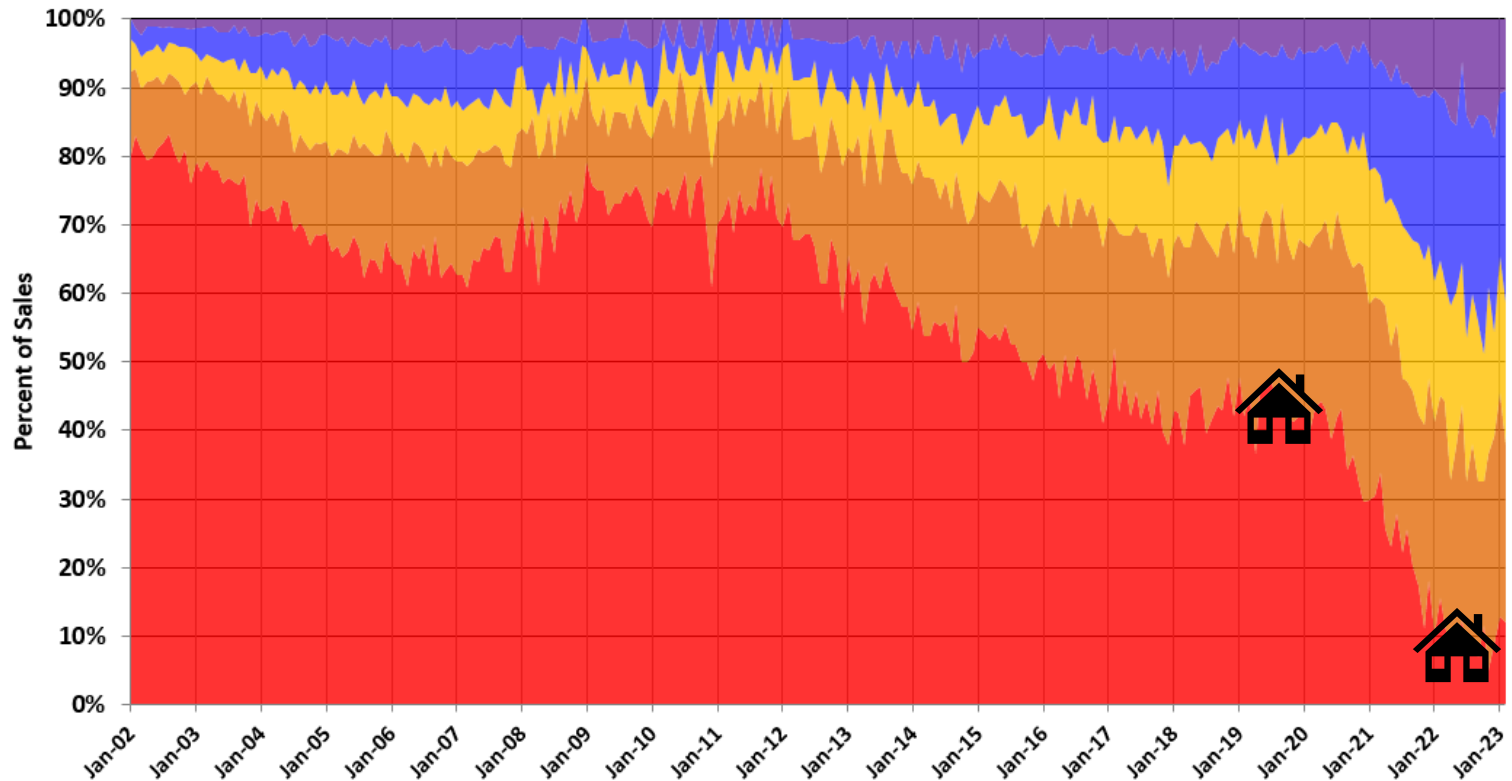


The screenshot shows the 3by30 Mortgage Calculator website. At the top, there is a navigation bar with links for "Homeownership 101", "Get Started", "Tools & Resources", "For Policy Makers", and "Contact". A search bar is also present. The main header features a photograph of a family (a woman, a man, and a child) looking at a document, with the text "HOMEBUYER TOOLS & RESOURCES" and "Mortgage Calculator" overlaid. Below the header, the "About You" section contains four sliders for inputting financial data: Gross Annual Income (set at \$100,000), Monthly Debts (set at \$1,000), Amount saved for a down payment (set at \$30,000), and How much are you getting in a gift or grant? (set at \$0). A Credit Score section shows a scale from "Excellent" (720+) to "Poor" (579 or less), with "Excellent" selected. To the right, a dark blue box displays the results: "MAX AFFORDABLE HOME PRICE" of \$267,000, "MONTHLY PAYMENT" of \$2,318 (including \$107 in insurance, \$333 in taxes, and \$231 in insurance), "DOWN PAYMENT" of \$17,632 (6.65% of purchase price), "CLOSING COSTS" of \$12,368 (estimated cash needed), "HOUSING DEBT TO INCOME RATIO" of 27.82% (recommended below 30%), and "TOTAL DEBT TO INCOME RATIO" of 39.82% (recommended below 40%).

First-time homebuyer market

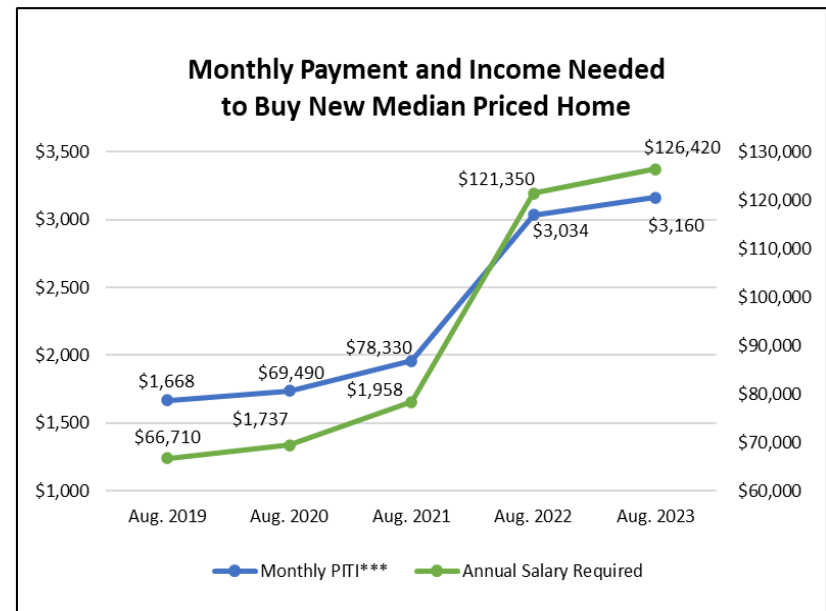
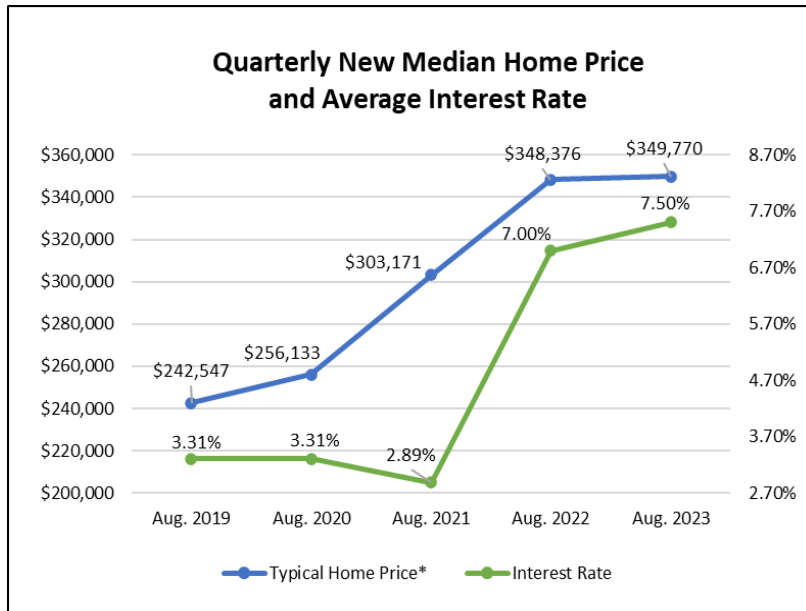
New Home Sales by Price

■ <\$300K ■ \$300K to \$399K ■ \$400K to \$499K ■ \$500K to \$749K ■ \$750K+



<http://www.calculatedriskblog.com/>

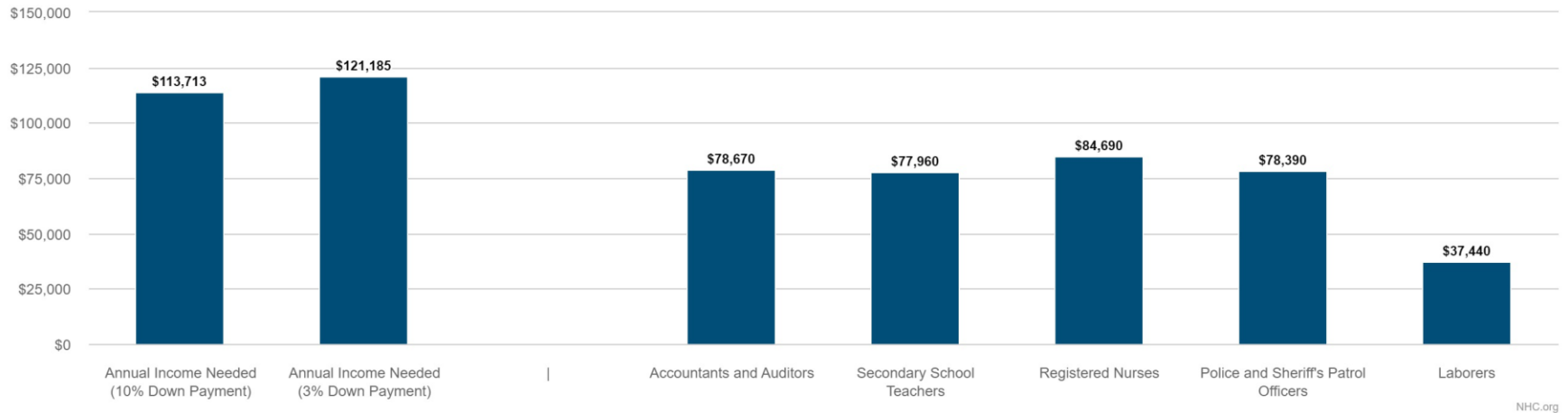
Cost of homeownership doubled



The income necessary to afford the same median priced home has doubled from \$66,710 in August 2019 to \$126,420 in August 2023.

Homeownership Affordability in Philadelphia

Homeownership Market Affordability:
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

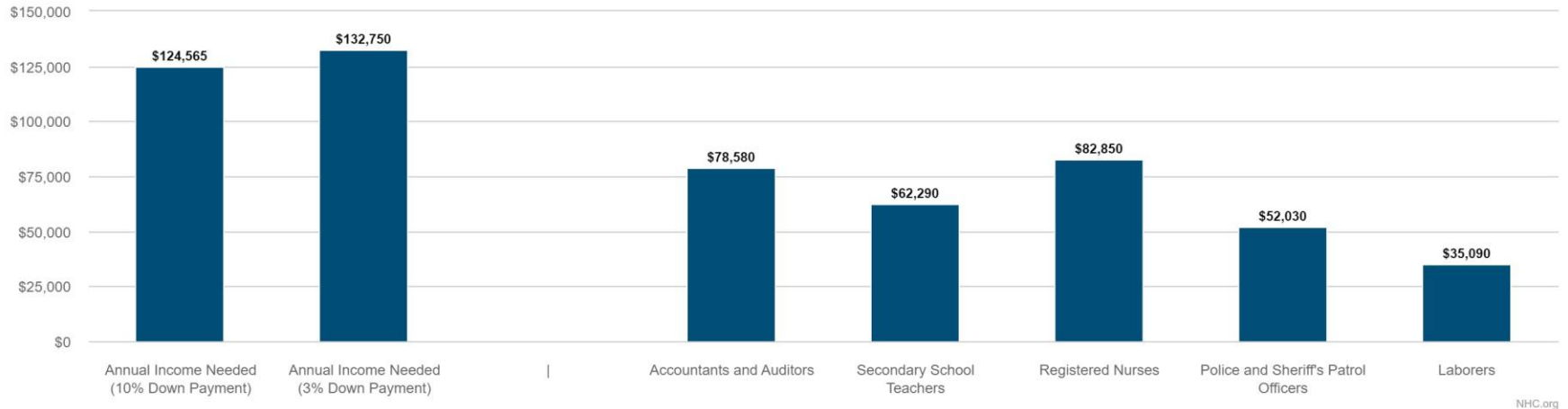


NHC.org



Homeownership Affordability in Atlanta

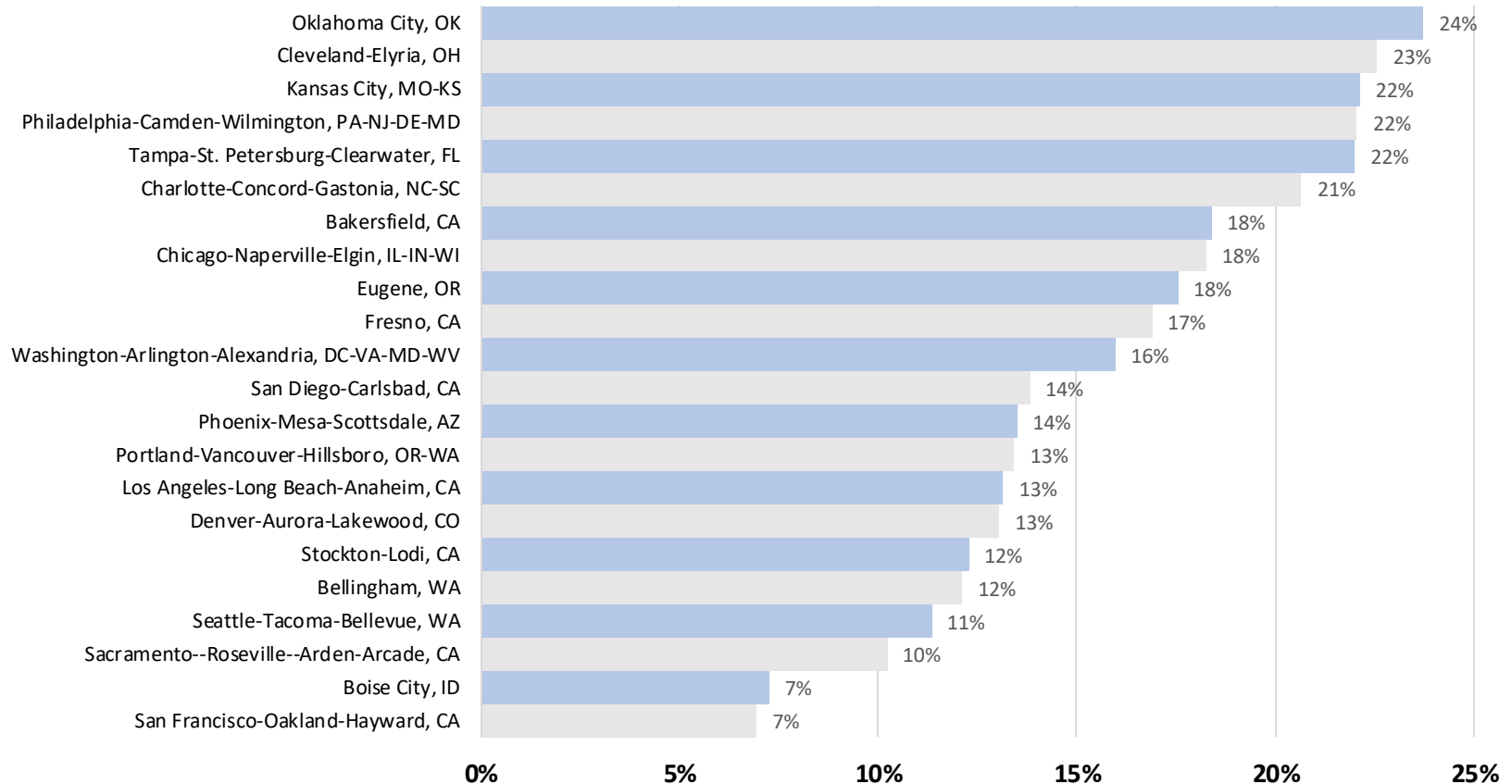
Homeownership Market Affordability:
Atlanta-Sandy Springs-Roswell, GA



NHC.org



YoY change in income needed to buy home with 3% down



Source: National Housing Conference Paycheck to Paycheck Database



Sustainability by Design: Making Homeownership Happen

Self-Help's Racial Wealth Gap Initiative

April 17, 2024

About Self-Help

Who we are: Self-Help is a CDFI headquartered in Durham, NC. We have more than 182,000 members in 8 states (CA, WA, WI, IL, VA, NC, SC, FL) and have delivered \$11 billion in financing to help over 198,000 people buy homes, start and build businesses, and strengthen community resources, across the United States.

Our mission: Our mission is to create and protect ownership and economic opportunity for all. While our work benefits communities of all kinds, our focus is on those who may be underserved by conventional lenders, including people of color, women, rural residents and low-wealth families and communities.

We have 5 primary lines of business:



**Credit Union
Retail Services**



**Commercial
Lending**



Home Lending

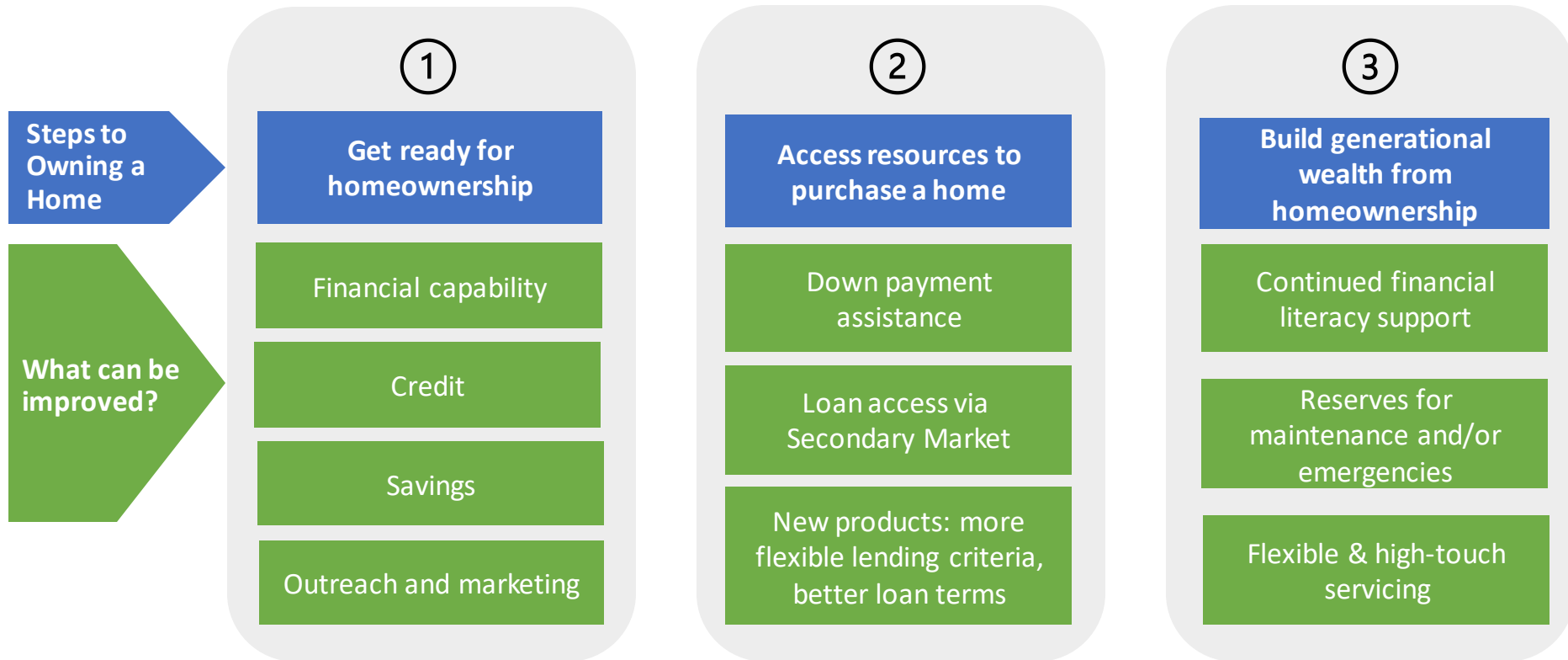


**Community-Focused
Real Estate**

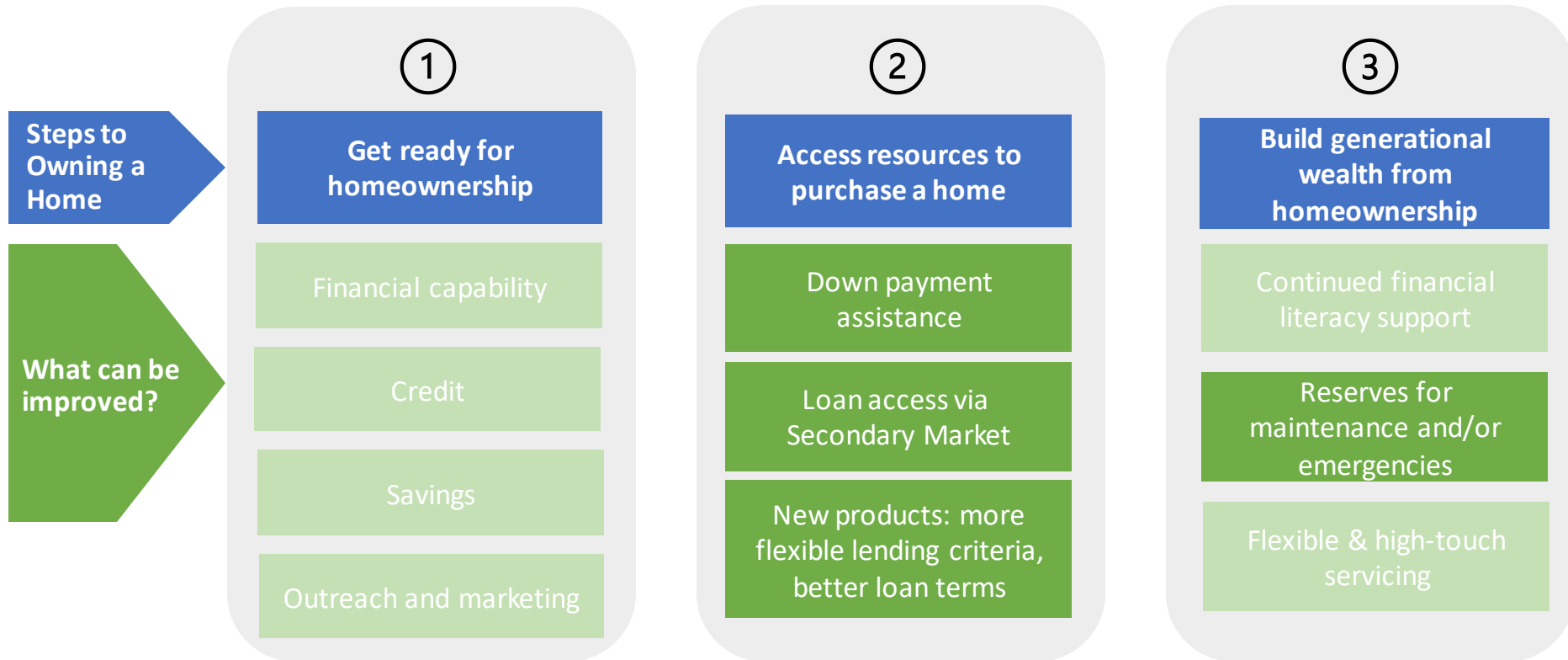


**Research &
Policy**

Holistic Approach to Achieving & Sustaining Homeownership



Holistic Approach to Achieving & Sustaining Homeownership



Self-Help 100

HOW IT WORKS

Self-Help 100 is a portfolio product designed to lower the barrier of entry to homeownership for low-wealth borrowers.

- 100% financing with no Private Mortgage Insurance (PMI) for qualified borrowers
- Minimum borrower contribution will range from 1-4% depending on credit scores and overall credit profile
- Now available as Inspire 100 through CDFI partners, including Homewise, thanks to HPN



Qualifying for SH100

- No income or purchase price limits
- Available for borrowers with a credit score of 620 or above

Equity Boost

HOW IT WORKS

Equity Boost is \$20,000 (\$35K in high-cost markets) of 0% “DPA-Like” money

- **Rate:** The interest rate is the weighted average of the 0% funds and the balance of the mortgage at our standard rate
- **LTV:** Maximum LTV of 105% and can be combined with other third-party Down Payment Assistance programs
- **Other Terms:** No Private Mortgage Insurance (PMI), 580 minimum FICO, and minimum borrower contribution of 1%



Qualifying for Equity Boost

1. Have income at or below 80% AMI and a home purchase price below the HUD sales price limits for the county where the property is located; OR
2. Be a First-Generation homebuyer with income at or below 150% AMI; 200% AMI in high-cost markets. Must meet First Generation criteria.

SAFE Home

HOW IT WORKS

Through the SAFE (Savings Account for Emergencies) Home program, Self-Help provides an upfront **\$2,000 contribution** into a savings account for Equity Boost borrowers.

The borrower is required contribute at least **\$25/month** into this account for three years. If the borrower successfully does this, the borrower has free access to the account.

SAFE Home participants also receive a **Homeowner Resource Guide**, which offers tips for maintenance, approximate life and cost of systems and appliances, information on mortgage servicing and more.



Goals

1. Promote savings and help build a regular savings habit;
2. Provide education on the ongoing cost of homeownership;
3. Mitigate risk on high-LTV mortgages by providing a buffer for life emergencies and unanticipated home repair costs.

Qualifying for EB and SAFE: First Generation Homeowners

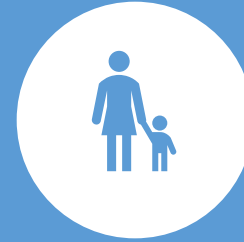
HOW IT WORKS

Self-Help applies this eligibility screen to reduce interest rate and cash needed to close (Equity Boost) and to provide reserves (SAFE).

Criteria:

- First-time homebuyer – borrower hasn't owned a home in the past 3 years
- Parents/legal guardians do not own a home or did not own a home at the time of their death
- Income is $\leq 150\%$ AMI; $\leq 200\%$ in high-cost markets

After loan officer screening, borrowers self-certify by signing a simple declaration at closing attesting to meeting the eligibility criteria.



Goals

1. Test First Generation Homeowner as a proxy for low wealth to better serve low-wealth borrowers across a broader range of incomes.
2. Help younger borrowers of color get into homes sooner. The average white homeowner buys their first home 8 years earlier than average Black first-time homebuyer.
3. Test findings that access to reserves mitigates delinquency risk more so than borrower contribution.
4. Support First Gen programs beyond Self-Help and align with legal definition of First Gen in federal DPA legislation efforts.



THANK YOU!

Sustainable by Design: Making Homeownership Happen

Visit nhc.org to learn more about upcoming NHC Events.