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Research Article

Loss in Translation: Housing Counseling Agency Segmentation in the Twin Cities

C. Aujean Lee

Abstract

Housing counseling agencies (HCAs) in the Minneapolis-St. Paul area have served as important resources for homeowners at risk of foreclosure. However, Asian American–serving HCAs have experienced increased segmentation in the nonprofit sector and also among HCAs because of language assistance. Using interviews with foreclosure counselors, this study finds that HCAs that provide Asian-language assistance experience similar challenges as other HCAs, but are also at a disadvantage in resources and capacity compared to other HCAs. The study has implications for how to better serve immigrant homeowners with language needs, particularly because they require more time and resources.

Introduction

For decades, nonprofits have played a critical role in providing social services. For example, housing counseling agencies (HCAs) are nonprofits that have successfully prevented mortgage payment delinquencies and foreclosures through their programs (Collins and O'Rourke, 2011; Quercia and Spader, 2008). However, since the 1980s, the federal government has increasingly pushed for *devolution*—trend that transfers social services from the government to nonprofits—because of the ideology that the federal government is ineffective at administering social services (Alexander, 1999; Ebrahim, 2010; Smith, 2010). With devolution, nonprofits face a conundrum—while they have greater control and can target specific populations, they have also lost significant public funding (Abramson and McCarthy, 2012; Alexander, 1999). As with other social services, foreclosure prevention programs have also become devolved. As a result, there is increasing segmentation among HCAs, creating a hierarchy among organizations.

Using interviews with U.S. Housing and Urban Development (HUD)-certified HCAs that provide language assistance in the Minneapolis-St. Paul, Minnesota, region, this study examines the impacts of increased devolution and segmentation among HCAs. Because of its smaller institutional structure, Minneapolis-St. Paul offers a helpful case—it is easier to describe the relationships between HCAs, policy makers, and other institutions. While exploratory, the study provides initial findings of how Asian American-serving HCAs (AAHCAs) are at a disadvantage because of these structural forces that continue to shape social service provision. The resources required for translation work compound these difficulties. While AAHCAs struggle, they attempt to find resources to sustain their efforts. However, they are unable to serve as many homeowners as other HCAs, which impacts their ability to obtain funding and exacerbates their constrained resources.

Literature Review

Community organizations formed out of social reform movements in the late nineteenth century to help lower-income and immigrant populations (O'Connor, 2012). Since then, they have become institutionalized as nonprofits and have evolved in their roles, largely influenced by the political context and devolution. Nonprofits have also become increasingly segmented, particularly by size and language assistance. While this article cannot provide an in-depth history of nonprofits, social services, and federal funding, the following section summarizes these trends from the 1980s, their impacts on foreclosure prevention assistance since the Great Recession, and AAHCA interventions.

Devolution and Segmentation among Nonprofits

Welfare organizations evolved and significantly grew in the 1960s with the Great Society program and War on Poverty (DeFilippis, 2012). With the civil rights movement, the Great Society also helped the government become more responsive to the needs of minority communities, including Asian Americans, as these groups formed organizations to apply for War on Poverty monies (Espiritu, 1992; Murphy and Cunningham, 2003).

The Housing and Community Development Act of 1974 resulted in the Community Development Block Grant program, which shifted the responsibility of addressing community issues from the fed-

eral government to local municipalities, which then would disperse funds to nonprofits (Peterman, 2000). However, from the 1980s, the federal government began cutting funding for social services and devolved them to nonprofits—consequently, the government converted entitlement programs to state-specific programs (Alexander, 1999). Subsequently, more than \$30 billion was cut in funding for nonprofits (*ibid.*). Much of this devolution strategy was institutionalized through the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, in which the federal government made states responsible for administering and implementing welfare reform programs, and states in turn passed on the responsibility to nonprofit and private entities (Kisanne, 2010).

National Community Development Financial Institutions (CDFIs) are an example of how nonprofits are contracted out and develop their own multilevel funding and service hierarchy. For instance, the Neighborhood Reinvestment Corporation is a congressionally chartered CDFI with a network of more than 235 local NeighborWorks America organizations. In 2007, Congress created the National Foreclosure Mitigation Counseling Program, which has been administered through NeighborWorks America (NeighborWorks America, 2014). NeighborWorks then filters its resources to HUD-certified HCAs, state housing finance agencies, and NeighborWorks organizations to provide direct services to homeowners (*ibid.*). In 2012, the network provided \$73.8 million to its network (NeighborWorks America, 2012).

This structure seemed to have substantially helped homeowners during the recession. Between 2007 and 2012, NeighborWorks helped 1.52 million people with housing counseling (*ibid.*). Clients that use NeighborWorks organizations' homebuyer counseling and education are one-third less likely to become delinquent on their mortgage within two years of buying a home than homeowners who did not receive homebuyer counseling (Mayer and Temkin, 2013). While this structure allows HCAs to provide direct and local services, it also creates multiple funding levels among HCAs of varying sizes and segments how nonprofits provide direct assistance.

However, it is unclear how these trends reflect the individual HCA experience. AAHCAs serve time-intensive clients and are helpful to understand how devolution and segmentation affect a diversity of HCAs. Thus, this study focuses on AAHCAs that work with diverse clients who collectively speak dozens of languages and how they compare to other HCAs that provide assistance in other languages.

Asian American–Serving Housing Counseling Agencies Interventions

Asian American nonprofits have provided social services for decades, helping to influence local policy making when Asian Americans are marginalized in decision-making processes (Sirola, Ong, and Fu, 1998). These nonprofits have also evolved to AAHCAs in order to lead targeted local interventions in Asian languages and provide clients with asset-building opportunities and homeownership (Listokin and Listokin, 2001; Patraporn, Pfeiffer, and Ong, 2010). With a local scope and perception that Asian Americans do not need as many social services, AAHCAs and other nonprofits are underserved by foundations (Paprocki and Chung, 1998; Shiao, 1998). While they experience challenges with funding, Asian American service nonprofits have a greater likelihood of survival than cultural and religious nonprofits (Hung and Ong, 2012).

AAHCAs are particularly important because housing is the largest form of wealth for Asian Americans (Ong, Tran, and Patraporn, 2013; Taylor et al., 2011). For example, Patraporn et al. (2010) surveyed thirty key Asian American asset-building organizations and found the following programs were most frequently offered: financial education, homebuyer assistance programs, and individual development accounts. These organizations are also important to combat predatory lending and brokers, which proliferated leading up to the Great Recession (Pfeiffer et al., 2014). By providing asset-building services, these nonprofits help to address some of their clients' foreclosure risks—such as lack of credit and assets—that prevent them from purchasing homes.

The National Coalition for Asian Pacific American Community Development (National CAPACD) is also the only HUD-certified Asian American Pacific Islander–serving housing counseling intermediary in the United States (National Coalition for Asian Pacific American Community Development, 2011). Through their housing counseling network, National CAPACD has nineteen HCAs that provide prepurchase, homeownership, foreclosure, and homeless prevention counseling in more than twenty-three Asian and Pacific Islander languages (*ibid.*). Many of these HCAs play the role of a cultural and language mediator between clients and institutions.

Asian American social services may also be segmented because immigrants live in socially and spatially defined ethnic boundaries, which provide social networks. Existing research on Asian Americans found that many seek information from friends, family, co-workers,

and ethnic media about homeownership (Freddie Mac, 2005; Johnston, Katimin, and Milczarski, 1997; Ratner, 1996). These family and coethnic networks can be important to help translate between lenders and homeowners (Phetchareun, 2012). While these networks may help immigrants to be resilient in some ways, they may also contribute to immigrants' vulnerability during economic downturns (Cahill and Franklin, 2013; McCormack and Mazar, 2015; Zonta, 2012). If Asian Americans solely depend on AAHCAs, it also may encourage greater segmentation among social service providers.

Research Question and Methodology

While AAHCAs have helped clients address housing concerns, it is unclear how AAHCAs were affected by the recession. The study explores the following research questions:

- How did AAHCAs fare during the recession in a devolved and segmented nonprofit environment?
- How did these experiences compare with HCAs that do not target Asian American homeowners?

Based on the geography, the two AAHCAs in the region primarily serve Laotian and Hmong clients. While there are other nonprofits in the region that serve other Asian American groups, they are not HUD certified. The study findings are then limited to nonprofits that focus on these populations and may not be generalizable to other AAHCAs that serve other ethnic groups.

The study also focuses on HUD-certified HCAs because they experience similar certification and guidelines to assist their clients. With HUD certification, these HCAs benefit in several ways. First, they are eligible to apply for HUD housing counseling grants and community development block grants (U.S. Department of Housing and Urban Development, 2015). Second, they also are listed on HUD's website and toll-free number. Third, they receive HUD training and technical assistance. However, housing counselors are expected to stay updated with HUD policy changes, which frequently changed as a result of the foreclosure crisis (personal communication, February 13, 2013, The Lao Assistance Center of Minnesota). Training counselors consumes a great deal of time and resources—it may take a year to complete training (personal communication, September 21, 2012, Korean Resource Center).

The Minneapolis-St. Paul, Minnesota, area was selected because it has a smaller institutional structure. There are two AAHCAs that are

HUD certified in the region that serve Laotian and Hmong clients. In larger and more populated areas such as Los Angeles, San Francisco, and New York, AAHCAs are involved in a large and complex nonprofit network, which is a more challenging institutional landscape to navigate for an exploratory and preliminary local study. With fewer HCAs, it is easier to describe how they work with policy makers and other institutions to mediate for their clients. Before describing the methods, it is important to contextualize the study.

Foreclosure Crisis in Minneapolis-St. Paul, Minnesota

The recent foreclosure crisis dramatically impacted families, neighborhoods, local governments, and financial institutions. Researchers at the Federal Reserve Bank of Dallas estimated that the economic downturn cost the country between 6 and 14 trillion dollars while household net worth decreased by 16 trillion dollars (Atkinson, Luttrell, and Rosenblum, 2013). As with other states, Minnesota experienced a number of impacts from the foreclosure crisis. Approximately 1.7 of every twenty households in the state entered foreclosure between 2005 and 2012, or 8.5 percent of total homes (Helms, 2013).

A majority of these foreclosures were concentrated in the Twin Cities metro area (HousingLink, 2013). In the first quarter of 2014, the metro area had more than 56 percent of all foreclosures in the state, or approximately 2,460 foreclosures (Minnesota Homeownership Center, 2014). While foreclosures have decreased by 60 percent in three years, there are lingering effects (Buchta, 2014). In the third quarter of 2014, about 7 percent of homeowners owed more on their mortgage than it was worth—or were underwater borrowers (Buchta, 2015). These underwater borrowers and loss of wealth may lead to future foreclosures.

While the state and Twin Cities region are working to recover from foreclosures, minorities have borne many of the impacts from foreclosures. For example, Crump (2007) found that racial minorities were more likely to receive a high cost loan than whites in Hennepin and Ramsey counties (64 percent likely for African Americans, 49 percent for Latinos, 48 percent for Asian Americans, and 25 percent for whites). Also, Wells Fargo, which is the largest lender in the state, gave sub-prime loans to African Americans and Latinos 4.8 times and 2.4 times more than to whites, respectively (ISAIAH et al., 2012).

Although focusing on nativity status, Allen's (2011) study of Minneapolis Public School (MPS) families found that native-born racial minorities were 1.7 times more likely to experience foreclosure than non-

Hispanic whites, while foreign-born Hispanic families were 0.49 times more likely to experience foreclosure than non-Hispanic whites. Using a similar method, Allen (2009) also found that among Asian American MPS families, about 4 percent of homeowners who experienced foreclosures spoke Hmong and 1 percent spoke Laotian at home. To the author's knowledge, Allen (*ibid.*) is the only study that examined foreclosures among Asian American ethnic groups in the Minneapolis region. While there has been a growing Asian American community in the region, much is still unknown about how they have been impacted by the crisis.

Asian Americans in the Twin Cities

Asian Americans immigrated as early as the nineteenth century to the region to build railroads (Asian American Center for Advancing Justice, 2012). However, more Asian Americans arrived after the 1965 Immigration Act, including Chinese, Japanese, and Filipino immigrants. The Asian population diversified after the Vietnam War, which brought Hmong, Laotian, Cambodian, and Vietnamese immigrants and refugees (Boyd, 2013). A second wave of Hmong refugees arrived in Minneapolis-St. Paul after the Wak Tham Krabok temple in Thailand closed, while Burmese and Bhutanese refugees moved to the region in the 2000s (Asian American Center for Advancing Justice, 2012).

Asian Americans are the fastest-growing population in the state (Boyd, 2013). A majority of these groups is concentrated in the Minneapolis region. There were about 207,000 Asian Americans in 2010, or 7 percent of the total population (see Table 1). Between 2000 and 2010, Asian Americans also grew at a similar rate as African Americans, or 52 percent and 53 percent, respectively.

There are also a number of Asian American ethnic groups present in the Twin Cities. Notably, the Twin Cities has the largest Hmong American population in the country relative to other regions, which is a result of secondary migration, lower cost of living, and availability of jobs (Pfeifer et al., 2012). They are also the largest Asian American ethnic group in the region with more than sixty thousand in 2010 and comprised nearly a third of Asian Americans (see Table 2). Indian and Chinese followed behind as the next largest groups. Many ethnic groups significantly grew between 2000 and 2010, including Bangladeshis and Pakistanis, who grew by 270 percent and 143 percent, respectively. Even though Asian Americans overall comprise a small percentage of the Minneapolis-St. Paul region population, a number of ethnic groups are

Table 1. Population by Race, Minneapolis-St. Paul Region

Group	2010 Population	% of 2010	% Growth 2000–2010
Asian American	207,410	7%	52%
NHPI	4,099	0.1%	-2%
African American	279,060	10%	53%
AIAN	44,308	2%	25%
Latino	167,558	6%	75%
NHW	2,173,218	76%	-1%
Total Population	2,849,567		8%

Note: The population includes a sum of the groups in seven counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties. NHPI = Native Hawaiian and Pacific Islander; AIAN = American Indian and Alaska Native; NHW = non-Hispanic White. Latino can be of any racial group. African American, NHPI, AIAN, and Asian American values include alone or in combination with another ethnic or racial category. Non-Hispanic White is the only category that does not include Latinos.

Source: U.S. Census Bureau, 2000 Decennial Census Tables QT-P6 and P11; 2010 Decennial Census Tables QT-P6 and P4.

rapidly growing in the region. However, much is still unknown about how they have been impacted by the crisis.

Methodology

This study relies on semistructured interviews with HUD-certified HCA staff members in the Twin Cities region that provide assistance in English and another language. Because the study focuses on understanding how HCA staff understood and interpreted their changing environment context (Lee, 1999), I used qualitative methods. While interviews do not offer as much breadth, they nevertheless provide greater depth for understanding responses and limitations to implementing strategies.

To identify interviewees, I used HUD's foreclosure avoidance counseling directory.¹ Out of a total of fifteen HCAs that met this criterion, I was unable to contact two agencies because they do not have a website, while one did not offer translated assistance and was incorrectly listed as offering language assistance. Thus, out of twelve possible HCAs, I interviewed seven staff members from five organizations (see Table 3). I include HCA names because it would be challenging to avoid identification of the only two AAHCAs in the state. Nevertheless, the HCAs included in the study have already experienced staff turnover and I keep interviewee names anonymous.

Table 2: Asian American Ethnic Group Population, Minneapolis-St. Paul Region

Group	2010 Population	% of 2010	% Growth 2000–10
Hmong	63,290	31%	44%
Asian Indian	33,126	16%	96%
Chinese (excluding Taiwanese)	23,543	12%	53%
Vietnamese	22,746	11%	32%
Korean	15,710	8%	37%
Filipino	11,189	6%	60%
Laotian	8,222	4%	-6%
Cambodian	7,168	4%	47%
Japanese	5,962	3%	24%
Burmese	3,277	2%	-
Pakistani	2,374	1%	143%
Thai	1,888	1%	67%
Taiwanese	1,153	1%	80%
Nepalese	764	0.4%	-
Sri Lankan	764	0.4%	83%
Bangladeshi	696	0.3%	270%
Indonesian	547	0.3%	68%
Malaysian	335	0.2%	49%
Bhutanese	283	0.1%	-
Total	203,037		51%

Note: The population includes a sum of the groups in seven counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties. The total Asian Americans in this table do not equal to Table 1 because it excludes individuals who identified with an ethnic group that was not categorized by the Census. - Data not available because group was not identified in 2000 Census.

Source: U.S. Census Bureau, 2010 Table PCT7; 2000 Table PCT7.

The first four HCAs provide individual foreclosure prevention counseling. They also vary in geographic scope, where two focus on the state and the others focus on the metropolitan area. Lutheran Social Service of Minnesota (LSS) and Twin Cities Habitat for Humanity (TC Habitat) are both faith-affiliated HCAs, while Hmong American Partnership (HAP) and the Lao Assistance Center of Minnesota (Lao Center) focus on serving Asian American populations (or primarily Hmong and Laotian homeowners, respectively). The Minnesota Homeownership Center (MNHOC) primarily serves as a parent organization and streamlines information and resources to other HCAs in the state

Table 3. Minnesota Housing Agency Descriptions

Housing Counseling Agency	Geographic Target	Language Assistance	Housing and Financial Assistance Programs	Year Established	Approximate Annual Expenditure (FY 2013)
Hmong American Partnership (HAP)	Minneapolis-St. Paul	Hmoob	economic and community development (homeownership counseling, rental counseling, financial literacy, foreclosure prevention counseling)	1990	\$7 million
Lao Assistance Center of Minnesota (Lao Center)	Minnesota	Lao, Thai	housing counseling (homebuyer, foreclosure prevention)	1983	\$360,000
Lutheran Social Service of Minnesota (LSS)	Minnesota	English	foreclosure prevention	1963	\$87 million
Twin Cities Habitat for Humanity (TC Habitat)	City of Minneapolis	English, Arabic	homebuyer, foreclosure prevention	1987	\$19 million
Minnesota Homeownership Center (MNHOC)	Minnesota	English	homebuyer, foreclosure prevention, home mortgage assistance	1993	\$2 million

Note: Information compiled by author, except approximate annual expenditure amounts from guidestar.com

through its Homeownership Advisors Network and does not provide direct housing services.

The HCAs varied in size and history. LSS is the largest HCA, with annual expenditures of \$87 million in FY 2013; in comparison, the Lao Center is the smallest organization, with annual expenditures of approximately \$360,000. By contrast, HAP has an annual budget of about \$7 million, which is greater than MNHOC. Organizational size is not necessarily correlated with history of the HCA. For example, while LSS is the oldest, established in 1963, and is the largest HCA, the Lao Center was founded in 1983 and is the second-oldest HCA. MNHOC is the newest organization, established in 1993.

All interviewees were asked to discuss their housing programs and how the foreclosure crisis affected them. To gauge capacity, they were asked about challenges and which housing programs had been effective and ineffective. Finally, they were asked about connections or partnerships with other nonprofits or HCAs to gauge impacts of devolution and potential strategies that they use to serve clients. Although the other three HCAs did not offer translation or programming in Asian languages, they were also asked how they worked with Asian American homeowners.

Phone interviews lasted between thirty minutes to an hour. Detailed notes from the interviews were sent to the interviewees to verify accuracy of information. One interviewee responded with minor corrections.

Interviews were deductively coded for three themes. First, they were coded for information related to impacts of the foreclosure crisis on the agency. Second, interviews were coded for information related to strategies to overcome these impacts. Finally, interview notes were coded for information related to devolution and segmentation to glean if there were differences in how these agencies are impacted by the multilevel funding and social service networks.

Findings

The study has several important findings. As expected, the Great Recession affected HCAs and AAHCAs, particularly in funding and capacity. However, AAHCAs experienced several disadvantages in these two aspects, particularly because housing counselors served clients that required translation and intensive language assistance. While other HCAs did offer language assistance, they oftentimes did not prioritize it and/or outsource language assistance and translation to another HCA.

Additionally, while all interviewees networked to expand their resources, AAHCAs had few allies to help with translation work because there were no other HCAs that offered translation in the same language. As a result, AAHCAs had to rely on in-house staff and resources, which were already strained from the foreclosure crisis.

Also, the study provides evidence that devolution and segmentation impacted AAHCAs more than other HCAs. While devolution allows AAHCA counselors to serve their clients with greater independence and control, they are unable to obtain as much funding because they serve a smaller target population that requires more time and resources. These constraints impact their ability to obtain funding because grants focus on the number of clients served and do not consider client demographics and special needs. Similarly, segmentation allows AAHCAs to have a niche and provide quality language assistance. As other HCA staff members noted, it is ineffective to simply use translators who are not trained in housing counseling. However, AAHCAs mostly work with other AAHCAs and are isolated from other HCAs that have stronger statewide networks and resources. These patterns have a number of implications for how to improve foreclosure prevention services for populations with language barriers.

Impacts of the Foreclosure Crisis

Each interviewee described how the crisis impacted their funding and staffing—all HCAs experienced greater demand from clients and had fewer resources to address these needs. An LSS staff member explained how it was difficult for LSS to obtain funding as the crisis began in part because local foundations blamed the federal government and thought “funds should come from the federal level.” Consequently, there is still less funding available for foreclosure prevention services overall and HCAs now have to be “creative about funding because some have lost funding completely.”

However, some of the HCAs were able to obtain federal funding. For example, a staff member from TC Habitat acknowledged that they received temporary funding from the National Foreclosure Mitigation Counseling (NFMC) program. Through MNHOC, TC Habitat learned about additional funding sources to help them. Thus, TC Habitat also secured funding during the recession with funding from foundations and federal and city governments. LSS also obtained funding in the beginning of the crisis because they had a large number of clients, which at times were more than three hundred people per month. With their

large size, LSS was able to hire up to thirteen foreclosure prevention counselors at the peak of demand from clients. While these HCAs have experienced challenges in identifying funding sources, they were able to utilize a variety of networks and strategies to maintain their programming.

By contrast, AAHCAs experienced limited resources because of the extra time they spent per client. For example, HAP received funding from the Economic Recovery Act and National CAPACD to support their foreclosure prevention program. However, the funding was limited because they had one and a half full-time staff working on their foreclosure prevention cases. Similar to other HCAs, HAP also follows up with their clients. According to a staff member, they work with clients for a minimum of thirty days, with some clients staying with HAP for at least a year. As with other foreclosure cases, some of these clients take months. However, unlike other HCAs, a majority of their clients speak little English. Thus, housing counselors have to devote a great deal of resources to serve one client at a time. As a result, they have turned away homeowners who needed assistance because they do not have enough capacity to help more than twenty-five clients at a time.

For the Lao Center, they provided foreclosure prevention work since 2007 without funding and incorporated it into their other housing programs. However, it was unsustainable until they received funding through National CAPACD and then received funding to attend HUD trainings and workshops. They also have two housing counselors to serve all of their clients. Similar to HAP, most Laotian Center clients experience language barriers. Thus, counselors have to spend additional time to interpret and translate for their clients. As one staff member described, "Clients never understand their documents," not only because of jargon, but also because loan documents are only written in English. While they did receive some funding, AAHCAs faced more challenges because of the limited staff to complete their counseling.

Because AAHCAs have to spend more time per client and have fewer counselors, they are penalized when applying for some funding. For example, NFMC funds are allocated based on number of clients served by the state housing agency, Minnesota Housing Finance Agency (Minnesota Housing). Thus, an HCA may be given an award amount of \$100,000 based on a fixed cost per client. However, if the HCA does not serve enough clients to fulfill the award amount, they will not receive the full amount. In determining the cost per client, NFMC does not consider time spent per client or time spent to translate materials for

clients. Even if a counselor from an HCA and AAHCA spends one hundred hours, the AAHCA will receive fewer dollars based on NFMC's structure and criteria.

HCAs differed in capacity, also in part because of their history and institutional context. For example, LSS traces its roots back to the nineteenth century and is Minnesota's largest social service provider, with an annual budget that is close to \$1 billion (LSS, 2013). While TC Habitat was established in 1985 and is not as large as LSS, it has connections to the national Habitat for Humanity. Whereas these two organizations are not representative of HCAs in the region, they do vary from AAHCAs. Even though Lao Center and HAP has served the Minneapolis-St. Paul area for thirty and twenty-five years, respectively, they do not have the same historical legacy and/or formal connections to a larger organization to help support their services. These disparities are reflected in their strategies to overcome impacts from the recession.

Strategies to Overcome Challenges

One way that HCAs have attempted to address challenges is by connecting to larger networks. For example, all interviewed HCAs are part of MNHOC. However, they work with MNHOC differently, which demonstrates how they range in effectiveness.

MNHOC has a Homeownership Advisors Network of more than fifty nonprofit and government agencies across the state. According to a staff member, MNHOC also serves as a liaison between lending and real estate industries and has industry partners who help clients apply for loss mitigation or alternatives for delinquency. To assist their partners, MNHOC offers a range of housing resources, which includes homebuyer consumer curriculum, one-on-one counseling, and trainings for foreclosure counselors. To help sustain these programs, MNHOC offers funding for partnering governments and nonprofits. MNHOC additionally helps organizations with data collection and other technical assistance, although much of these data are not available publicly. It also has a call center that refers distressed homeowners to local HCAs. With a range of services, HCAs utilize the MNHOC network in different ways.

AAHCAs depend on MNHOC for a number of resources. For example, a staff member at Lao Center is attempting to develop stronger connections with other HCAs to strengthen their clients' financial literacy, credit, and budgeting. Also, a counselor at HAP remarked that they use MNHOC's monthly updates to learn about HUD's frequent

policy changes, which then helps to update HAP's programs accordingly. While other HCAs need to stay updated with policy changes, AAHCAs are unique in that they have to translate every policy update for their clients. These small changes create additional work for counselors, who are concurrently assisting time-intensive clients.

HAP also uses MNHOC to learn about best practices and connect with other HCAs about how they approach issues, "aside from the language piece." Additionally, HAP receives money from MNHOC because MNHOC has funds that target Southeast Asian American and Latino-serving HCAs. However, HAP is in part isolated from other HCAs in the network because they are the only HCA that primarily works with Hmong clients in the area and cannot share in-language resources. These AAHCAs consequently utilize MNHOC in a number of ways to expand their capacity and resources while overcoming funding challenges, but are also segmented and isolated.

However, the other HCAs are less dependent on MNHOC because they have more in-house capacity and resources. For example, LSS does not work as closely with the other HCAs within the network, except for Neighborhood Development Alliance (NeDA) to assist Spanish-speaking clients, which will be discussed further in the following section. Also, an LSS staff member is one of the state's foreclosure experts; thus, LSS learns of key foreclosure policy changes before they are officially announced to smaller HCAs through MNHOC.

TC Habitat similarly mentioned they work mostly with MNHOC to connect to other HCAs and for assistance with navigating funding resources. A TC Habitat staff member viewed MNHOC as a network where organizations can develop individual relationships with each other. While smaller in capacity and scope, a foreclosure prevention counselor at TC Habitat is also part of a statewide advisory council that creates strategic plans and offers central resources for homeownership issues. Therefore, TC Habitat does not need to rely on MNHOC to learn about updates on policies that may affect their work.

While AAHCAs do benefit more from MNHOC, they are at a disadvantage in their social service provision. Without MNHOC, HAP and Lao Center continue to react to policy changes unlike the other HCAs. They also face drawbacks because any updates released by the Minnesota state housing agency and MNHOC are in English, which requires AAHCA staff to spend extra time and translate changes to their clients. They become isolated from other HCAs that do not experience similar time strains with their clients and cannot share language-specific re-

sources. In part, HCAs experience disparities as a result of devolution and segmentation in foreclosure prevention assistance.

Devolution and Segmentation in Foreclosure Prevention

There is some evidence of facilitated devolution among HCAs. For example, a staff member at LSS described how, before the foreclosure crisis, their foreclosure counselors could assist clients with reverse mortgages and other general needs. Since then, there have been changes in the federal program that requires their foreclosure counselors to become specialists. These changes in housing staff training are beyond the scope of this study. However, there is evidence that translation services and HCA size facilitate increased segmentation among HCAs in foreclosure prevention work.

All interviewed HCA staff members recognized challenges with translation services and the necessity of significant resources to do so. For example, HAP offers language-specific counseling in Hmoob, Karen, and Bhutanese because they have the staff to provide these services. However, with translation work, a HAP counselor described how they have

lots of clients who are coming in and need help and it's difficult to take on all those cases. Foreclosure cases are very heavy duty and one case can take months just because of the nature of working with servicers and modification processes. With these cases . . . it is continuous in-depth work over those months and lots of work and time put in. Some clients have been with HAP for at least a year.

As previously described, HAP staff members struggle to help clients because of time resources and constraints. In addition to language assistance, HAP staff members help clients understand the foreclosure process and their original mortgage terms. The Lao Center similarly has a great deal of clients who speak limited English, and they thus have to “start from the beginning to help educate them.”

In comparison, other interviewed HCAs do not dedicate as many resources to their clients who do not speak English, even though they are listed on the HUD directory as offering language assistance. While TC Habitat offers housing counseling in Arabic, “language capacity is dependent on staff capabilities.” For example, they used to offer Spanish because a staff member spoke Spanish; they currently offer Arabic because their counselor happens to speak Arabic. LSS is listed as offering services in Spanish on the HUD directory; however, they do not have a staff member that speaks Spanish.

Instead, these HCAs that do not serve Asian Americans connect to other organizations that offer language assistance. As a counselor at TC Habitat described, they “prefer to connect to other organizations if a client speaks another language because translation services can be a cumbersome process.” However, they had varying levels of commitment to provide translation work based on the language.

LSS primarily sends clients who do not speak English to other HCAs. For Spanish-speaking clients, though, LSS works formally with NeDA through conference calls to help with foreclosure prevention counseling, which allows them to eventually transition clients to NeDA. These clients then benefit from the expertise of LSS staff members with translation assistance from NeDA. Similar to LSS, TC Habitat also has formal connections to NeDA and can help Spanish-speaking clients regularly because it is “the language need more frequently encountered.”

By contrast, they do not have any formal ties to AAHCAs. While an LSS staff member acknowledged that Asian American homeowners are underserved and that perhaps there is nothing available in their language through mailers, LSS does not work to connect with AAHCAs. Instead, they refer Hmong or Laotian homeowners to HAP or the Lao Center, respectively, and do not assist beyond the referral. One reason that LSS may not offer direct translation services is because they “spend less time per person since they are philosophically against having barriers.” This approach has helped them to assist a large portion of the state’s foreclosure cases. However, translation work would hinder their ability to efficiently address foreclosure cases. AAHCAs do not have the option to spend less time per client because of the greater proportion of language needs among their clients.

This segmentation by language assistance also extends to how HCAs network. A HAP staff member described how they do not have much of a network in the state because of the dearth of HCAs that have language-specific counseling. A Lao Center interviewee also specified that they work mostly with HAP and National CAPACD, or other Asian American nonprofits, which demonstrates segmentation by size, language assistance, and networks.

HCAs that do not serve Asian Americans also network differently. MNHOC does work with AAHCAs. According to a staff member, MNHOC began outreach to Asian Americans in 2008 because they received funding to increase their capacity to work with nonprofits that focus on Southeast Asian Americans and Latinos. However, a MNHOC interviewee described how Asian American organizations and individu-

als initiated this collaboration. For example, National CAPACD organized several community meetings and invited MNHOC to participate, which helped MNHOC to eventually include more organizations in their advisors network. Additionally, Senator Mee Moua at the time had approached MNHOC to ask for data on Southeast Asian American foreclosures because she was hearing from Asian American constituents about their challenges with foreclosures. HAP also approached MNHOC a few years ago to obtain assistance with outreach before they become a member of MNHOC's housing advisors network.

When asked about future work with AAHCAs, MNHOC's staff member responded that it is "dependent on future funding for a commitment to Southeast Asian Americans."² These relationships are most likely temporary. Also, when asked, MNHOC staff members would not provide an estimate for how much it would cost to pay for a study that matched foreclosure data with race or ethnic group information. It is unclear if these diverging levels of intraagency cooperation are from different language needs in the state and/or HCA capacity. However, segmentation by language assistance increases the disparities in HCA resources.

Recommendations

These interviews demonstrate how HCAs have worked to address the needs of their clients. While AAHCAs and other HCAs experienced resource constraints during the foreclosure crisis, there are several disparities between these nonprofits to address non-English-language needs of homeowners in the Minneapolis-St. Paul region. Some of the challenges that AAHCAs experience are not unique. Other small HCAs experience similar issues related to resources, capacity, networking, and learning about new policies. Nevertheless, AAHCAs tend to have fewer resources because they help clients that require more time and resources. Furthermore, AAHCAs do not receive extra funding to help with their translation work, and are unable to work with other AAHCAs to share translated materials if they are serving ethnic groups with different language needs.

From these findings, I offer several recommendations to address these disparities:

1. *Develop evidence-based policies and programs for homeowners.*

Foreclosure prevention assistance should utilize evidence for policies and program implementation. One potential method is col-

lecting data on the racial/ethnic backgrounds and homeowner preferred language. MNHOC is a potential agency to assist with data-collection efforts because it already collects data from its network. However, MNHOC would need to be more proactive about having its network collect disaggregated data. Also, MNHOC does not publish disaggregated ethnic group data—thus, HCAs may need to work together to encourage MNHOC to do so.

From the findings, AAHCAs are the only HCAs that prioritize data collection by racial/ethnic group in my sample. By not collecting more data on race, it is difficult to understand the demand for non-English-language assistance. As a MNHOC staff member noted, they “want to meet needs of non-English-speaking groups and people of color, but in a way that is proportional to the demand.” It is possible that other HCAs do not invest more resources in hiring bilingual staff because they do not see an enormous demand for Asian language services. However, if they do not collect data for these other groups, they may inadvertently mask the needs of Asian American homeowners and continue to neglect serving these communities.

2. *Provide assistance for AAHCAs to translate materials.*

This assistance can include small grants for translation of materials and information sharing. Once materials are translated, HUD, MNHOC, National CAPACD, and other networks should collect these materials and disseminate information on their websites for homeowners that primarily speak an Asian language. These materials can also help homeowners learn about AAHCAs that have services that may assist them with foreclosure prevention. Furthermore, if these materials are nationally distributed, AAHCAs that offer counseling in the same language can share resources even if they are not located in the same region.

3. *MNHOC, Minnesota Housing, and other key statewide decision makers should dedicate more resources to understanding nonwhite homeowners' needs and transcend ethnic-bounded networks.*

MNHOC and Minnesota Housing can help AAHCAs and other immigrant-targeting HCAs by expanding resources that target them. These resources can include hiring staff members that are knowledgeable of nonwhite populations and/or may speak a non-Eng-

lish language; administering a survey among its network to understand what support they need to help non-English-speaking clients; organizing best-practice events that focus on language assistance and translation work; and translating the MNHOC and Minnesota Housing website into Asian languages. Minnesota Housing should also develop alternative funding criteria that consider client demographics, so as not to penalize HCAs that have to spend more time per client because of language difficulties. By implementing these recommendations, HCAs will have additional support to invest more time and resources to translate.

Conclusion

The study provides an important perspective on how the foreclosure crisis has impacted HCAs in the Twin Cities by comparing AAHCAs to other HCAs and their clients' needs. It also contributes to the growing literature on how HCAs fared during the Great Recession, including what affects sustainability in the context of greater demand and fewer resources (Salamon, Geller, and Spence, 2009). For example, Wong (2015) found that HCAs in California located in urban areas, diversified funding sources, and established partnerships were more likely to survive.

Because this exploratory study had a small sample size, the findings may not be as generalizable to other organizations or geographies. Consequently, the findings should be considered as a preliminary understanding of how to better assist Asian American homeowners, in particular Laotian and Hmong homeowners. Also, more research is needed in other geographies and on a larger scale to understand how these findings may extend to broader trends that impact foreclosure prevention and other housing assistance. Nevertheless, the findings provide important implications on how to better serve homeowners that need language assistance and how to build AAHCA capacity.

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Notes

1. For more information, please see <http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=MN&filterSvc=dfc> (accessed September 2, 2015). HCAs become HUD certified by applying and meet the following criteria: have 501(c)(3) status, administered a housing counseling program for more than one year in their geographic area, and have enough resources to implement housing counseling. HCAs also have to develop a housing counseling plan.
2. It is important to note that MNHOC provides resources in Spanish. For example, their website is translated to Spanish, the only non-English language (available at <http://www.hocmn.org/es/>; accessed September 2, 2015).

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