

Regional Priority Strategies to Reduce Racial Homeownership Gaps

9/27/2021

Help People of Color Receive Responsible Mortgage Products

Strategy	Actions
<ul style="list-style-type: none"> • Explore and potentially promote special purpose credit programs that can address homeownership gaps in a race-conscious way. 	<p><i>Use National Fair Housing Alliance (NFHA) September 2021 symposium on special purpose credit programs to gauge and stimulate interest in local effort.</i></p>
<ul style="list-style-type: none"> • Affirmatively market affordable mortgages for purchase & renovation 	
<ul style="list-style-type: none"> ○ Compile information on small-dollar mortgages offered in the Baltimore region for affirmative marketing. 	<p><i>Work with housing counselor and lender contacts to identify products by fall 2021</i></p>
<ul style="list-style-type: none"> ○ Publicize homeownership and wealth-building success stories for people of color. 	<p><i>Work with housing counseling agencies as part of carrying out survey and focus groups.</i></p>
<ul style="list-style-type: none"> ○ Support homebuyer clubs and other ways for homebuyers to share information and support each other as they seek to enter homeownership. 	<p><i>Evaluate best way to do this after survey and focus groups.</i></p>
<ul style="list-style-type: none"> ○ Expand Housing Choice Voucher homeownership opportunities in the region and recruit more mortgage lenders who will work responsibly with the program. 	<p><i>Identify lenders who will issue mortgages to those who qualify for the HCV homeownership program; create PHA info-sharing network to help PHAs create, if necessary, and expand HCV homeownership programs.</i></p>
<ul style="list-style-type: none"> • Support reforms to reduce racial disparity in appraisals that can under-value Black-owned homes and hinder Black homebuyers. 	<p><i>Connect with Maryland Bankers Association regarding their efforts. Potentially support legislation in 2022.</i></p>
<ul style="list-style-type: none"> • Expand down-payment assistance. 	<p><i>Evaluate after housing counselor focus groups and survey; potentially expand local assistance and/or push State to expand assistance</i></p>
<ul style="list-style-type: none"> • Explore and promote alternatives to credit scores for mortgage-worthiness evaluation (e.g. Underwriting for Good in New York) 	<p><i>Explore this as part of working with housing counseling agencies.</i></p>

Learn from and Refine Homeownership Counseling

Strategy	Actions
<ul style="list-style-type: none"> • Identify and tackle obstacles that disproportionately keep Black home seekers who receive homeownership counseling from getting a mortgage and buying a house. 	
<ul style="list-style-type: none"> ○ Conduct a survey of people who have received homeownership counseling. 	<i>Conduct survey fall 2021</i>
<ul style="list-style-type: none"> ○ Conduct focus groups of homeownership counselors. 	<i>Conduct focus groups fall 2021</i>
<ul style="list-style-type: none"> ○ Act on the results. 	<i>Beginning early 2022</i>
<ul style="list-style-type: none"> • Seek ways to elevate mortgage lenders that have good track records serving Black homebuyers. 	<i>Explore with CDN and Maryland DHCD over FY2022.</i>

Help Existing Homeowners Sustain Homeownership & Build Wealth

Strategy	Actions
<ul style="list-style-type: none"> • Expand funding for affordable repair & renovation products for low- and moderate-income homeowners so they can maintain their home asset. Affirmatively market these products to neighborhoods predominantly of people of color. 	<i>Local governments can explore using American Rescue Plan funds (which must serve communities or individuals disproportionately hurt by COVID-19) or other funds. Dan can assist and facilitate regional information-sharing as useful.</i>
<ul style="list-style-type: none"> • Monitor home values in middle-income neighborhoods, particularly those predominantly of color. Fund and support deployment of Middle Neighborhoods market-building measures so homes appreciate at a moderate pace and build wealth over time. 	<i>Potentially convene regional learning network.</i>
<ul style="list-style-type: none"> • Help homeowners establish clear legal title to their homes for rehabilitation assistance and conduct estate planning to ensure intergenerational transfer of wealth (e.g. Maryland Volunteer Lawyers Service’s My Deed My Legacy program) 	<i>Make sure all jurisdictions are connected to MVLS and that they are adequately resourced.</i>
<ul style="list-style-type: none"> • Affirmatively market counseling to homeowners of color to help them avoid foreclosure as COVID-19-related foreclosure moratoria expire. 	<i>Pursue at local level and through peer info-sharing network similar to that for COVID rental eviction prevention.</i>