

2020 Advocacy to Close the Racial Wealth Gap



Background on NAREB

The National Association of Real-Estate Brokers (NAREB), is the oldest African-American real estate trade association in the country.

One of NAREB's initiatives, Two Million New Black Homeowners Program (2MN5), is in response to its annual report on the State of Housing In Black America (SHIBA)[®]. Aimed with a short and long-term core objective to eliminate the racial gap and disparity in homeownership in the United States **(46% Black vs. 76% White)**. Advocacy for changing government laws and policies is key to combating the racial disparities in homeownership.



Why Black homeownership matters

- Homeownership strengthens families, stabilizes neighborhoods, creates jobs, and is important to the local, state and national economy.
- Over 40% of small businesses start in the home (Bill Gates, Steve Jobs started their businesses at home).
- Black kids of parents that own a home have stronger educational, health and economic outcomes.



Communicating Black Homeownership

- Sustainable and affordable homeownership.
- Protecting the American Dream of Homeownership.
- Growing Black wealth through homeownership.
- Homeownership is the #1 way to create and transfer wealth in the U.S.
- We can not close the racial wealth gap in the U.S. without increasing the rate of Black homeownership.



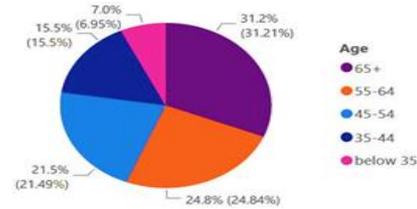
Market Opportunities to Grow Black Homeownership

- There are **1.7 Million Black millennials** earning over **\$100,000** per year that are mortgage ready but are renting apartments, low DTI, good credit scores, and solid employment (source: Urban Institute).
- There are 3 Million African-Americans that are mortgage ready with low DTI, good credit scores (source: Freddie Mac).
- **2.1 Million African-American** with thin credit files, no judgements, no charge-offs, just not enough trade lines (source: Freddie Mac).
- Education and marketing campaigns-with a 30% gap in homeownership between Black Americans and White Americans, there is a huge market and economic opportunity for businesses (lenders, contractors, suppliers, etc.).

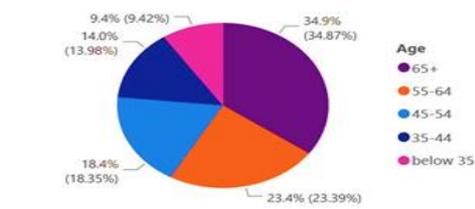


Black Homeownership Millennial Markets

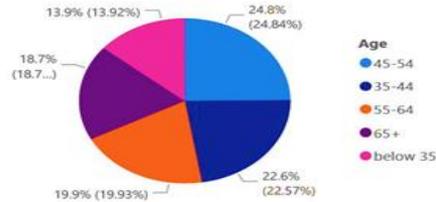
Black Homeownership by Age



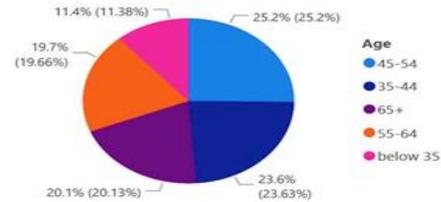
White Homeownership by Age



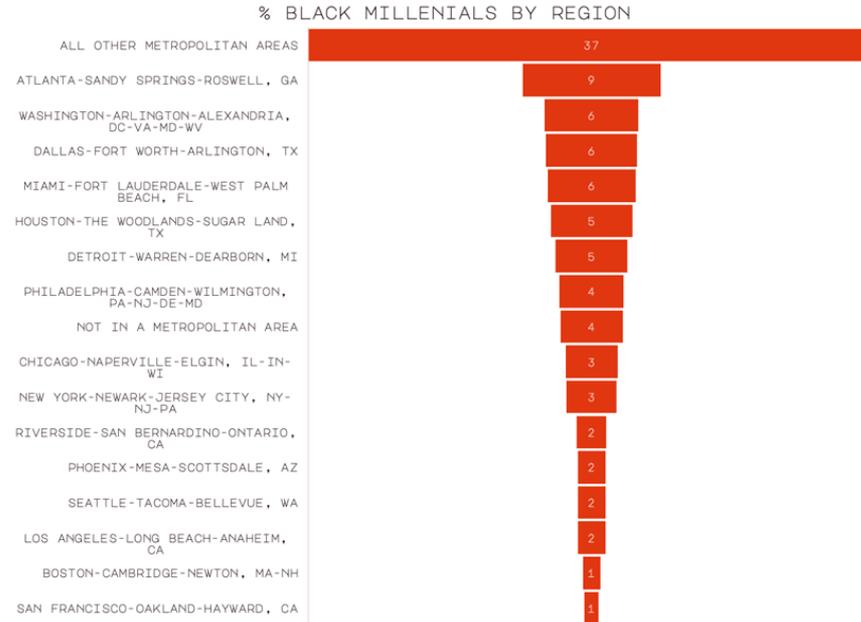
Hispanic Homeownership by Age



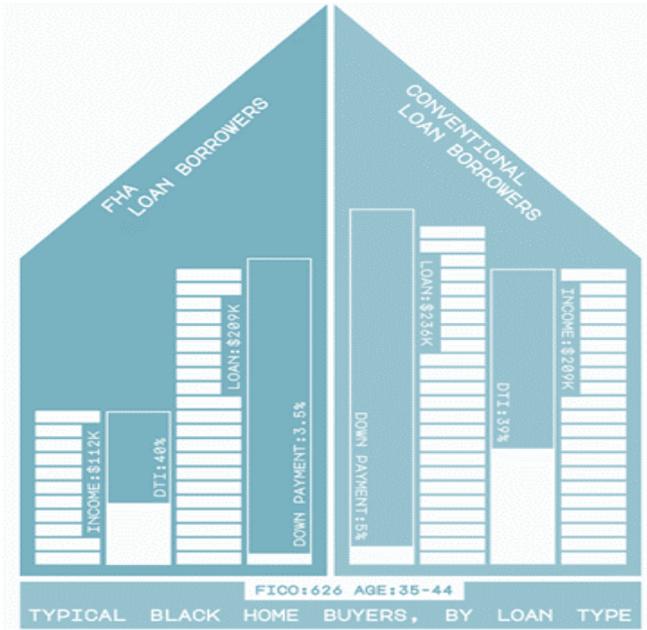
Asian Homeownership by Age



Black Homeownership Millennial Markets



Black Homeownership Profile



The Average Black Homebuyer Obtains an FHA Mortgage for \$209,000, has a DTI Ratio of 40 %, and an Income of \$112,000

Source: 2018 HMDA
www.nareb.com/SHIBA-Report



Advocacy for increasing Black Homeownership



- Promoting homeownership as a high priority for public policymakers.
- Protecting the 30-year mortgage.
- Preserving QM Patch.
- Expanding Section 184 to include Black people.
- Loan Level Equality: The absence of hereditary or arbitrary class distinctions, biases or privileges in the mortgage origination process.
- American Dream Down Payment Act and NHI Act.
- Opposed to increase in fees by GSEs on refinancing of residential mortgages
- CARES & HEROES Act.
- Opposed elimination AFFH Rule
- Opposed OCC changes to CRA

