

ENABLING FIRST-GENERATION HOMEOWNERSHIP IN MASSACHUSETTS



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Enabling First Generation Homeownership in Massachusetts: Recommendations for Massachusetts Affordable Housing Alliance's STASH program

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Interview participants and current STASH participants

Table of Contents

Acknowledgements	1
Executive Summary	3
Background and Context	4
Racial Wealth Gap	4
First-Generation Homebuyers	4
Massachusetts Affordable Housing Alliance (MAHA)	4
The STASH Program	5
Vision, Goals, and Objectives	6
Data & Methodology	7
Limitations	7
Research	8
First-generation College Students	8
Background Information.....	8
First-generation College Student Definition.....	8
First-generation College Student Program Benefits	9
Forming the First-generation Homebuyer Definition.....	10
Messaging	10
Verification of First-Time Homebuyers	11
Homeownership Subsidies	12
Goals & Current Practice	12
Interviews.....	12
Policy Debate	14
Key Findings	18
Definition and Messaging	18
Verification	18
Policy	18
Recommendations	19
Definition and Marketing the Term	19
Definition.....	19
Marketing the Term “First-Generation Homebuyer”	19
Verification	21
Participant Verification Audit.....	22
Policy	23
Down Payment Assistance	23
Deed Restrictions	24
Conclusion	24
References	26
Appendices	29
Appendix A	29
Am I a “First-Generation” Homebuyer?.....	29
Appendix B	30
Current Affidavit for STASH Program	30
Appendix C	31
First-Generation Homeownership Interview Questions	31

Executive Summary

The Commonwealth of Massachusetts has an infamously expensive housing market, indicating an uphill battle for tackling its historically racialized homeownership patterns, especially for many low-income residents. Several policies and programs exist at varying levels throughout the state to address this. However, racial wealth disparities persist for several groups, especially first-generation homebuyers. This population is left to compete with peers who are able to lean on family for both financial resources and financial literacy.

The Massachusetts Affordable Housing Alliance (MAHA), a nonprofit organization fighting for both public and private sectors to increase their support for affordable and sustainable homeownership, tasked this Capstone team to develop recommendations to improve their program for first-generation homebuyers.

This program, entitled “Saving Towards Affordable & Sustainable Homeownership” (STASH) provides homebuyer education and matched savings for a down payment on a house in Massachusetts. The program, launched in 2019, is the first of its kind in the country and serves a population, first-generation homebuyers, that is not widely recognized by the public or policy makers.

Based on our collective research, this report outlines three recommendations that can help MAHA make first-generation homebuyer a legitimate designation:

1. **Definition and Marketing the Term:** Expand MAHA’s current definition of first-generation homebuyer and execute a multi-channel communications plan to raise awareness of the term among key audiences. Refine the definition as a population whose parent(s)/legal guardian(s) did not own a home in the participant’s lifetime. Furthermore, expand the definition to include those who were in the foster-care system.
2. **Applicant Verification.** Verify first-generation homebuyers by requiring an affidavit affirming the applicant meets the qualification, documentation of the identity of the applicant’s parent(s)/legal guardian(s), and a list of addresses where the applicant has lived with dates and which parent/legal guardian lived there.
3. **Advocacy for Homeownership Policies.** Down-payment assistance should continue to be the primary subsidy MAHA enlists for its STASH program. Participants should understand the tradeoffs of other subsidies such as deed restricted and shared equity programs. Lastly, continued advocacy of policies that increase home construction in Massachusetts will increase the efficacy of this program and others like it.

Coupled with MAHA’s expertise in breaking down barriers for homebuyers, these recommendations will enable the organization to advance their STASH program to increase first-generation homeownership in the Commonwealth.

Background and Context

Racial Wealth Gap

In 2016, the national median wealth of black and Hispanic families was under 15% of the median wealth of white families (Dettling et al., 2017); the Boston Metropolitan Statistical Area (MSA) in 2015 had an even greater racial wealth disparity than the national average, with the median black family's net worth less than 1% of the median white family's wealth (Muñoz et al., 2015). Homeownership remains a key source of wealth for the average citizen since at least the mid-19th century. While the Great Recession of 2009 saw major shifts in homeownership and wealth loss, especially among low-income people of color (Kochar & Fry, 2011), homeownership still remains a key avenue for residents to build wealth and for policy makers to address wealth loss (e.g. the national Homebuyer Tax credit of 2009).

The Commonwealth is infamously expensive for housing, both renting and owning, indicating an uphill battle for tackling its historically racialized ownership patterns, especially for many low-income residents. Several policies and programs exist at varying levels throughout the state to address this, including first-time homebuyer programs through MassHousing and Massachusetts Housing Partnership (a quasi-public agency, and a public non-profit respectively) and additional down-payment assistance programs throughout other municipalities and non-profits. Despite this, racial wealth disparities steadily persist in the state.

First-Generation Homebuyers

Homeownership in Boston is extremely challenging to achieve for low- to moderate-income residents. For Black and Latino populations, achieving homeownership is simultaneously more difficult and more important. Low- to moderate-income lifelong renters face the stress of housing instability, and oftentimes less than ideal housing conditions.

A first-time homebuyer is by definition an individual or group of purchasers who have not owned a home in the past 3 years and meet a certain income limit and asset cap. In Massachusetts this is particularly important in giving a leg up to those who meet the definition, given the competitive housing market, but it is not sufficient in addressing the generational wealth gap that prevails when an individual has never been part of a household which has owned a home.

The intergenerational transfer of wealth from homeownership creates an advantage for those individuals whose families have a history of owning a home. In the United States, more white households have this history. These individuals have access to funds, information, and resources to aid and be competitive in the home buying process. Those whose family do not have a history of owning a home are called "first-generation homebuyers". This concept parallels literature around first-generation college students, who face similar challenges in the classroom setting.

Massachusetts Affordable Housing Alliance (MAHA)

The Massachusetts Affordable Housing Alliance (MAHA) is a 501(c)3 nonprofit organization based in Dorchester, MA, with the goal of breaking down the barriers for low- and moderate-income first-time homebuyers and increasing private and public investment in affordable

housing. The organization fights for both public and private sectors to increase their support for affordable and sustainable homeownership.

The STASH Program

To address this racial inequity intentionally, in 2019 MAHA, created a unique program that targets the aforementioned population of first-generation homebuyers. The program is called “Saving Towards Affordable & Sustainable Homeownership” or STASH. The program’s main goals include closing the racial homeownership gap and increasing assets and the affordability and stability of homes for first-generation, first-time homebuyers with low-to-moderate incomes.

Funded by Boston Children’s Hospital and Wells Fargo, STASH provides homebuyer education and a matched savings of \$2,000 for a down payment on a house in Massachusetts. Participants in the program must be a first-generation homeowner in the United States. The program, as of the release of this report, had a total of 81 participants and is in its second year running. Participants have an average of \$1,288 in savings.

Currently, the program defines a first-generation homebuyer as someone who does not currently own a home and has not previously owned a home; their parents and/or legal guardian does not currently own a home and has not previously owned a home; their spouse, if applicable, does not currently own a home and has not previously owned a home while they were married. STASH utilizes an affidavit process for verifying participants as “first-generation” and therefore, eligible for the benefits of the program.

Massachusetts’ historically racialized home mortgage market and racial wealth inequalities indicate a need for programs like STASH, which creates equitable homeownership opportunities for families of color. The home mortgage market remains highly complex, so ensuring new categories such as first-generation homebuyers are well defined and grounded in research is important for attracting both participants and partners.

While MAHA is a relatively small nonprofit, it has already seen profound impacts for STASH participants, which has only been in operation for a little over a year. Twenty-three participants have already reached their match savings goal, and three have already purchased homes as of February 2020. As a result, MAHA is actively looking to expand their reach with STASH. They are striving for “first-generation” to be established as a legitimate designation for policy makers so that closing the racial homeownership gap can be tackled more intentionally through public policy. Evaluating the program and partnerships will be key to creating a broader reach. This capstone team hopes this report is the first step in making STASH a model program for other organizations to adopt similar first-generation homebuyer designations in their programming; this report should be viewed as a toolkit for practitioners and policymakers for understanding STASH and implementing it beyond MAHA’s scope.

Vision, Goals, and Objectives

Vision: Educate and mobilize first-generation, first-time homebuyers with low-to-moderate incomes to increase assets and improve the affordability and stability of home for themselves and their children.

Goal 1: Define “first-generation” as it relates to homeownership and establish the term as a legitimate designation while remaining compliant with existing fair housing and fair lending laws.

- Objective 1: Collect information on how academic institutions and financial assistance programs define “first-generation” in the context of college students.
- Objective 2: Ensure that the definition takes into account the current definition of a “first-time homebuyer”.
- Objective 3: Devise a marketing plan to establish consistent messaging around the first-generation definition and explanation for programming targeted at this population.

Goal 2: Establish a process by which a first-generation homebuyer may be verified to participate in the program.

- Objective 1: Bolster MAHA’s current process for verification by exploring methods to confirm property and income information of potential homebuyers.
- Objective 2: Ensure that the process is one that a potential lender would be willing to adopt because it is neither too time consuming nor costly.

Goal 3: Support the first-generation homebuyer population via targeted assistance.

- Objective 1: Support policies that give first-generation homebuyers the ability to purchase a home.
- Objective 2: Seek additional funding for the most effective assistance programs.

Data & Methodology

The framework for this research was derived from three driving questions:

1. What is the current home mortgage landscape in Massachusetts and what challenges do people face in buying homes, particularly first-generation homebuyers?
2. What are the current verification strategies for programs for first-time homebuyers and first-generation college students? What are the legal barriers for home buying programs?
3. What role does STASH play within these frameworks? Is there room for growth or improvement?

The MAHA team outlined specific issues for the Capstone team to address. These deliverables are outlined below:

- Defining first generation homebuyers and to aid in making it a legitimate designation
- Process of verification for first generation homebuyers
- Targeting first generation homebuyers impacted by the racial wealth gap efficiently and effectively.
- Informing the homeownership policy debate in Metro- Boston and Massachusetts.

Based on this framework guided by MAHA's goals and the STASH program's utilization of a novel definition for targeting low-income homebuyers, qualitative exploratory methods best fit this research, in addition to secondary research to nest findings in prior theoretical frameworks.

Members of the Capstone team conducted semi-structured interviews with key housing stakeholders within Massachusetts to understand the housing policy landscape within the state best and common practices for subsidizing homeownership; the verification process of first-time homebuyer programs and if this can be applied effectively to first-generation homebuyers, among other questions. The guiding questions for our interviews can be found in Appendix C.

Additionally, comparative analysis of other programs and policies are utilized to render a foundation for implementing onto STASH--including college campuses' first-generation college student programs, first-time homebuyer programs and their subsequent subsidy formats, evaluation methods, and legal boundaries. These comparative analyses supplement interview findings.

These results are prefaced by a brief analysis of housing in Massachusetts to contextualize our results within the high cost market that the Commonwealth is infamous for. These data include US Census Data and 2017 Home Mortgage Disclosure Act (HMDA) data.

Limitations

The Capstone team attempted to address all of MAHA's concerns, however, there were several minor roadblocks. While the Capstone team reached out to a large group of stakeholders for interviews, the response rate was rather low (n = 6). Further interviews may provide a better overview for addressing issues in this report; however, most of our respondents had consensus on many of the core issues, and according to Rathbun (2009) "when a consensus appears among those in a best position to know, it should be taken very seriously" (p. 692). While the sample size is low, the degree of consensus signals there should be a degree of confidence in the responses. Finally, STASH is a new and innovative program, which also remains flexible and

fluid to respond to its participants unique needs. This leaves limited opportunity at the current time for any robust data analysis, but as the program matures, consistent and numerous data will accrue to allow for greater analytical understanding of the program in the future.

Research

Based on the requests from the client (hereinafter referred to as MAHA), the Capstone team began researching college and universities first-generation student programs, lender verification processes and standard practices, home ownership subsidy policies, and messaging. This research informs the subsequent recommendations to MAHA.

First-generation College Students

Background Information

The discussion surrounding first-generation college students started as early as the Higher Education Act (Public law, 89-329). This federal legislative document that eventually set the definition was passed in 1969. Higher education is an important contributor to upward mobility, but for first-generation college students, completing their studies and enjoying subsequent upward mobility can be harder to obtain. A parent's education experiences may give their child an advantage in applying and enrolling in a 4-year college and eventually graduating from it.

Data from the Department of Education in 2012 also illustrated the racial disparity in first-generation college students. It classified 25% of white and Asian-American students as first-generation students. In contrast, 41% of African Americans and 61% of Latino students belong to this demographic (U.S. Department of Education, 2014). Further research conducted by scholars from the University of Georgia (Toukoushian, R. 2015) revealed the relationship between a student's initial interest in going to college and his/her parents' education level as Table 1. In addition, first-generation college students are less interested in transferring to a four-year college/university compared to non-first-generation college students. As a result, it has been deemed important to identify and provide support to first-generation college students so they can overcome the disadvantages they have when compared to their peers.

First-generation College Student Definition

In 1998, the Higher Education Act Amendments were passed, which defined the first-generation college student as (A) An individual both of whose parents did not complete a baccalaureate degree; or (B) In the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree (P.L. 105-244 Amendments to the Higher Education Act of 1965). This definition drew a baseline for the first-generation college student definition.

Definition of First-Generation College Student	Y = Planned in Grade 10 on Taking the SAT or ACT			Y = Applied to College			Y = Enrolled in College		
	1 st Gen	Non-1 st Gen	Gap	1 st Gen	Non-1 st Gen	Gap	1 st Gen	Non-1 st Gen	Gap
<i>Both Parents: HS or Less</i>	60.6%	81.1%	-20.5%	71.2%	90.4%	-19.2%	63.4%	87.6%	-24.2%
<i>Both Parents: Some AA or Less</i>	64.2%	82.5%	-18.3%	74.8%	91.5%	-16.7%	67.2%	89.4%	-22.2%
<i>Both Parents: AA or Less</i>	66.0%	84.6%	-18.6%	77.2%	92.9%	-15.7%	70.0%	91.4%	-21.4%
<i>Both Parents: Some BA or Less</i>	68.3%	86.3%	-18.0%	79.5%	93.9%	-14.4%	72.3%	93.8%	-21.5%
<i>At Least One Parent: HS or Less</i>	67.6%	84.6%	-17.0%	78.0%	93.3%	-15.3%	71.0%	92.1%	-21.1%
<i>At Least One Parent: Some AA or Less</i>	69.8%	86.2%	-16.4%	80.2%	94.5%	-14.3%	73.9%	94.0%	-20.1%
<i>At Least One Parent: AA or Less</i>	71.4%	87.6%	-16.2%	81.8%	95.4%	-13.6%	76.0%	95.4%	-19.4%
<i>At Least One Parent: Some BA or Less</i>	72.6%	90.3%	-17.7%	83.2%	96.2%	-13.0%	77.8%	97.4%	-19.6%

Notes: Sample size is approximately 7,300 (rounded per NCES requirements). All differences in means were statistically significant at the 0.1% significance level.

Table 1: Breakdown of Dependent Variables by First-Generation Status. From Toutkoushian, 2015, p. 35.

Some believe that the definition should be broadened so more students could enjoy the benefits of being first-time college students. For example, the University of Pennsylvania started the F.G.L.I. program (first-generation and/or low-income students) in 2016, which also put students' economic issues into consideration (University of Pennsylvania, 2016). This point of view is supported by federal action as the White House urged colleges to be more accessible for lower-income Americans in January 2014 (The Executive Office of the President, 2014). On the other hand, strong voices suggest the definition should be narrower to target the most needed group (Brown-Nagin, 2014, p.484-488). This includes putting parents' income level into consideration when identifying first-generation college students. Currently, universities like Northeastern (Northeastern University, 2018) are still applying the aforementioned definition from the Higher Education Act, despite slight differences.

First-generation College Student Program Benefits

First-generation college students receive both financial and academic support from the colleges and universities they are attending to help them graduate on time and achieve future success.

Northeastern University's first-generation college student program shows great care to this group and provides different types of assistance to support both their academic and daily life. Northeastern has a bachelor's degree Completion Department that focuses on helping students finish their programs. The department also offers great flexibility for degree completion with students not needing to finish their degrees in four years but instead at their own pace with courses available during evenings and online. The University also set up the Torch Scholars Program dedicated to supporting the first-generation college students who persevered through adversity.

Forming the First-generation Homebuyer Definition

The academic discussion around defining first-generation college students provided insight into the possible influence and support between generations. The academic debate highlights the reason for identifying first-generation college students: to support the students who cannot, like their peers, receive advice and assistance from their parents (application skills, experiences, tuitions, and course work, etc.).

First-generation homebuyers are facing similar problems to first-generation college students. Prospective first-generation homebuyers must make their own way when saving, getting a loan, closing, and maintaining the ownership of a home.

Messaging

Based on our research of similar programs, MAHA is the first to design a program for first-generation homebuyers, STASH, and therefore they are paving the way within this space with every facet of the program. The challenges and opportunities of being first include defining key terms, communicating their mission effectively to recruit funders and participants, and reporting on execution.

Housing equity and enablement in public policy and within public/private partnerships is an ever-present part of the world of homeownership. During the financial and housing crisis of 2008, the federal first-time homebuyer tax credit was passed, giving first time homeowners up to \$7,500 in tax credits upon purchasing a new home. This program legitimized first-time homebuyer as a population of prospective homebuyers.

Currently, the STASH program is targeted at a population (prospective first-generation homeowners) that has not been fully legitimized and outlined via an official federal or state program. Therefore, the awareness of the program and need is limited to what MAHA is able to communicate. The term first-time homebuyer is widely recognized as a term, however many may not know the intricacies of the definition: as part of past housing programs, this was officially outlined as someone who did not have any housing related items (mortgage deductions, etc.) present on their last three years of tax returns. Based on this, it is clear that the general population does not require a full understanding of the ins and outs of the official definition of first-generation homebuyer, but it is important that there is a general understanding around this population and their specific needs in the homeownership journey.

In order to establish first-generation homebuyer as a legitimate designation, we conducted an external communications audit. We first determined MAHA's target audiences to be potential first-generation homebuyers, potential funders, policy makers, potential nonprofit partners, and the community. The questions the audit set out to address include:

1. Are MAHA's communication messages achieving the objectives of the organization?
2. What can be done to improve communication not effectively reaching the targeted audiences?
3. And, are there new methods of communication that need to be developed, adapted, or eliminated to meet organizational objectives or to target different audiences?

Key elements of the communications audit included a social media and website review of MAHA. Currently MAHA's website is fairly sparse in terms of information on the STASH program. Similarly, their Instagram and Facebook pages lack a STASH and first-generation homebuyer presence. Nonprofits, funders, and participants looking for information on the program would have a hard time finding what they need which keeps them steps away from it being a legitimate designation for policy makers and other potential funders.

We used "first-time homebuyer" and "first-generation college student" as reference points for how to successfully market a similar term and associated program(s). Our interviews brought the greatest light to STASH's need for the support of a strong communications campaign stressing that messaging and partnerships are the two factors driving the success of the first-time homebuyer program. A review of the MHP website in particular which serves as a tremendous example of a resource for the first-time homebuyer population.

Lastly, there will be a great opportunity to communicate the results of the program. Therefore, it will be important to establish evaluation techniques early in the life of the program. We assessed MAHA's current capacity for evaluation and did a careful review of their application to understand what data the program is already collecting from their participants.

Verification of First-Time Homebuyers

To research the verification process needed for first-generation homebuyers, the Capstone team began investigating the verification process for *first-time* homebuyers in assistance programs. This offers a baseline of the hurdles an applicant can expect to face. While many websites addressed the basic requirements for different first-time homebuyer loan programs, online information proved insufficient.

The team broached this topic in stakeholder interviews with banks and non-profit housing organizations. We learned that for first-time homebuyers to qualify for assistance programs, they must submit their most recent three years of income tax returns. If the applicant did not take a federal mortgage interest deduction on their filing, it is assumed they did not own a house in that time period. One respondent said that a first-time homebuyer signs an affidavit attesting to be a first-time homebuyer at closing (Interviewee 2, Non-profit Homeownership Lender), but another did not mention that as part of the process (Interviewee 5, Private Homeownership Lender).

In addition to qualifying as a first-time homebuyer, some assistance program's applicants must also have an income lower than a certain percent of the area median income, with the exact percentage depending on the program. This is proven with W2 forms from the applicant's federal taxes and pay stubs from an employer. The lender then directly verifies employment with the employer. The mortgage company backing the loan also pulls a credit report, with the consent of the applicant. This is to show creditworthiness and doubles as a way to verify the applicant's social security number. This report should have prior addresses of the applicant, but they are not needed for the mortgage process. None of our interviewees mentioned using public land records during any part of the process.

No interviewee gave an approximate financial cost to this process. From discussing the process with a bank representative, the cost of verification would not be broken out as any type of

separate fee. The verification time window would be measured in weeks, but an exact time cannot be pinned down (Interviewee 5, For-profit Homeownership Lender).

None of the interviewees covered the other exceptions to the three-year rule that were listed in federal regulations relating to first-time homebuyers, specifically an exception for a “displaced homemaker.” Regardless, this should be verifiable with public records.

Interviewees agreed that verification of first-generation homebuyers would be more challenging. The details of how a first-generation homebuyer was defined would be a determinative factor. One interviewee discussed a willingness to look at applicants for first-time homebuyer programs with “alternative documents,” but said that these applicants tended to have difficulties qualifying for loans even if the documents could be sorted out (Interviewee 1, Housing Policy Professional).

Homeownership Subsidies

To assess the direction MAHA should approach subsidizing first-generation homebuyers in their STASH program, and to inform the policy debate more generally, this Capstone team took a three-step approach:

1. Overview STASH’s goals and current practices
2. Interview MA Housing Stakeholders and collect secondary data to understand the best approach within the context of the Commonwealth
3. Overview the academic and practitioner debate around homeownership subsidy to nest our findings in broader theoretical frameworks.

Goals & Current Practice

Some homeownership policy tools may better work to address certain homeownership goals and vice versa, so outlining MAHA’s goals with STASH is a key first step. These goals are based on conversations with leaders at MAHA, and an article published by Tom Callahan and Symone Crawford in 2019 about the program. From this, there are roughly two main goals of STASH:

1. Increase sustained homeownership opportunities for marginalized groups, specifically people of color;
2. Build wealth for these groups through home equity to address the broader racial wealth gap across the Commonwealth.

To achieve these goals, MAHA currently utilizes a down payment assistance approach for STASH. The program provides homebuyer education and structure for participants to save at least \$2,000 of their own money in a STASH specific savings account. Upon closing and completion of at least eight homebuyer education courses, participants receive a \$2,000 savings match for a total of \$4,000 dollars towards the down payment and/or closing costs. The payment is made directly to the participants, whereas other programs typically apply it directly to the down payment or other fees. This is just one among many tools that can increase homeownership opportunities for STASH participants.

Interviews

This section reviews the results from interviews with several housing policy stakeholders in Massachusetts.

Actors within the housing policy field have likely interacted with a number of housing subsidy tools and understand the implications of real-life contexts around these tools. Interviews were utilized as a tool for extracting a list of priority homeownership subsidy policies to further research. See Appendix C for a copy of the questionnaire utilized for the interviews.

When asked about subsidies for homeownership in Massachusetts, many respondents commented on the tradeoffs for deed restrictions:

- “There is a waiting list for these [deed restricted] properties, but at the same time, many first-time homebuyers do not want them. This could be an education issue” (Interviewee 1, Housing Policy Professional).
- “29% of [this organization’s first-time home buyer loans] went to deed restricted properties and going up each year due to market prices going up each year” (Interviewee 2, Non-profit Homeownership Lender).
- “Deed restrictions are very place based and great for promoting community, but they can discourage owner investment in their property due to a lack of wealth capture in the resale process” (Interviewee 4, Housing Policy Professional).
- “Boston has between a 3-5% return on investment for deed restricted properties” (Interviewee 3, Housing Policy Professional).

Other miscellaneous subsidy tools were mentioned that are used throughout the state, but have other risks and challenges associated with them:

- “[preference in lotteries] are tough to get around fair housing laws, and some local examples have struggled to successfully attain the targeted population from their preference” (Interviewee 4, Housing Policy Professional).
- “Interest buybacks are only good in a hot real estate market like Boston right now...this could change” (Interviewee 3, Housing Policy Professional).
- “Shared equity, where the bank retains a share in ownership and return of profit if sold is a newer approach that has potential but hasn’t been implemented long enough to assess success” (Interviewee 4, Housing Policy Professional).

A consistent message from interview participants was the low supply of homeownership opportunities leading to high prices, effectively making some form of down payment assistance necessary. This did not come without its own tradeoffs:

- “The biggest housing issue in Massachusetts is that the ‘cost of inventory’, aka housing prices, are going up quickly. Even Gateway cities are becoming too expensive for some people. The employment gap is also causing problems (this could be another way to say income inequality in the state). Together, these are putting down payments, and thus housing, out of reach” (Interviewee 1, Housing Policy Professional).
- “Boston numbers are dwindling for first time homebuyers because the market is out of control” (Interviewee 2, Non-profit Homeownership Lender).
- “Down payment assistance is nearly always useful, as it is not reliant on a strong housing market” (Interviewee 4, Housing Policy Professional).
- “Most municipalities with down payment money are in gateway cities. A homebuyer can get a ONE mortgage and down payment assistance” (Interviewee 2, Non-profit Homeownership Lender).

- “Down payments are a large barrier if not the biggest barrier to low-to-moderate income households” (Interviewee 2, Non-profit Homeownership Lender).
- “People used to rent in Dorchester, then buy in Dorchester. Loans now for people renting in Dorchester and buying in Brockton. Used to rent in Chelsea, buying in Lynn. This is a trend of people moving away from the city. Pros and cons include: residents further away from community, leading to more traffic, etc.; different benefits for different municipalities outside just Boston; Owners won’t capture the same appreciation they would in Boston; this could promote more inequality and increase the wealth gap” (Interviewee 2, Non-profit Homeownership Lender).

Policy Debate

There is rich literature around homeownership, as well as an abundance of reports around the state of housing within Massachusetts and nationwide. This section integrates academic perspectives on homeownership subsidy, as well as key housing data for Massachusetts from a number of sources, including the Home Mortgage Disclosure Act data (2017), American Community Survey/Census Data, The Greater Boston Housing Report Card (2019), and the City of Boston’s website. This section highlights the current research around deed restrictions and down payment assistance due to the more positive comments these received from the interview process compared to other means of subsidy.

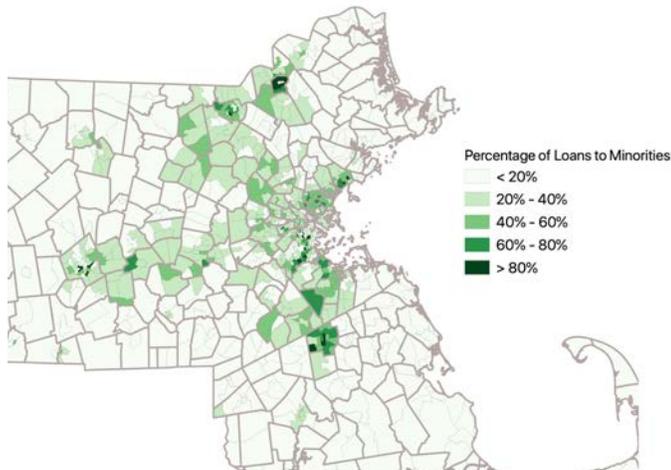
Homeownership Trends in Massachusetts

Purchasing a home in Massachusetts remains widely inaccessible for many, especially for people of color. However, geography matters, and patterns emerge upon examination of mortgages across municipalities within the Commonwealth.

The Massachusetts Community & Banking Council (MCBC) released its “Changing Patterns XXV” (2018) report based on the Home Mortgage Disclosure Act (HMDA) data released for 2017. The report illuminates key trends around the mortgage lending experience for minority residences of the Commonwealth. These generally reflect the history and contemporary nature of racial segregation and disparate treatment of minorities regarding housing. For example, the report states that while black residents made up 7.3% of the population of Greater Boston in 2016, they only made up 2.4% of Non-FHA loans (Campen, 2018, p. 6). This trend represents a complex system of barriers people of color face in purchasing homes within the state.

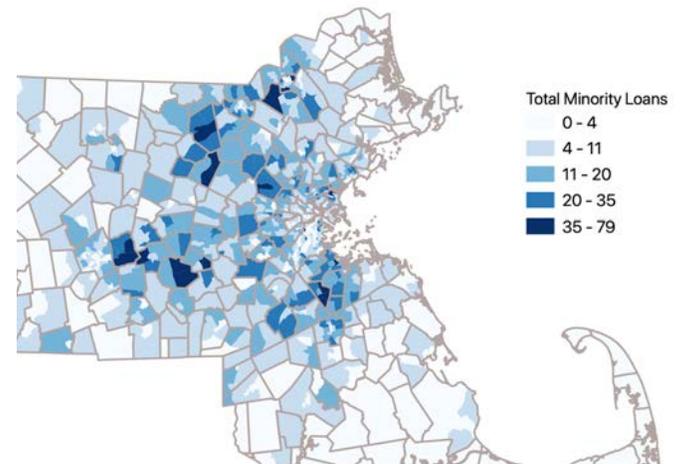
This trend is important; however, it does not occur consistently based on geography. The capstone team conducted a mapping exercise to visualize the HMDA data for non-FHA loans to minorities in 2017. Figures 1 & 2 show the geographic spread of home mortgage loans to minorities at the census tract level. These maps make obvious the concentration of minority loans in a select few municipalities, whereas most cities and towns have below 20% of loans to minority buyers. The MCBC found “in 65 of the state’s 351 cities and towns, the same number as in 2016, there was not a single home-purchase loan to either a black or Latino homebuyer” (Campen, 2018, p. 12). Looking at Figures 1 & 2, one can see most raw total minority loans are occurring outside of the inner core around Boston and have both higher percentages and higher totals in a select few gateway cities including Lawrence, Brockton, and Lynn.

Figure 1: % of non-FHA loans to Minorities by Census Tract (2017)



Source: Home Mortgage Disclosure Act (2017)

Figure 2: Total non-FHA loans to Minorities by Census Tract (2017)



A complex system of disadvantage and disparate treatment may explain these geographic disparities by race. Campen’s research found black denial rates on non-FHA loans in Massachusetts (2017) were much higher than white denial rates (12.5% vs. 5.8%), even when controlling for income (p. 12). High-cost housing has been a major barrier for creating homeownership opportunities, specifically its low to moderate income households of color. Reardon, Philbrick & Partridge Guerrero (2020) argue under-production of all sizes of units has left 46% of households with children cost burdened and 9% overcrowded in the inner core of the Boston region. Interestingly, a factor in low new supply of housing may relate to Einstein et al.’s (2017) finding that longtime, older & white (male) resident homeowners in Massachusetts are most likely to attend local meetings and more likely to oppose rather than support new development. As lower income households of color are priced out of housing in the close-in region around Boston, many may search elsewhere.

These high cost and uncomfortable conditions make the Boston area less desirable for low to moderate income families, an important demographic for a healthy and sustainable metropolitan area. Despite overall population increases in the past decade, the City of Boston has also seen declines in school aged children, likely impacted by the aforementioned costly and overcrowded conditions. This population decline was not equal across race. In fact, “Boston lost roughly 8,400 Black school-aged children and 4,700 white school-aged children between 2000 and 2017” (Ciurczak, Marinova & Schuster, 2020, p. 6). Ensuring residents are not pushed out of their communities remains an important yet difficult problem for policy makers.

STASH may be one tool for policy makers to tackle this regional issue. The findings in this section have shown STASH and other programs are needed more than ever; however, homeownership programs’ efficacy (like STASH’s) are limited by these findings of high cost housing and displacement. The next section outlines the current debate around specific approaches for programs like STASH to subsidize homeownership opportunities for their participants effectively and efficiently within this supply constraints.

Deed Restrictions

Deed restrictions, regarding affordability, are simply riders within a property's deed that limit or restrict the sale, transfer, or refinancing of said property. Rules around deed restrictions in Massachusetts occur both at the state and municipal levels. According to Mass Gen. Laws ch. 184, §23, covenants cannot last in perpetuity, with 30 years as a default time period if no expiry date is listed. From there, each municipality is able to set up their own rules regarding affordable homes through deed restrictions. For example, the City of Boston requires their deed restrictions to last 50 years, buyers must be first-time homebuyers and must participate in a homebuyer education program, and the city's Department of Neighborhood Development determines a "Maximum Resale Price" (City of Boston, 2018). According to an interview with a key MA housing policy stakeholder, Boston's return on investment limit ranges between ~3-5%.

Deed restricted properties offer the benefit of secure, low-cost, healthy homes, but not always the other benefits of homeownership. Research has shown that some homebuyers are so desperate to own a home that they accept a deed restriction without fully understanding its tradeoffs (Gagliardi, 2006, p. 16). When a potential homebuyer does understand the restrictions, they may be discouraged from the purchase and instead purchase a dilapidated property that they cannot afford to renovate; furthermore, key stakeholders mentioned in the interview process that deed restrictions can lead to decreased investment (e.g. improving the kitchen, fixing damaged walls etc.) in the property as the owner is less likely to see a return on that investment. Additionally, interviewees commented on deed restrictions as a tool for building community, but not necessarily building wealth, which is a cornerstone of STASH.

Down Payment Assistance

Down payment assistance is financial assistance for a portion of up-front costs when purchasing a home. There are a number of programs that offer down payment assistance throughout the Commonwealth, primarily at the municipal level. MassHousing recently began its down-payment assistance program in the form of a 15-year, fixed rate loan (1% interest) for up to 3% of the purchase price down or \$15,000. These call for regular monthly payments towards the loan. Municipal programs somewhat resemble MassHousing's program, but have important differences. For example, the City of Boston offers no interest loans for up to 5% down of the purchase price of a home or condo. Many municipal programs do not require payback until sale or refinancing.

One of the largest deterrents for renters has been perceptions of high down payment costs: "Thirty percent of homeowners and 39 percent of renters believe that you need more than 20 percent for a down payment" (Goodman et al., 2018, p. 3). This may be a misperception of old truths; while many programs offer at least 95-97% LTV loans (3-5% down), many renters across the country had these aforementioned inflated ideas of up front down payment costs. This is salient to STASH as first-generation homebuyers are by definition renters.

Down payment assistance would also be more effective in a state like Massachusetts. "Some high-cost regions, such as California, Massachusetts, and New York, have lower median LTV ratios of 90 percent because of a higher share of jumbo loans that require larger down payments" (Goodman et al., 2018, p. 4). Even without these jumbo loans (typically buyers using Fannie/Freddie low LTV mortgages), Massachusetts has a supply issue that is beyond the scope

of increasing the purchasing power of low-income first-generation homebuyers. According to the Greater Boston Housing Report Card (2019), for Boston's MSA "the median [home price] in the middle tier of the market is around \$470,000" and the median for the lower tier is nearing \$300,000, which the authors relate to the lower inventory increases in new homes that compare to 1998 levels (Modestino et al., p. 40-42). Even with a 3% down on a median home value, this would entail spending over ten thousand dollars just on the down payment, which is out of reach for most low-income families.

Down payment assistance may have a significant impact on effectively placing high median down payment costs closer within reach of low-income, first-generation families in the Commonwealth. Perhaps more importantly, it may double as a marketing tool for those who see homeownership as an impossible dream. Collins (2014) writes:

"Policies focusing on saving for down payments and closing costs may offer the greatest potential for converting the marginal renter into a homeowner, although at significant cost. Because it can take years to accumulate savings, such policies may accelerate owning in the life cycle of some households while for other households homeownership may never have been an alternative without the policy" (p. 186).

Collins' finding is not universal: Engelhardt (1994) found higher home prices led to lower likelihood of participation in Canada's "Registered Home Ownership Savings Program". It should be noted that Canada's program is a tax-break, whereas MAHA offers a direct cash subsidy. More research is needed on the effects of the form of down payment assistance and if marginal renters are more likely to participate with direct cash assistance as opposed to tax incentives. This would follow logically from Cooperstein's (1989) finding that "factors which reduce the transactions cost of changing tenure, such as current assets," better explain tenure change to homeownership than permanent income (p. 232).

Furthermore, down payment assistance is beneficial as it lowers up-front costs; however, "they often ignore the unanticipated maintenance and repair costs of owning a home" in the long term (Theodos et al., 2019, p. 867). These unexpected costs can lead to incurred debt that lowers potential wealth accumulation, especially for first-generation homeowners. This signifies the importance of education and assistance around home repairs, their subsequent costs. MAHA currently conducts this type of education through its Homeowner 201 courses, and it should ensure its STASH participants engage in this continued education, as they are especially primed to benefit from them.

As first-generation homeowners are by definition (intergenerational) renters, utilizing down payment assistance as both a subsidy and marketing tool will likely result in attracting this hard-to-reach population that has been unable to access wealth generation through homeownership. This comes at significant subsidy cost, especially as housing supply continues to lag demand, causing prices to rapidly rise.

Key Findings

Definition and Messaging

- First-generation college students face challenges in many aspects of their college lives and it is important to identify them and offer support. The definition of first-generation college students put forward by the Higher Education Act is applied by most universities and proved efficient in practice. It is a great reference for the definition of first-generation homebuyers.
- Higher education and homeownership are effective ways of creating upward mobility and building family wealth. First-generation college students and first-generation homebuyers face similar obstacles to achieving them.
- Currently audiences including funders, policy makers, nonprofit partners, and potential participants have a need to be educated on the population of first-generation homebuyers and the STASH program.
- A communications plan behind the term and the issues surrounding the need for the STASH program will make it more widely known, which can lead to awareness around the need for the program, attracting additional funders, and a spotlight for policy makers and potential program participants.

Verification

- Verification for first-time homebuyer status takes relatively few, easy-to-obtain documents.
- There is little gray area in verification: either an applicant is qualified, or they are not. This is efficient, though leaves little room for special circumstances.
- There is no way to verify someone as a first-generation homeowner solely on the documents required for first-time homebuyers.

Policy

- Due to disparate treatment for minorities in the mortgage lending process and high cost homes due to low supply relative to demand, first-generation homebuyers are left with few options to purchase a home.
- Massachusetts housing stakeholders spoke positively to down payment assistance subsidies, while acknowledging its weaknesses with high implementation costs and inability to keep residents within high cost areas such as Boston.
- Deed restrictions were less positively acknowledged by interview participants regarding wealth accumulation; however, it was perceived as a stronger community builder.
- The current academic debate parallels professional opinion and suggests down payment assistance can effectively convert renters into homeowners and is the most attractive subsidy to the target population.

Recommendations

Definition and Marketing the Term

Definition

The Capstone team recommends largely maintaining the current definition of first-generation homebuyers used by STASH, adding clauses regarding the first-generation homebuyer status for those who were in foster care and changing the verification period regarding the applicant's parental homeownership history.

Policy makers at both state and federal levels have created programs aimed at increasing access to postsecondary education among those individuals who were in foster care by reducing or eliminating financial barriers. The current definition could potentially exclude this population from the first-generation homebuyer group if their foster parent had owned a home. We recommend that STASH expand their definition of a first-generation homebuyer to automatically qualify an individual who was in foster care as a first-generation homebuyer.

The current definition also requires that applicants' parent(s)/legal guardian(s) must have never owned a home. The capstone team recommends revising the definition to an applicant's parent(s)/legal guardian(s) must have never owned a home during the applicants' lifetime. This change will allow for easier verification of the status when a history of addresses is requested. In addition, only having homeownership history before an applicant's birth means that their parents failed to sustain the homeownership.

The recommended definition would read as follows. A first-generation homebuyer is an individual who is a first-time homebuyer and meets the additional criteria below:

1. The individual does not currently, nor have they previously owned a home;
2. The individual's parent(s)/legal guardian(s) do not currently, nor have they previously owned a home in the applicant's lifetime;
3. The individual's spouse, if applicable, does not currently own a home and has not previously owned a home; or
4. The individual was in foster care.

Marketing the Term "First-Generation Homebuyer"

In the mission to support first-generation homebuyers, an important first step is to utilize consistent messaging around the definition and clarify the reasoning behind the support of this population so that it becomes a familiar term with an intelligible definition. The term first-generation homebuyer appears straightforward on the surface. However, due to the novelty and lack of recognition within existing housing policy, first-generation homebuyer as a population group and term is actually quite complicated. There are many layers to peel back beyond simply the fact that a homebuyer's parents or legal guardians have never owned a home, which when understood, drives home why targeting this group can pay off in ways that existing first-time homebuyer programs do not. The success of the STASH program will be maximized when there is a general awareness of the term and the issues it is addressing via consistent messaging, particularly among specific audiences.

Key Messages

The Definition

A first-generation homebuyer is an individual who is a first-time homebuyer and meets the additional criteria as follows:

1. The individual does not currently, nor have they previously owned a home;
2. The individual's parent(s)/legal guardian(s) do not currently, nor have they previously owned a home in the applicant's lifetime;
3. The individual's spouse, if applicable, does not currently own a home and has not previously owned a home while they were married; or
4. The individual was in foster care.

The Issues STASH is Addressing

First-generation homebuyers have a unique set of challenges between them and purchasing a home. First and foremost, first-generation homebuyers lack the generational wealth of their peers whose parents have previously owned a home. They also face the challenge of navigating the tangled web of home buying policies, procedures, and jargon without any nuclear family to assist with the process.

Communications Plan

Audiences

Identifying MAHA's target audiences is a key step during our communication planning.

- Lenders
- Corporate funders
- Policy makers
- First-Generation homebuyers
- Non-profit community partners

Tactics

With our list of audiences, we then planned methods that would fit each audience best.

MAHA website

MAHA's website should serve as a hub of resources for all of our key audiences. The recommended pages for inclusion include:

- A quiz entitled "Am I a first-generation homebuyer". The quiz can be based off of the information in Appendix A.
- Information on the issues and obstacles that first-generation homebuyers face and how STASH addresses these.
- Profiles of program graduates. The profiles can also be used on social media and in future grant-reports and applications.
- Content on how an applicant can get started including FAQs for home buying and budget tools.
- Contact form for individuals interested in applying or for a nonprofit interested in having their own STASH program.

Mass.gov webpages

It is crucial that there is up-to-date information about the STASH program on the mass.gov website with a link to the MAHA website for all of our key audiences. This will ensure that potential applicants are being directed to the most updated and accurate information.

MAHA social media channels

MAHA's social media channels will help to attract potential first-generation homebuyers and be a potential benefit for future corporate funders. Proposed social content includes:

- “First-gen Fridays” where every Friday a fact or statistic about first-generation homebuyers or the STASH program is posted.
- A #myfirstgenhome is a campaign that could be carried out by requesting program participants to chronicle their stories either via an account takeover or by sharing on their page and tagging MAHA. Profiles can also be shared on the MAHA website. For the potential of gaining more audience attention, program graduates can do an MTV “Cribs”-like home tour.
- Partner with social media accounts such as “SPARK Boston” who have active followers that may be in STASH's target population and have them host an Instagram-live with Tom or Symone and/or program graduates and participants.

Printed literature

Printed literature should be updated with STASH program information and key messages. The literature can be distributed to potential non-profit partners who serve STASH's target populations in key geographies, current lenders participating in first-time homebuyer programs, and organizations running first-time homebuyer programs so that they can inform eligible participants.

Traditional media opportunities

Given STASH is the first of its kind, there will be opportunities to pitch media using the content from the first-generation homebuyer stories on social media or on the MAHA website. There may also be opportunities to pitch hyper-local media, based where a first-generation homebuyer has purchased their home.

Ambassador Group

Establish an ambassador group made up of STASH program graduates. This group will serve as MAHA's go-to contacts when there are opportunities or requests for speakers (from funders, non-profit partners, recruitment opportunities), media requests, needs for statistics, or a mentor for a current participant.

Verification

The team recommends verifying the first-generation status of an applicant with an affidavit affirming the applicant meets the definition, documentation of the identity of the applicant's parents or guardians, and a list of addresses where the applicant has lived with dates and which parent/guardian lived there as well, provided by the applicant.

The affidavit provides assurance that the applicant is telling the truth. If not, there are potential criminal penalties for perjury (Mass. Gen. Laws Ann. ch. 268, § 4). This assurance is similar to the affidavit that the first-generation buyer signs to prove they are a first-time homebuyer. This is more than the Department of Education requires for proof that someone is a first-generation college student. As the applicant is signing another affidavit as part of the homebuying process, the cost of this verification is low, while the benefit is high.

The other pieces of information are needed to verify the applicant's status. Documentation of the identity of the applicant's parents/guardians, a birth certificate or court record, is obtainable by the applicant. For instance, in Massachusetts a birth certificate costs \$20 to obtain in person from the Registry of Vital Records and Statistics (Registry of Vital Records and Statistics, n.d.). For an applicant whose guardian was not a birth parent, they may submit a certified copy of a decree and order of appointment of a guardian of a minor. In Massachusetts, this is obtained for \$22 from the Probate Court (Probate and Family Court, n.d.). Given many applicants may not be able to state all of their past addresses, address history should be collected as a best effort and it will not be part of the affidavit. This information can be supplemented by a background check on the applicant's parents/guardians. The applicant's addresses could be used to check the owner of those properties during the time period the applicant lived there. This would allow for confirmation that the previously established parent/legal guardian was not in fact, the owner at the time of residence.

In the case of an applicant with a spouse, the affidavit will be supplemented by the spouse providing documentation that they do not own a house. This would likely be part of the income tax records needed to prove the applicant is not a first-time homebuyer, but in the event, they filed taxes separately for any of the last three years, the spouse's federal income tax filings would be required.

Participant Verification Audit

The information on parents/guardians and the applicant's addresses will not be used for initial verification, but rather the information will be saved and MAHA or a third party should periodically audit a percentage of the homebuyers in the program. This will provide MAHA the best return for the cost of verification.

Our research found no reliable source for finding all of the property owned by an individual across the country. Our recommended alternative starts with a background check on parents/guardians, running less than \$100 and provides address history (Scott 2019). If the address history from the background check does not largely match the address history provided by the applicant in their application, that would be a signal to investigate further. We also found it possible to take a list of addresses and find the owners of each address over a certain time period via a title search. While a property could be owned by a limited liability corporation without a name attached, or owned by someone else with the same name, the accuracy of a title search for an address should be sufficient. Many jurisdictions have property records free online, however in cases where it is necessary there are third party services available.

If, as the program scales up, audits determine that an unacceptably high percentage of applicants are misrepresenting their status, either more verification will have to be done up front, or the

program application and requirements may be confusing applicants. Both possibilities would need to be addressed. MAHA could pursue other actions against a misrepresenting applicant, but the time and effort may not be worth the benefit.

The team considered and rejected other documentation for verification. While tax records would indicate if an applicant's parents currently owned a house, it would not prove the applicant was truly first-generation. Additionally, those records could only be had with the consent of the parents/guardians, which could be a large burden on the applicant. Credit reports could also reveal if a parent/guardian had a mortgage debt, but those are also impossible to obtain without the consent of the parent/guardian.

Policy

A range of tools are available for homeownership subsidy for first-generation homebuyers in Massachusetts, however the research suggests MAHA's down-payment assistance approach is the most effective means for subsidizing first-generation homeowners and should continue to be the primary subsidy MAHA enlists for its STASH program. MAHA should utilize increased marketing of the program explicitly as a down-payment assistance program.

Additionally, MAHA should continue its advocacy efforts towards increasing housing supply to ensure opportunities for homeownership are not hindered by severely insufficient home supply. Homeowners in the Commonwealth are the most likely to participate in local government, and they typically oppose new housing (Einstein et al., 2017). As part of their existing Civic Engagement campaign, MAHA should target their successful STASH participants as shepherds of new housing supply in their respective local government meetings.

Down Payment Assistance

The research shows that down payment costs are the largest barrier to homeownership for low-income renters. This is due to median home prices that are out of reach for most low-income renters in the Commonwealth. Despite such high costs, renters nationwide have inflated perceptions of down payment costs. For first-generation homebuyers who lack the familial education around the home buying process, this inflated perception may be even more prevalent.

The common perception that down payment costs are around 20% of the value of the home, necessitates down payment assistance programs to act as an education tool to convert these marginal renters who would like to buy a home, however, view it as impossible. For many of these individuals, it *is* impossible without a down payment subsidy. Therefore, this Capstone team recommends MAHA continue its path, and work towards expansion of its down payment assistance for first-generation homebuyers both as a subsidy and as a marketing approach.

To amplify STASH's subsidy further, MAHA should continue utilizing the existing network of down payment subsidies that are currently offered at the municipal level and engaging with the increasing state involvement in down payment assistance funding. Greater down payment assistance can be essential for opening up homeownership opportunities in geographic areas that provide greater wealth accumulation.

Deed Restrictions

While this capstone team does not recommend MAHA pursue deed restricted properties as the main tool for subsidizing their first-generation homebuyers, they should continue to educate participants on the tradeoffs they entail. Resale restrictions should be simplified so homebuyers are better able to understand the risks and benefits of their investment. If restrictions are in place, the resale formula should allow homebuyers in weak market neighborhoods to accumulate equity.

Finally, MAHA should seek out innovative uses of deed restrictions, with different limits for return on investment, flexibility based on geography and changing market conditions, and lower time duration of restrictions, ideally under 30 years to ensure wealth accumulation for participants.

Conclusion

Due to a complex system of racist policies, both historic and contemporary, at all levels of government, racialized housing patterns have persisted throughout the country, including in the Commonwealth of Massachusetts. MAHA has impressive goals of tackling these racial equity challenges through advocacy. By targeting first-generation homeowners, MAHA's program, STASH, provides down payment assistance and financial guidance to individuals and families that have historically been excluded from this means of wealth generation.

Being that STASH is a first of its kind program, there are no other similar programs in the country to reference for an exact basis of essential definitions or frameworks. The Capstone team used first-generation college student programs and first-time homebuyer programs as reference points guiding further research into creating concrete definitions, effective messaging, verification processes, and official position on related policy issues.

MAHA's current definition of first-generation homebuyer proved to be largely in-line with what is used in education and among first-time homebuyer programs. For that reason, the team recommends that the current definition be maintained with minor revisions including adapting the requirement that the parent(s)/legal guardian(s) have not owned a home in the applicant's lifetime, instead of in their lifetime. Furthermore, due to the long-lasting consequences of foster care, those individuals who were in the foster care system do not need to meet the legal guardian requirement.

Much of our recommendations for definition were driven by the ability to verify the qualifications. The research suggests MAHA's approach using a signed affidavit is sufficient, with additional requirements for legal documents including, but not limited to, documentation of the identity of the applicant's parents or guardians, and a list of addresses where the applicant has lived with dates and which parent/guardian lived there as well, provided by the applicant. Producing the documents will put the burden on the applicant, but we recommend that MAHA periodically audits applicants to determine if further refinement to the verification process is needed.

With a concrete definition and verification process, MAHA should execute a multi-channel communications plan. The success of the STASH program will be maximized when there is a general awareness of the definition and the issues it is addressing via consistent messaging, particularly among specific audiences. A populated website, consistent social media content, revised printed literature, and earned media opportunities will help to achieve the goal of making first-generation homebuyers a legitimate designation among lenders, funders, policy makers, non-profit partners, and homebuyers.

Finally, STASH uses a matched savings of \$2,000 paid directly to its participants for its subsidy policy. The research in this report suggests down payment assistance is the most stable and useful means of subsidy for first-generation homebuyers. Continuing this form of direct subsidy and including this in the messaging surrounding the program is essential to create sustained, wealth generating homeownership for low-income minorities in Massachusetts.

The recommendations offered in this report provide insights for one piece of a complex system of solutions necessary to combatting deep racial inequities in Massachusetts and beyond. The findings may help MAHA to continue to grow and refine their STASH program, allowing for more first-generation homebuyers to increase assets and improve the affordability and stability of home for themselves and their children.

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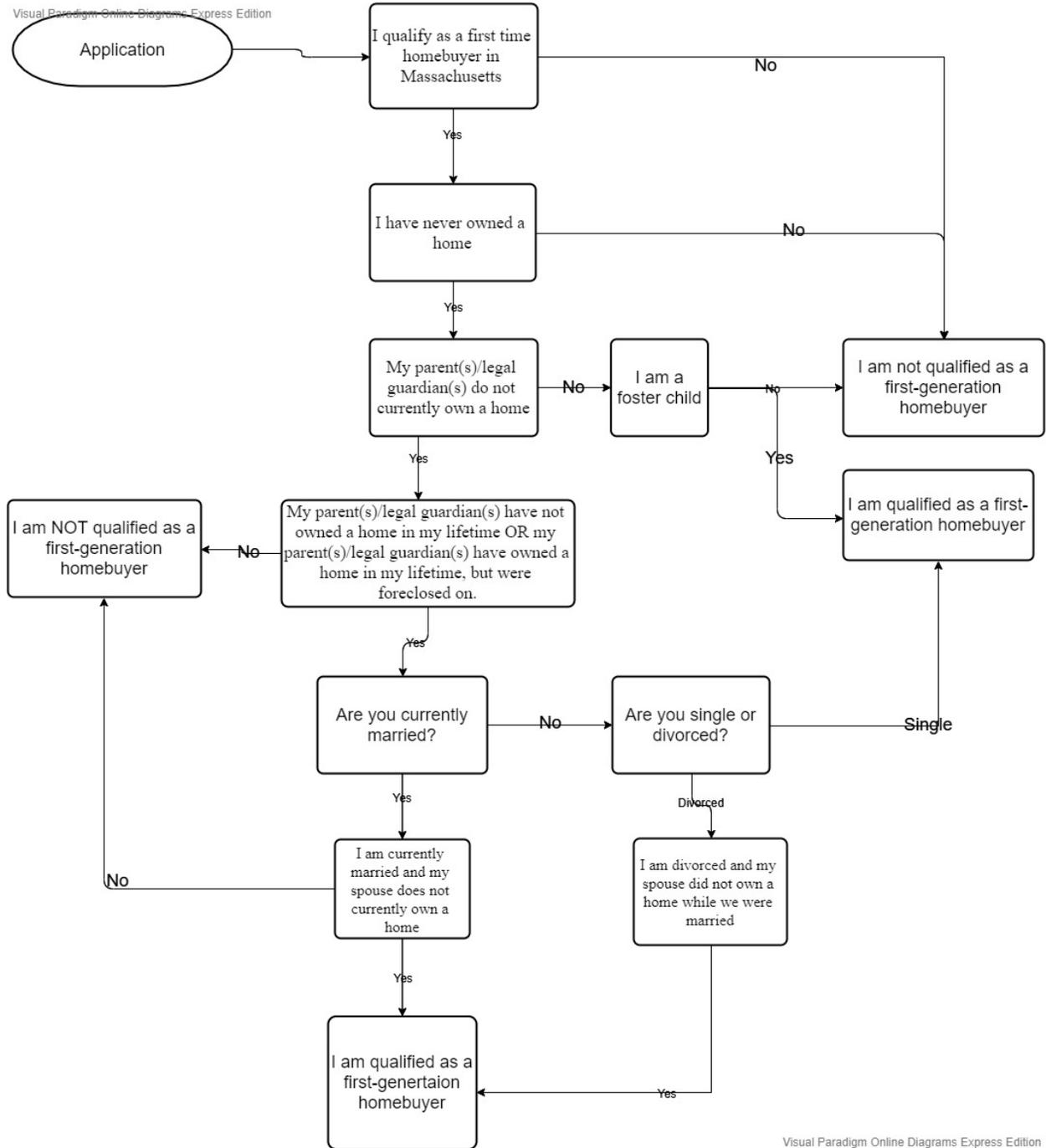
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Appendices

Appendix A

Am I a "First-Generation" Homebuyer?





My STASH 1st Generation Affidavit

NOW COMES, the undersigned named _____, who under the pains and penalty of perjury state the following information to be true and accurate:

I am a resident of _____, _____ County, Massachusetts, zip: _____;

I am a *First Generation* homebuyer;

I do not currently own a home nor have I previously owned a home;

My parents and/or legal guardian do not currently own a home and has not previously owned a home;

My spouse, if applicable, does not currently own a home and has not previously owned a home while we were married.

IN WITNESS WHEREOF, the said signer has caused this instrument to be sealed and signed this _____ of _____, 20

COMMONWEALTH OF MASSACHUSETTS

_____ County _____, 20

On this ____ day of _____, 20 __, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on this document, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his/her knowledge and belief, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public:
My Commission Expires:

First-Generation Homeownership Interview Questions

1. What role do you (or your organization) play in implementing homeownership programs/policies in Massachusetts?
2. What issues do you see with current homeownership programs in addressing Massachusetts' racial wealth gap?
3. Are you familiar with MAHA's STASH ('First-Generation Homeownership') program?
4. Would 'first-generation' target the communities that we want to target--low income, non-white?
5. What are the most effective ways to target first-gen buyers? Down payment assistance, discounted mortgage products, preference in affordable housing lotteries, fewer limits on deed-restricted properties allowing greater equity build-up?
6. How would you anticipate the administrative costs of STASH would compare to typical 'First-Time' homebuyer programs?
7. What steps do you take to confirm someone is a first-time homebuyer? What ways would you anticipate confirming someone is a first-gen homebuyer?
8. What specific legal barriers do you anticipate STASH bumping into regarding Fair Housing Laws?
9. Who else do you think could help us better understand the political landscape of homeownership in Massachusetts?