



Homium

The Tobias Harris Homeownership Initiative

A Wayne County, MI Downpayment Assistance Program Powered by Homium

PRELIMINARY | SUBJECT TO FURTHER REVIEW AND EVALUATION

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Tobias Harris's connection to Detroit is both a personal and a profound one.



During his initial tenure with the Detroit Pistons from 2016 to 2018, Tobias developed a deep appreciation for the city's resilience, culture, and hardworking spirit. His time in Detroit laid the foundation for meaningful relationships and a genuine understanding of the challenges and opportunities within the community.

Now, following his return to the Pistons this season, Tobias is driven to given back to the city that helped shape his journey.

Rooted in his family's connection—his wife proudly being a Detroit native—Tobias is launching the **Tobias Harris Homeownership Initiative** to expand homeownership opportunities for near-middle class neighborhood, working-class families in Detroit. The initiative aims to empower families, revitalize neighborhoods, and foster long-term economic stability by breaking down barriers to homeownership. In doing so, Tobias is working to help return Detroit's near-middle class neighborhoods back to their previous prominence.

By investing in Detroit's people and communities, Tobias is committed to helping build a strong, more vibrant future for the city he proudly calls home.

Executive Summary

THE TOBIAS HARRIS HOMEOWNERSHIP INITIATIVE

is currently established as an initial proof-of-concept pilot program with Realize Impact (in care of the Tobias Harris Charitable Fund) and Homium, Inc, with seed support from Tobias Harris focused on enabling and expanding homeownership in near-middle class neighborhoods in Wayne County, Michigan.

The example pilot borrower profile income range is centered around \$45k (example of what a teacher in Detroit Public School system makes), targeting select historically disadvantaged zip codes to use this pilot as a **first-move established proof point**.

We intend to **scale** this program to expand in later stages to grow into a variety of value-add programs in Wayne County, Michigan over time to accommodate a wider range of incomes and home values, and to support an even greater range of borrower profiles.

Lastly, we showcase the Homium product and how it works, results from an existing Colorado Pilot program, and how foundations, non-profits, employers, and family offices among other organizations can partner with Homium to produce maximum impact.

State of Middle-Class Homeownership In Detroit

DECLINE IN HOMEOWNERSHIP

- **Homeownership Decline & Mortgage Collapse:** Detroit's homeownership rate fell from 55% in 2000 to 47.8% by 2019, shifting to a renter-majority city. The 2008 financial crisis devastated mortgage lending, with home purchase originations dropping to 5% of 2006 levels by 2014.
- **High Mortgage Denial Rates:** In 2023, 24% of mortgage applications were denied, mainly due to low incomes, high debt-to-income ratios, and credit challenges. Even high-income applicants in Detroit face higher denial rates than lower-income applicants elsewhere.
- **Low Property Values & Cash Buyer Dominance:** Detroit's median home value was \$57,700 in 2021, far below the \$188,658 regional median. Limited mortgage lending fuels investor and cash buyer dominance, further suppressing values and restricting homeownership.
- **Collateral Challenges & Appraisal Gaps:** Detroit homes are valued too low to qualify as collateral, making mortgage-backed purchases rare. Low valuations limit comparable sales, reinforcing a cycle of suppressed financing and declining homeownership.

CURRENT OPPORTUNITIES

- Over 1,000 Low-Income Housing Tax Credit (LIHTC) homes are eligible for affordable ownership conversion, and 11% of Detroit's 350,000 housing units are available for redevelopment, particularly near major projects like Michigan Central Station.
- LIHTC neighborhoods have seen home values rise by 170%, enabling buyers to secure below market prices and build equity.

NOTABLE INITIATIVES

- **Newberry Homes Program:** Converted 53 units to homeownership with \$20,000 equity contributions and maintaining zero defaults since 2018.
- **City of Detroit Down Payment Assistance:** The City of Detroit has provided \$25,000 grants to 434 residents, with stacked assistance reaching up to \$60,000, increasing mortgage access in underserved areas.
- **Detroit Dreams Initiative:** Mortgage lending has grown in 38 of 54 neighborhoods since 2019, and 22 neighborhoods saw lending more than double.

Detroit's Housing Affordability Challenges

ECONOMIC LANDSCAPE

- **Manufacturing Wages Stagnant:** Wages in Detroit's manufacturing sector grew only 15% from 2010 to 2023, compared to 42% inflation during the same period, eroding purchasing power and widening the housing affordability gap.
- **Investor Activity Driving Asset Inflation:** From 2008 to 2020, 27,000 rental properties changed hands, with a majority acquired by investors who now own a substantial share of Detroit's housing stock and contribute to higher property values and rental costs. Rental properties rose 51% between 2021 and 2024, increasing from 43% to 62% of the housing market ([Outlier Media](#)).
- **Development Potential:** Detroit has attracted major reinvestment and recently reported the lowest crime rate in 57 years, signaling broader revitalization ([Yahoo Finance](#)).
 - **Bedrock Detroit:** Over 130 properties acquired, with billions invested into development.
 - **Ford Motors:** \$900M committed to infrastructure.
 - **General Motors:** Relocation of headquarters planned

HOUSING MARKET DYNAMICS

- **Rapid Home Value Appreciation:** Detroit, dubbed "America's most unlikely real estate boomtown," saw median home sale prices rise from \$58,900 in 2009 to \$250,000 in May 2024—a 324% increase over 15 years ([Yahoo Finance](#)).
 - As of November 2023, single-family home prices rose 9.2%, surpassing increases in Miami (8.3%) and Charlotte (7.4%) ([Fox 2 Detroit](#)).
- **Compounded Affordability Challenges:** Stagnant wages, rising corporate and investor-driven real estate activity, rapid home price appreciation, and a growing rental market have exacerbated housing affordability issues.
 - These challenges disproportionately affect Detroit's working-class communities, leaving many families as renters and unable to transition into homeownership, missing critical opportunities to build wealth.

Source: "In Detroit's housing market, rentals may be outpacing owner-occupied properties" (Outlier Media), "Investors Cashing In On Detroit's Real Estate Surge: 'A Market Like No Other'" (Yahoo! Finance), "Detroit named fastest-appreciating housing market, report says" (Fox 2 Detroit).

Analysis of Detroit's Near-Middle Class Neighborhoods

Detroit has a total of 69 Zip Codes. Out of those, 25 Zip Codes are working-class neighborhoods with median household incomes of \$55k or below exclusively in the city of Detroit.

The average median income for a Black household in these 25 Zip Codes is **\$37,957 (40% below average Total Detroit AMI of \$63,529)**.

Within these target 25 Zip Codes, median incomes are significantly lower compared to that of the 69 total Zip Codes in Detroit. The range of home prices on the right are the limit of what is currently attainable to residents of those income levels.

% Area Median Household Income	Area Median Household Income (USD)	Maximum Home Price Affordable (DTI <= 35%)	Income Discrepancy to Detroit Total Avg. (\$63,529)
60	\$22,744	\$74,000	64% below avg. AMI
70	\$26,570	\$88,000	58% below avg. AMI
80	\$30,366	\$102,700	52% below avg. AMI
90	\$34,162	\$116,500	46% below avg. AMI
100	\$37,957	\$131,000	40% below avg. AMI
110	\$42,753	\$145,000	34% below avg. AMI
120	\$45,548	\$159,000	28% below avg. AMI
130	\$49,345	\$173,500	22% below avg. AMI
140	\$53,140	\$186,500	16% below avg. AMI

Borrower Scenario: Tammi, 9th Grade Detroit Public School Teacher



Tammi is a single, 31-year-old university graduate currently living in Rosedale, Detroit as a renter.

She loves to work with students and teach, inspired by her high school English teacher to get into the field herself.



After receiving her bachelor's degree, Tammi completed a teacher preparation program and passed the Michigan Test for Teacher Certification.

She received her certificate and now works as an entry-level 9th grade English teacher at Henry Ford High School in Detroit, commuting from her apartment in Rosedale. She makes \$50k a year.

Tammi has a 3-year-old daughter and hopes to expand her family. She is looking to purchase a home where her family will grow and thrive, knowing that homeownership is a good way to build generational wealth. She wants to purchase a multi-generational, ready move-in home (*without the need for any current improvements*) that can appreciate over time to pass down to her children.

Target Neighborhood Selection Criteria

In Detroit's middle/near-middle class zip codes, our analysis targets 9 Detroit near-middle or middle-class neighborhoods:

Zip	Neighborhood	Total Population	Median Household Income	Median Owner-Occupied House Price	2011-2021 Sum of Mortgage Denials
48227	Grandmont / Hubbell-Lyndon	39,767	\$33,332	\$83,183	144
48224	Denby / Morningside / East English Village	39,220	\$42,342	\$86,048	169
48221	Bagley / Garden Homes / University	37,681	\$51,727	\$174,737	154
48207	Eastern Market / McDougall-Hunt	20,754	\$43,443	\$202,869	60+
48228	Franklin Park / Warrendale	52,444	\$33,670	\$56,254	191
48208	Core City/Woodbridge	6,681	\$26,149	\$191,406	32
48206	Dexter-Linwood/Jamison	16,065	\$32,337	\$124,247	90+
48205	Regent Park / Franklin / Mapleridge	33,413	\$43,086	\$47,354	74+
48214	East Village / Indian Village	18,921	\$36,118	\$103,030	33+

Based on analysis from Detroit Future City, DC Palmer, and the University of Michigan, these near-middle or middle-class neighborhoods have some of the highest mortgage denial rates in Detroit. These factors, along with The City of Detroit and Invest Detroit's Strategic Neighborhood Fund areas of focus, inform the criteria for defining THHI's target areas.

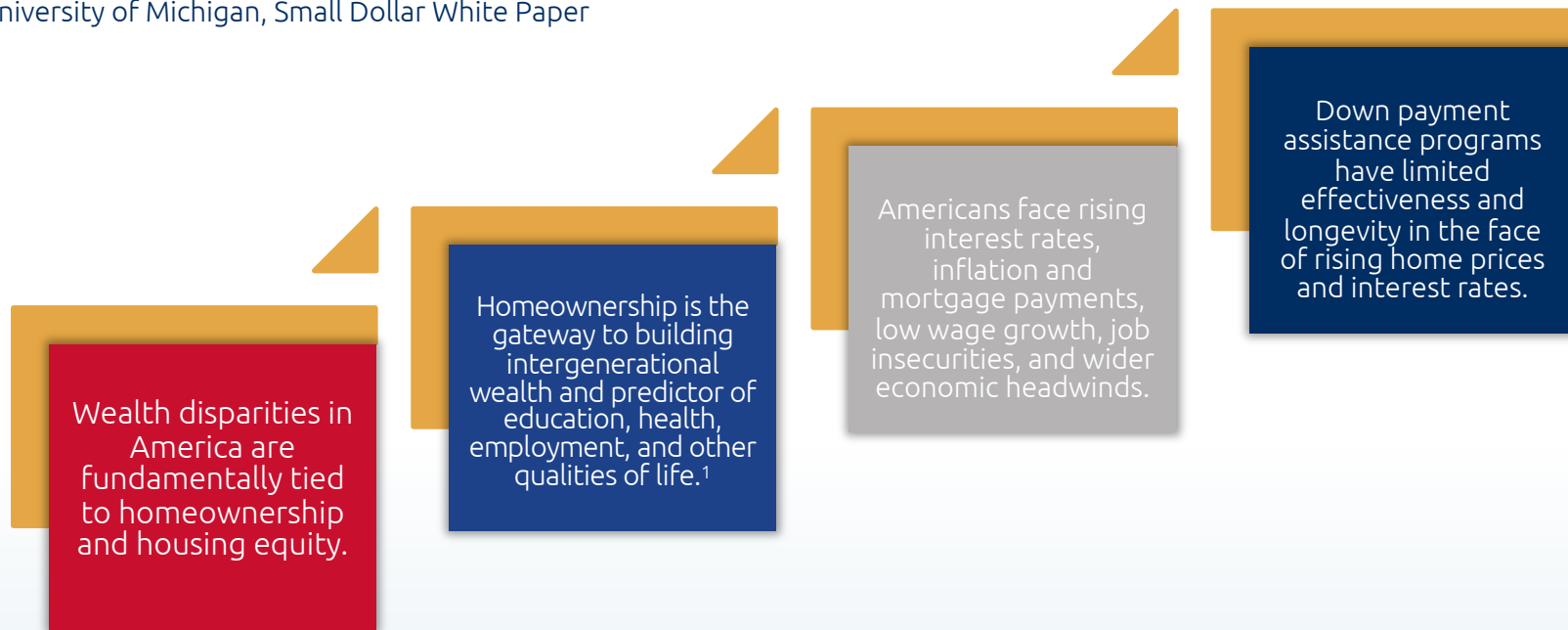
Additionally, our analysis begins with first-time homebuyers with incomes > \$45,000, as per Detroit Public Schools Teacher and employee salary data, lending to our focus on Detroit public servants and other city employees or community members.

The Tobias Harris Homeowner Initiative is a pilot down payment assistance and workforce-focused program dedicated to increasing homeownership for current or former/returning residents of these middle/near-middle class neighborhoods.

Homeownership is a key tool for erasing economic inequality.

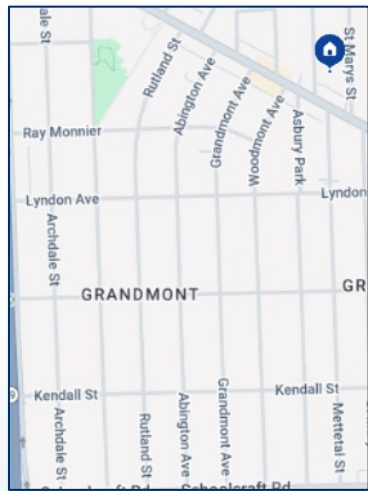
“The home is the single biggest asset a household possesses...So the homeownership gap...is a big contributor to the racial wealth gap. Reducing the homeownership gap itself, then, can reduce the racial wealth gap.”

- University of Michigan, Small Dollar White Paper



Borrower Scenario: Tammi as a Prospective Homebuyer and Challenges

Tammi spent the past year looking for multi-generational, ready move-in homes in the area—close enough to the high school to keep a short commute, and big enough to raise her daughter and growing family in.



Finally, after countless time spent researching, she found the perfect home in Grandmont, costing \$170,000.

However, she has additional family-related expenses which restricts her ability to have saved for 20% down to avoid private mortgage insurance (PMI), despite qualifying for debt-to-income ratios to purchase it.



14810 METTETAL ST, DETROIT, MI 48227

~\$170,000

3 bed 1 bath SFR

Borrower Scenario: Tammi Learns about the Tobias Harris Homeownership Initiative

Tammi learned about the Tobias Harris Homeownership Initiative through her school's employee benefits program. She contacted a local origination partner to learn more and received further materials and education on the program.

After reading about Tobias's drive to give back to the Detroit and Pistons community and educating herself on Homium's 1:1 shared appreciation second mortgages, she decided this was the right program for her. She applied to the program for a Homium loan and was approved.

Though the assistance of the program, Tammi receives a 25% Homium loan that she uses in tandem with a 1st mortgage to cover the 3.0% downpayment, avoiding PMI, and lowering her monthly payments.

Tammi's Ideal Home Value	\$170,000
Tammi's Income	\$50,000 / yr
Minimum down payment (3.0%)	\$5,100
Mortgage payment before	\$1,042/ mo
Mortgage payment with Homium	\$774 / mo
Cost Savings	\$268 / mo
Front ratio without HOM (PITI/income)	41%
Front ratio with HOM (PITI/income)	31%

Borrower Scenario: Tammi Becomes a Homeowner using the Tobias Harris Homeownership Initiative

Her monthly payment without Homium would be **\$1,037**, but her payment is now **\$768** after Homium (a 26% improvement), and even lower than the Grandmont area median contract rent of \$816.



With the assistance of the Tobias Harris Homeownership Initiative and a Homium shared appreciation mortgage, Tammi can finally make her dream of becoming a homeowner a reality. She has more financial freedom as a homeowner than as a renter, which can help with additional monthly expenses or invested to help drive diverse wealth creation. With the stability of a home, she can focus on raising her children and teaching more students to excel in their studies.

Tammi is now comforted by the fact that she now owns an appreciating asset that she can pass down to her children over time.

Live Program

The Tobias Harris Homeownership Initiative

With seed support from Tobias Harris, the Homium-powered **Tobias Harris Homeownership Initiative (DPA Access Program)** will advance homeownership in 9 Detroit zip codes in near middle-class workforce neighborhoods, delivering impactful outcomes across various borrower profiles.

Estimated Impact Results (9 ZC Total Avg.)

Estimated Program Size	\$10,000,000
Value of Homes Purchased	\$46,444,444
1st Mortgage Principal	\$35,551,111
Homeowner Equity created after 10 Years	\$30,039,752
First-Time Homebuyers Created	246

Scenarios	1	2	3
Name	Ricardo	Tammi	Michael*
Employment	Detroit Firefighter	9 th Grade Teacher	ER Nurse
Use Case	Unlocking Homeownership (Does not pass DTI)	Needs Downpayment Assistance (Near Passing DTI)	Lowers Debt Burden (Near Passing DTI, helps lower DP and living expenses)
Annual Income	\$45,000	\$50,000	\$77,000
Target Home Value to be Purchased	\$160,000	\$170,000	\$230,000
% Homium	25%	25%	15%
Avg. Homium (USD)	\$40,000	\$42,500	\$34,500
Down Payment %	3.00%	3.00%	3.00%
Avg. Down Payment	\$4,800	\$5,100	\$6,900
Avg. Monthly Payment	\$981	\$1,042	\$1,410
Avg. Monthly Payment with Homium	\$728	\$774	\$1,192
Avg. Median Contract Rent	\$809	\$809	\$809
Monthly Cost Savings	\$253	\$269	\$218
Front Ratio	43%	41%	36%
Front Ratio with Homium	33%	31%	30%

Assumes a Freddie Mac 30-year fixed conforming loan, 35% max front ratio (principal, income, taxes & insurance/household income). Assumes 6.5% APR, 5% annual home price appreciation over 10 years, with homes below \$250k as the average in these neighborhoods. New monthly payments using HOM are at or slightly higher than existing median rent payments. *Michael uses HOM for his DP, and his additional monthly income to invest in his brokerage account or cover miscellaneous expenses.



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Appendix: Deeper Dive into Homium

Homium provides an easy way to make shared appreciation loans to first-time homebuyers for homeownership programs.

Most homes are financed in two parts...

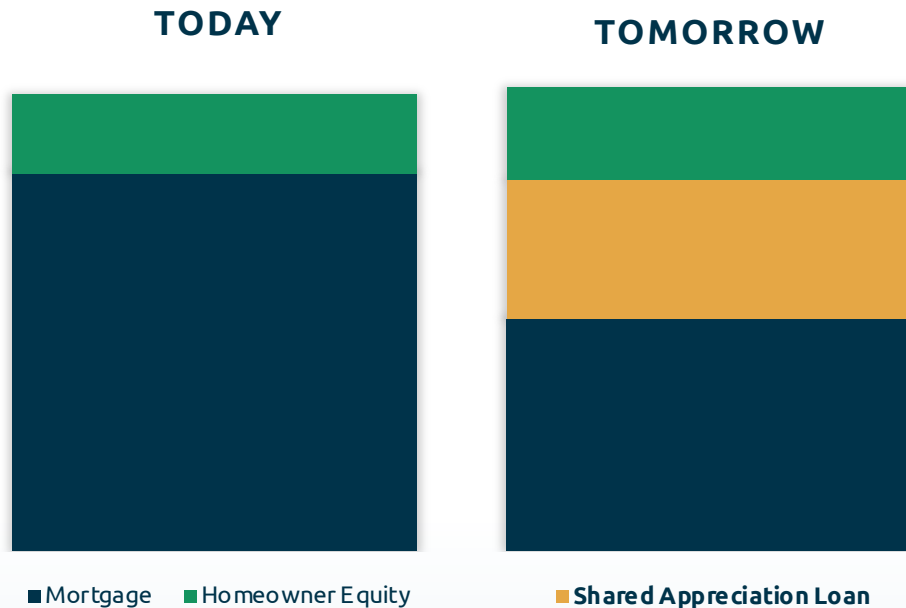
TODAY



■ Mortgage ■ Down Payment

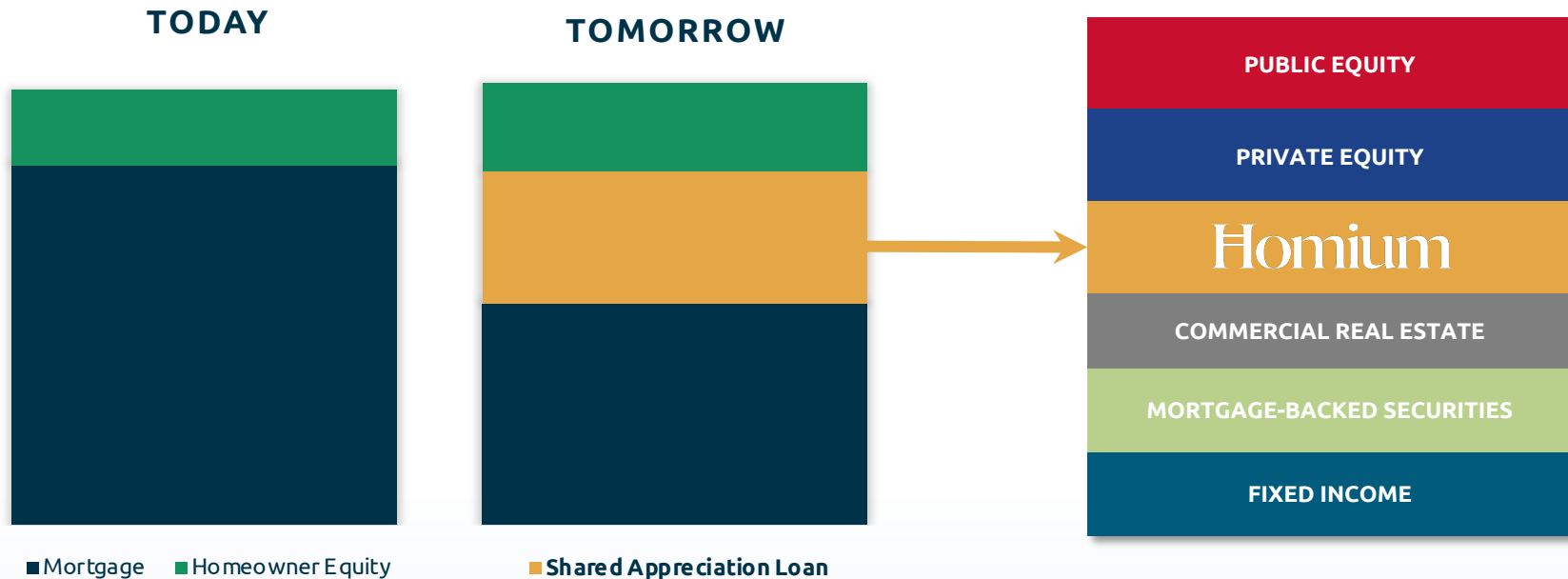
The homeowner's **down payment**, and the bank's debt.

A zero-interest 2nd mortgage can reduce the homeowner's payment:



A shared
appreciation
loan from
Homium.

Homium instantly securitizes these loans at a low cost.



Sponsors can earn returns in line with home price appreciation.

Homium offers an End-to-End Fund Model for Sponsors to Directly Finance Homeownership

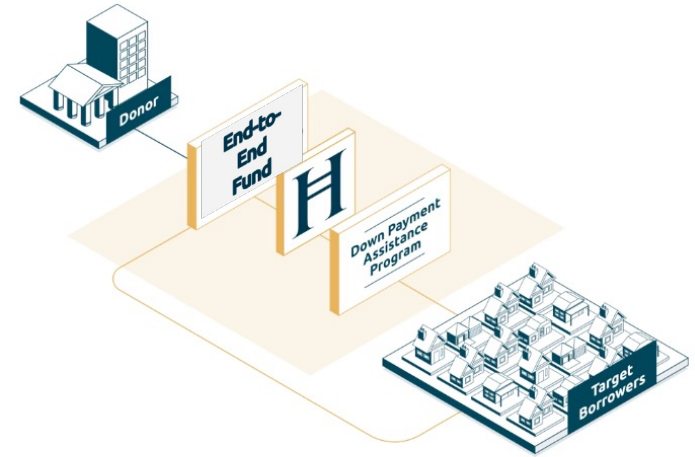
Fiscal Sponsors can create a community-focused homeownership fund to increase home ownership in Wayne County, build household wealth, strengthen financial resilience, and reverse inequities in lending markets that prevent homeownership.

The community homeownership funds will collect gifts, grants, and program-related investment from sponsors and channel them into pooled shared appreciation loans tailored to local needs, such as the Tobias Harris Homeownership Initiative.

By capturing a share of the appreciation from these loans, the fund becomes self-sustaining, enabling future generations of homeowners to benefit. Homium provides the financial infrastructure and technology needed to support and scale programs like this.

Here's how it works:

1. *Sponsors contribute to a non-profit entity (Realize Impact), which uses the funds to purchase Homium tokens tied to a pool of shared appreciation loans tailored to the specifications of the custom homeownership program.*
2. *Homium acts as the lender of record, securitizing the loans into a low-cost indexed fund that can either stand alone or be pooled with similar programs.*
3. *The fund has real-time visibility into the portfolio's performance and impact and can seamlessly deploy and recycle program funds to build a lasting community homeownership endowment.*



Homium Pilot Results: Unlocking Equity in Colorado

\$1,000,000

Value of completed 2nd position cash-out loans to homeowners in Colorado.

BORROWER PROCEED USE IMPACT



Extra discretionary spending eased stressful financial burdens



Home improvement projects



Some refinanced HELOCs to reduce monthly payments



Some paid off bills while managing tight finances & living paycheck to paycheck



A Military Veteran was able to reduce debt with limited financing options



Some can now plan future educational expenses for their children

OUTCOME AND TESTIMONIALS

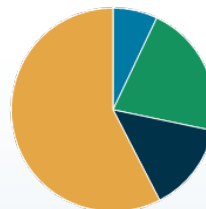
Overwhelmingly positive from both borrowers and loan originators.

Outcomes show we are reaching low and middle-income borrowers with **50% of loans going to borrowers under 80% AMI** and an average AMI of 84%, even before we explicitly market to them.

PILOT DATA

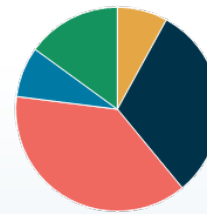
Loans Closed to Date	18
Average Completed Loan Amount	\$63,651
Average Completed Loan Home Value	\$496,500
Average Completed Loan LTV	14%
Average Annual Income	\$60,000
Average Area Median Income	84%
% Loan < 80% AMI	50%

FICO RANGE



■ < 640 ■ 640 - 700 ■ 700 - 760 ■ 760 - 800

HOUSEHOLD INCOME



■ < \$25k ■ \$25k - 50k ■ \$50k - 75k
■ \$75k - 100k ■ >100k

Investors + Foundations + **Homium** can deliver a *privately-funded*, evergreen program with lasting impact.

CALIFORNIA DREAM FOR ALL*

- Expected to cost 10% of AUM per year
- Loan pool will be *illiquid*
- Available funds limited to state investment
- Opaque structure
- Dependent on high-fee originators
- Unclear how program works with 1st mortgage lenders

INVESTORS + FOUNDATIONS + HOMIUM

- Costs 5% of originations and 0.50% AUM / year
- Creates opportunity for multiple sources of funding (*see chart right*)
- End-to-end digital process delivers unprecedented efficiency and transparency
- Fund will be *liquid*, holders can distribute risk and recycle capital
- 100% transparent, real-time reporting and visibility
- Creates brand new asset class providing necessary portfolio diversification for investors
- Creates evergreen funding solution for first-time homebuyers consistent with program goals
- Easily repeatable and scalable in other states

TARGET INVESTOR TYPES

Institutional
Investors
interested in ESG
and CRA credit

Public and
Corporate
Pensions

Insurance

Endowments,
Foundations, Non-
Profits, Family
Offices

Sovereign Wealth
Funds

Banks and Asset
Managers

*Note: [California Dream For All](#) is used as an example because it is a existing down payment assistance program (sponsored by the state of California) for first time homebuyers used in conjunction with a conventional first mortgage for down payment and/or closing costs. Upon sale or transfer of the home, the homebuyer repays the original down payment loan, plus a share of the appreciation in the value of the home.

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