Home Repair Resource Center (HRRC) Strives...

✓ To promote community recognition of the need to preserve, maintain and upgrade the areas older housing, so that it remains an attractive place to live with a stabilized housing stock.

✓ To address forces that negatively impact maintenance of the housing stock, through education, advocacy and programming.

✓ To strengthen the financial management skills of homeowners and potential first-time homebuyers, so they will be able to manage money, improve credit, and make wise financial decisions that will enable them to care for their homes and avoid foreclosure.

✓ To guarantee bank loans for homeowners who need assistance in qualifying for financing and to provide financial help to homeowners of low and moderate income, so that homes are repaired in a timely and appropriate manner.

✓ To provide tools, instruction and other resources that will enable homeowners to repair and maintain their homes economically.
HRRC Programs and Services

- Home Buyer Education Programs
- Financial Education and Counseling
- Down payment Assistance Program
- Foreclosure Prevention and Counseling
- Tool Library
- Repair Education Workshops
- Home How-To Women’s Only Repair Workshops
- Senior Repair Program and Services
- Financial Assistance (available for eligible homeowners in select neighborhoods and cities)
Challenge Fund Loan Guarantee Program

- In 1973 then FHCHC created a loan guarantee program, The Challenge Fund, to ensure homeowner access to repair financing and to keep up with Cleveland Heights’ then-new residential housing code enforcement program.

- The Challenge Fund grew from the initial $500 in seed money from Forest Hill Church to more than $160,000 with individual donations and grants from area Foundations.

- By guaranteeing repayment of home improvement loans for homeowners initially judged by lenders to be poor credit risks or lacking the necessary equity for the loan, the Challenge Fund leverages increased bank investment in our region, allowed homeowners to meet their repair needs, and helped them to build and strengthen their financial stability.
Program Eligibility and Operation

- Participants must be an owner-occupant of a 1-or 2-family home in the eligible geography (historically Cleveland Heights), but unable to secure conventional financing, and have sufficient resources to maintain loan payments.

- Eligible repairs are those needed to maintain or replace the basic systems and preserve the structure of the property in order to protect and extend the life of that property and or to protect the health and safety of its occupants.

- HRRC provides either a 40% or 100% guarantee of repayment to the lender in the extraordinary circumstances that the is not able to repay their debt.

- Participants receive intensive financial counseling, project support, and project management as a part of the program.

- HRRC ultimately considers a range of factors in determining whether to provide the guarantee.

- Once the loan is approved with the guarantee, funds are disbursed to HRRC who then handles all disbursement of project funds to contractors.
Challenge Fund by the Numbers

- Loans to date: 1008
- Averages loan size: $5,142.63
- Current exposure: $22,078.70 @ 100%
- Current lending partner: KeyBank
- Year with most loans: 2011 (26)
- Active loans: 6
- Repayment percentage: 94%
- Delinquent loans: 0
Challenge Fund Project
Why The Success?

TRUST

Staff works closely with each prospective loan recipient with budgeting, prioritizing repair needs, developing repair specifications, preparing them to interview contractors and serving as a resource throughout the entire process.
Expansion Efforts

- 2016 HRRC and Organize Ohio approached Ohio Savings/NYCB about potential expansion of the program into South Euclid, Euclid and Lakewood after HMDA revealed significant regional deposits, but a paltry lending record.

- Local housing advocacy groups such as: VAPAC, Cuyahoga County Housing Stakeholders, GCRC provided the county with recommendations to consider when selecting financial partners their new banking services contract.

- Cuyahoga County selected KeyBank for the contract and included 13 community commitments in their contract.
County Proposes New Banking Services Contract with KeyBank

- Provide banking products for individuals who do not qualify for traditional loans.
- Encourage loan officers to make more home loans in low and moderate income (LMI) areas by increasing compensation incentives.
- Reduce loan transaction fees on original loans of less than $150,000.
- Partner with the County in providing a series of community programs addressing financial literacy and education. At least one program will be directed toward children aging out of foster care.
- Continue to support the County’s HELP Loan Program, which provides low interest loans for home repairs.
- Draft legislation regarding appraisals to create additional opportunities for low and moderate income (LMI) borrowers.
- Commit to increasing the $22 million of Small Business Administration (SBA) loans to LMI small businesses it made in 2019 by 20 percent in 2020.

Extend its participation in the successful Challenge Fund program throughout the County. The Challenge Fund, operated by the Home Repair Resource Center, can guarantee a bank loan on home repairs for homeowners who can afford a monthly payment but are not able to qualify for bank financing because of past credit problems, not enough equity in the house, too much debt, or other reasons.
Proposed Expansion Geographies
Expansion Goals

➢ Capacity Building and Growth Request
➢ Sliding Scale Guarantee
➢ Guarantee Funds for the Loan Loss Reserve
➢ Grant Fund Support
For almost 50 years, HRRC as adapted to the changing needs of our community and we hope to do so for the next 50 years to come. Our vision reflects Cleveland Heights’ values and its people-still reaching beyond boundaries, race and income levels, taking our mission of “empowering homeowners to maintain their homes for sustainable and diverse communities” to new levels.