

MINORITY REAL ESTATE GROUPS MAKE RECOMMENDATIONS TO ADDRESS HOUSING CRISIS

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The combined 70,500 members and affiliates of the National Association of Hispanic Real Estate Professionals, The Asian Real Estate Association of America (AREAA) and the National Association of Real Estate Brokers (NAREB) plan to share **The Five-Point Plan: Creating A Sustainable Path to Minority Homeownership** during their 2010 Multicultural Real Estate & Policy Conference this week in Washington, D.C. Leaders from the three national trade groups are appealing to lawmakers during Capitol Hill visits to take actions that stabilize the market, expand consumer protections, preserve liquidity and stop the spiral of losses in minority communities.

“Communities of color remain at great risk. We must take common sense actions that stop the spiral of losses, keep homeowners in place and prevent our neighborhoods from becoming renter communities,” said incoming NAHREP Chairman Alex Chaparro. “Lawmakers are looking to the real estate industry to collaborate on solutions that balance the role of government and private enterprise. We believe this plan does that.”

The three trade associations, which represent the most impacted communities, call for support of a five-point plan that:

1. Expands the scope of Community Reinvestment Act (CRA) functions to include loan servicing,
2. Mandates pre-purchase face-to-face homebuyer education and household budget management training,
3. Provides principal forgiveness for homeowners that are underwater on their mortgage and have more than 10 percent negative equity
4. Advocates the role of the GSE's and FHA to expand the flow of stable capital to the mortgage market
5. Promotes the role of a consumer protection agency that puts consumer interests first and is empowered to implement robust reforms that align industry practices with values that serve the common good.

"Our five-point plan, when adopted, will set a new course for this Nation's housing recovery, particularly within the minority community. The magnitude of our crisis requires us to act boldly and decisively to put us back on the right track and restore consumer confidence in the real estate market," said AREAA Chairman John Fukuda. "Communities and people we serve deserve this kind of comprehensive approach."

Current government programs, while well intended, have had limited impact especially in minority neighborhoods where the incidence of expensive mortgages and higher unemployment is greater. (At the peak of the housing expansion, African Americans and Latinos held high cost mortgages at two to nine times the frequency of whites in some foreclosure regions.) According to a report from the Federal Reserve, African American borrowers were 1.8 times as likely as white borrowers to be in foreclosure and Latino and Asian borrowers were 1.4 and 1.3 times, respectively, to be in foreclosure.

“The collaborative effort of African American, Hispanic and Asian American real estate professionals signals a broad call to action. Our respective communities have experienced previously unimaginable losses since the onset of the mortgage loan debacle and the subsequent far-reaching economic crisis,” said Vincent Wimbish, President and CEO of NAREB. “We firmly believe that the five-point plan offers a solutions-based approach to making homeownership, not only sustainable, but once again desirable for communities of color as well as for all Americans.”

Homeownership among African Americans and Latinos varies by region. For Latinos, the greatest proportion of homeowners is based in the West and Midwest. Among African Americans, homeownership is most concentrated in the Midwest and the South. One-third of the nation’s Asian population is based in California. The foreclosure crisis has turned into a regional phenomenon. Minorities reside in many of the states suffering the highest rates of foreclosures and home devaluations including: Nevada, California, Arizona, Florida, Illinois, Ohio and Michigan.

Leaders from the Hispanic, Asian and African American trade groups plan to discuss the tenets of the plan at a White House briefing during their policy summit this week. The associations have collaborated on joint positions in the past. This is the second time they have recommended a plan together. A copy of The Five-Point Plan: Creating A Sustainable Path to Minority Homeownership is available at www.nahrep.org, www.areaa.org or www.nareb.com.

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WHERE :

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About NAHREP

The National Association of Hispanic Real Estate Professionals, a non-profit 501c6 trade association, is dedicated to increasing the homeownership rate among Latinos by educating and empowering the real estate professionals that serve them. Based in Washington D.C., NAHREP is the premier trade organization for Hispanics and has more than 17,000 members in 48 states and 62 affiliate chapters.

About AREAA

Established in 2003, the Asian Real Estate Association of America’s membership represents a broad array of real estate, mortgage and housing-related professionals that serve the diverse Asian/Pacific-American market. AREAA is the only national trade association dedicated to representing the interest of the Asian real estate market throughout the country. It pursues initiatives that expand home ownership opportunities for more Asian/Pacific-American families, that increase business opportunities for its members, and that deliver tangible results for its national partners.

About NAREB

The National Association of Real Estate Brokers (NAREB) was formed in 1947 out of a need to secure the

right to equal housing opportunities regardless of race, creed, or color. Since its inception, NAREB has instigated, participated in, or actively supported legislative initiatives and legal challenges to ensure fair housing for all Americans and access to business opportunity for minority real estate professionals. Today, NAREB has 88 chapters located nationwide. For more information, visit: www.nareb.com.