

Homeownership

Homeownership has long been a key element of the American Dream, enabling families to build wealth while contributing to neighborhood stability.

Homeownership is the single largest source of wealth creation for Americans. Fully 31 percent of American wealth is in home equity, and Americans of color have 61 percent of their wealth in home equity. Historically, people of color have had lower homeownership rates than whites, a legacy of past discrimination and redlining.

The illegal but once common practice of denying mortgages or other services to communities based on race, income or location. In the foreclosure crisis that exploded in 2008, the African American communities were hit hardest and suffered the worst setbacks in terms of both homeownership rates and household wealth.

In many cases this happened because African American communities were targeted for predatory practices, including high-cost, deceptively packaged subprime loans.

We will advocate for relief for foreclosure victims, but we also believe the time has come for a concerted effort to create and expand sustainable pathways to homeownership that are accessible to all communities.

Our Homeownership Plan is built on these guiding principles:

- The government must be a partner in efforts to bring homeownership to African American communities.
- Banks and other lending institutions must be partners to extend responsible credit to African American communities.
- There should be transparency in the homeownership process.

- Mortgages MUST have the goal of sustainability.
- All aspects of the housing industry must reflect the diversity of America.
- Regulators must be ahead of the curve and sound the alarm on deceptive practices.

Based on these principles, our plan then sets forth the following policy priorities for government and corporate America:

- **Sustainable Products & Programs:** Develop and support innovative and affordable homeownership models, including shared equity strategies and land trusts.
- **Housing Counseling:** Support and expand access to housing counselors who can ensure that homeowners and potential homeowners are armed with the knowledge they need to make wise decisions. Such access has been endangered by lack of funding.
- **Access to Fair Credit:** Reduce over-reliance on credit reporting systems that produce artificial barriers to homeownership for African American communities. Develop strategies to help repair the credit of those hurt by illegal lending practices.
- **Clear Shadow Inventory through Homeownership:** Create a strategy that puts the needs of families and first-time buyers seeking affordable homes ahead of investors and speculators.
- **Robust Down Payment Assistance:** African American communities and low-income communities often lack liquid assets in the form of savings or inheritance to use as a down payment. Increase public/private investments in down payment pools and other creative strategies to close this gap.
- **Transparency & Accountability:** In order to identify barriers and measure progress, we need more thorough data than are now available. Include data broken down by race and ethnicity—including subgroups within larger ethnic communities, such as Asian Americans