

Southern University and A&M College

# Historically Black Colleges and Universities Conference

Southern University and A&M College  
Success Story

The Louisiana Asset Building Initiative  
Alma Thornton, Ph.D.



# HBCU Awards

- HUD grants with Housing and Entrepreneur Related Activities
  - Southern University - Community Economic and Enterprise Development Project (SU-CEED)
  - Southern University – Building Stronger Communities (SU-BSC)
  - Southern University – Partners Creating Opportunities (SU-PCO)



# HBCU Activities



- SU-CEED (2002 award)
  - Constructed and sold two new affordable homes to low-to-moderate income families
  - Renovated nine homes of low-to-moderate income home owners
  - Provided first time homebuyer training to 51 persons, home maintenance training to 22 persons and home retention training to 32 persons
  - Provided entrepreneurial training to 51 small businesses
  - Conducted Community Needs Assessment





# HBCU Activities



- SU-BSC (2006 award)
  - Renovated 23 homes for low-to-moderate income home owners
  - Provided first time homebuyer, maintenance and home retention training to 120 persons



# HBCU Activities

- SU-PCO (2008 award) - ongoing
  - Providing housing assistance grants (for affordable housing new construction project) for six low-to-moderate income first time homebuyers
  - Providing housing maintenance assistance to four low-to-moderate income families (in conjunction with affordable housing new construction project)

# Needs Assessment (Project SU-CEED)

- Housing
- Job training/business/economic development
- Education
- Crime prevention



# Leverages Resources - Housing

- Affordable housing project resources for CBDOs -\$3.8M
- IDA- \$7 M

# Leverages Resources - Job Training/Economic Development

- Federal funded responsible fatherhood project that provided technical training to non-custodial fathers -\$1.3M
- Minority Worker Training – \$2M
- State funded non-custodial fatherhood - \$750K
- Entrepreneurial Training -\$150k



## Leverages Resources- Education

- Ronald E. McNair - \$2.6 M
- Crestworth Learning Academy - \$14M annually –in second year of operation (developed successful charter school application )
- Kellogg Foundation - \$700K
- Norflet Foundation - \$750K-pending



## Leverages Resources –Capacity Building

- Foundation for Mid South - \$50K annually



# Sustainability

- Southern University awarded Louisiana Individual Account (IDA) program (2007)  
Since 2007 (received approximately \$7 million)
- Selection direct result of Southern University's HBCU HUD project experience in:
  - Home Construction
  - Financial Education
  - First Time Homebuyer Training
  - Developing Partnerships
  - Community-Based/Faith-Based Organization Capacity Building
- IDA program growth directly related to HBCU HUD entrepreneur activities



# What are IDAs?

- Match savings accounts
- Provide 4:1 match for every dollar saved up to \$4,000
- Assist working low-income families acquire an asset.
  - ☑ First Home
  - ☑ Postsecondary Education
  - ☑ Small Business



# Program Benefits

- **Increased homeownership**
- **Increased employment**
- **Decreased dependence upon public assistance**
- **Increased educational attainment**
- **Increased retirement savings**
- **Increased household income**
- **Decreased intergenerational poverty**

# Homeowner IDA Overview

## First Time Homeowner Asset Building Program

- Household income at or below 200% of Poverty level with minor child in home
- Home Ownership: maximum savings - \$1,000
- 4:1 match
- Client match paid directly to vendor



## Other Asset Building Options

- Post-Secondary Education: maximum savings - \$1,000
- Entrepreneur: maximum savings - \$500
- 4:1 match

# Eligibility Requirements

- **Working Low Income Families**
- Source of earned income (employed or self employed)
- Minor child living in the home
- Net worth less than \$10,000
- Household income at or below 200% poverty level



# Collaboration Structure

- Program management – Regional case managers
- Community partners – approximately 39 statewide not-for-profit community-based and faith-based organizations
  - Financial education training
  - Home ownership and post-secondary education training
  - Asset purchase
- Preferred lenders





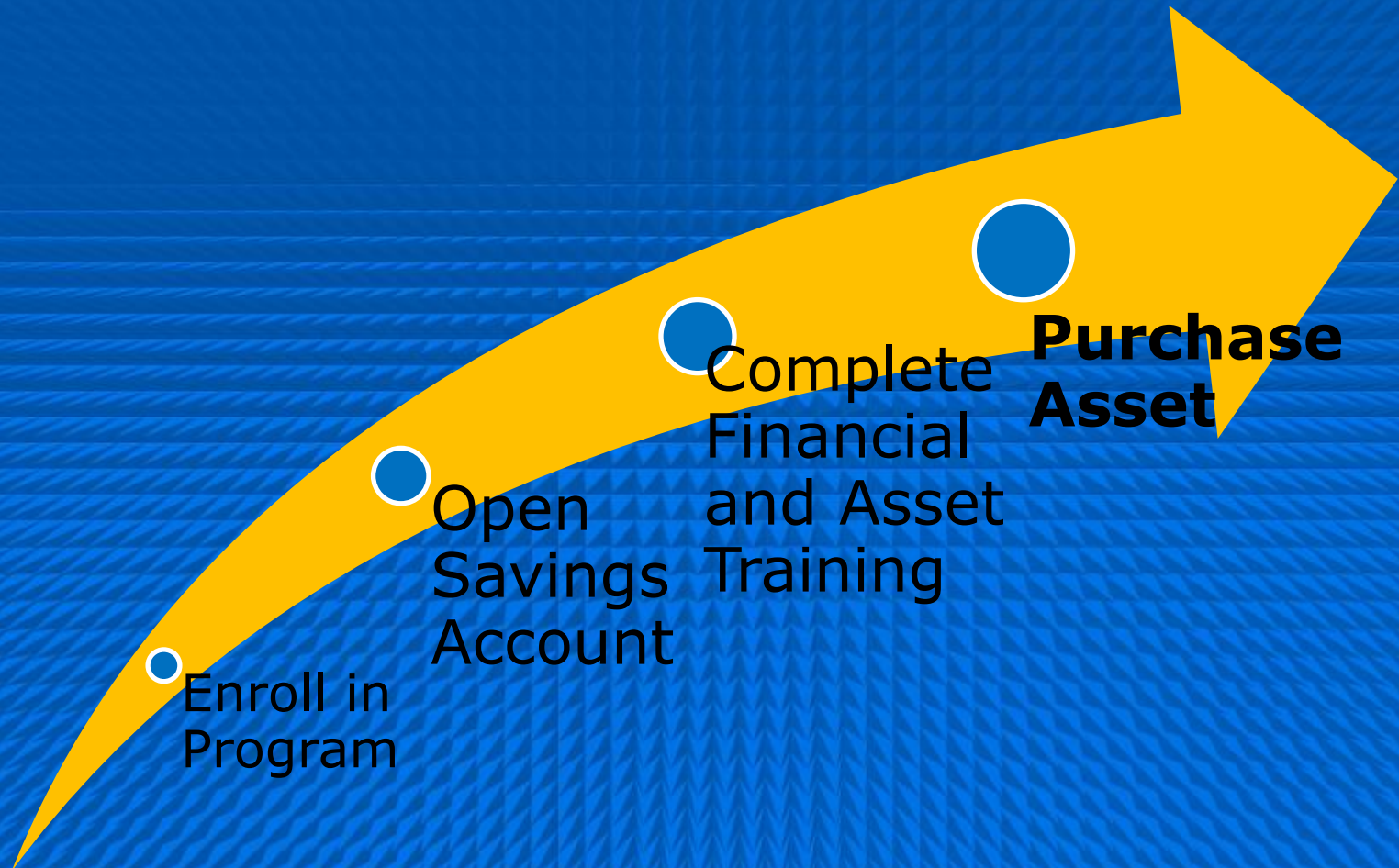
# Requirements

## Participants:

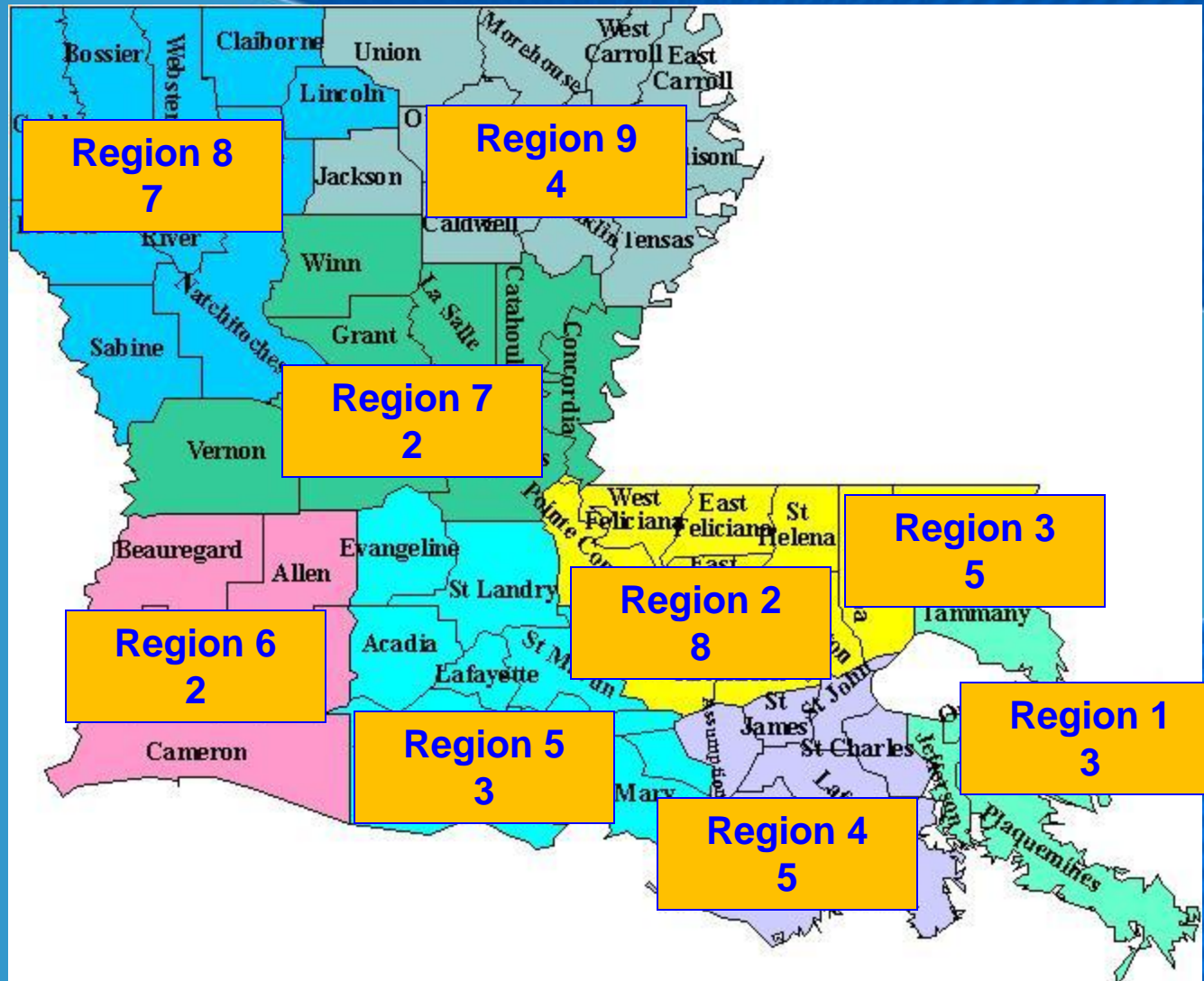
- Complete financial education
- Complete asset-specific training
- Develop and maintain budget including regular savings plan
- Adhere to Participant Agreement
- Complete program and obtain asset



# What's the Process



# Partnering Agencies





# Preferred Lenders

- Preferred financial institutions
  - Custodial accounts
  - Approximately 15 statewide



# Preferred Lenders





<b>Preferred Lenders</b>	<b># Accounts</b>
Chase	544
Capital One	197
Fidelity Homestead	115
Hope Credit Union	90
People State Bank	52
LADOTD	68
Campus Federal Credit Union	45
Red River Bank	46
Jeff Davis Bank and Trust	35
Community Trust	27
Other	150

## Housing Statistics (\*Average Values)

Topic	Number/Value
Purchases	430
Price*	\$105,600
Mortgage*	\$ 96,951
Interest Rate*	6.3%
Monthly Payment*	\$ 568



# Client Demographics

- Average Age of Participants – 33.8
- Age Range – 18 years – 67 years
- Average Monthly Income - \$2,045.09
- Range of Monthly Income - \$187 - \$4,347
- Average Cost of Home - \$105,600
- Average Interest Rate – 6.3%
- Residents in 62 of the 64 Louisiana Parishes have applied to the IDA Program or have purchased a home with program assets



# Outcomes

- Applicants – 2,400
- Homes purchased – 430
- Post-secondary education - 10
- Businesses started – 39
- Financial education completers – 1,707
- Asset specific training completers– 1,716
- Savings accounts opened – 1,516
- **Homes lost/foreclosed – 0**
- Statewide housing economic impact – more than \$44,251,000

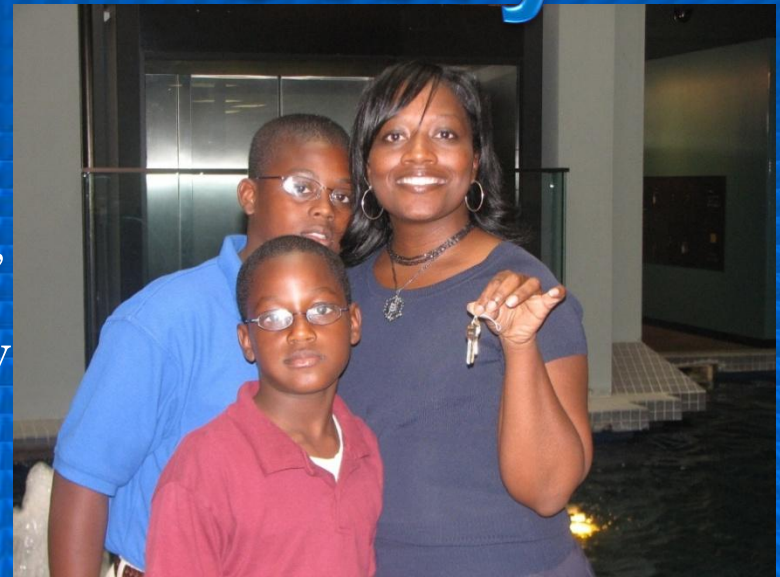


# **State Revenue & Economic Impact** **(Homeownership IDA)**

<b>Impact</b>	<b>Dollars</b>	<b>Impact</b>	<b>Dollars</b>
<b>1. Total Savings in Traditional Financial Institutions</b>	\$787,670	<b>4. Total Home Value</b> (purchase price)	\$44,251,000
<b>2. Real Estate Agent Taxable income</b> (based on 6% commission)	\$2,594,791	<b>5. Total Mortgages</b>	\$38,683,415
<b>3. Annual Business Taxable Income</b> (based on 1st year of mortgage interest collected)	\$2,553,109	<b>6. Total Equity</b>	\$5,567,585

# Success Story

- “And you did all of that to help a divorced mom realize her dream of homeownership. Calm people, like you, are a blessing during the sometimes confusing and frustrating process called "purchasing a home". There were times when I cried and other times when I nearly lost my mind, but with spectacular women working together. We Made It! My boys are ecstatic about having their own room, my house is in a quiet, reserved neighborhood, and I simply LOVE driving into my carport knowing that I am finally HOME!”  
**Lyell Dixon**



**Lyell Dixon & Family**

- Agency - Mid City Redevelopment Alliance, Inc.
- Lender - L&S Inc. dba SB Hardie Financial Services



# Success Story

My children and I had been moving from place to place during the time following Hurricanes Katrina and Rita. Although we were not displaced due to hurricane issues themselves, the influx of people into the Baton Rouge and Baker areas made rentals very scarce and needless to say, very expensive.

When I contacted the Homeowners Center, Adrienne Jack, a representative from Midcity Redevelopment Alliance was glad to give me all of the information I needed in order to enroll in an IDA. As soon as I received my income tax refund, I placed the entire amount necessary into my IDA account at Chase Bank.

That was actually the easiest part of the home-buying effort. Delays that occurred near closing time with State and Parish Bond Authorities were seemingly endless, but my IDA funds were at the closing attorney's office well before we were ready with any of my other funding.

SUIDA allowed my children and I to get into a home that was even more lovely that I had dreamed, and without any undue pressure or hassle. The best part about it is that the homeowners' education and budgeting classes that I took in conjunction with



**Jeaninne Johnson**



# Success Story

- “I would like to thank the Southern University IDA Program for helping me buy my first home. The closing cost and assistance was greatly appreciated. You can't beat saving a \$1,000 and receiving \$4,000 in return, this is wonderful. The budgeting tools and tips really help me.”

- **Jonathan Bushnell**
- Agency – Lutricia Cobb Real Estate
- Lender – JP Morgan-Chase Bank



**Jonathan Bushnell**



Tired of living in an apartment, Moore, a single father of three, decided to take the challenge of purchasing a new home. Faced with a number of obstacles, including the death of his wife, Moore endured and is now the proud owner of a home in Baker, La. Moore stated, "Owning a home makes me feel good about myself. Anything [really] is possible." When asked if he would recommend IDA to others, Moore exclaimed, "I would definitely recommend IDA to others. [I already have]. [They (the staff at Urban Redevelopment Program and Whitney Bank) really] helped me out with the entire process. I'm very happy with what IDA has done for me."

- **Willie Moore**
- **Agency – Urban Redevelopment Program**
- **Lender – Whitney Bank**
- **Area Purchased – Baton Rouge, LA**

# Success Story

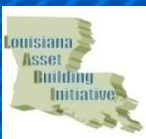


Willie Moore: A Success Story



# Expansion Plans

- Acquire Assets for Independence (AFI) grant (Department of Health and Human Services)
  - Challenge: identifying match
- Expand data base capabilities
  - work with other IDA providers (United Way, TCA, Acadiana, Southern University – Shreveport)
- Build Louisiana IDA Collaborative
  - 4 Agencies
  - Develop common data base
- Build State-wide Asset Building Coalition (136 current collaborators)





# Collaboration Activities

- Pathways to Financial Independence – Kellogg Foundation - \$700,000 -23 HBCUs, Hispanic Serving and Tribal colleges
  - VITA
  - EITC
  - IDA

# Collaborations Continue

- Statewide asset building Coalition
  - Foundation for Mid South -50K annually
  - Region VI-Dept Family & Children Services
  - FDIC



# Program Management

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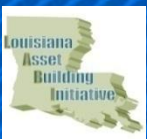
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