

# HomeLink Program Evaluation

Conducted on behalf of HomeLink

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## **Executive Summary**

To date there has been couple published research reports evaluating the quality of homeownership and mortgage education by a program called Home Link. The main goals of this research is to

1. Supplement the experiences of the Home Link clients from 09/1999-11/2000
2. Demonstrate the usefulness of Home Link program in the purchase of homes
3. Quantify one year of Home Link program

The research methodology in collecting data from Home Link clients included mail surveys as well as some telephone surveys. A Home Link participant is between ages of 19-67 from the city of St. Paul with an average yearly income of \$ 26,000.

About 24% of both homeowner and homebuyer thought that the counseling was very useful whereas 29% thought that it was somewhat useful. Overall the Home Link workshop and counseling experience has been very positive for most of the people.

## **Introduction**

What is Research?

Research is an organized study or a methodical investigation into a subject of interest in order to discover facts. These facts are used to establish or revise a theory, or in order to develop a plan of action based on the facts discovered. Research has established its tremendous scope in revolutionizing humanity. Research is not limited to science only but to many separate disciplines that can differ greatly in its subject matter and the possible ways of studying that subject matter.

Why conduct this Research?

Performing this research is important in order to effective evaluate the usefulness and assistance of the Home Link program to its clients in the home buying process. This program also examines the experiences of the clients who have participated in this program.

## **What is Home Link?**

Home Link is a nonprofit program located at the East Side Neighborhood Development Company, Inc. It was formed in January 1994 by a collaboration of the following neighborhood organizations:

1. Dayton's Bluff Neighborhood Housing Services
2. District 6 Neighborhood Housing Agenda Committee
3. East Side Neighborhood Development Company, Inc.
4. Northeast Neighborhoods Development Corporation
5. Upper Swede Hollow Neighborhood Association

Mission:

The goal of Home Link is to provide education and resources regarding the financial preparation, responsibilities, and complex procedures involved in buying home.

Funding:

The Home Ownership Center, Minnesota Housing Finance Agency and HUD provide the financial assistance for the Home Link.

Services and process:

Home Link provides homeownership and mortgage education to clients who are future homebuyers. Home Link provides free home ownership workshops every month throughout the year in St. Paul. The workshops provide information about the home buying process and help prepare for home ownership. Once workshops are completed individual counseling is available at no cost.

The process of Home Link begins when a client who is not a homeowner and for various reasons desires to become one. They attend educational workshops and as an option clients could schedule a personal counseling session to discuss individual barriers to homeownership. During an individual counseling, the Home Link counselor would prepare an affordability analysis and pre-qualify an individual for a mortgage.

## **Research Methodology**

Gathering Information:

The database of the information on the Home Link clients is used to gather viable statistics. The database includes the name, home address, telephone number, age, gender, ethnicity, as well as marital status of the clients.

In terms of analysis the clients were grouped in two categories namely future homebuyers and current homeowners. The homeowners consisted of those clients who had completed the Home Link process and have purchased home. Homebuyers are those who have attended the Home Link program, but have not purchased home yet.

This research gathered data only on non-Hmong since a separate study as well as a research report was published on Hmong population. The reason that Hmong households were not included in this research project is due to language barriers.

### Mail Questionnaire Survey:

The survey was composed of nine questions out of which the first five questions were designed for future homebuyers whereas current homeowners answered the entire survey. These two populations of clients have very different needs and were at different stages in the home buying process. Thus they were designated the questions that helped evaluate Home Link program. The main objective of the program is to evaluate the Home Link program through the experiences of the clients.

Total of 448 mail surveys was mailed out to Home Link clients. Out of that current homeowners returned 16 surveys whereas future homebuyers returned 13 surveys. This is a response rate of 6.5%.

### Telephone Survey:

Most of the Home Link clients were renting the house or apartment where the surveys were mailed. Thus a lot of the mailed surveys came back as “Attempted Not Known” by the postal service, and thus we didn’t send them back. I felt that the homebuyer and homeowner responses were not adequate enough for proper analysis of the data. Thus 150 clients were called who had not returned the surveys. In order to avoid for bias over the telephone a script was created with short introduction followed by identifying the individual as a homeowner or future homebuyer. Same questions were asked on the phone as in the postal survey.

## Home Link Demographics

In order to profile the Home Link participants, the entire population who attended the workshops from September 1999 to December 2000 has been chosen as a sample. There were about 448 clients who completed the entire series of three workshops. The information that was collected from the clients in the form of registration form was compiled in the database. Certain characteristics of the sample population would be included in this report in addition to the findings from the survey.

The noted characteristics include household type, ethnicity, household income, and zip codes. These sets of variables would allow us to comprehend the Home Link client’s traits.

### Housing Types:

Table 1 below summarizes the housing type of the clients while they were attending the workshops. Following the table a pie graph would summarize the results of the table.

Housing Types	Number	Percentages
Rent	359	80.13%
Family or Friend	83	18.53%
Owens a mobile home	2	.45%
Owens a house	1	.22%
Owens by a Co-operation	1	.22%

Housing Types	Number	Percentages
Buying on Contract	1	.22%
No response	1	.22%
Total	448	100%

The above table indicates that approximately 80% of the clients who finished workshops were renting house or apartment and only 1.33% together owned a house while attending the Home Link workshops. Remaining 18% of the clients lived with a family or a friend.

**Marital Status and Gender:**

Also individuals who attended Home Link workshops and used the counseling, 61% of them were females whereas 39% were males. The analysis of the available data shows that 49% of the clients who attended Home Link workshops were single without children. 31% of the population was married with children whereas 19.6% were single parents.

**Household Income:**

Data from the registration forms from the clients’ shows that the 48.5% of population who attended the workshops earn less than \$30, 000 per year. Whereas 27% of the population’s house hold income is between \$30,000-\$45,000. The following table summarizes the household income. Well the prediction could be made that the higher income group would be more likely to purchase a home sooner.

House Hold Income	Percentages
Under \$ 15,000	5.6%
\$15,000-\$30,000	48.5%
\$30,000-\$45,000	27.1%
\$45,000-\$60,000	13.6%
\$60,000 +	5.2%

**Ethnicity:**

Ethnicity of the clients who were counseled by Home Link is classified into four broad categories. they are classified into White, African American, Native American, Hispanic and others. The following table summarizes the proportion represented by the clients who attended Home Link workshops.

<b>Ethnicity</b>	<b>Home Link Proportions</b>
White	50.8%
African American	32.1%
Hispanic	6.7%
Native American	4.8%
Other	5.5%

**Age:**

The following table summarizes the age distribution of all the clients who were counsel by Home Link. Seventy one percent (71.43% ) are between ages 25-45, with the largest category being between ages 25-34 (44.5%). this age range could be the most common age to be a first time home buyer.

<b>Age</b>	<b>Proportion attended Home Link workshop</b>
18-24	11.9%
25-34	44.5%
35-44	26.9%
45-54	13.8%
54 +	2.1%
not stated	.7%

**Findings**

All the findings are based on the number of questions answered. There were mail surveys that were not mailed to the respective clients due to changes in addresses. Thus the total number of mail survey that were sent out subtracting the ones that were not sent are which are 155 to date. Total of 29 mail surveys were returned. Thus the response rate from the mail survey was  $29/(448-155)= 9.9\%$ .

Telephone surveys were conducted using the same questions and a script was designed to ask questions in order to avoid biases. Total of 150 telephone surveys were conducted, from which 12 surveys were successfully completed. Five people denied completing surveys due to several reasons. 80 of the telephone numbers were disconnected whereas the remaining 53 numbers were changed. Thus if we ignore the people that weren't asked



to complete the survey 12 out of 17 telephone surveys were completed giving a response rate of 71%.

Total there are 41 surveys together with the telephone and mail surveys.

### **Overall Home Link Program**

The following summary of results will be combined responses of homeowners and homebuyers. The percentages reflect only on the number of responses that were given. Overall most people (68%) felt the need for homeownership education through Home Link program because they were thinking about buying home and needed additional information and knowledge. About 10% of both homeowner and homebuyer attempted to buy home on their own and needed additional assistance whereas about 17% of the population was referred by their lenders.

#### **1. Home Link Workshops:**

About 98% of the homeowner and homebuyer completed the workshops and 46% of them also used the counseling service offered by the Home Link. 63% of the population agreed that the information covered in the workshops was just right, whereas 22% of the people thought that too much information was covered in the workshops. 49 % of both the homeowner and homebuyer thought that the workshop was very useful in addition to another 49% who thought that the workshops were somewhat useful. One individual thought that the Home Link workshop was not useful at all.

Both the homeowner and homebuyer thought that the information provided in the form of hand book and handouts was very useful and they still as homeowner refer to the homeownership manual.

#### **2. Home Link Counseling:**

After attending workshops, individuals could also sign up or become eligible for free Home Link counseling. About 46 % of the population used Home Link counseling in addition to attending workshops. About 24% of both homeowner and homebuyer thought that the counseling was very useful whereas 29% thought that it was somewhat useful.

2% thought that it was not very useful whereas 5% of both homeowner and homebuyer thought that Home Link counseling was not useful at all.

### **3. Services offered:**

Both the homebuyer and the homeowner have ranked the services offered by the Home Link. 88% of both the homeowner and homebuyer responded that Home Link workshops have helped answer their questions regarding home buying. Counseling have helped answer questions of 41% of both homeowner and homebuyer.

### **Homeowner Needs During the Home buying Process**

The following analysis is of the questions that have been designed and attempted only by homeowner who have used Home Link programs for purchasing their homes. 70% of the homeowner stated that they have utilized the information given in the Home Link workshop to moderate extent. About 20% of the homeowners used the workshop information to great extent. About 20% reported using counseling to great extent whereas 20% stated that they did not use counseling information at all in their home buying process.

Although 10% reported that they used the information to great extent in their After consulting with Home Link counselor two different additional assistance was identified which could be helpful to Home Link clients. They are regular conatact (written or phone) from the staff, and regularly scheduled meetings with the staff which could be a part of the homeownership education program. The survey question was designed to discover how useful these services would have been considering that they would have been available to the homeowners.

Looking back on their home buying experiences, homeowners thought that regular contact either written or phone would have been useful if those services were available. 65% of the homeowners also thought that regularly schedule meetings with the staff would also have been useful considering that it was offered.

### **Post purchase assistance:**

After purchasing home, 65% of the homeowners need home maintenance services whereas 15 % need resources for money management and 15% requires refinancing. In addition to these assistance as previously stated that the homebuyer's club which is a volunteer self help group that meets to discuss homeowner issue would have been helpful as well.

### **Recommendations**

This research report is applicable and its results could be generalized for the entire Home Link program. According to the data collected by the mail survey and telephone survey, most people were satisfied and had positive knowledgeable experiences with Home Link program. According to the previous research that was performed to evaluate the program, the recommendations were kept in mind and changes were made accordingly to better fit the needs of the clients.

Overall the clients rated the workshops to be extremely helpful but were still looking for some sort of post purchase assistance. Some of things that the clients felt the need for was home improvement funding and grants offered by the city in addition to information about home maintenance. Most of the post purchase concern and also a reason for not purchasing home yet were financial.

After completing the workshops and counseling with Home Link majority of the clients still haven't purchased a home yet. A lot of people have moved into different apartments and houses. This caused a major problem and in fact was a barrier in order to effectively collect data to evaluate the program. There should be some incentive for clients who would still keep in contact with Home Link program until they buy their own home.

## **Appendix**

## Cover Letter Sent With Mail Survey

November 10, 2001

Lori Crotty  
1077 Laurel Ave.  
St. Paul, MN 55104-6538

Dear Ms. Crotty,

I am doing a survey for Home *Link* so that it can evaluate and perhaps improve services to people such as yourself. I am a graduate student studying Public Policy at the Hubert H. Humphrey Institute, which is located at the University of Minnesota. I am working as a research assistant for the Neighborhood Planning for Community Revitalization Program (NPCR), an organization administered by the Center for Urban and Regional Affairs (CURA), whose primary goal is to enhance the capacity of Twin Cities community-based organizations by providing relevant research.

Because your household has participated in the Home *Link* programs, I am asking you to give your opinions about them. Your responses are very important. Everything you write will be kept confidential. No individual responses will be reported. Responses to the questions will be reported only in the summary. The questionnaire has an identification number for mailing purposes only. This is so we may check your number off the mailing list when your questionnaire is returned. Your name will never be placed on the questionnaire itself.

I will use the results from the survey to make recommendations to Home *Link*. The report on results will also be made available to other housing programs and will be published in the CURA publication office at the University of Minnesota.

If you have any questions regarding this survey, please feel free to write or call me. The telephone number is 612/624-9572. Please return the survey in the prepaid envelope, which I have provided.

Thank you very much for your help.

Sincerely yours,

Rachana Patel  
Graduate Research Assistant

# HOME

HOME OWNERSHIP & MORTGAGE EDUCATION

- ✓ **Future** homebuyers, please answer questions **1-5**, whereas individuals who are a **current** homeowner please answer questions **1-9**.
- ✓ Please circle the number that corresponds, to the answer closest to your opinion, or check in appropriate boxes. All individual responses will be confidential.

Q1. When did you first feel the need for homeownership education? **(Please Circle One)**

- 1) When you were thinking about buying a home and wanted more information.
- 2) When you attempted to buy a home on your own, and needed additional assistance and advice.
- 3) Lender required you to go.
- 4) Other reasons.

Q2. Did you complete the following HOME Link programs? **(Please mark all that apply)**

- 1) Workshops.
- 2) Counseling.
- 3) Work plan.
- 4) Loan program.

Q3. How much information do you think was covered during the educational workshops?

- 1) Too Much.
- 2) Just enough.
- 3) Not enough.

Q4. How useful were the following HOME Link programs?

	Very Useful	Somewhat Useful	Not Very Useful	Not Useful at all
a) Workshops				
b) Counseling				
c) Work Plan				
d) Loan programs				

Q5. Which of the following services offered by HOME Link helped answer your questions? **(Circle all that Applies)**

- 1) Educational workshops
- 2) Counseling
- 3) Assistance funds (closing cost and down payment assistance)
- 4) Real estate agent
- 5) Lender or broker
- 6) Availability of the staff during the home buying process.
- 7) Assistance with closing.
- 8) Post purchase assistance

Q6. To what extent have you used the information that you learned by participating in the following HOME Link programs?

	Great Extent	Moderate Extent	Minor Extent	Not at all
a) Workshops				
b) Counseling				
c) Work Plan				
d) Loan programs				

Q7. Looking back on your home buying experiences, how useful would the following services HAVE BEEN assuming they had been available?

	Very Useful	Somewhat Useful	Slightly Useful	Not Useful
a) Regular contact (written or phone) from the staff.				
b) Regularly scheduled individual meetings with the staff.				

Q8. What additional services or resources do you need NOW as a homeowner?

- 1) A homeowner's club (a voluntary, self-help group that meets regularly to explore homeowner issues).
- 2) Home maintenance.
- 3) Rehabilitation.
- 4) Refinancing.
- 5) Money management.
- 6) Foreclosure prevention.

Q9. Are you interested in receiving \$100.0 gift certificate by attending 3 hours Hands on Maintenance Workshops?

- 1) Yes (If yes, Please provide home address in the following space provided)
- 2) No

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

**Please provide your additional comments in the space provided below:**

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**Your contribution to this study is greatly appreciated. Thank You!**

Please return your survey in the enclosed postage-paid envelope.