

A Home is More Than a House

Whatever happened to the American Dream of owning a home and parents giving their children a better life than they experienced? In the 21st century is it a “dream” deferred or denied? As home prices rise faster than that of most worker wages, amassing a down payment continues to delay many families from making the important transition from renters to homeowners.

For consumers of color, especially among Black and Latino mortgage applicants, scant access remains to the most affordable and sustainable mortgages: conventional loans with fixed rates. Instead, these consumers are disproportionately dependent upon government-backed mortgages like VA and FHA financing that charge higher fees and take longer to build equity.

Until or unless broader access to affordable mortgages becomes a reality, the nation’s racial wealth gaps will continue to grow.



Fast Facts

In 2018: Household income of \$91,600 was needed to successfully apply for a median priced home of \$250,000 according to the National Association of Realtors.

Nationwide homeownership was 64.4%. When race and ethnicity were considered by the U.S. Census Bureau, homeowner-ship among Black consumers was only 41.7%, Latino homeownership was 46.3%, and white ownership was 73.1%.

Family wealth reflects further disparities: median white family wealth totaled \$215,000, \$35,000 for Latino families, and \$14,400 for Black families.

CRL’s analysis of first-lien, owner-occupied mortgages made from 2016–2017 found that homeownership levels for Latino borrowers remained unchanged at 9.6%. Similarly, homeownership rates for Black borrowers were nearly flat, increasing from 6.3% to 6.7%.

Reform Remedies

- Expand access to conventional mortgage loans for low-wealth families to broaden access to mortgage credit.
- Administratively reform Fannie Mae and Freddie Mac to preserve affordable mortgage credit for all creditworthy borrowers.
- Maintain current strong Ability to Repay standard on all mortgage loans.
- Fund and modernize the FHA insured mortgage program.
- Protect and fully enforce fair lending laws (including disparate impact) and rules that hold servicers accountable.
- Address the federal government’s role in fostering mortgage discrimination.



“The American Dream of homeownership is the way that most families build wealth, but it is a dream rooted in inequity. Now is the time to fix public policies to ensure that all credit-worthy borrowers have access to the mortgage credit they deserve. The future mortgage system depends on today’s underserved borrowers.” - Nikitra Bailey, CRL Executive Vice President



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