



# We Are Working for You: **A Progress Update**

In September 2021, MBA announced *Building Generational Wealth through Homeownership*, an initiative aimed at providing industry leadership and direction for reducing the racial homeownership gap; developing and supporting policies that support sustainable homeownership for communities of color; and promoting fair, equitable, and responsible lending for minority borrowers. When MBA launched this effort, we knew that changes would require ongoing commitment and creative thinking. The Home for All Pledge, a call to action by MBA's 2022 Chair, Kristy Fercho, encouraged momentum from all areas of the industry.

With the help of its dedicated members and partners, MBA has begun the work and has made progress. We will continue to lead and help African-American and Hispanic families leverage homeownership to create and maintain generational wealth.

Here is an overview of what we have accomplished and what we will be tackling next:

**1. Develop a multifaceted advocacy plan to increase access to affordable financing options to expand the pool of minority borrowers.**

**WHAT WE'VE DONE:**

- Collaborated with members to develop recommendations to increase the area median income (AMI) limits for the GSEs' affordable products — HomeReady® and Home Possible® — and began advocacy efforts.

**WHAT'S NEXT:**

- Finalize the proposal for an increase in AMI limits on GSEs' affordable products.
- Advocate for increased AMI limits in Special Purpose Credit Programs (SPCPs) developed by the GSEs.

**2. Lead advocacy for regulatory clarity in support of Special Purpose Credit Programs (SPCPs) and develop a lender playbook to encourage scalable, replicable programs.**

**WHAT WE'VE DONE:**

- Successfully advocated for regulatory clarity in support of SPCPs.
  - + [HUD provided guidance in December 2021.](#)
  - + [FHFA provided a statement of support in December 2021.](#)
  - + [FDIC provided a statement in February 2022.](#)
  - + [OCC provided a statement in February 2022.](#)
  - + [NCUA provided a statement in February 2022.](#)

- Launched a [SPCP Toolkit](#) with the National Fair Housing Alliance in partnership with the Homeownership Council of America (June 2022).
  - + Reviewed the Toolkit with multiple government agencies and received positive feedback.
  - + Hosted multiple webinars to educate members on the Toolkit.

**WHAT'S NEXT:**

- Advocate to ensure secondary market support of SPCPs by encouraging the GSEs to create their own SPCPs and to provide guidance to lenders that want to create customized programs.
- MBA is encouraging the CFPB to issue a No-Action Letter for the GSE program template for SPCPs.

**3. Support down payment options for minority borrowers that address the lack of generational wealth.**

**WHAT WE'VE DONE:**

- Advocated for and successfully secured the inclusion of key provisions in the *Downpayment Toward Equity Act of 2021*, supporting uniformity in the administration of down payment assistance and granting participating lenders a meaningful safe harbor should borrowers self-attest their first-generation or first-time homebuyer status and later be determined ineligible.
- The Housing Finance Agency Solutions Team created consistent and standard language for Housing Finance Agencies to use in lender documents to simplify and encourage lender participation in HFA programs.
- MBA endorsed S.4445, the *Affordable Housing Bond Enhancement Act*, to increase mortgage revenue bond activity.

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2  
Lead advocacy for regulatory clarity in support of Special Purpose Credit Programs (SPCPs) and develop a lender playbook to encourage scalable, replicable programs.

3  
Support down payment options for minority borrowers that address the lack of generational wealth.

4  
Support pathways to homeownership for minority borrowers who have been denied mortgage financing.

5  
Lead and support legislative initiatives that provide resources to counseling agencies and other organizations that offer pre- and post-home-buying services.

6  
Raise awareness among minority homeowners of the resources available to improve affordability and maintain homeownership.

**4. Support pathways to homeownership for minority borrowers who have been denied mortgage financing.**

**WHAT WE'VE DONE:**

- Secured introduction of House legislation, *Making FHA Work for Borrowers with Student Debt Act of 2021*, that led to favorable changes to FHA's calculation of student debt.

**WHAT'S NEXT:**

- Evaluate scalable programs to assist minority applicants who have been denied a loan due to a lack of funds or credit issues.

**5. Lead and support legislative initiatives that provide resources to counseling agencies and other organizations that offer pre- and post-home-buying services.**

**WHAT WE'VE DONE:**

- Obtained key provisions to provide direct assistance to homeowners with COVID-19 hardships through state Housing Finance Agencies, such as:
  - + \$10 billion for the Homeowner Assistance Fund; and
  - + \$100 million for housing counseling services for borrowers whose forbearance plans are ending and who need to contact their servicer to extend payment relief or request additional assistance.

6. Raise awareness among minority homeowners of the resources available to improve affordability and maintain homeownership.

**WHAT WE'VE DONE:**

- Using a collective impact model, MBA's CONVERGENCE place-based initiative continues to expand minority homeownership in Memphis and Columbus.
- MBA, alongside the National Fair Housing Alliance's Keys Unlock Dreams program, provided virtual homebuyer fairs to Columbus and Memphis in spring 2022.

**WHAT'S NEXT:**

- CONVERGENCE Philadelphia will launch in early 2023. This will be the third location for the place-based initiative.

“A commitment to increasing homeownership for people of color cannot be just an MBA Chair’s one-shot, one-year objective. It needs to be a process where we put a stake in the ground and build a roadmap to it, which includes supporting affordable rental housing options. We need to hold ourselves accountable so we can measure the success that we ultimately want to achieve. This is something that I’m passionate about.”



**What's Next Overall?**

The Affordable Rental Housing Strategy will launch in October 2022 under Matt Rocco's leadership.

Get Involved: [mba.org/minorityhomeownership](https://mba.org/minorityhomeownership)



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