



# **Overcoming the Hurdles: Breaking Down the Homeownership and Wealth Gap**

Wednesday, May 8<sup>th</sup>, 2024

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**Advocacy**

**Youth  
Housing  
Initiative**

**Race  
Equity**



**OHIO**

Balance of State  
Continuum of Care



**COHHIO**

Training and  
Technical Assistance



**COHHIO**

Coalition on Homelessness  
and Housing in Ohio



**COHHIO**

Homeless Management  
Information System

**Housing Ohio**  
conference

**SOAR  
Ohio**

**Fair Housing  
& Tenant  
Information**



**Healthy Beginnings**  
At Home



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# Equitable Housing Finance Plan

Ohio Housing Conference

Evet Francis

Fannie Mae

May 2024



# The household formations of the future will look far different than those of the recent past

From 2020 to 2030, it is expected 8.5 million new households will be formed, with 8.1 million being households from historically underserved groups.

**4.1M**

net new Hispanic households

**1.7M**

net new Black households

**2.3M**

net new AANHPI, AIAN and multiracial households

**.4M**

net new white households

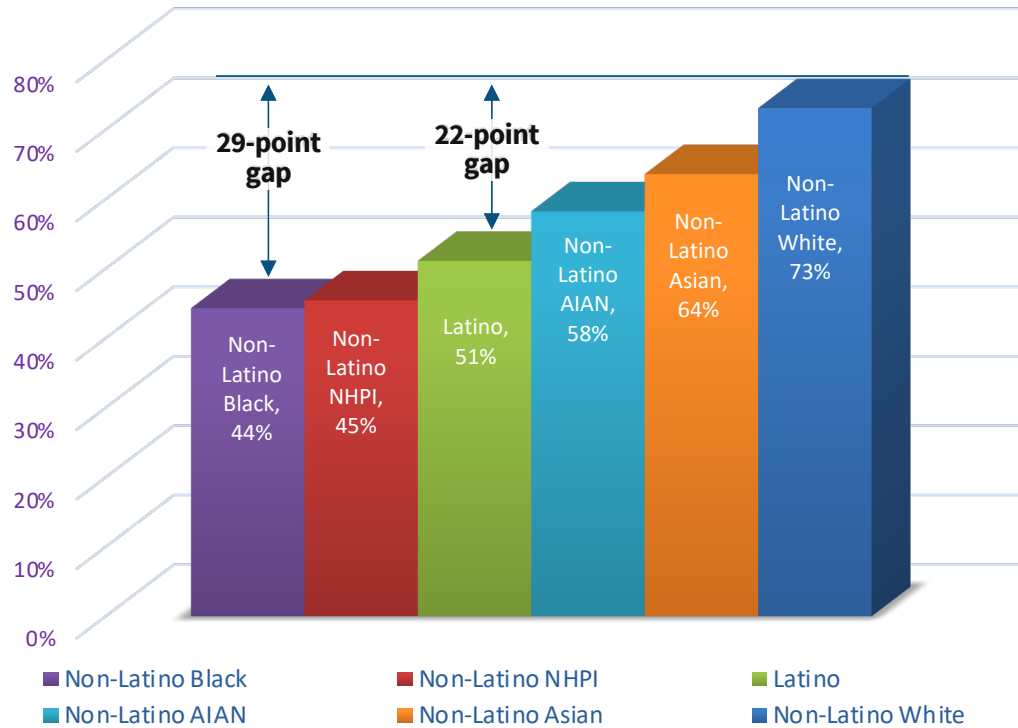
**As housing industry organizations seek to connect with new renters and first-time homebuyers in 2024 and beyond, the industry has an opportunity to increase loan volume while increasing equitable and sustainable access to homeownership and quality affordable rental housing.**

\*Asian, American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial individuals.

# The Homeownership Gap

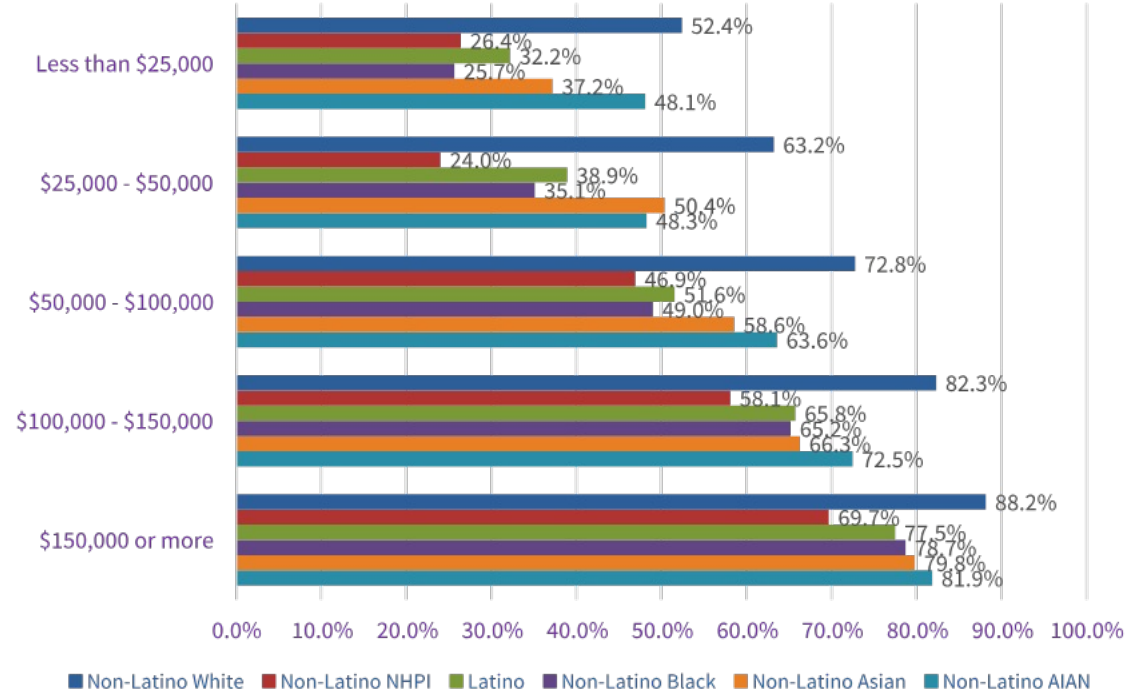
Many consumers encounter obstacles throughout their housing journey, especially those from historically underserved groups. Across our country, communities that suffered from a discriminatory past continue to suffer the effects of a disparate present, with housing at the crux of the divide. **44% of Black** and **51% of Latino consumers** own homes compared to 73% of non-Hispanic white consumers – **a gap of 29 and 22 percentage points.**

## U.S. homeownership rate by race (2022)



Source: Fannie Mae computations from American Community Survey PUMS 1-year estimates, 2022. AIAN: American Indian and Alaska Native; NHPI: Native Hawaiian and Pacific Islander.

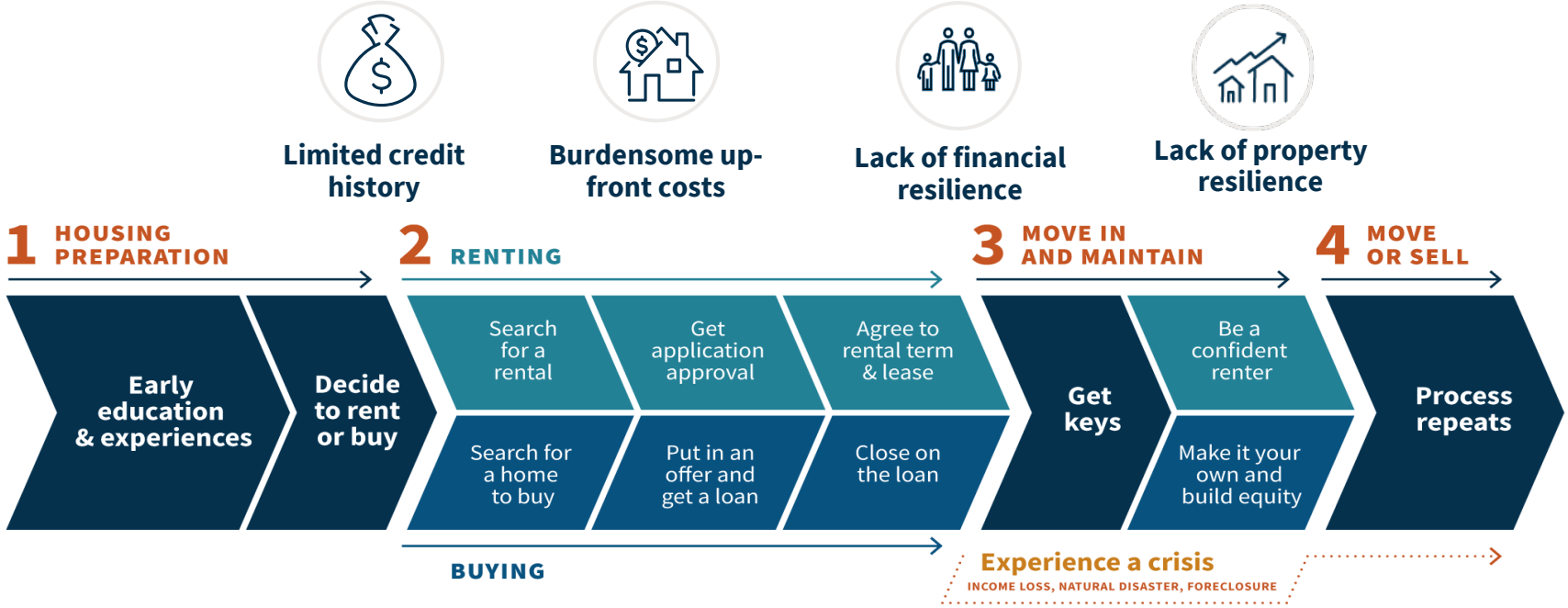
## Homeownership rate by household income (2022)



Source: Fannie Mae computations from American Community Survey PUMS 1-year estimates, 2022. AIAN: American Indian and Alaska Native; NHPI: Native Hawaiian and Pacific Islander.

# Equitable Housing Finance Plan

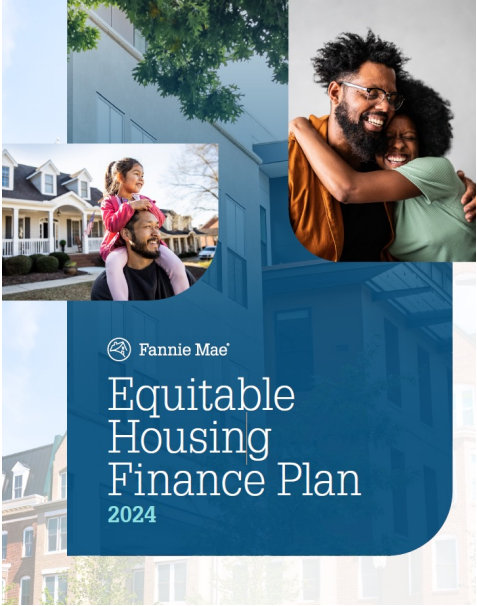
- Third year of three-year Plan
- Focus on **four** shared barriers
- Housing equity integral to long-term corporate strategy



See more about the Black and Latino Housing Journey here:

[Black Housing Journey](#)

[Latino Housing Journey](#)





# Progress on Key Housing Journey Obstacles



**Burdensome  
Up-front costs**

## **HomeReady First®**

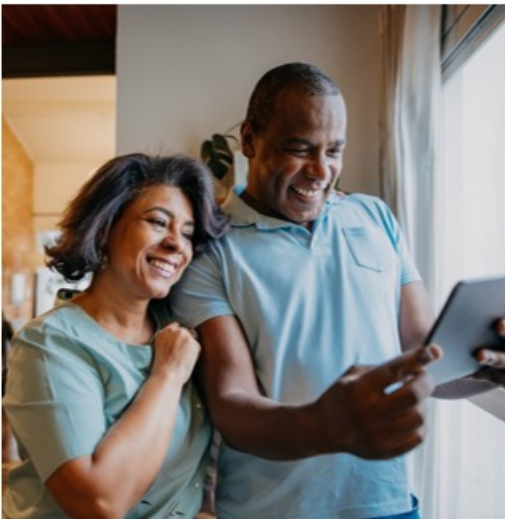
920 HomeReady First loan acquired, plus 4,700+ lender SPCPs. Fannie Mae funded \$5 million DPA



**Burdensome  
Up-front costs**

## **Valuation Modernization**

\$88 million saved through 2023 through appraisal alternatives



**Burdensome  
Up-front costs**

## **Reducing closing costs**

350+ attorney opinion letters and 600+ REO closing cost concessions



**Limited Credit  
History**

## **Positive Rent Payment History/Cash Flow Assessment**

5,000+ applications benefiting; ~50% minority applicants



# Progress on Key Housing Journey Obstacles



**Limited Credit History**

**Multifamily Positive Rental Payment Reporting**

~386,000 residents reporting



**Lack of Financial Resilience**

**LISC Financial Opportunity Centers**

2,400+ people served in five cities



**Lack of Financial Resilience**

**Counseling**

12,000+ post-purchase counseling sessions in 2023 and launching pre-purchase counseling effort



**Lack of Financial Resilience**

**SDW/SIA**

4,600+ units with rent/AMI restrictions; >50% of properties in minority census tracts



# Key themes and headlines from 2024 Plan

- 23 specific actions that expand upon the innovations and lessons learned from the first two years
- Focus on scalability/expansion of key actions: Reduce Closing Costs, Valuation Modernization, Positive Rental payment History, Cash-Flow Underwriting
- Two new actions: First-Generation Homebuyer, Pre-Purchase Counseling
- HomeReady First ( SPCP) expansion markets; action geared toward expanding DPA, HomeReady First goals

# We Want Your Feedback

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1. Fannie Mae is in the process of creating a new Equitable Housing Finance Plan for 2025-2027.
2. We want to take an outside-in approach, one that is built around the needs of consumers and the stakeholders who serve them in their housing journey. We need your input.
3. Our focus is on common barriers where Fannie Mae can make an impact, at scale, that are experienced more often, and more acutely, by families from historically underserved communities.
4. What new or evolving barriers should we be considering?

## Key Housing Journey Obstacles

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### Limited credit history

Limited or no formal credit history makes it harder for consumers to access quality, affordable housing.



### Burdensome up-front costs

Burdensome up-front housing costs makes it harder for consumers to access quality, affordable housing.



### Lack of financial resilience

Lack of financial resilience may lead to housing instability when consumers are confronted with temporary financial hardships or unexpected expenses.



### Lack of property resilience

Lack of property resilience may lead to temporary or prolonged housing instability when a property's condition, characteristics, or location create ongoing cost burdens, unexpected costs, or displacement.

Fannie Mae EHFP Engagement  
Survey\_COHHIO



**We value your  
feedback!**



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# Learn more about Fannie Mae's Equitable Housing Finance Plan for 2024





**Thank You!**

Bloom

Home  
ownership.  
Together.





To change generational experiences that blocked access to homeownership and in its place, create an accessible and achievable homebuying journey for Black and minority residents.

To build partnerships and allyships that help facilitate experiences catered to serve our Black and minority communities.

## About CONVERGENCE Columbus

Bloom is an initiative of the CONVERGENCE Columbus coalition, a cross-sector partnership to increase Black and minority homeownership in Columbus, Ohio. CONVERGENCE brings together leaders from across our community to drive impactful and sustainable homeownership solutions by closing gaps in trust, information, resources, and tools.

CONVERGENCE Columbus is housed at the Affordable Housing Alliance of Central Ohio and was originally launched by the Mortgage Bankers Association, the Ohio Housing Finance



# Who We are



myths, and discover other tools to drive your homeownership journey.



professional vetting guides to help you build the support system that's right for you.



build the support system that's right for you.



maintain, sustain, and preserve their homes for generations to come.



# Your Bloom

It takes community to build community. Bloom honors your personal homeownership journey by connecting you with unbiased advice, professional allies, and tools you can trust.



# Maude Hill Growing Homeownership Fund

Launched February 2024  
Administered by Homeport



## Program Highlights:

- ✓ \$1 million fund from philanthropists across the housing sector
- ✓ For Black, Latinx, and minority first time homebuyers in Franklin County (140% AMI)
- ✓ Up to \$15k flexible funds per household for down payment, closing costs, and other specified costs in a 5:1 savings MATCH!

Pre-approval and homebuyer education required.



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 [www.Bloom614.org](http://www.Bloom614.org)





# CONVERGENCE

## Co-leads

**Moderator: Anna Teye-Kasongo**  
Director of Community  
Partnerships, AHACO

**Netta Whitman**, Director of Housing  
Advisory Services at Homeport

**Qiana Jones**, Managing Broker at Just  
Listed Real Estate & President of the  
Columbus Realtist Association

**Michael Pires**, Business Operations  
Manager at the John Glenn College of  
Public Affairs Batelle Center, OSU

**Janene Parham**, Realtor at Red 1  
Realty

**Laird Nossuli**, CEO at iEmergent

**Carlie Boos**, Executive Director at the  
Affordable Housing Alliance of Central  
Ohio