

# Financial and Homeownership Education

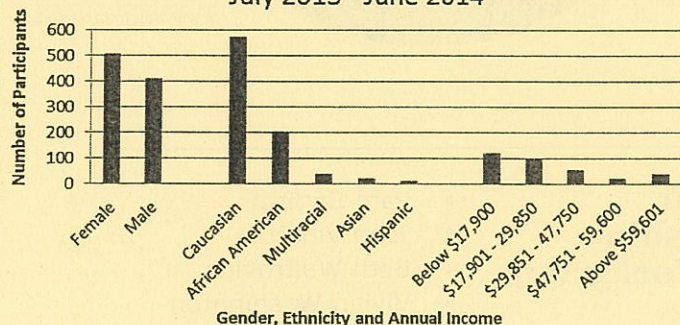
July 2014

## Public Value of Financial Capability and Homeownership Education

Supporting Michigan State University (MSU) Extension's Financial and Homeownership Education (FHE) program strengthens consumers' decision-making. Unbiased financial education programs empower families to manage spending, avoid predatory lenders and increase savings, thereby providing capital for our economy and reducing fraud. Well-informed consumer spending contributes to sustainable economic growth and activity. Supporting participation in MSU Extension housing education programs will reduce mortgage defaults and increase the likelihood of asset preservation among homeowners. Stable homeownership is a foundation for a healthy community and county tax base in Michigan. Homeownership education will increase personal financial stability, reduce dependence on public assistance, stabilize neighborhoods and property values.

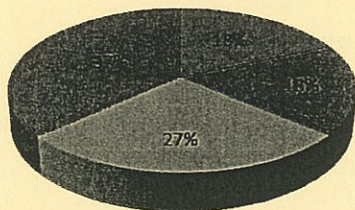
### Foreclosure Counseling Demographics

July 2013 - June 2014



### Program Participants

July 2013 - June 2014



- Financial Capability
- Homeownership
- Foreclosure Prevention
- One-Time Presentations\*

\*One-time presentations include Smart Choice Health Insurance

## Effects of Foreclosure Prevention

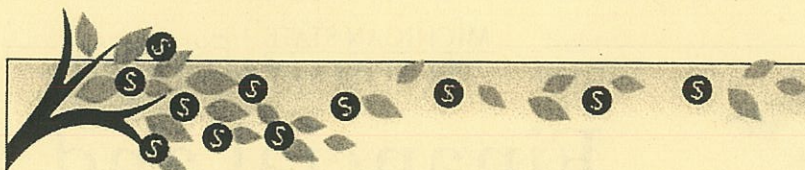
Widespread efforts by MSU Extension to reduce foreclosures in Michigan have led to a significant increase in knowledge gained and behavioral changes across the state. Since July of 2013, MSU Extension's foreclosure counseling has aided participants spanning 24 different counties, across all levels of income. As a result of receiving this counseling, a higher percentage of homeowners were able to better communicate with their servicer, obtain a loan modification and in over half of the cases, keep their home.

### Total Reach

July 2013—June 2014

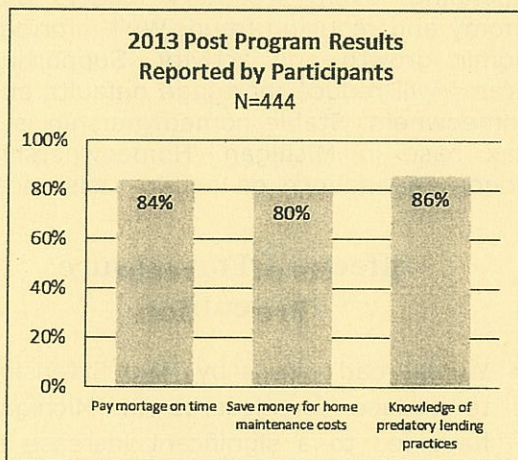
621—Financial Capability  
623—Homeownership Education  
931—Foreclosure Prevention  
1259—One-Time Presentations





## Educational Results

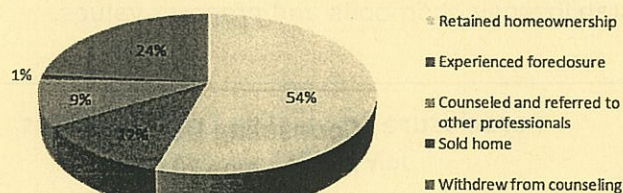
Similar to results in 2012, participants in 2013 continued to report significant gains in knowledge or changes in behavior as a result of attending MSU Extension Financial and Homeownership Education (FHE) programs. Positive outcomes after attending these programs showed that 84% of participants reported paying their mortgage on time, 80% now save money for home maintenance costs and 86% of participants maintained or increased their knowledge of predatory lending practices.



## Foreclosure Prevention

From Oct. 2012 through June 2014, MSU Extension FHE staff provided counseling for 945 new foreclosure client cases (note that cases represent number of households and not number of people). From those 945 cases, 528 had measurable outcomes. After receiving MSU Extension Foreclosure Prevention and Intervention counseling, only 12% experienced foreclosure while 54% of cases were able to keep their homes. The majority of clients that received counseling and were referred to another professional agency were referred to an attorney regarding bankruptcy.

**Foreclosure Counseling Outcomes  
Oct. 2012 - June 2014**



## Financial and Homeownership Education Workgroup



MICHIGAN STATE UNIVERSITY | Extension

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- Lauren Hale

### Evaluation Specialist

- Dr. Cheryl Peters

### Campus-based Faculty

- Dr. Erica Tobe, Extension Specialist
- Dr. Lisa Cook, MSU Economics Professor and Financial Behavioral Scientist
- Dr. Barbara Ames, MSU Family Consumer Sciences Professor



## Why MSU Extension?

- More than 20 MSU Extension educators work to bring financial literacy, homeownership, foreclosure and postforeclosure education to individuals and families across Michigan.
- Most classes are free and open to all.
- Educators are HUD and MSHDA certified.

### Of past participants:

- 92% are now writing out spending plans.
- 92% are taking steps to improve their credit reports and scores.
- 87% are saving money to prepare for homeownership.



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# HOMEOWNERSHIP AND MONEY MANAGEMENT EDUCATION

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# Programs

## Homeownership

MSU Extension educators help potential homeowners understand the complex home-buying process and learn the true costs of responsible homeownership. Educators are certified by the U.S. Department of Housing and Urban Development (HUD) and the Michigan State Housing Development Authority (MSHDA) to provide the education necessary for consumers to qualify for their housing assistance programs.

### Foreclosure

MSU Extension educators work directly with Michigan residents to provide foreclosure intervention education and counseling, and assist clients in resolving loan delinquency issues.

## Postforeclosure

MSU Extension educators counsel individuals and families who have already experienced foreclosure. They educate participants on rebuilding credit, budgeting for future goals and taking the next steps in their lives.

### Money Management

MSU Extension educators help individuals and families understand the importance of creating a spending plan, saving for emergencies and paying down debt.

Michigan State University Extension's educators provide a statewide support network to help consumers plan a secure future by:

- Setting smart personal and financial goals.
- Understanding the process of buying and maintaining a home.
- Understanding credit reports and rebuilding credit.
- Becoming confident investors.

Already been through  
foreclosure?

*Our education can help you  
re-establish your financial future.*

{88%}

participants who reported  
paying their mortgage on  
time after the series

{92%}

participants who are now  
making changes as needed to  
improve credit report and score