

ARCS Framework Checklist

Homeownership should be accessible and affordable to all Americans, yet disparities persist, especially for communities of color. Our ARCS framework can help you ask the right questions and build your affordable homeownership and racial equity plan in 4 key areas: **Awareness, Readiness, Community and Solutions.**



Awareness

Define the market in your community

Who are the underserved populations in your market?	<input type="checkbox"/>
Are there specific geographies that should be addressed with a “place-based” approach?	<input type="checkbox"/>
What are the current homeownership rates among different ethnicities in your lending footprint?	<input type="checkbox"/>
What views do these demographics currently hold on homeownership?	<input type="checkbox"/>
What is their trust level of lending institutions?	<input type="checkbox"/>

Identify community organizations known and trusted by the segment you’re seeking to help

Which nonprofit organizations that serve this community are either focused on housing or work in a more holistic approach to improve the quality of life among this demographic?	<input type="checkbox"/>
Which local faith-based organizations may welcome the opportunity to partner with homebuyer education providers to serve their communities?	<input type="checkbox"/>
Are there relevant existing efforts being led by local or state entities? If not, which entities can you work with to launch new efforts?	<input type="checkbox"/>

Examine your current homebuying education content

Do your website and social efforts offer education on homebuying and direct people to education provided by the GSEs or accredited providers?	<input type="checkbox"/>
How can you work with your existing homebuyer education provider partners to expand your efforts beyond meeting requirements for certain loans?	<input type="checkbox"/>
What are you currently doing to help non-homeowners understand the value of homeownership and current mortgage requirements?	<input type="checkbox"/>

Research the resources available

Are you familiar with all the programs offering down payment or closing costs assistance in your market?	<input type="checkbox"/>
Which employers in your area offer employer-assisted housing programs? Under conventional conforming guidelines, employer-funded grants are an acceptable source of funds for down payment and closing costs.	<input type="checkbox"/>

Readiness

Understand your market

Where do underserved communities in your area live, work and play? Do you already have a physical presence in those neighborhoods?

What is the community's level of trust in banking and lending institutions? What attitudes toward money, wealth and homeownership are prevalent?

Find partners

Which organizations in your area can you partner with that have built trust and brand recognition with communities of color?

Who provides homebuyer education and counseling within your lending footprint that is either HUD-approved and/or is accredited under the National Industry Standards for Homeownership Education and Counseling¹⁾?

Which local high schools, trade schools, colleges and universities may want to collaborate on bringing more financial literacy training and content to young people and their families?

Examine your own systems and practices

How does the demographic makeup of your institution compare to the community you serve?

Are your loan officers prepared to help homebuyers who need extra guidance?

Does your loan officer compensation structure assure your loan officers will be appropriately focused on helping your organization achieve its community lending and racial equity objectives?

How are you employing fintech to promote readiness? Can you offer technology that helps consumers manage their finances and credit in such a way that they become "Mortgage Ready" sooner?

1) homeownershipstandards.org



Community

Advocate for collective action, strong leadership and inclusivity

How can you plug into existing efforts or take the lead in helping forge brand-new efforts?	<input type="checkbox"/>
Which housing and community stakeholders, including public and nonprofit participants and other private-sector entities, might participate in these efforts? Take inventory of who should be at the table and be sure to invite them.	<input type="checkbox"/>
How can you advocate for strong program management and leadership to assure efforts remain sustained over time, and actions remain collective and coordinated?	<input type="checkbox"/>

Quantify challenges using data and analytics

How can you collect and leverage data and analytics to establish solutions' milestones?	<input type="checkbox"/>
In your lending footprint, who provides homebuyer education and counseling that is HUD-approved and/or accredited under the National Industry Standards for Homeownership Education and Counseling?	<input type="checkbox"/>

Determine your commitment level

What are you able to contribute to the effort in terms of time, talent, expertise and possibly financial support? Be as clear as you can about that commitment.	<input type="checkbox"/>
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Push for results

How can you push your peers for tangible results to avoid platitudinal efforts that achieve little more than the proverbial blue-ribbon task force?	<input type="checkbox"/>
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Find partners

Who are the key stakeholders in the room that you can partner with to pursue your own objectives that align with the broader objectives of the collective action effort?	<input type="checkbox"/>
What are some ways you can find synergy with one another to multiply the positive benefits of the collective effort by working together?	<input type="checkbox"/>



Solutions

Identify the relevant denial reasons in your community

What does HMDA data reveal about denial rates and denial reasons in your area?	<input type="checkbox"/>
Other than HMDA, what other data sets can you deploy to help increase your understanding of market barriers and financing needs (e.g., public data sets such as American Community Survey and American Housing Survey; local government data sets; and proprietary data sets available at cost)?	<input type="checkbox"/>
Which local nonprofits can you partner with to learn about the barriers that potential homebuyers face?	<input type="checkbox"/>

Identify possible resources

Which organizations offer products and programs that complement your racial equity plan?	<input type="checkbox"/>
<ul style="list-style-type: none"> Investors, including Fannie Mae and Freddie Mac and other institutions focused on acquiring affordable housing loans 	<input type="checkbox"/>
<ul style="list-style-type: none"> Mortgage insurance partners 	<input type="checkbox"/>
<ul style="list-style-type: none"> National industry trade organizations, and their local affiliates, such as the Mortgage Bankers Association, the Asian Real Estate Association of America (AREAA), the National Association of Hispanic Real Estate Professionals (NAHREP), the National Association of Real Estate Brokers (NAREB) and others 	<input type="checkbox"/>
<ul style="list-style-type: none"> Housing Finance Agencies 	<input type="checkbox"/>

Identify the areas in which you can offer product and program solutions

What key product resources mentioned above can you leverage?	<input type="checkbox"/>
Which solutions can you tailor to address the specific issues revealed by your market-based housing needs research?	<input type="checkbox"/>
How can you employ those solutions prudently, putting forth programs that limit risk layering, appropriately evaluate a borrower's capacity and willingness to repay, offer fair and equitable financing terms, and are designed to result in long-term, sustainable homeownership?	<input type="checkbox"/>
How will you advertise your product and program solutions to attract "Mortgage Ready Borrowers" that have traditionally not met guidelines for other program solutions?	<input type="checkbox"/>



Explore the ARCS framework further in our 5-part article series at mgic.com/arcs.