



HOMEOWNERS ACADEMY

Goals of the Homeowners Academy (HOA)

Demonstrate long-term success- personal wealth creation & breaking the cycle of poverty
Empower partner families to leverage homeownership to build personal wealth
Enhance financial management skills thru the Homeowners Academy
Cultivate neighborly habits through sweat equity & Homeowners Academy

Purpose of HOA

To break the cycle of renting, one must truly get out of the mindset of a renter. Some homeowners will still use terms such as “rent” or call with questions such as “Why wasn’t the water bill paid?”, “Who is going to come fix the hole my son put in my wall with his toy?”, and “What do I do? Someone called asking if they can put in new windows at my house?” Empowering the homeowners and giving them tools to make them successful and dependent as homeowners is the key.

The answers to the questions above are the same for any homeowner, whether thru Habitat for Humanity or not. Habitat Homeowners make monthly mortgage payments to MCHH, who escrows for taxes and insurance. Homeowners are responsible for all their bills as well as repairs on their house. Attendance of an 8-week home maintenance program thru St. Joseph’s Carpenter Society is required prior to the family becoming assigned a house. As for the last question, and others similar to it, we rely on education thru the HOA to prepare our future homeowners for what they will be up against, such as predatory lenders.

Curriculum

The **FDIC Money Smart** program was chosen to be the main teaching tool for MCHH HOA. It provides participants with more than just why it is important to pay your mortgage on time. Participants who are in the MCHH Homeownership program are required to attend all of the sessions in the Money Smart program, as well as additional classes which deal with closing, the rights & responsibilities of a homeowner and insurance. The Money Smart program covers topics such as money management & budgeting, investment strategies, insurance coverage, bank services, credit issues & credit card usage, predatory lending, loans, etc. (See pg. 2 for brief outline of classes taught).

Combined, the HOA provides participants a solid foundation for being a successful homeowner. Community members are invited to attend the HOA classes as well, since the information taught is not just for homeowners, but for those who wish to take better control of their finances.

Other topics that could be added to the HOA depending on the interest level of the participants, as well as having an instructor for the topic include: Preparing a Will, Taxes & Record keeping, Family Health Care, Home Safety & First Aid, Nutrition, Physical Fitness, Energy Efficiency, Forming a Homeowner’s Association, and Children’s Summer Activities and Job Opportunities.

Instructor Responsibilities

All materials and supplies for the instructors as well as the participants are provided by MCHH. Participants have binders containing the printed materials and instructors receive a cd version of the materials to review and prepare for the class, as well as having the hard copy provided at the class to read from. All materials are in English and Spanish, and instructors are needed for both languages. Each HOA classes usually takes about 2 hours. Classes are on a 1 on 1 basis and held at the MCHH office, on a day/time that is convenient for both the instructor and the Partner Family. Each class usually includes 2 topics (ex. a session on Checking Accounts, Savings Accounts, and Bank Services since they are related), plus time for Q&A.

The Money Smart program is set up such that the material is easy to follow, questions are prompted, time frames for Q&A are preset, etc. so that despite changes in instructors backgrounds from year to year, the

material remains the same. Instructors are encouraged to provide examples from their background to supplement the material, if applicable. One example is from a session where there were three instructors, one was a CPA, another was retired mortgage service specialist, and the third worked in credit repair for a bank. Although diverse in their backgrounds, they were able to provide a variety of examples regardless of whether it was on the topic they were the instructor for, or the other sessions that were held at the same time. The participants were able to learn more than just what was in the manual, but also able to ask questions related to the sessions, and had different angles for answers based on the instructor's backgrounds.

Organization of the HOA

We are always looking for volunteers who are interested in helping to coordinate the HOA. Coordination includes: instructor recruitment, scheduling of sessions, publicity to expand to larger population who is in need of this education, expanding the sessions to include new topics, etc.

TYPICAL CLASSES TAUGHT:

MONEY MATTERS: Why budget; How to Budget; Income vs. Expenses; Budgeting Tools

KEEP IT SAFE: Consumer protection laws; Non-deposit investment products; Resolving complaints; Predatory Lending; ID Theft

TO YOUR CREDIT: Credit Reports (ordering, reading, understanding your report); Credit counseling, repairing credit & repayment plans; credit report scams

CHARGE IT RIGHT: Characteristics of credit cards; recognizing potential problems of using them; secured vs. unsecured; terms; payment & record keeping; finance charges

BANK ON IT: Why use a bank; 3 types of financial institutions; banking terms; deposit vs. non-deposit products; additional bank services; who's who at the bank

CHECK IT OUT: Benefits of using a checking account vs. money orders; finding the right type of checking account for you; how to open & use a checking account; anatomy of checks & records; ATM basics; making deposits & withdrawals; overdraft protection

PAY YOURSELF FIRST: Overview of savings; how your money can grow; savings options; special accounts; investment options

LOAN TO OWN: Installment loan basics; Lending terms; Car loans; Title loans; Secured installment loans; Unsecured installment loans

BORROWING BASICS: Importance of Credit; Understanding Collateral; Types of Loans; Cost of Credit; Applying for credit

YOUR OWN HOME: Pluses & minuses of rental vs. homeownership; Preparing to purchase a home (what to expect in the non-Habitat world); Homebuyer Assistance Programs; Mortgage terms; Brief explanation of why people "shop" for mortgages and why MCHH is different (zero % interest);

Closing Process:

Louise Lindenger, Title clerk for all MCHH closings, explains the closing process, familiarizes participants with the documents and what to expect when buying a Habitat house.

Insurance Overview: Looking for a person who is non-specific to any one company, to explain the different types of insurance options available for homebuyers; how much do you really need; why it is so important to always have current homeowners insurance

Rights & Responsibilities of a Homeowner: MCHH Homeowners talk about their responsibilities to themselves, their neighbors, their community, and to Habitat. A member from a local community group also discusses ways to get involved with the community and what it has to offer.

For more information on how to get involved with the HOA or any questions you may have, please contact Amy either by phone: (856) 963-8018 or by email: info@habitatcamden.org