

Emerging Trends for First-Time Homebuyers in Washington State

2004 STATEWIDE REPORT



First-time homebuyers Jesse Houston and Breezy Gray used House Key Plus Seattle to purchase in West Seattle.

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Acknowledgements

Emerging Trends for First-Time Homebuyers in Washington State is the result of a collaborative effort between several groups dedicated to increasing affordable homeownership opportunities in the state of Washington.

Since 1999, the Community Home Ownership Center (CHOC) has received funding from the Department of Housing and Urban Development (HUD) to conduct a survey of participants in First-Time Homebuyer Education seminars. The purpose of this survey is to identify issues relevant to first-time homebuyers and to determine which resources are most helpful on the path to homeownership. This document outlines the results of the combined “*Needs Assessment Survey*” and “*Follow Up Survey*” administered to prospective homebuyers attending Washington State Housing Finance Commission (the Commission) seminars from May 2003 to February 2004.

CHOC works closely with non-profit housing counselors throughout the state to exchange information and resources on affordable housing opportunities. We have included quotations from several of our partners statewide regarding their perceptions of trends currently affecting the housing-counseling clients they see every day.

CHOC would like to thank HUD for providing funding for this project and the Commission for its ongoing education of first-time homebuyers and support of affordable homeownership programs throughout the state. We also wish to acknowledge the dedication and efforts of the Commission-trained Homebuyer Education instructors who provide support and education to the families and individuals who dream of owning their own home.

And of course, special thanks go to the many people who attended the seminars, provided feedback and took the time to participate in this survey. We have included quotations from participants in the seminars so that you may read what first-time homebuyers have to say in their own words. Whenever possible we have included the names and locations of those quoted.

If you have any questions or comments regarding this report please contact CHOC staff: Emily Nolan, Program Manager, or Molly McElroy, Program Coordinator at (800) 317-2918.

Community Home Ownership Center

Who Should Read This Report?

If you are working in the housing industry in Washington State, whether you are a lender, real estate professional, government or non-profit housing professional, this report should provide useful insight into the first-time homebuyer's experience.

We hope that by understanding the perspective of buyers based on their experiences, you as professionals in the field will be better equipped to tailor your programs and products to help meet the challenges that homebuyers themselves have identified. Barriers to homeownership can be bridged, but it takes a team of dedicated advocates to bring equal access to all.

Since 1996, CHOC has conducted a survey of potential first-time homebuyers. The survey participants attended a Commission-sponsored First-Time Homebuyer Education seminar between May 2003 and February 2004. These five-hour seminars are taught by professionals in the real estate, non-profit housing counseling and mortgage industries. Between June 2003 and July 2004, 691 seminars were taught in Washington State, educating over 8,300 potential first-time homebuyers.

Commission-Sponsored Seminar Locations



Key Findings:

Emerging Trends for Homebuyers in Washington

- 52% of respondents to our Follow-Up Survey reported that they have purchased a home. Depending on county of residence, the average length of time to purchase was between 8.8 and 10.8 months after taking a homebuyer education class.
- Our statistics show a trend toward increasing numbers of lower-income homebuyers in the Commission-sponsored seminars. In 2001, only 23% of attendees reported incomes of \$20,000-\$29,000, but by 2004, 34.8% of households reported incomes at that level--an 11% increase over the three-year period.
- The two most commonly cited obstacles to homeownership remain "Having enough money for down payment and closing costs" and "Finding a house I like and can afford." Taken as a whole, households in the state of Washington have identified these as the two main obstacles since we began collecting data in 1997.
- Statewide, the greatest increase (5% over the previous year) in reported obstacles to homeownership is "Having good enough credit to get a mortgage".
- Since 2002, CHOC has been gathering statistics to determine where in the home buying process participants are at the time of the seminar. We categorized the phases ranging from "Just starting to look" to "Have made an offer to purchase". The majority of participants in Commission-sponsored seminars reported that they are either "Just starting to look" or "Saving for a down payment" at the time of the seminar.
- Our data refutes a common belief in the housing industry that participants only attend seminars after securing a mortgage or making an offer on a home. For the past three years, on average only 12% of attendees statewide reported that they "Already have a loan in process." Approximately 6% have made an offer to purchase.

Local and National Housing Trends: 2003-2004

In 2003 the nation set a new record for the rate of homeownership. Sixty-eight percent of households nationally owned their own homes. However, in Washington State, homeownership rates fell by a full percentage point to 65.9%. The Seattle-Bellevue-Everett area had a 62.9% homeownership rate, a 1.6% decrease since 2002.¹

According to the Washington Center for Real Estate Research, Washington State's economy suffered more than most states in 2003, but median home prices continued to rise. Between 2002 and 2003, the median price for a single-family home in Yakima County increased from \$110,700 to \$117,500. In King County, a home selling for \$278,500 in 2002 would cost \$292,400 in 2003.² Our stagnant economy combined with an unrelenting rise in home prices created additional pressures for first-time homebuyers in 2003.

Interest Rates

In June of 2003, average mortgage interest rates were 5.23% for a typical 30-year mortgage loan. Just two months later, in August of 2003, the average mortgage rate was 6.26%. Assuming a 20% down payment, the typical Washington State homebuyer would be paying \$104.74 more per month--excluding increases in taxes and escrows--than if they had purchased just two months earlier.³ Over the life of the loan, that translates into an additional \$37,708 burden to the homebuyer.

However, interest rates are still at historically low levels. Since Freddie Mac began reporting mortgage rate statistics in 1971, mortgage commitment rates have dropped under 7% only 3 times.⁴

Interest rates continue to be favorable for those who can gather the resources for a down payment, have a steady income and can locate an acceptable home in their community. Additionally, homebuyers are no longer required to have a 20% down payment. For first-time buyers, there are many options for those with the tenacity to seek out the education and resources required to turn their dreams into reality.

¹ Washington Center for Real Estate Research, "Homeownership Details" Media Release, February 2004.

² WCRER median home price Housing Affordability Index, 1995-2003

³ WCRER/Freddie Mac, WCRER "Homeownership Details" Media Release, February 2004

⁴ *Ibid.*

Report Methodology

First-Time Homebuyer “Needs Assessment Questionnaire” and “Follow-Up Survey”

The 2003-2004 survey was conducted in two phases. First, Homebuyer Education participants completed CHOC’s *Needs Assessment Questionnaire*, administered by instructors during the seminar sessions. Between May 2003 and February 2004, CHOC mailed the *Follow-Up Survey* to 2,460 seminar participants to track their progress. Of these, 466 households returned the *Follow-Up Survey*, a response rate of 19%.

In *Phase One* of the survey process, attendees were asked to fill out the *Needs Assessment Questionnaire* at the beginning of their seminar, identifying the issues and obstacles they face in the home buying process, for example: “Is money for a down payment an obstacle to purchasing a home?” CHOC staff collected the data and entered it into a database. The *Needs Assessment Questionnaire* also identified the homebuyer stage a household was in at the time of the seminar (i.e., “Just beginning”, “Saving for a down payment”, “Actively house hunting” and so forth (Appendix A). Demographic information (location, ethnicity and income) was also collected from the *Needs Assessment Questionnaire*.

In *Phase Two* of our statewide homebuyer survey – 6 to 12 months after participants attend a seminar – CHOC mailed a *Follow-Up Survey* to participants. The survey asked a series of questions designed to determine the rate of progress households have made in the home buying process (Appendix B).

The follow-up questions included:

- Did you purchase a home?
- If yes, which loan product did you use?
- Did you utilize down payment assistance?
- What were the most important resources for you in the home buying process?

For previous statewide reports, CHOC translated cover letters into Spanish, Cambodian and Vietnamese to accompany the surveys and offered interpretation services through our partner housing agencies (International District Housing Alliance and El Centro de la Raza). However, in 2003 only six of the 106 translated surveys distributed were completed and returned.

We believe it is important to find effective ways to include limited English-speaking communities in our surveys. We have received feedback from seminar instructors who teach in a variety of languages that translation of the *Needs Assessment Questionnaire* instructions is too time-intensive within the confines of a five-hour seminar. However, the number of Commission sponsored seminars taught in languages other than English has increased in the past few years, and more immigrant, refugee and non-English speaking households are receiving homebuyer education in their own language. CHOC will continue to work with our partners to find the most culturally appropriate methods for gathering data in a variety of languages.

“We have a large Russian population in Clark County and we are seeing whole families show up to classes and having one of the children translating for the adults. We are also having issues with the Hispanic population accessing our services. We are working closely with the community to build trust and help them use our services as they work towards becoming homeowners.”

-Richard Trefren, Executive Director - Home Ownership Center, Vancouver, WA

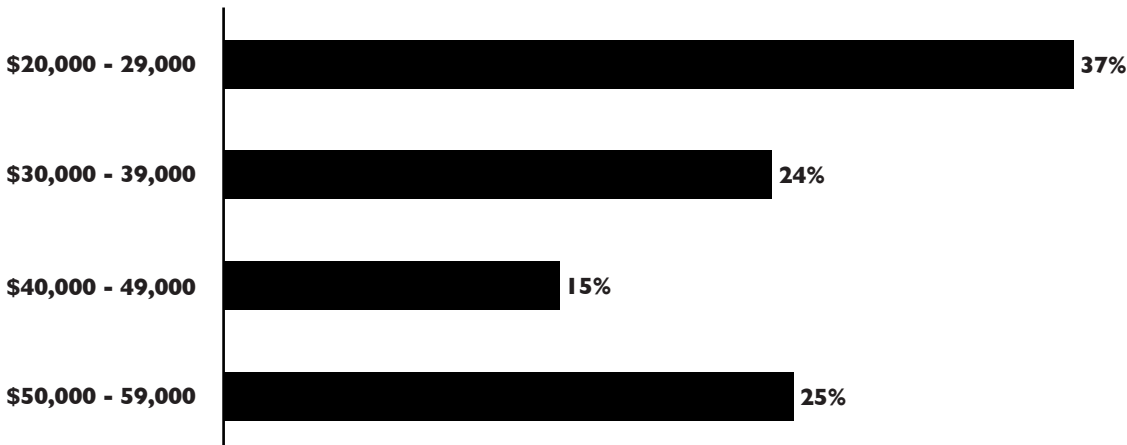
Results of the Needs Assessment Questionnaire

Profile of Commission - Seminar Participants: Lower to Moderate Income, Motivated Buyers

Income Level

Our 2004 Needs Assessment shows that a majority (61%) of seminar participants statewide are lower to moderate -income households earning between \$20,000 and \$40,000 per year. An additional 15% of those surveyed earn \$40,000-\$50,000 per year, 25% of attendees earn \$50,000-\$70,000 and 0.3% did not provide income information.

Income of Seminar Participants



According to the Needs Assessment Questionnaire, higher numbers of lower-income households attended Commission-sponsored seminars between 2003 and 2004. In 2001, only 23% of attendees reported incomes of \$20,000-\$29,000. By 2004, 37% of households reported that level of income—an increase of 11% over the three-year period.

Between 2001 and 2004, the number of moderate-income households participating in homebuyer seminars remained constant. Those reporting incomes of \$30,000-39,000 increased by only 3% during that time period, and those reporting incomes of \$40,000-49,000 increased by only 1%.

Higher-income households (\$50,000 or more) comprised 23% of those surveyed in 2004—down from a high of 28% in 2002.

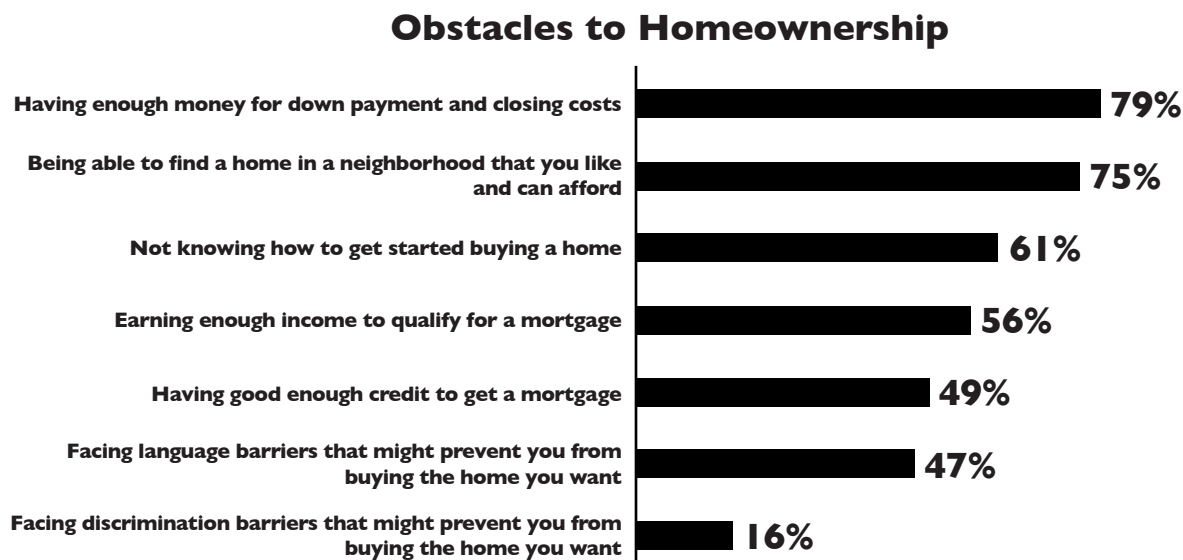
“The home buying class was excellent. We requested individual sessions with the lender and real estate agent who ended up helping us through our entire process. This class made it possible for us, as first-time buyers, to be fully educated and not scared to buy.” J.B. – Seminar Participant, Seattle

Self-Reported Obstacles to Homeownership

Participants were asked: “What have been the obstacles to homeownership for you to date?” They were provided with seven possible obstacles and a write-in section for “Other obstacles”. The possible responses were further divided into three categories: “No, this is not an obstacle”, “Potential obstacle” and “Yes, this is an obstacle”.

Although 466 surveys were returned, respondents did not always answer each of the questions posed. Response rates varied from category to category, ranging from 16% total response rate to the question “Is discrimination an obstacle?” to a 78% response rate to the question “Is having enough money for a down payment and closing costs an obstacle?”

Of those who responded to the following questions, the number of households who stated, “Yes, this is an obstacle” combined with those who stated “Potential obstacle” are summarized for 2003 and 2004:



We had hoped to provide a breakdown of obstacles for each county in this year’s report. However, the response rate from each county was too small, when taking into account incomplete answers to the multiple questions posed. Unfortunately, many people chose to answer only a few questions out of the total questions asked, resulting in incomplete data.

The two most commonly cited obstacles to homeownership, across the state, remain “Having enough money for down payment and closing costs (79%)” and “Finding a House I Like and Can Afford (75%)”. Taken as a whole, households in Washington have identified these as the two main obstacles since we began collecting data in 1997.

“Many clients who have low purchase affordability in Seattle would rather rent than own a condo, the type of housing that is increasingly being built here. As these households hold off for years, they end up either buying a condo several years later after realizing it is a worthwhile choice, meanwhile forgoing thousands of dollars in equity building, or they cannot accept higher density ownership models and move dozens of miles away to purchase the “dream” single family model. The second option contributes to our traffic woes and out-migration of city residents to urban areas.”

-Tanesha Van Leuven, Marketing Director, HomeSight, Seattle

Statewide the greatest increase in reported obstacles (5% over the previous year) is “Having good enough credit to get a mortgage”.

Credit as an Obstacle to Homeownership				
2003	2002	2001	2000	1999
49%	43%	28%	40%	46%

Seventy-nine percent of those surveyed said that having enough money for a down payment was an obstacle and 75% said that finding an affordable home was an obstacle. Despite these difficulties, over half the people taking homebuyer education seminars managed to purchase a home within seven months of completing a seminar (CHOC Follow-Up Survey).

“We are seeing a couple of things with the clients we are working with. The first is that they are lacking money for a down payment on a home. They may be able to afford the monthly payment, but they can’t get in the door. The second issue we see is clients needing help with budgets and credit counseling. We are encouraging clients to get their credit cleaned up and then start the home buying process instead of going for a quick loan that may lead to foreclosure down the road. We are also working with clients on creating budgets that include emergency and repair expenses. We want them to be ready for situations that might otherwise force them to lose their homes.”

-Jan Roseleip, Executive Director - Spokane HomeOwnership Resource Center

Phase in the Home Buying Process at Time of Seminar

Since 2002, CHOC has gathered statistics to determine where homebuyers are in the home buying process at the time of the seminar. We categorized the phases ranging from “Just starting to look” to “Have made an offer to purchase”.

The majority of participants in Commission-sponsored seminar report that they are either “Just starting to look” or “Saving for a down payment” at the time of the seminar.

Our data refutes the common belief that participants only attend seminars after securing a mortgage or making an offer on a home. On average for the past three years statewide, only 12% of attendees reported that they “already have a loan in process.” Approximately 6% have made an offer to purchase. The following data lists the phases in the home buying process for seminar participants.

Phases in Homebuying Process 2003 - 2004

	Saving for a Down Payment	Just starting to look	Shopping for a loan	Actively house hunting	Loan in process	Made an offer on a house	Have accepted offer on a house	Other
Benton	25%	18%	21%	16%	25%	9%	21%	14%
Clark	31%	49%	19%	16%	19%	6%	10%	7%
Cowlitz	38%	34%	14%	28%	14%	14%	10%	14%
Franklin	41%	41%	34%	10%	24%	0%	0%	10%
King	44%	52%	19%	12%	7%	3%	3%	7%
Kitsap	44%	35%	18%	16%	9%	7%	8%	14%
Pierce	37%	51%	19%	10%	10%	3%	7%	8%
Skagit	45%	23%	23%	5%	5%	18%	5%	5%
Snohomish	36%	43%	22%	18%	18%	9%	14%	6%
Spokane	30%	33%	17%	23%	23%	11%	19%	9%
Thurston	28%	36%	8%	21%	21%	18%	16%	13%
Whatcom	33%	40%	28%	14%	14%	9%	7%	5%
Yakima	37%	41%	15%	30%	19%	15%	22%	4%

This data has implications for seminar instructors in terms of curriculum development and seminar marketing. Efforts should be made to design learning modules that address the novice homebuyer’s needs. Most seminar attendees are at the very beginning of the learning curve, so material should address basic questions about the home buying process and avoid overly technical industry jargon. Marketing efforts should recognize that the target market is comprised of motivated households eager to learn but who need clear, unbiased information in order to turn their dreams into reality. As you will see from the data that follows, over half of the households CHOC contacted in the Follow Up Survey became homeowners within a year.

CHOC Follow-Up Survey Results

“We are so pleased with our new home, which we moved into on June 24, 2004. Thanks to HomeStart and HomeChoice Programs, we were able to realize our dream. Our two-bedroom bungalow is just the right size for us. We were able to purchase a place which is in good condition, requires low maintenance and with an affordable mortgage payment. We just love our new place! We could never have done this without the first-time homebuyer programs and all the excellent instruction and guidance we received. Our Realtors were just delightful and we appreciate all their hard work. Thank you for answering all our questions and taking time to explain the paperwork and process to us.”

-Tommy and Diane Jensen, New Homeowners, Spokane

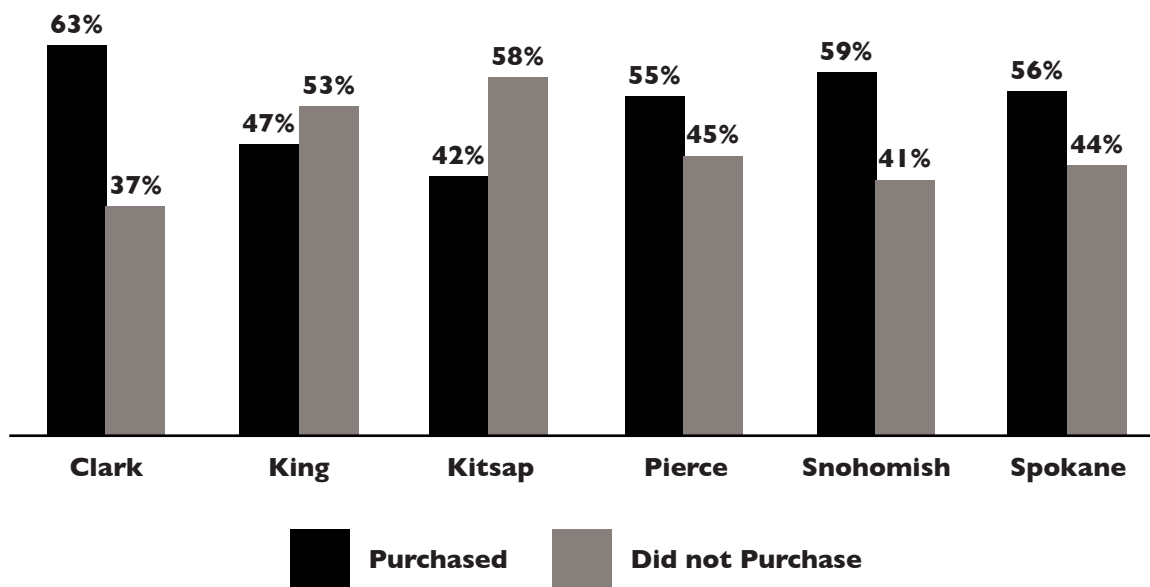
Trends: New Homebuyers

CHOC mailed 2,460 Follow-Up Surveys to seminar participants 6-12 months after they had attended a seminar. Of these, 466 households returned the surveys. In 2004, 52% of respondents to our Follow-Up Survey reported that they have purchased a home. Depending upon county of residence, the average length of time to purchase was between 8.8 and 10.8 months after taking a homebuyer education seminar.

CHOC began gathering complete data about post-seminar home purchases in 2002. Between 47% and 53% of those surveyed between 2002 and 2004 had become homeowners by the time CHOC performed the Follow Up Survey.

We obtained a sufficient response rate from the following counties regarding the date of home purchase and average time to purchase:

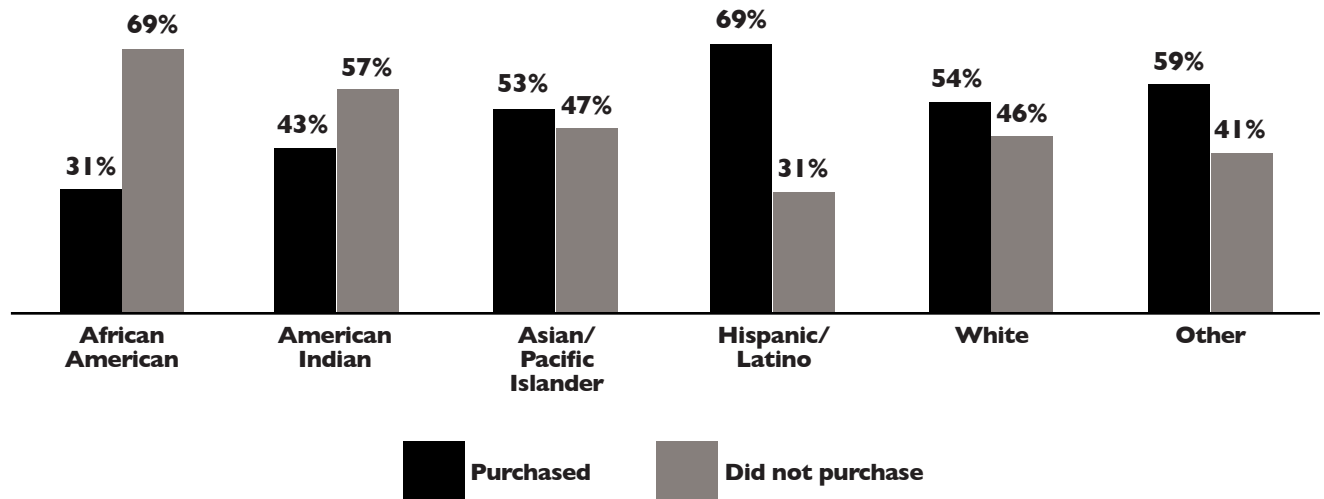
New Homeowners by County



Profile of Survey Respondents

The majority (54%) of survey respondents reported incomes between \$20,000-40,000, up 10% since 2003. The chart below shows the percentages of those who did and those who did not purchase a home within each ethnicity category:

Ethnicity of Survey Respondents

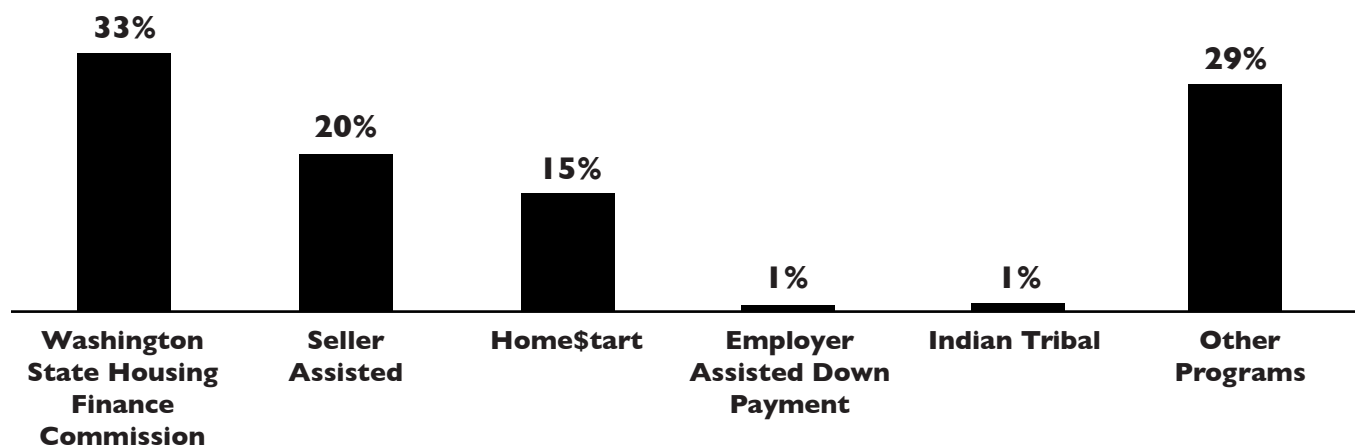


How Many New Homebuyers Used Down Payment Assistance?

Thirty percent of survey respondents used a down payment assistance program to purchase their home. Down payment assistance programs help bridge the homeownership affordability gap for lower and moderate-income households. Eligibility for such programs is based upon median household income, family size, credit score, geographic region, first-time homebuyer status and participation in homebuyer education seminars. CHOC asked “Did you use any down payment assistance?” and “What type of down payment assistance did you use?”

The following graph shows the types of down payment assistance programs homebuyers used to help finance their purchase.

Down Payment Programs used by New Homeowners



“There is an ever-increasing need among New Americans for assistance with down payment and closing costs. Down payment assistance programs are only going to become more and more important. Sellers are going to have to step up and assist buyers with these costs. We are not seeing the need for down payment and closing costs so much from the New Americans.”

- Jean Withers, Office Director, Acorn Housing Corporation, Seattle

Commonly Used Down Payment Assistance Programs:

- Washington State Housing Finance Commission (WSHFC) – Offers low-interest rate statewide programs including HouseKey Plus that provide assistance up to \$5,000 and HomeChoice that provides assistance up to \$15,000 for people with disabilities or household members with disabilities.
- Seller Assisted Programs - The seller contributes funds to a designated non-profit organization that then provides the funds, minus a processing fee, to the buyer as a gift of down payment. In many cases, the home price has been raised to compensate the seller for their gifted amount. The buyer has a higher loan amount and finances the down payment over the life of the loan. Some common programs are AmeriDream, Futures, Hart and Nehemiah.
- Home\$tart - Member financial institutions use Home\$tart to obtain grants through the Federal Home Loan Bank to match the savings of first-time homebuyers. The bank matches the prospective homeowner’s savings \$3 for every \$1 saved, up to a maximum of \$5,000.
- AFL -CIO - Programs for Union members, City of Seattle employees and over 20 companies and organizations in Washington.
- Other - Various programs were mentioned that are specific to rural areas, particular counties, or for identified ethnic groups. Some of the programs cited by respondents were: Siletz Indian down payment assistance, USDA and Pierce County down payment assistance.

“The process was frightening, but in retrospect it was easier than buying a car. I attended the first time home-buyer program and it helped so much. I didn’t think home ownership was something I would ever do. Now, I own a home. Thank you!!!”

- R.I., Seminar Participant - Vancouver

Type of Loan Used by Home Buyers

CHOC’s Follow-Up Survey asked, “What type of loan did you use?” Although over 400 households returned the survey, a high percentage of respondents who have purchased a home did not answer this question. We have included data from the five counties that provided sufficient responses:

Between 27% (Spokane County) and 54% (King County) of respondents used a Conventional Loan. The use of House Key loans was highest in Clark, Spokane and Snohomish Counties, with Snohomish using the House Key loan most frequently. V.A. loans were used by 14% of Pierce County respondents, and Spokane County homebuyers used FHA loans more frequently (27%) than the other homebuyers surveyed.

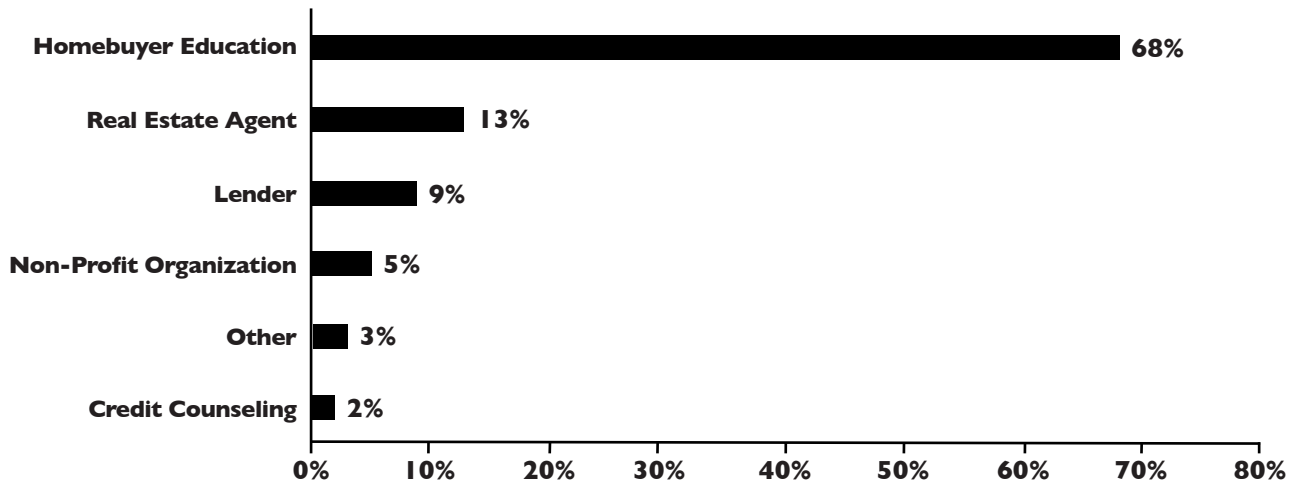
Type of Loan Used

	Conventional	FHA	House Key	Other	USDA	VA
Clark	45%	15%	20%	5%	10%	0%
King	54%	14%	4%	20%	0%	4%
Pierce	32%	18%	14%	7%	0%	14%
Snohomish	47%	12%	29%	6%	0%	6%
Spokane	27%	27%	27%	11%	0%	5%

The Most Helpful Resources for Buyers

We asked homebuyers to rank the most helpful resources on a scale of 1 (most helpful) to 5 (least helpful). Sixty-eight percent of respondents reported that homebuyer education was the most important resource for them during the home buying process, regardless of whether or not they had purchased a home.

Most Helpful Home Buying Resources



Summary

Participants have typically called several housing agencies for homeownership information by the time they attend a homebuyer education seminar. They have taken the steps to locate a seminar and have carved out time from busy schedules to devote five hours to homebuyer education. We can infer that a typical seminar participant is a motivated homebuyer who is determined to get the education required to understand all of his or her options, despite facing obstacles that may include credit problems, insufficient funds for down payment and lack of real estate knowledge.

Over the years that CHOC has conducted the Follow-Up Survey of the First-Time Homebuyer Education seminar participants, trends have become apparent. One is that seminar attendees consistently rate the education seminars as the most helpful resource during the home buying experience. The education allows homebuyers to anticipate the steps to homeownership and become confident and active participants in the home buying process.

The availability of down payment assistance and finding an affordable and likable house remain the biggest challenges facing first-time homebuyers in Washington State. The diversity of the programs that first-time buyers utilize reinforces the need for a variety of programs to meet the special needs of first-time homebuyers. This year's data reinforces the need for down payment assistance programs that increase homeownership opportunities for low and moderate-income first-time homebuyers.

Finally, many Washington residents face a combination of high housing costs relative to income. "Finding a house I like and can afford" will continue to be an obstacle as long as this disparity exists. Efforts to increase affordable housing options, including subsidized and innovative development projects for first-time buyers and down payment assistance programs can ameliorate the problem to some extent.

Our Statewide Report reveals a high level of motivation for homeownership among those attending homebuyer education classes. It is also important that the affordable housing industry educate themselves about the issues facing their clients. With an understanding of the obstacles facing homebuyers throughout Washington, housing industry professionals may be more proactive with regards to policy design and implementation of programs to increase homeownership opportunities for low and moderate-income first-time buyers in Washington State.

The 2004 CHOC Statewide Report, *Emerging Trends for First-Time Homebuyers*, was conducted by the Community Home Ownership Center, with support from the Washington State Housing Finance Commission and the Department of Housing and Urban Development.

Community Home Ownership Center

The Community Home Ownership Center (CHOC) increases and preserves homeownership for low and moderate-income individuals and families throughout the state of Washington. We are a neutral, unbiased information and education source for consumers starting on the path to homeownership. We provide information, guidance, and resources through our Homeownership Hotline, our First-Time Homebuyer Guides, website and workshops.

Homebuyers statewide can call our free Homeownership Hotline for one-on-one phone counseling and referrals. We provide information about the home buying process and referrals to financial and educational resources for first-time homebuyers. Since 1996, over 16,000 households have contacted CHOC for homebuyer assistance.

CHOC is also a resource for housing professionals. We work closely with lenders, real estate professionals, non-profit housing organizations and government agencies. Since 2001, CHOC and the Seattle King County Association of REALTORS® have sponsored seminars educating nearly three hundred REALTORS® on the resources available to low and moderate-income buyers. CHOC is a member of the Seattle King County Coalition for Responsible Lending that leads a campaign to educate consumers on how to avoid predatory lenders and assist those who have been victimized by predatory lenders.

CHOC partners with the International District Housing Alliance and El Centro de la Raza as the New Americans Homebuyer Partnership (NAHP). The partnership provides homeownership information, referrals, counseling and education to immigrants and refugees. Jointly, we have conducted five New Americans Homebuyer Fairs where homeownership seminars and materials are translated into Chinese, Cambodian, Korean, Tagalog, Vietnamese, Spanish, Oromo, Amharic, Somali and Tigrinya. In 2003 and 2004, the Partnership collaborated with Fair Housing agencies to provide outreach and education to New Americans through culturally appropriate strategies, seminars and materials. We also educate the public and homeownership professionals on the Fair Housing Act and refer consumer complaints to fair housing agencies.

Washington State Housing Finance Commission

The Washington State Housing Finance Commission (the Commission) is an independent, financially self-supporting state agency that encourages and finances affordable private sector housing and facilities for non-profit community organizations, at no cost to the residents of the state. The Homeownership Division of the Commission aims to make the American dream of homeownership possible statewide for first-time, low and moderate-income homebuyers by providing a below-market interest rate first mortgage product and several down payment assistance programs. The Homeownership Division trains lenders, real estate professionals and non-profit housing counselors to teach the Commission sponsored First-Time Homebuyer Education seminars throughout the state.

Since 1992, the Commission has sponsored First-Time Homebuyer Education seminars teaching over 101,089 participants. These free, five-hour seminars are taught by mortgage lenders, real estate professionals, or non-profit housing counselors who have been trained by the Commission to deliver a standard curriculum in an unbiased and accessible manner. The curriculum includes educating consumers on how to qualify for a mortgage, how to choose a real estate professional, warning signs of predatory lenders, fair housing, a glossary of frequently used loan terms and other related topics. CHOC directories are provided to seminar participants and provide resources on fair housing, one-on-one homebuyer counseling, down payment assistance, debt and credit counseling and more.

Commission Needs Assessment

First and Last Name
Address, City, State, Zip, County
E-mail address

Race/Ethnicity
 African American
 American Indian/Alaskan Native
 Asian/Pacific Islander
 Hispanic/Latino
 Caucasian
 Other
 Unknown

Income
 \$20,000-29,999
 \$30,000-39,000
 \$40,000-49,000
 \$50,000 or more

Household Size
 Number of Adults
 Number of Children

1. Where are you in the home buying process?

Saving for down payment
 Shopping for a loan
 Actively house hunting
 Loan in process
 Made an offer on a house
 Other

2. Are you currently renting?

Yes
 No

3. Are you: (mark any and all that apply)

U.S. Veteran
 Disabled or disabled person in family

4. Do you need assistance with?

(mark any and all that apply)

Credit/debt counseling
 Down payment assistance
 Mortgage default counseling
 Affordable housing options
 Other
 No additional assistance needed

5. Do you have any special counseling needs

Translation/language
 Brail/reader services
 Other

6. Are you considering purchasing
 Single family home, townhouse, or condominium
 Manufactured home/mobile home
 Other

What have been the obstacles to homeownership to date?

1. Having enough money for down payment and closing costs:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle

2. Being able to afford a home in a neighborhood that you like and can afford:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle

3. Earning enough income to qualify for a mortgage:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle

4. Having good enough credit to qualify for a mortgage:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle

5. Not knowing how to get started buying a home:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle

6. Facing discrimination barriers that might prevent you from buying the home you want:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle (if yes, please describe)

7. Facing language barriers that might prevent you from buying the home you want:

No, not an obstacle
 Potential obstacle
 Yes, this is an obstacle

8. Are you facing other obstacles to homeownership:

Please describe _____

CHOC Follow-up Survey

1. Which home buying resources have been the most helpful to you, even if you have not yet purchased? Please rate from most helpful (1) to least helpful (5)

- ___ Homebuyer education seminar
- ___ Lender
- ___ Real estate professional
- ___ Non-profit community organization (if applicable)
- ___ Credit counseling
- ___ Other _____

2. Did you participate in any pre-purchase or credit counseling? (this does not include the Homebuyer Education Seminar)

- ___ Yes ___ No

3. On a scale from 1-4, please rate how challenging the following areas of the home buying process are to understand. Rate each item from challenging (1) to not challenging (4).

- ___ Credit Scoring
- ___ Mortgage terminology (APR, fixed rate, balloon, debt to income ratios)
- ___ Loan Process (underwriting, documentation, disclosures, appraisal)
- ___ Down payment assistance programs
- ___ Fair Housing Rights
- ___ Closing process- Escrow
- ___ Home insurance, inspections
- ___ Real Estate process- (negotiating purchase and sale agreement, finding a home)

4. Do you: (check all that apply)

- Have a copy of your credit report
- Know your credit score
- Plan to resolve credit issues before applying for a mortgage
- Understand how your credit score impacts your ability to qualify for a loan

5. Have you purchased a home since taking the homebuyer education seminar?

- Yes What county did you purchase in? _____
When did you purchase your home? Approximate month/year _____
- No - Go to question 11

6. What type of home loan did you use?

- House Key, House Key Teacher
- VA
- FHA
- USDA Rural Housing Services
- Conventional (Fannie Mae, Freddie Mac, Ginny Mae)
- Other
- Unknown

7. Was your loan an Adjustable Rate Mortgage (ARM) or a Fixed rate? Please check one.

8. What was your interest rate? ___ 5% or less ___ 5-7% ___ 7-9% ___ 9% or more

9. Did you use any down payment assistance programs?

- Was not aware of down payment programs Go to question 12
- Don't know if I used any programs Go to question 12
- Yes Go to question 10
- No Go to question 12

10. Which down payment assistance program/s did you use? Check all that apply. Go to question 12.

- House Key Plus, Home Choice, House Key Rural, House Key Extra
- Seller assisted (ex: Nehemiah, Hart, Futures, Ameridream, GIK, HomeStep)
- AFL-CIO (program for Union members)
- HomeStart Savings Grant Program
- Employer Assisted Down Payment, please list employer _____
- Indian Tribal Program
- Other, please list _____

11. If you have not purchased a home, why not? Check all that apply

- Don't know how to get started
- Saving for down payment and closing costs
- Need to improve credit and/or lower debt
- Unable to find a home that I can afford
- Have experienced unfair treatment
- Finishing education
- Job loss
- Not interested in becoming a homeowner at this time
- Other, please explain _____



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