



Minnesota House of Representatives
Housing Finance and Policy Committee

April 8, 2026

Subject: Support for HF1879 to increase funding for Housing Education Counseling and Training

Dear Chair Igo, Chair Howard, and members of the committee,

I am writing in support of HF1879 to increase funding for Housing Education, Counseling and Training (HECAT). Twin Cities Habitat for Humanity works across the seven county metro area to produce and preserve affordable homeownership opportunities. As an organization committed to supporting our clients through every stage of the homebuying process, we know programs like these are an important and needed resource in the housing ecosystem. This program allows dedicated providers to prepare households for homeownership through pre-purchase counseling and to be a critical resource for those facing foreclosure.

At a time when affordability is such a significant barrier to homeownership, information shouldn't be an additional barrier. This program ensures first-time buyers can become mortgage ready and are fully informed throughout and after the homebuying process, helping expand access and open doors to homeownership, and supporting long-term affordability.

We also know that pre-foreclosure notices are on the rise in Minnesota, and foreclosure prevention counseling has shown to be highly impactful in improving outcomes in these situations. Having a qualified, neutral third party that can inform residents of their options, act as an intermediary with lenders, or help make a plan for households to get back on track with their mortgages helps prevent displacement and protect homebuyers.

Thank you for your consideration of this issue. We encourage your support of HF1879, which provides critical resources to support homeownership advising services in our state, and look forward to working together to ensure everyone has a decent, safe, and affordable place to call home.

Sincerely,

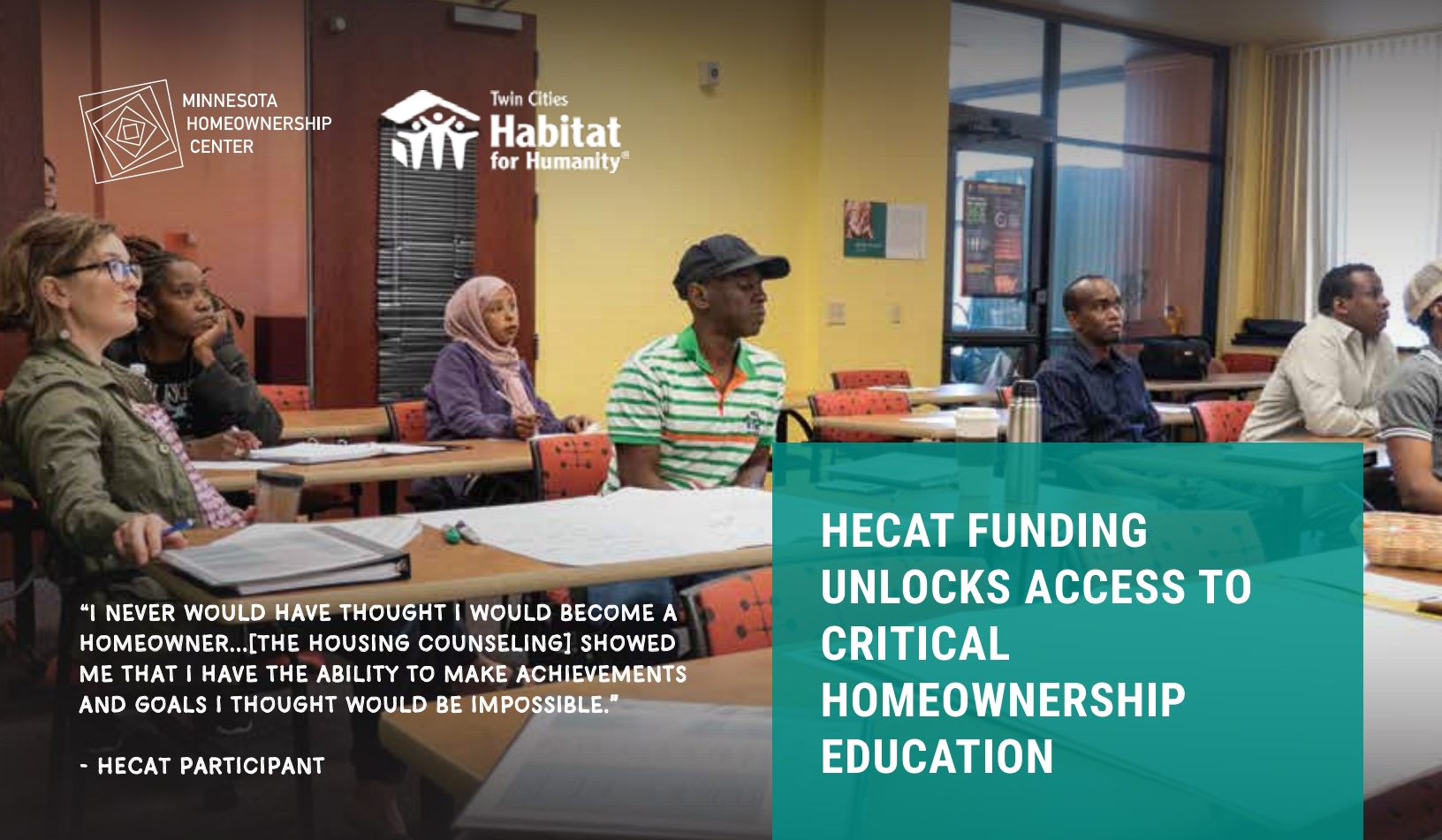
Eva Goldfarb
Government Affairs Coordinator, Twin Cities Habitat for Humanity



MINNESOTA
HOMEOWNERSHIP
CENTER



Twin Cities
Habitat
for Humanity®



"I NEVER WOULD HAVE THOUGHT I WOULD BECOME A HOMEOWNER...[THE HOUSING COUNSELING] SHOWED ME THAT I HAVE THE ABILITY TO MAKE ACHIEVEMENTS AND GOALS I THOUGHT WOULD BE IMPOSSIBLE."

- HECAT PARTICIPANT

HECAT FUNDING UNLOCKS ACCESS TO CRITICAL HOMEOWNERSHIP EDUCATION

Increasing HECAT funding from \$857,000 annually to \$2 million per year will ensure that all Minnesotans have access to unbiased and culturally responsive counseling that stabilizes their housing.

HECAT-FUNDED COUNSELORS SUPPORT HOUSEHOLDS IN ALL PHASES OF THEIR HOUSING JOURNEY THROUGH:

FLEXIBLE, LOW-BARRIER & STABILIZING

- **Homebuyer counseling and financial wellness coaching:** Helping homeowners get mortgage ready through credit building, budgeting, and rental stabilization.
- **Group education:** Classes in multiple languages that orient buyers to the home purchase process.
- **Foreclosure prevention:** Stabilization counseling to avoid foreclosure.
- **Connecting cost burdened renters** with down payment assistance and shared equity homeownership solutions that make homeownership possible.

CULTURALLY RESPONSIVE

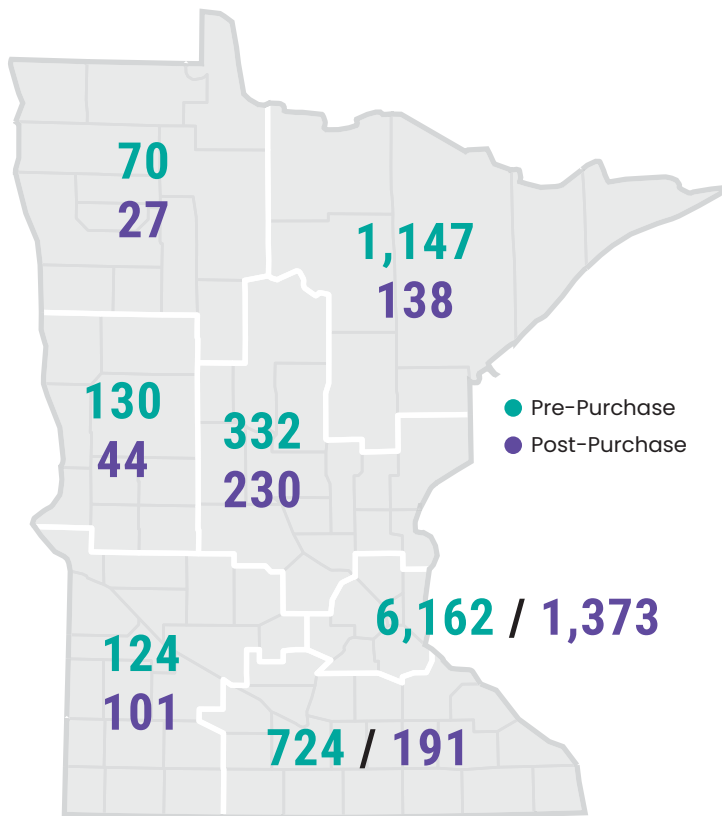
- Advisors offer guidance in Spanish, Hmong, Somali, and Oromo, with translation support for other languages.
- Counselors in the 30-member Advisors Network reflect the diversity of our Minnesota community.

UNBIASED

Counselors are trained to meet residents where they are and to offer unbiased advice—before buyers move on to work with lenders and realtors. This is especially helpful for **first-time and first-generation homebuyers**.

2022 - 2023 HECAT REACH

HECAT stabilizes nearly 30 housing counseling agencies throughout the state to provide homebuyer education and foreclosure prevention counseling.



WELL-FUNDED HECAT HELPS DIVERSE HOMEBUYERS ACHIEVE STABILITY

PRE-PURCHASE, 2022-2023

4,977 people prepared themselves for homeownership through HECAT-funded homebuyer education classes.

4,029 households gained unbiased homebuying guidance from advisors in our statewide network.

Across these households:

- 88%** first-time homebuyers
- 46%** first-generation buyers
- 64%** BIPOC
- 83%** at or below **80%** AMI

POST-PURCHASE, 2022-2023

2,117 households received foreclosure prevention counseling. Of those who completed counseling, **96%** avoided foreclosure.

35% of post-purchase households were BIPOC, and **90%** were at or below **80%** AMI.

MINNESOTA HOMEOWNERSHIP CENTER: BACKBONE SUPPORT

As a statewide intermediary, the Center provides all HECAT grantees backbone support and partnership through:

- Ensuring** all organizations and counselors uphold industry standards by monitoring and holding accountable their work to using funds for services that directly support homebuyers.

- Leveraging** HUD funding alongside HECAT and philanthropic funding to provide a deeper and more consistent level of support for homeownership counselors.
- Acting** as a strong safety net for smaller nonprofit counseling organizations to help them onboard employees and weather any staff turnover.


QUESTIONS? REACH OUT TO:


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Greta Gaetz | greta.gaetz@tchabitat.org



Pre-foreclosure Notices Received by Quarter: 2010 to 2025

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Q1	18,412	14,595	12,106	9,291	5,528	5,887	4,918	4,012	3,979	5,435	4,208	715	3,785	3,090	3,306	4,845
Q2	17,001	13,372	9,995	6,758	6,426	5,459	4,021	3,998	3,669	3,974	595	667	3,091	2,422	3,272	4,372
Q3	18,982	14,586	10,016	7,229	5,657	4,998	4,222	3,271	3,823	4,104	658	862	3,008	2,947	3,675	4,384
Q4	17,270	12,016	6,937	5,500	5,693	4,429	4,295	3,774	5,055	4,792	610	2,615	2,667	2,945	4,284	5,015
TOTAL	71,665	54,569	39,054	28,778	23,304	20,773	17,456	15,055	16,526	18,305	6,071	4,859	12,551	11,404	14,537	18,616


 Foreclosure crisis*


 Covid forbearance

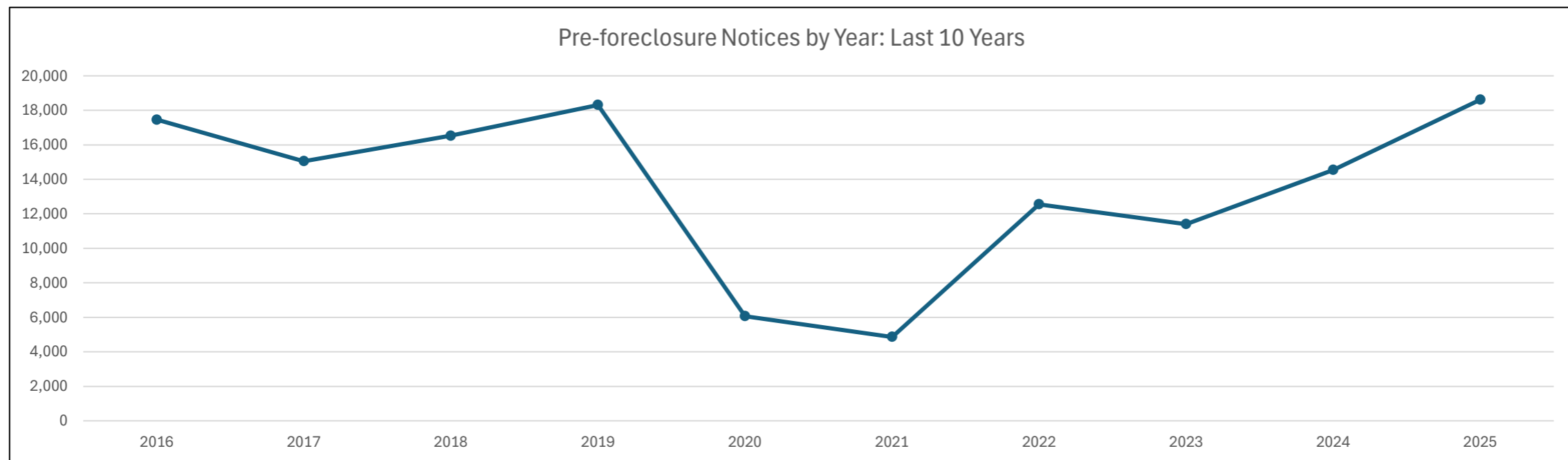
*CoreLogic's National Foreclosure Report estimated that the national foreclosure inventory in early 2015 was roughly one-third lower than a year earlier and back to levels last seen in 2008.

Of note:

PFNs received in 4Q 2025 were highest since the first quarter of 2019.

In the past ten years, the PFN quarterly total has been above 5,000 just three times, including the fourth quarter of 2025.

The annual PFN total for 2025 is the highest it been since 2015, which was the first year after the foreclosure crisis ended.



Source: Pre-foreclosure notice data collected by foreclosure housing counseling agencies in the Minnesota Homeownership Center's Homeownership Advisors Network.