

# FOCUS

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## Accessing Homeownership

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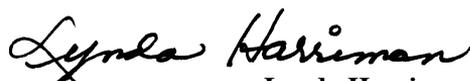
Oklahoma Cooperative Extension Service • Oklahoma State University  
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Housing is a basic human need but homeownership is a basic human desire. The homeownership rate in the United States currently stands at 68.6 percent. The rates in Oklahoma are only slightly less than the national average, but Latinos, African Americans and Asians all have homeownership rates less than 50 percent. Families living in rural areas in Oklahoma experience lower homeownership rates as well. Part of the reason for these lower rates is a lack of adequate housing, which is being addressed through community and rural development avenues. Other reasons individuals fail to achieve homeownership are related to education. This is where FCS educators have become involved.

Private mortgage insurance and specialized funding programs have increased homebuying opportunities for many. Our parents or grandparents were required to put down 20 percent of the cost of the home in order to purchase a home. Today, families can receive funding to lower that requirement, sometimes to zero. Even though homeownership opportunities are increasing, many individuals lack the knowledge and skills to purchase a home. Others who purchase lack the ability to maintain homeownership. Foreclosures cost the lender, the community, and the consumer. Homebuyer/homeownership education helps fill the void by helping consumers decide if homeownership is an appropriate option. Additionally they learn about financial management skills necessary for homebuying and homeownership.

This program is a win/win for all involved. Homebuyer educators have training and resources to conduct good quality programs. Potential homebuyers receive the knowledge and skills needed for making decisions. Communities benefit through dollars spent on purchasing homes, materials and supplies, and through taxes paid by new homeowners. In turn, pride in homeownership adds value and stability to communities. All Oklahomans share a stake in the successes of homebuyer education programs.

  
Lynda Harriman

Associate Dean/Assistant Director  
Oklahoma Cooperative Extension Service



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# Homebuyer Education in Oklahoma: Addressing Financial Literacy

During the 1990's many shareholders recognized the need for standards in the delivery of homebuyer education. The American Homeowner Education and Counseling Training Institute (AHECTI) was formed in 1997 with a goal of training 3,000 to 5,000 homeowner educators and counselors throughout the United States within an 18 month period. In Oklahoma, state entities involved in providing services and education for homebuyers, have been working cooperatively to develop what has now become the Oklahoma Homebuyer Education Association (OHEA). Many members of this group even received the certification that was being offered through AHECTI. When AHECTI failed, OHEA was fully developed as an organization with agreed upon bylaws, curriculum and certification standards, and continuing education requirements for maintaining certification for homebuyer educators and was ready to move forward.

The Oklahoma Cooperative Extension Service (OCES) has provided leadership and consultation



throughout this process. County extension educators have been involved in planning, program delivery, and evaluation. State faculty have assisted in providing the instruction for homebuyer educators' certification and identifying and addressing program needs. As of October 2005, the membership in OHEA has grown to 250, with 237 individuals trained and certified for teaching homebuyer education. These Certified Homebuyer Education Professionals (CHEPs) teach more than 3,000 potential homebuyers each year. Standards are maintained for program delivery, ethical behavior, and continuing education requirements for maintaining certification.

Participants in homebuyer education classes can make informed decisions about purchasing a home. Information is provided to help them assess the advantages and disadvantages of homeownership, shopping for a home, lifelong money management, credit, mortgage lending and lenders, real estate professionals, consumer rights, closing, special funding programs, home inspections, and home maintenance and improvement. Pre and post surveys conducted for these classes indicate statistically significant knowledge gain in all areas addressed during the class. A follow-up conducted three months after the class found that while 41.5 percent of participants had not bought

a home, 58.5 percent had purchased a home. Seventy three percent had shopped for a home and applied for a mortgage, 63 percent had worked with a real estate professional to shop for a home and more than 70 percent had made an offer on a home. For those who had purchased a home, when asked which steps were helped most by information learned in classes, 90 percent identified selecting and working with a real estate professional and more than 87 percent identified homeownership decisions, shopping for a home, making an offer, and knowing your home. The average sales price for homes purchased was \$72,000.

For those participants who did not purchase a home, reasons cited as influencing the decision included: indebtedness, and needing to save more money or wanting to improve credit.

Homebuyer education makes a major contribution to the decision-making process and eventual success of potential buyers. The OCES and our many partners continue to make great strides in helping Oklahomans achieve successful homeownership.

**Sissy R. Osteen**

Resource Management Specialist  
Oklahoma Cooperative  
Extension Service

## The Oklahoma Homebuyer Education Association: Setting the Standard

The Oklahoma Homebuyer Education Association was created, in part, as a response to the needs identified for increased housing in rural Oklahoma. A number of our state legislators have attended homebuyer education conferences and know how we support their constituents by making homeowner education and counseling available in community-based

nonprofit and educational agencies and through local businesses. Unfortunately the same cannot always be said for our congressional delegation, except for Representative Frank Lucas who has taken an interest because of our impact on rural housing affordability.

Legislation pending in Congress would create an Office of Housing Coun-

seling within the Department of HUD, whose director would have an Advisory Committee the membership of which "shall equally represent all aspects of the mortgage and real estate industry, including consumers." No mention is made of representation from housing counselors or educators, although organizations like OHEA on the state level, and

Neighborhood Reinvestment Corporation (NRC) on the national level, have been certifying professionals in this area for many years.

We know from our partnership with NRC that Oklahoma is ahead of the curve in providing state-specific professional certification for housing counselors and educators. The above-referenced pending legislation suggests that the new Secretary of Housing Counseling “shall provide advice and technical assistance to States, units of general local government and nonprofit organizations regarding the establishment and operation of...educational programs to inform and educate consumers.” It appears that the supporters of this legislation are unaware Oklahoma and other states are actually in a position to advise the proposed secretary, rather than the other way around.

OHEA exists because we believe there must be standards in housing education, and we welcome assistance from HUD in making sure that everyone who seeks housing education and counseling will get consistently good information. However it is important to recognize that many issues related to homeownership are under state jurisdiction (real estate law, title and land issues, inspection requirements, etc.). National programs tend to be more generic in nature and can actually cause as much confusion as they relieve.

It is critical in providing the best housing education to the consumer that the expertise and experience of this state’s housing educators and counselors be recognized. The work that the members of the Oklahoma Homebuyer Education Association have completed to date is certainly astounding as we have all worked

together to meet the goals of our clientele. Please seize any opportunity that presents itself to inform lawmakers, government agencies, lending and mortgage professionals and housing stakeholders at all levels that Oklahoma is leading the way in providing skilled homeownership educators and counselor. As Oklahoma’s Secretary of Commerce Katherine Taylor so aptly pointed out, we in Oklahoma are leaders in many things, but blowing our own horn isn’t one of them. It’s time to change that.

**Tricia Auberle,**  
Director

Oklahoma Homebuyer  
Education Association

## First-Time Homebuyers Enjoy Success

Maretta Toler, the Comanche County Family and Consumer Sciences Extension Educator, partners with Great Plains Improvement Foundation to offer quarterly homebuyer education classes. The City of Lawton requires first time homebuyers and homeowners trying to qualify for their rehabilitation program to attend the classes. In 2004, the City of Lawton confirmed that 20 of the participants in these classes who were potential homebuyers had actually purchased homes under the First Time Home Buyer guidelines. The total value of these homes was \$960,000. Of the participants who owned homes and hoped to qualify for the rehabilitation program, 12 participants from the homebuyer classes actually qualified for rehabilitation funding worth \$288,000.

Toler also works with the Lawton Housing Authority and Habitat for Humanity, offering programs which assist potential homebuyers to develop good money management skills and to work toward qualifying for a home. The following is an example of how these partnerships

work to help families and individuals in Comanche County.

Cindy, a single mom, is a first time homebuyer who attended one of the Lawton classes a few years ago. Cindy found six acres three miles outside of Fletcher, Oklahoma and qualified to build a home through Rural Development. At the time that she attended the class, Cindy had a home-based business and was working on sewing ice skating costumes for Olympic skaters. She was able to build her red brick home while she completed a degree in computer information systems. Cindy now works for a company that makes training programs for the military. Homeownership can change lives and increase opportunities. Cindy is only one example of the many successes that participants in homebuyer education classes are able to enjoy.

**Maretta Toler**  
Comanche County  
Family and Consumer Sciences  
Extension Educator



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