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Homebuyer Services Address Growing Need

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Many may not know that Community Development Corporation of Utah (CDC) has been providing outstanding homebuyer education services for several years. These informative programs help improve the knowledge base of homebuyers through homebuyer education and case management services, including pre- and post-purchase counseling and foreclosure mitigation counseling. Clients that participate in homebuyer education and counseling are better prepared to succeed with the home buying process, are informed and empowered to avoid predatory lending practices, and will generally make wiser housing decisions.

The current national mortgage crisis has delivered a terrible blow to many homeowners. Uninformed homebuyers had been lured into loans that were not suited to their long-term needs or financial abilities. The resulting effects have proven to be costly to thousands of these homeowners who now have damaged credit and severely stressed finances due to foreclosure. Studies have shown that homebuyer education significantly reduces the possibility of foreclosure.

The homebuyer education and counseling program includes financial education and is fundamental to ensuring that homebuyers of all income levels are successful homeowners and economically self-sufficient in order to realize the equity benefits of homeownership. CDC counseled over 400 homebuyers in the past year and with the current adversity in the housing market, CDC expects that number to increase especially in the area of foreclosure prevention counseling. Recent statistics show that low earned incomes combined with high debt ratios and rising foreclosure rates, point to the need for increased homebuyer education. According to the Utah Community Action Partnership (UCAPA) there are 323,180 Utah households which have an annual income of \$40,000 or less. Additionally, the United Way of Salt Lake states that Utah ranked first in the nation in 2004 for bankruptcy filings and is also consistently in the top 10 in mortgage foreclosure rates. These statistics point to an obvious and ongoing need for providing potential homeowners with a stronger knowledge base before they purchase a home.

In an effort to provide the highest quality homebuyer services to those it serves, CDC monitors the success of the homebuyer education and foreclosure prevention programs through strict compliance to established internal quality assurance guidelines. CDC also has each of the participants attending its homebuyer education and post purchase classes fill out evaluations. Additionally, education and training needs of counseling staff are assessed and addressed annually. What is more, as a US Department of Housing and Urban Development (HUD) approved counseling agency, CDC is subject to regular HUD audits, which throughout its history, have always given CDC successful and clean evaluations.

CDC was recently granted a two year renewal from HUD to continue as a certified HUD Housing Counseling Agency. This has been an important designation since 1998 and one

that allows CDC to better serve the educational needs of first-time homebuyers. CDC Homebuyer Education Counselor Stephanie Hanson says, "Having this renewal through HUD is very important for our homebuyer program because it shows that they trust us and recommend us as an honest source for homebuyer education." CDC also maintains an excellent working relationship with the widely admired Housing Partnership Network (HPN) which has shown great confidence in CDC's ability to properly manage its homebuyer education services as validated by the high scores and positive feedback received in a recent evaluation. In fact, it is through the efforts of HPN that CDC recently received a substantial grant which has made it possible for CDC to hire two part-time housing counselors to help manage the increasing caseload of clients seeking foreclosure mitigation services.

Homeowners who have purchased a home through CDC have often commented on how valuable the homebuyer class and subsequent one-on-one counseling with CDC's certified housing counselor was in helping them throughout the home buying experience. Sheldon and SaraAnn Stout purchased one of CDC's homes in Magna, Utah, and had this to say. "We really like the home and CDC was great to work with. The Homebuyer Education classes were excellent and helped us



have a better understanding of the home buying process. We love owning our own home and take pride in taking care of it." Leslie Jones, another CDC homebuyer who bought a home in Salt Lake City stated, "The homebuyer education that CDC offers really helped me feel more comfortable about buying a home, and Stephanie was great to work with."

A new development in CDC homebuyer services is the addition of a Spanish speaking class that will be offered starting June 12, 2008, in an effort to reach out to Utah's growing Spanish speaking population. CDC anticipates that this class will be every bit as popular as the regularly scheduled class and advises those who are interested to register in advance. Homebuyer education classes fill up quickly and require a nominal fee of \$10 to help cover the costs of pertinent handouts. Related one-on-one counseling services including foreclosure mitigation are scheduled by appointment and are free of charge. Further program information can be obtained by calling (801) 994-7222 or by logging on to CDC's website at www.cdcutah.org.

Community Development Corporation of Utah is a full service non-profit housing agency working with valued community-oriented partners whose generosity makes administering these valuable programs a reality.