



Using Mortgage Refinance to Protect Middle Neighborhood Households

Best Practice from Homewise (Albuquerque, NM) and Intend Indiana (Indianapolis, IN)



Mortgage refinancing strategies are proving to be solid approaches for strengthening neighborhoods and preventing displacement of families who are locked into substandard or even unscrupulous loans. Two Community Development Financial Institutions (CDFIs), located in Albuquerque (NM) and Indianapolis (IN), have developed refinance products to help homeowners who have

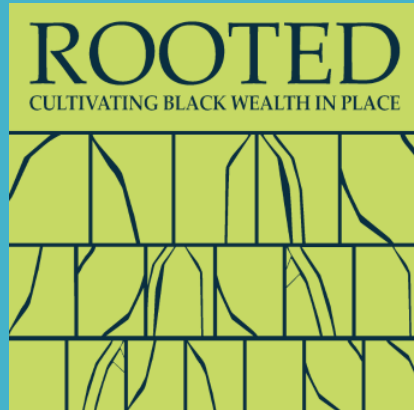
seller-financed contracts (also known as land contracts or real estate contracts) transition to safer and more affordable loans. The effort fits well with their overall goal to protect the equity of owner-occupants and retain affordable housing in the community.

In recent years, many homebuyers in Albuquerque have been taken advantage of through alternative, owner financing. Many deals are nearly predatory, involving two- or three-year balloons, high down payments (\$20,000 or \$30,000) and high interest rates. Upon noticing the increase and looking a little deeper, Homewise found that most borrowers were native Spanish-speaking. Many thought they could not qualify for a conventional mortgage because they were applying with ITIN numbers, so they turned to alternative financing. Many did not understand the terms and conditions of the contracts and found themselves in risky and even predatory situations. With these types of deals, missed payments can cause contracts to revert to tenant-landlord law, meaning just one or two late payments can trigger an eviction and buyers lose all payments they have made.

Homewise completed several refinances for households that came in for counseling, and quickly realized there were more Real Estate Contracts (REC) than they thought. Customers let family members and friends know about the program, and news spread. As Home Purchase Advisors started getting more and more inquiries, Homewise began investigating and realized how difficult it is to pinpoint the scope of the problem. REC's are not filed as public record, so data is essentially unavailable and easily missed. If a deal falls through, and the homebuyer is displaced through a silent eviction, there is no public record of that either. No policies or legal protections exist for these buyers; they essentially have no rights

once they enter an owner-financed REC.

Continue reading [HERE](#).



Invest STL Announces Groundbreaking Program to Grow and Protect Wealth in Two Black Middle Neighborhoods in St. Louis

Rooted: Cultivating Black Wealth in Place is a new initiative focused on helping West End and Visitation Park residents build wealth so that they can afford to stay and grow in their neighborhood. Invest STL will invest in 50 households who want to “continue deepening their roots and commitment” in the West End and Visitation Park neighborhoods. Each participating household will have access to guidance from a Financial Planner at no cost and an investment of \$20,000 to put towards activities historically proven to build wealth, including:

- Purchasing a property in the West End or Visitation Park
- Renovating property in the West End or Visitation Park
- Starting a small business or scaling an existing business in the West End or Visitation Park
- Opening an investment account

Households will be chosen by lottery. To participate, households must:

- Identify as a Black household
- Be at least 25 years of age or older this year
- Be a resident of the West End or Visitation Park neighborhoods for at least the last 6 years
- Have a household income at or below 120% area median income

Invest STL is a nonprofit that facilitates investment in the power of people and their neighborhoods to develop communities of justice and opportunity in places that continue to endure the legacy of systemic anti-Black racism. The organization says it recognizes that without access to larger funds, it is hard for people to make investments, whether it is investing in their home or the stock market. Invest STL believes that when families have money for investing, they can use this support to build wealth.

The project is focused on the West End and Visitation Park, two Black middle neighborhoods in St. Louis, because the neighborhoods are in transition and there is growing concern about affordability for current residents. The project aims to ensure that those who want to remain in the neighborhood can afford to, and are testing the direct cash method as a more direct way of assisting households to do so. To learn more about the Rooted initiative, [click here](#).

Community Engagement Chats

Addressing Public Safety through Engagement - Engagement Affinity Group (EAG) - AUGUST RECAP

Troubling trends in both urban and rural settings - including increases in car jackings, gun violence and street crime in general - were the main topics for the August Engagement chat. Such trends are affecting neighborhood revitalization and engagement efforts as residents fear

congregating, especially in public spaces with safety challenges. As participants discussed the importance of relationship building and building a community culture, it became clear that it is more important than ever to pull people together from all walks of life. Here are a few ideas for building a safe and viable community culture:

- Host 'good will' opportunities, like church or school events, on a regular basis. Face time with the community builds relationships and trust.
- Identify a wide variety of community service projects and build connections between all stakeholders connected to those projects.
- Ask local parent teacher organizations to help with community building.
- Facilitate a relationship between high school resource officers and the community.
- Build connections between the local police force and the rest of the community, including schools.
- Ask the police department for crime statistics. Consider crime patterns (times of day and days of the week) and schedule meetings at times that pose the least threat. For example, host a coffee break or noon-time event and make sure they are in a well populated area.
- When police officers attend events, incorporate ice breakers and 'getting to know you' exercises so residents and officers meet. Create opportunities for conversation.
- Restart DARE and other crime prevention groups like neighborhood watch groups.
- Offer different event models (virtual, in person, hybrid) so residents of varied capacities and comfort levels can participate and get to know each other. Learn how to 'live stream.'
- Encourage police officers to offer a 'ride along' to community members.
- Support programs for re-entry into the community to help build relationships and opportunities for success.
- Consider place making when possible. This may include neighborhood clean ups and reconfiguring a space for social gatherings, small parks or community gardens. Survey the neighborhood to learn what residents want and be sure to invite the police to planning meetings and celebrations.

Do you have a favorite activity or ice breaker to build connections between police and communities? Email anndipetta@gmail.com



OCTOBER WEBINAR

New Data and New Ways of Thinking About Maintaining the Housing Stock in Middle Neighborhoods

October 25, 1:00-2:30 Eastern | [REGISTER HERE](#)

Middle neighborhood practitioners know that housing stock is a critical part of the infrastructure of their communities. If it is not repaired, maintained and updated to remain current with homebuyer demands, it enters a downward spiral of stagnating values,

increasing costs to correct, inability to compete for homebuyers, vulnerability to investors, and signals to other neighborhood residents that the neighborhood is less worthy of their time, money and energy. Households that need the opportunity to grow intergenerational wealth see that opportunity erode; local governments lose property tax, which affects the ability to deliver quality services to all residents.

In this webinar, we'll hear from Harvard's Joint Center for Housing Studies about data they analyze as part of their Remodeling Futures Program, including remodeling trends by types of work and by income of homeowners. Next we'll listen to practitioners who do a lot of rehab work react to the data and talk about how they combine resources and strategies to motivate, assist and shape the maintenance of housing stock for different types of homeowners. We will address questions like:

- How does the remodeling industry segment the market by types and levels of remodeling?
- What repairs, replacements and discretionary updates are households prioritizing? How does that vary by income?
- What do practitioners wish they would prioritize in order to maximize their potential for wealth creation and neighborhoods' potential for continued success?
- What are the barriers to different types of households in making needed repairs, replacements and updates to their homes?
- What array of strategies and resources are most successful in addressing those barriers to motivate and enable owner-occupants to make those investments?

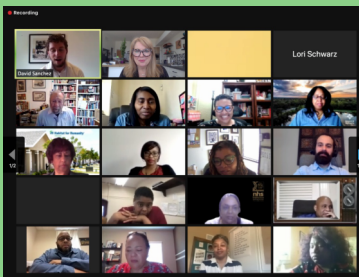
Please join us in this important conversation with your thoughts and experiences.

Panelists:

- **Sophia Wedeen**, Research Analyst, Joint Center for Housing Studies, Harvard
- **Amber Lynch**, Executive Director, Invest DSM, Des Moines, IA
- **Paul Stewart**, Director, Oswego Renaissance Association, Oswego, NY

Moderator:

Marcia Nedland, Organizer, Middle Neighborhoods Community of Practice



Recent Webinar Recordings

Strategies to Address Institutional Investors in Middle Neighborhoods

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Equitable Place-centered Strategies for Safer Communities

[Watch Now](#)

Centering Black Prosperity in the Revitalization of Black Middle Neighborhoods

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Mountain Town Migration: Understanding the Impacts of the Covid-19 Pandemic on Middle Neighborhoods in the Mountain West

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Appraisal Bias: Actionable Recommendations from the Philadelphia Appraisal Bias Task Force
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Mortgage Refinance as a Tool for Stabilizing Middle Neighborhoods
[Watch Now](#)

Boosting Neighborhood Strategy: Collecting and Mapping Primary Parcel-Level Data
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Shut Out: Exploring the Impact of Institutional Investors on Middle Neighborhoods
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Find all recordings of the Middle Neighborhoods' webinar series [HERE](#)

Webinars are co-sponsored by the [Middle Neighborhoods Community of Practice](#), the [National Community Stabilization Trust](#), and [NeighborWorks America](#).

In the News + Resources

Please [send us](#) links to articles about your work in middle neighborhoods or topics relevant to middle neighborhoods.

1. [A 'New Great Migration' is Bringing Black Americans Back to the South](#), William Frey, Brookings, September 12, 2022.
2. [What's Causing Black Flight?](#), Jerusalem Demsas, The Atlantic, September 6, 2022.
3. [Investor Home Purchases and the Rising Threat to Owners and Renters: Tales From 3 Cities](#), Emily Dowdall and Ira Goldstein, Reinvestment Fund, September 2022.
4. [Bank of America Introduces Community Affordable Loan Solution™ to Expand Homeownership Opportunities in Black/African American and Hispanic-Latino Communities](#), bankofamerica.com, August 30, 2022.
5. [Life Cycle of Black Urban Neighborhoods](#), Pete Saunders, New Geography, July 26, 2022.
6. [Building Black Intergenerational Wealth Through Estate Planning](#), Nia Norris, Next City, July 14, 2022.



CoP Reports + Action Items

Out and About: The Middle Neighborhoods Community of Practice presented a session at the recent Reclaiming Vacant Properties conference in Chicago. Steering Committee member and recent Director of Neighborhood Strategy and Planning at NHS Chicago **Deborah Moore** moderated the session *Addressing Vacant Properties in the Unique Market Conditions of Black Middle Neighborhoods*. Panelists included CoP members **Lori Gay**, President and CEO of Neighborhood Housing Services of Los Angeles County; **Mike Randall**, Executive Director of Grandmont-Rosedale Development Corporation; and Steering Committee member and CoP Co-Chair **Nedra Sims Fears**, Executive Director of the Greater Chatham Initiative. Greater Chatham also hosted a neighborhood tour. Thanks to all for engaging nearly 200 attendees in a discussion about middle neighborhoods!

Custom Webinars: We often get requests for custom webinars on middle neighborhoods, which we gladly deliver! Please let us know if you'd like one for your staff, board, network, or

community.

CoP Listserv: Don't forget to use our listserv, MiddleNeighborhoodsCoP@googlegroups.com to share announcements, news articles, questions and the like. If you are in the CoP, you are already a member of the listserv. If you are not a CoP member, but would like to join the listserv, email us.

Actions You Can Take to Grow and Support the CoP

1. Join and participate in the listserv, MiddleNeighborhoodsCoP@googlegroups.com. This is the most direct way for CoP members to interact with each other. Share your questions and successes.
2. Submit an article, news item, or resource idea for the newsletter to [Marcia](#).
3. Host a Middle Neighborhoods 101 webinar for people in your organization or community to help them learn about middle neighborhoods and launch a discussion on local opportunities. [We](#) will help you plan this and deliver the webinar with you.
4. Submit an idea for a webinar or case study topic to [us](#).
5. Convene (virtually until in-person meetings are advisable) with other CoP members in your region to discuss a particular issue, or to start creating a regional action agenda. [Marcia](#) can help you contact your peers and plan your convening.
6. We can also help you convene a group of CoP members by interest rather than geography. Past convenings have included city government representatives.
7. Represent middle neighborhoods in local policy discussions. [We'll](#) share some talking points.
8. Propose and conduct a session on middle neighborhoods for conferences and other convenings or groups you participate in. [We'll](#) help with the proposal, recruiting panelists, planning, etc.

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