

# **Mortgage on a Mission**

A guide for advisors to help manage \$20,000  
in grants to Progressive causes in 2020.

## **About Mortgage on a Mission**

Mortgage on a Mission exists to educate Texans about the process of financing a home purchase or refinancing an existing loan. Last year, Texans lost over \$500 million because they did not know they should compare lender offers and because they did not know how. As a result, they selected lenders that were charging fees and interest rates higher than other competitors. \$4000 is the average savings that home buyers would realize, if they knew how to compare offers.

With the Chinese trade negotiations going so poorly, and with the stock market down, mortgage rates have also fallen. 10 million Americans (out of 50 million) with a mortgage can now refinance and save 0.75% on their rate, saving over \$200 per month. 700,000 of these are in the state of Texas.

We know that not everyone is treated equally when buying a home with a mortgage or refinancing their loan. Ending racial discrimination is another component of our work. Research by UC Berkeley, looking at 3 million loans between 2009 and 2015, estimates that African-American and Latino mortgage borrowers are paying over \$700 million in discriminatory interest, every year, because lenders are charging higher interest rates. That must end. It is unconscionable that 50 years after the Fair Housing Act we have still not accomplished equality in mortgage markets for minorities, with devastating consequences to the economic power of minority communities.

Educating the public is the key to unlocking the economic strength of \$500 million additional funds for Texas, and protecting minorities from predatory loans. It is also the way in which we will fundraise for the causes we care about. Industry profit per loan is around \$500. For the 700,000 Texans who will refinance, there are profits of \$350 million. We need some of this profit to reach Progressive causes, not Big Banks who do not support unions, do not support democracy, and do not share our Progressive values.

We also want to save money for people who are working on a Progressive future for Texas. We seek to focus our work only in communities who we feel will use the additional spending power on things we care about, such as promoting cross-cultural understanding, strengthening our voter participation and creating a better democracy in Texas, and more equitable public education and better financial literacy. In short, saving money for people who do not share our belief in diversity and inclusion is a loss. We need to focus on communities already doing the important work who will take their mortgage savings and invest this back into the community.

The establishment of a Donor Advised Fund will allow us to match our clients' donation of \$100 to an eligible Progressive non-profit and help us raise \$20,000 for Texas Progressive causes in 2020, all while

saving people money on their loans which will help working class Texans thrive.

We are a nonpartisan organization, open to all people regardless of political affiliation. However we do unapologetically focus on issues that would be of more interest to Progressive communities, such as fighting racial discrimination, promoting inclusion and diversity, and fighting for immigration justice. For more information, visit [www.mortgagemission.org](http://www.mortgagemission.org)

### **About the Fund**

**Name.** The Donor Advised Fund will be called Blue Dot Neighbors, in honor of Carl Sagan and Fred Rogers and their contributions to peace and inclusion and diversity in the world. For more info, visit <http://www.space.com/15994-carl-sagan.html> and <https://www.fredrogers.org/fred-rogers/bio/>

**Fund description** Blue Dot Neighbors is a fund which brings Texans together, promotes cross-cultural understanding, reinvigorates our Texas democracy, supports public education and financial literacy, and accomplishes this work through the social enterprise of restoring ethics and consumer advocacy to residential mortgage lending.

**Purpose.** The Fund will allow Mortgage on a Mission ([www.mortgagemission.org](http://www.mortgagemission.org)) to offer our mortgage clients a way to deposit funds to unlock our dollar-for-dollar matching funds, and advise us on how they would like their funds to be used in the community. The fund will be managed by the principles of economic democracy, giving our clients a say in how our profits are re-invested into the work of Progressive causes in Texas. While big banks only donate around \$10 per mortgage (2% of profits), we seek to do 10x as much good, and with our client matching our giving, actually accomplish 20x as much, all while reducing costs for our clients and hiring Progressive youth.

**Main focus.** The Fund will promote peace, democracy, education, and social enterprise.

**Advisors.** 10 advisors will serve two-year terms, representing one or more of the strategic areas of focus of the Fund. The following list is a possible selection of advisors to serve a two-year term, beginning November 1, 2019. This list is not exclusive or exhaustive, and as we meet others in the community we will invite them to participate.

Jared with Keller Williams / engage with real estate agents.

Ryan with Teamsters Union / partner with labor unions.

Jenny with Human Rights Initiative / promote partnership with pro-bono attorneys.

James with Southern Dallas Progress CDC / promote to affordable housing in Southern Dallas.

Richard with March to the Polls / engage with voter deputy registrars.

Angie with North Texas Dream Team / engage with immigrant justice advocates

**Additional Advisors.** Five additional advisors will begin their term on November 1, 2020. A possible list includes:

Greg with Faith Forward Dallas / engage the religious and faith community.  
James with the International Rescue Committee / engage with refugee supporters.  
Michele with the American Civil Liberties Union / engage with civil liberties supporters.  
Tonya with Dallas ISD / engage with public school teachers.  
Susan with the Texas Council on Economic Education / engage with teachers of financial literacy.

## **Areas of Focus:**

### **I. Peace**

- i. Building cross-cultural peace and understanding of the lingering impact of racial discrimination and other forms of injustice in society.
- ii. Support for the LGBT community as well as refugees and asylum seekers and the promotion of gender equality.
- iii. Advocacy for sustainable, affordable housing which provides economic peace and wealth creation for historically disadvantaged communities.

### **II. Democracy and the Working Class**

- i. Increasing youth voter turnout and political engagement.
- ii. Support for labor unions and economic and political issues impacting working-class people, including college affordability, health care, and the aging of senior citizens.
- ii. Support for civil liberties and their protection as well as the teaching of civil liberties in schools and communities.

### **III. Education**

- i. Advocacy for public education and additional support for public school teachers, especially in disadvantaged communities.
- ii. Promotion of financial literacy for young Texans in high school and in early career (leading up to the purchase of a home).

### **IV. Social enterprise:**

- i. Supporting mortgage professionals and real estate agents who wish to enter the social enterprise environment, grow their capacity, and hire and train a new generation of young people to provide ethical service to the public.
- ii. Promoting generosity within the real estate community as well as emphasizing civic and political participation, service to others before self, charitable giving, and philanthropy.

## **Goals for 2020:**

Our goals for 2020 include serving mortgage clients, raising money for the Fund, bringing in additional mortgage and real estate professionals to our network to build capacity, and starting partnerships with non-profits.

- I. Serve the needs of 100 mortgage borrowers by offering them five-star service and real, financial savings on their loans.
- II. Offer \$100 of dollar-for-dollar matching funds to each client, to leverage \$20,000 raised for our 4 areas of focus.
- III. Build more capacity for Mortgage on a Mission by recruiting and training new loan officers.
- IV. Educate real estate agents through workshops and seminars about the work of Mortgage on a Mission and our Blue Dot Neighbors fund.
- V. Begin and develop partnerships with 3 non-profits as their official mortgage sponsor.

### **Objective I: serving 100 mortgage clients**

There are an estimated 17.7 million people in Texas, aged 18 to 65 (US Census 2018 data). In 2018, 304,000 people purchased a home with a mortgage (1.72% of all adults). Nationwide, 10 million people with a mortgage (20% of all mortgages) can refinance and lower their interest rate by 0.75%. Texas has 700,000 mortgages that should refinance (4.00% of all adults).

From this simple analysis, we find that to reach our goal of 100 mortgage clients, assuming we close 50% of the possible loans, we need to reach a large enough audience of people so that 5.72% of them hear our message and half of them do business with us. That audience size is 3500 people.

To reach these people, we will seek out 3 strategic non-profit partnerships to allow us to attend volunteer and community events to engage the public. Two events per week, over the next 12 months, provides us with 100 opportunities to reach 35 people each. If we have 8 non-profits who offer occasional opportunities, then we can visit each of them once per month.

We need to identify two non-profits per area of focus (8 total) and send them a grant NOFA to inform them of the availability of \$10,000 in matching funds, for a total of \$20,000. Our advisors may be a source of ideas for which non-profits to invite.

To unlock these funds, non-profits will alert us to opportunities to engage with their community. The main ways we can gain awareness through a non-profit are:

- 1) Presence at events with volunteers or members of the community, to pass out literature.
- 2) Inclusion in social media/email marketing to existing donors and volunteers.
- 3) Introduction to established corporate partners, whose employee base can be a source of clients.

When a client reaches [www.MortgageMission.org](http://www.MortgageMission.org) and becomes more fully aware of the mortgage process, the non-profit gains value in the community by helping their supporter avoid a high-cost loan.

When the client chooses to do business with us, it will be because they have found savings and are making a more informed decision. When the client chooses to donate \$100 to the Fund, the non-profit will receive an additional \$100 in matching funds from Mortgage on a Mission. Each non-profit will compete to gain as much of the matching funds as possible, and matching funds are available only until October 1, 2020 for a limit of 100 clients.

**Possible Non-Profits to Partner With:**

National Association of Real Estate Brokers (NAREB)  
National Association of Hispanic Real Estate Professionals (NAHREP)  
Texas AFL-CIO  
Communication Workers of America  
Human Rights Initiative  
Southern Dallas CDC  
March to the Polls  
Faith Forward Dallas  
International Rescue Committee  
American Civil Liberties Union of Texas  
Texas Council on Economic Education  
Texas Organizing Project  
Refugee and Immigrant Center for Education and Legal Services (RAICES)  
North Texas Dream Team  
Faith in Texas  
Jolt Texas  
Dallas Truth, Racial Healing, and Transformation (Dallas TRHT)

**Next Step Items:**

- 1) Meet with Foundations to select one to manage our DAF.
- 2) Draft a NOFA to circulate with NGOs.
- 3) Invite advisors to join the Fund.
- 4) Review submissions by NGOs. Select 3 to begin partnerships.
- 5) Transfer \$5000 - \$10,000 to the DAF under Foundation management (seed funding provided by Ben Strube with NXT Mortgage).
- 6) Issue a press release.
- 7) Begin attending events and launching marketing and awareness campaigns.
- 8) Maintain regular touch points with past clients, supporters, advisors, and NGOs with a monthly newsletter, social media, private events.
- 9) Adjust goals as needed to accommodate changing circumstances.

For more information, please contact Ben Strube at [ben.strube@nxtmortgage.com](mailto:ben.strube@nxtmortgage.com) or call 972-299-3661.

## Our First Steps:



Ben Strube and his partner Tino Jaramillo presented a donation of \$1000 to the International Rescue Committee in June of 2019. The IRC is a non-profit which serves refugees coming to Dallas. We met a new home buyer at this event (James and Carrie) and donated an additional \$500 when they bought their home with a mortgage from NXT Mortgage, while saving them money (compared to the lender they were going to be using).



Ben Strube sponsored the Dallas Democrats Labor Day picnic this year and launched the concept of Mortgage on a Mission to get initial feedback from the community. We donated \$300 to the Dallas County Democratic Party to help elect Progressives to Turn Texas Blue in 2020. The feedback we received about the project was very positive and we are in the works of incorporating updates to our branding and community outreach.

## Our Happy Clients!



James and Carrie – volunteers with the International Rescue Committee helping refugees in Dallas.



Zaida – an elementary school teacher in Mesquite ISD, holding my favorite book, Tuesdays with Morrie.



Tonya – an administrator in DISD, refinancing her home to put up a new fence!



Adrienne and Mike – supporting our LGBT partners in real estate here in Dallas.