

Rich Opportunities from Collaboration with a State Housing Finance Agency

Abstract

A partnership between Ohio State University Extension and the Ohio Housing Finance Agency blends effective community outreach with rigorous research. Community outreach of the partners ranges from home buyer education to foreclosure prevention in Ohio. Research projects of the partnership target program design, pilot testing, and evaluation. The partnership thrives through the common goal of advancing the financial health and welfare of low-income individuals and families in Ohio. The Ohio example provides encouragement for other state Extension services to collaborate on statewide housing and community development opportunities with state housing finance agencies.

Keywords: [housing](#), [financial health](#), [home ownership](#), [Ohio State University Extension](#), [Ohio Housing Finance Agency](#)

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Introduction

This "Ideas at Work" contribution provides insights from a partnership between two statewide institutions, Ohio State University (OSU) Extension and the Ohio Housing Finance Agency (OHFA). It is a partnership that blends effective community outreach with rigorous research. Our goal with this article is to provide a better understanding of a type of partnership that can successfully advance the financial health and welfare of homeowners, many of whom across the nation are still struggling to keep their homes (Moulton & Quercia, 2013). In Ohio, the 90-day mortgage delinquency rate was at 3% in June 2017, and the foreclosure rate was at 1% (Ohio Housing Finance Agency [OHFA], 2017). According to OHFA, the share of homes that were underwater during the summer of 2017 was about 9% (OHFA, 2017). On all three metrics, Ohio is slightly below the national average. However, Ohio is still above the delinquency rates seen in the years before the Great Recession (OHFA, 2017).

As the state's housing finance agency, OHFA offers mortgage loans designed especially for home buyers with low to moderate incomes. It offers these loans through a statewide network of lenders. Programs are aimed at

stabilizing the state's communities and include down payment assistance, mortgages for public servants and graduates of Ohio public institutions, mortgage tax credit options, loans for home renovation, weatherization loans, and loans to existing homeowners who would like to purchase a different home. All programs include a mandatory financial education component for the home buyers. OHFA recruits, through a competitive proposal process, housing counseling agencies across the state to administer the training.

OSU Extension obtained approval as a housing counseling agency from the U.S. Department of Housing and Urban Development in 2010 and has been partnering with OHFA since 2012 (Loibl, 2014). By targeting the needs of rural families, OSU Extension services Ohio homeowners beyond the reach of traditional housing counseling agencies, which tend to serve predominately metro areas (Jones, 2012), thereby proving to be a valuable resource to OHFA. This partnership thus builds on national examples of housing-focused collaborations between federal and state agencies and Cooperative Extension (Booth & Peek, 2013).

First-Time Home Buyer Education Program

Ohio's first-time home buyer education program for low-income families was the initial focus of the partnership between OSU Extension and OHFA. The program features an hour-long, phone-based financial education and personalized budgeting session for home buyers prior to closing. A group of 11 OSU Extension educators, all but two housed in rural counties, currently conduct the phone-based sessions. The first-time home buyer education program for low-income families has been a successful programmatic fit for Extension educators for several reasons. First, family and consumer sciences educators can provide tailored financial information to the low-income home buyers on the call. Second, the program gets family and consumer sciences as well as community development educators in contact with individuals and families who may not be aware of Extension services. Third, because the education is offered close to closing, a time of excitement for the first-time home buyers, the context for the educational experience is positive. Too often, financial education is met with anxiety and fear—but not in this program!

The first-time home buyer education program also served as a test bed for an innovative randomized controlled pilot study (Moulton, Collins, Loibl, & Samek, 2015; Moulton, Loibl, Samek, & Collins, 2013; Myhre & Watson, 2017). In this pilot study, low-income home buyers who obtained a reduced-interest mortgage from OHFA were offered access to an online, interactive financial planning platform (<https://www.mymoneycheckup.org/>) as well as free financial monitoring during the first, often financially challenging year after home purchase. These resources were made available by OHFA and offered as part of the first-time home buyer education program. The study results showed that borrowers assigned to the financial monitoring group had a default rate that was 20% lower than borrowers assigned to the no-intervention control group. The treatment group had a 14.2% default rate, whereas the control group had a 17.8% default rate.

AmeriCorps Program

During the height of the foreclosure crisis, a 2-year AmeriCorps grant helped the partners support rural foreclosure task forces. Seventeen AmeriCorps members were housed at nine OSU Extension offices across the state of Ohio. They conducted outreach events to inform homeowners about loss mitigation programs offered through OHFA's foreclosure prevention effort, Save the Dream Ohio. Homeowners also were offered assistance with online program enrollment, which initiated or actively furthered community-based affordable housing task forces. A second task of the AmeriCorps members was to provide follow-up to homeowners who received financial assistance through the Save the Dream Ohio program. In addition to a follow-up phone survey, AmeriCorps

members developed a resource and referral sheet for each county, and this resource served as a response to homeowners' requests for housing, food, and financial assistance (Loibl & Moulton, 2014).

Conclusion

On the basis of our experiences at OSU Extension, we believe that a partnership such as that between OSU Extension and OHFA can be of use to family and consumer sciences and community development programs in other states. The partnership thrives due to the mutual benefits that occur and the common goal of advancing the financial health and welfare of low-income individuals and families in Ohio (Moulton, Samek, & Loibl, 2015). More specifically, the collaboration reflects several qualities of a successful collaborative relationship (Gardner & Ibarra, 2017): (a) clear understanding of each partner's tasks and responsibilities, (b) reliance on each partner's unique strength and expertise, (c) familiarity among the key staff of each organization, (d) similar communication styles, (e) defined procedures and processes, and (f) trust and appreciation. These qualities in a partnership between Extension and a state housing agency can lead to several opportunities. First, the community outreach component can range from one-on-one home buyer education to foreclosure-prevention workshops to AmeriCorps programs. Second, the partnership can blend effective community outreach with rigorous research, as documented for the OHFA first-time home buyer education program. More generally, research projects can target housing-related program design, pilot testing, and evaluation. Third, the partnership provides an opportunity for the common goal of advancing the financial health and welfare of low-income individuals and families.

For Further Information

- A selection of Extension-based housing counseling programs is presented in the following newsletter of the U.S. Department of Housing and Urban Development:
https://www.hud.gov/sites/documents/OHC_BRIDGE033017.PDF
- An overview of the programs offered by OHFA to home buyers is available at the following website:
<http://ohiohome.org/homebuyers.aspx>
- Information about OHFA's first-time home buyer education program is available at the following OHFA website specifically targeted to first-time buyers: <https://hbe.ohiohome.org>
- A list of state housing finance agencies is available from the National Council of State Housing Agencies at this website: <https://www.ncsha.org/housing-finance-agencies-list/>
- An overview of innovative first-time home buyer education programs at state housing finance agencies across the United States is available on this website of the National Council of State Housing Agencies:
<https://www.ncsha.org/?s=first-time+home+buyer+education>

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