

## Real Estate and More

### ***Real Estate Resources: Guilford County Homeownership Center stresses financial literacy***

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By Heather L. Modlin

Special Sections

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Teamwork makes a dream work.

Ray Hudson used just five words to describe how he and his wife, Paulette, achieved their monumental goal of homeownership in April 2009, when they bought a three-bedroom house Greensboro's Kings Forest neighborhood.

While they were the key players in their offensive, they give the Guilford County Homeownership Center credit for coaching them through the fundamentals of saving money and getting their finances in order.

They spent more than a year in the nonprofit agency's Individual Development Account program, which helps participants establish savings accounts and receive matching funds that can be used for first homes, small businesses or education.

Participants learn about money management through homebuyer education classes while developing the financial skills necessary to improve their credit if it's in disrepair, and establish budget and savings plans. The objective is to arm participants with the skills they need to not only manage their money in preparation for homeownership, but also maintain solid financial habits after they've purchased a home.

"It's a whole different feeling being a homeowner," Paulette Hudson, who rented before she and her husband discovered the IDA program, recently told a class full of IDA participants. She still marvels at her change in circumstances. "No one ever told me I could own a home."

That frustration was a key reason the center was started in 2004. When Guilford County Homeownership Center executive director and Realtor Sofia Crisp was advising first-time buyers, she discovered there were a lot of people who wanted to buy but could not. The center's programs — free to eligible participants — help people build their finances and

connect them to programs that can make it easier to purchase homes, such as U.S. Department of Housing and Urban Development-backed mortgage programs and local and state down-payment assistance programs.

The nonprofit organization is funded through local, state and federal grants, as well as contributions from sponsors and private foundations.

The center is a HUD-approved counseling agency and program participants must meet income requirements, which vary by county. Median income is used as a guide for the HUD criteria, and Crisp says participants need to be at 80 percent or below median income. In Guilford County, for example, 80 percent of the median income for a family of four is \$46,400.

Crisp says the agency's various programs have helped 38 families with their home purchases in the past six years. In 2009, the agency served 360 clients.

In addition to the IDA program, the agency also offers other financial literacy courses, a mortgage advocate program, and a new post-purchase counseling initiative to help clients make sound financial decisions and maintain budgeting habits after they buy a home.

"The underlying current throughout everything we do is financial literacy," Crisp says. Agency leaders saw the need for education in terms of how people handle money. The message: "You're supposed to handle your money. The money's not supposed to handle you," she adds. The IDA program covers multiple subjects, such as creditworthiness, money management, financing programs, contract negotiations and home maintenance costs. Speakers involved in the curriculum have included mortgage loan officers and program graduates like the Hudsons. "It's just so comprehensive," Crisp says of the 21-hour course that meets once a month for two hours. "They get a folder to tab expenses, keep up with receipts. (We) teach them the value of receipts and keeping a paper trail."

She says the IDA program shows participants how to avoid bank charges like overdraft fees and helps them set a schedule on when bills are due. "We want you to know where you're spending your money. A lot of folks said they can't save. They could save. They don't know where their money is going."

IDA also teaches participants to live within their means, in terms of money management and home price. Crisp cautioned participants at the recent IDA class that buyers need to pick a home they can pay for comfortably. Loan pre-approval is based on gross, not net, income, which makes a big difference in covering monthly expenses. "You don't have to go up to the max of what they say," she warns.

The Hudsons worked with Freedom Mortgage to get a HUD-backed loan for their home. They have taken their experience in the IDA program with them into homeownership. The couple stick to a tight spending plan, maintain their IDA budget book and keep putting money into savings. They've made small improvements to their 45-year-old, 1,448-square-foot home, but they've made living within their means a way of life.

"They taught us you take one thing at a time," Paulette Hudson says of the IDA program. "If you want to paint, paint one room at a time. They taught you (to not) jump out there and change everything. Take one thing at a time. It ain't gonna come right then and there. But if you just take your time, things will fall in place."

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**Paulette and Ray Hudson 060610**



Paulette and Ray Hudson stand in front of their home in Kings Forest in Greensboro. The Hudsons bought the house in 2009 after graduating from the Guilford County Homeownership Center's Individual Development Account program, which helped them save money for a down payment and get their finances in order. The effort required a lot of commitment and sacrifice, they say, but it was worth it. The Hudsons have made gradual improvements to the house, and they adhere to the principles learned in the IDA class to help them achieve long-term success as homeowners. "This is it for us," Paulette Hudson says. "This is home."

Credit: Nancy Sidelinger Special Sections Photographer

### ***Find out more***

■ Need guidance? The Guilford County Homeownership Center is a collaboration of nonprofit and industry professionals from across North Carolina. The agency's programs for first-time homebuyers help them prepare for ownership with information on topics including home location and living costs such as utilities, taxes, insurance and maintenance. ■ Contact: Guilford County Homeownership Center, 122 N. Elm St., Suite 1000, Greensboro Info: 553-0946 or [www.gchcnc.org](http://www.gchcnc.org)

### ***About this report:***

The federal tax credits may have expired, but there are still local, state and federal programs available for first-time buyers and homeowners in transition. This new monthly feature examines the programs available in the Triad. To recommend a topic, contact Heather L. Modlin at [heather.modlin@news-record.com](mailto:heather.modlin@news-record.com) or 373-7144.