

Promotion of Homeownership

WHEREAS, the Corporation is committed to public policies that “impact the vitality and sustainability of cities;” and

WHEREAS, homeownership is an important catalyst for economic security, stability, and safety for families and cities; and

WHEREAS, it is also widely known that homeownership is one of the few, if not the only way for low and moderate-income families to build wealth and stability for their children; and

WHEREAS, the National Community Reinvestment Coalition (NCRC) President and CEO John Taylor has said, “Homeownership is the single best mechanism for working families to build wealth and enter the middle class. Without access to homeownership opportunities, the avenues to climb the economic ladder are few;” and

WHEREAS, the wealth gap between whites and people of color is widening and not narrowing. The *Washington Post* reported that, on average, white families hold seven times the wealth of families of color – almost double the average two decades ago; and

WHEREAS, the 2014 Home Mortgage Disclosure Act (HMDA) states that “denial disparities persist regardless of income, with middle-and-upper income home purchase denial rates for African American borrowers at 16.3 percent, Hispanic borrowers at 13.7 percent, and whites at just 8.4 percent. These figures jump dramatically in low- and moderate-income neighborhoods, with a denial rate of 14.9 percent for whites, 19.7 percent for Hispanics, and 25.2 percent for African Americans;” and

WHEREAS, this data since the housing crisis in 2008 is on a continued decline for communities of color, for the second straight year the HMDA data has underscored that opportunity for homeownership is virtually non-existent for communities of color. Particularly, in underserved and un-served communities, it’s too difficult to become a homeowner; and

WHEREAS, the government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, are two enterprises that have an affirmative obligation to serve underserved communities and contribute to affordable housing options; and

WHEREAS, after the housing crisis of 2008, Congress responded and passed the Housing Economic Recovery Act (HERA) of 2008, placed the GSEs in conservatorship, and created the Federal Housing Finance Agency (FHFA). As conservator, FHFA saw the companies begin to rehabilitate, but in 2012 the U.S. Treasury took unprecedented action; it implemented

the Third Amendment Sweep (or “Net Worth Sweep”) sweeping 100 percent of the profits of the two companies on pace to wind down by 2018; and

WHEREAS, there is a steady debate in Washington about the continued wind-down of the government sponsored enterprises (GSEs); and

WHEREAS, the conservatorship and the third amendment hinder the GSEs from rebuilding any capital and from providing the liquidity and access to the secondary mortgage market that they have historically offered; and

WHEREAS, it is within the authority of the Administration to address the current state of affairs of the GSEs and to further address housing finance policy; and

WHEREAS, the Corporation acknowledges that cities and urban centers thrive when its residents thrive and prosper; and

NOW THEREFORE, IT IS HEREBY

RESOLVED, the Corporation calls on the Federal Housing Finance Agency and the Obama Administration to take the necessary actions to release Fannie Mae and Freddie Mac from conservatorship and allow them to rebuild their capital reserves;

BE IT FURTHER RESOLVED, AAMA believes that once the Administration takes action, the two companies can continue to open the door of homeownership for families across America; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials as appropriate.

