



For Immediate Release

Senate bill seeks to remove major barrier to black homeownership

National Association of Real Estate Brokers (NAREB) applauds introduction of American Dream Down Payment Act intended to break financial constraints thwarting the growth of Black homeownership.

Washington, DC – August 5, 2020 –The U.S. Senate accepted the bipartisan introduction by Senators Sherrod Brown (D) of Ohio, Doug Jones (D) of Alabama, and Cory Gardner (R) of Colorado of the ***American Dream Down Payment Act of 2020 (S-4414)***. According to the Urban Institute the major barrier preventing Black Americans from purchasing their first home is the inability to save sufficient funds for a down payment. If the bill is enacted into law, the measure allows the creation of savings accounts at the state level similar to the 529 college savings plan, but with the goal of saving for the down payment to purchase a home. Contributions of up to \$12,000 per year could be put into these qualified accounts and the savings could grow tax-free as long the funds are used for a down payment.

“Senate Bill S-4414, introduced on Tuesday, August 4, 2020, now known as the American Dream Down Payment Act of 2020 serves as a beacon of hope to vastly increase the opportunity for Black Americans to purchase a first-time home and begin a wealth building journey. Homeownership continues to be the best avenue to build legacy wealth and to begin closing the wide wealth gap between Black Americans and non-Hispanic White Americans,” said Donnell Williams, president of the National Association of Real Estate Brokers, the country’s oldest, professional, minority real estate trade group.

The current homeownership rate for Black Americans stands at 47% compared to the 76% homeownership rate of non-Hispanic whites. “That nearly 30% span represents an economic chasm that NAREB is determined to close. Passage of the American Dream Down Payment Act will serve as a long-awaited lifeline, especially for young Black Americans and their parents who want to help their children get a head start on building financial security,” Williams added.

NAREB has long envisioned such a savings plan and recommended that such a legislative action was critical to increasing the Black homeownership rate. The congressional ask was embedded in NAREB’s 2018 State of Housing in Black America report as one of the solutions to increase Black wealth through homeownership.

And most recently, the savings plan was included in President Williams’ testimony before the House Financial Services Committee and at NAREB’s Spring Policy Conference. “NAREB’s vigilance is paying off. The economic health of Black Americans strengthens the entire national economy and that of the states where Black Americans reside. We are gratified that Senators Brown, Jones, and Gardner understand the significance and importance of expanding opportunity for Black Americans to achieve the American Dream of homeownership,” Williams stated.

The bill is supported by: Asian American Association of America (AREAA); FHLBank of San Francisco; Mainstreet Alliance; National Association of Affordable Housing Lenders (NAAHL); National Association of Realtors (NAR); National Association of Real Estate Brokers (NAREB); National Business League; National Community Reinvestment Coalition (NCRC); National Fair Housing Alliance (NFHA), and National Housing Conference (NHC).

For more information visit: www.nareb.com

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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. At the same time, NAREB advocates for and promotes access to business opportunity for Black real estate professionals in all of the real estate disciplines. NAREB annually publishes The State of Housing in Black America report. www.nareb.com

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