



## ROBUST U.S ECONOMY NOT A BOOST FOR BLACK HOMEOWNERSHIP

*New State of Housing in Black America report issued by NAREB points to years of flawed and disparate lending practices, and discriminatory federal government housing policies*

Washington, DC – September 13, 2019 - In spite of a robust U.S. economy, a strong employment rate, and steadily increasing 401(k) plan earnings, Black homeownership rates continue to drop. Drawing from the 2019 release of the National Association of Real Estate Brokers **State of Housing in Black America (SHIBA) report**, not only is the rate of Black homeownership falling, the gap between Black and Non-Hispanic White households today is larger than it was in 1968.

SHIBA report findings were released September 12, 2019 at NAREB's Issues Forum held during the Congressional Black Caucus Foundation – Annual Legislative Conference. The event, hosted by Congressman Gregory K. Meeks (D-NY) and entitled, "**The State of Housing in Black America: Educate...Empower... Motivate**" served as the launching pad for NAREB's aggressive, multi-pronged approach to rebuilding Black wealth through homeownership and real estate investment.

"What NAREB has anecdotally known and now can pinpoint are the systemic blockages and traps that for decades thwarted the right of Black Americans to become homeowners," said Donnell Williams, president of the National Association of Real Estate Brokers, the country's oldest professional minority real estate trade association. Latest U.S. Census Bureau data reported the Black homeownership rate at 40.6%. During the same time period (2<sup>nd</sup> qtr. 2019), the non-Hispanic White rate of 73.1% was charted, a 32.5% gap.

Made clear in the report is the role federal housing policies have played that are largely responsible for stifling the growth of Black homeownership. The reality of staggeringly low homeownership rates during a period of overall economic growth indicates that there are other powerful forces adversely affecting Black Americans' pursuit of homeownership. The unsettling result is an apparent decline that translates into a widening gap in net worth between Blacks and non-Hispanic Whites. **The report further warns that a recession will likely push the rate of Black homeownership below 40%, approaching levels not experienced since the 1950s.**

Kicking off the two-panel forum were remarks from Congressman Meeks announcing to the more than 500 people packed into the standing-room only gathering that he would be introducing the American Dream Down Payment Savings Plan. The legislative initiative is designed to help homebuyers with the purchase of a home in a way similar to the 529 college savings plan. He applauded NAREB's advocacy efforts and urged the audience to keep being vigilant.

Each of the expert panelists that followed spoke to NAREB's legislative agenda in support of the three areas of public policy change which included: rethinking credit scoring and restrictive underwriting; eliminating loan level price adjustments (LLPAs) and risk-based pricing; and expanding down payment

assistance programs. Panelists included: **James H. Carr**, Coleman A. Young Endowed Chair and co-author of NAREB's 2019 edition of the *State of Housing in Black America* report; **Maurice Jourdain-Earl**, Managing Director, ComplianceTech; **Nikitra Bailey**, Executive Vice President, Center for Responsible Lending (CRL), and **Mark Alston**, owner, Alston and Associates Mortgage Co. and past chair, NAREB Public Affairs Committee.

While the first panel addressed the on-going barriers to homeownership, the second panel focused on solutions to attract the 1.7 million non-homeowning Black millennials with incomes of \$100,000 or more to consider the wealth building aspects of purchasing a home or investing in real estate.

The audience heard from progressive public officials, entertainers, a sports figure and a NAREB Realtist, including: **LaTisha Grant**, Broker/Owner of Houston-based TAS Realty Group and convener of NAREB's new "House Then the Car" initiative; **Stephen K. Benjamin**, Mayor of Columbia, SC; **Ronald "Ronnie" DeVoe**, entertainer, entrepreneur and founder of DeVoe Real Estate Group in Atlanta, GA; **Will Jawando**, At-Large Councilman, Montgomery County, MD; **Bobby Simmons**, former NBA star, entrepreneur and founder of the Bobby Simmons Rising Stars Foundation, and **Waka Flocka Flame**, popular rapper, entrepreneur and investor.

As the SHIBA report indicates, racial discrimination is often asserted to the principal "unexplained" factor for the low homeownership rate and there is good reason. Black homeownership has historically been built on a foundation largely consisting of various forms of predatory, high-cost, and unsustainable home purchase loan products and other deceptive and discriminatory housing market practices.

Yet, as the report details, while discrimination has played a major role in denying affordable and sustainable homeownership access to Black households, discrimination by individual private market actors is insufficient to fully explain the gap between Black and non-Hispanic homeownership rates. **Federal policies are, at least, if not more, responsible for limiting Black homeownership.**

"NAREB intends to work on numerous, yet appropriate fronts to close the wealth gap. I have served notice by issuing a cease and desist order along with reaching out to numerous organization and faith-based leaders to join our fight to make homeownership an equal opportunity for Black Americans. It is our right as citizens of these United States and not a privilege," Williams added.

The 2019 edition of the *State of Housing in Black America* (SHIBA) report can be viewed and downloaded on the NAREB website: <http://www.nareb.com/shiba-report/>

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*The National Association of Real Estate Brokers (NAREB) was formed in 1947 to secure the right to equal housing opportunities regardless of race, creed or color. NAREB has advocated for legislation and supported or instigated legal challenges that ensure fair housing, sustainable homeownership, and access to credit for Black Americans along with promoting access to business opportunity for Black real estate professionals. NAREB annually publishes The State of Housing in Black America report. [www.nareb.com](http://www.nareb.com)*

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