

April 14, 2022

The Honorable Brian Schatz
Chairman
Senate Appropriations Subcommittee on
Transportation, and Housing and Urban
Development, and Related Agencies
S-128, The Capitol
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Senate Appropriations Subcommittee on
Transportation, and Housing and Urban
Development, and Related Agencies
S-128, The Capitol
Washington, DC 20510

Dear Chairman Schatz and Ranking Member Collins:

On behalf of UnidosUS, I write to urge you to advance a Transportation, and Housing and Urban Development, and Related Agencies FY2023 appropriations package that meaningfully improves the housing security of Latinos* and their families.

UnidosUS, previously known as the National Council of La Raza (NCLR), is the nation's largest Hispanic civil rights and advocacy organization which has built a stronger country by creating opportunities for Latinos for more than 50 years. Through its unique combination of expert research, advocacy, programs, and an Affiliate Network of nearly 300 community-based organizations across the U.S. and Puerto Rico, UnidosUS simultaneously challenges the social, economic, and political barriers at the national and local levels.

Latino communities are in dire need of long-term housing investments that would empower them to weather the current housing crisis and build capacity to reach their full potential.

As **measured in 2021**, the proportional share of new homeowners attributed to Latinos decreased from a peak of 68% in 2015 to just 18% in 2021. For more than 25 years, the share of Latinos who own a home—the most powerful tool to build wealth and break cycles of poverty—has been **25 to 30 percentage points** lower than that of white Americans. And, as we have **described**, before the pandemic, almost 16% of Latinos were denied a conventional home loan, compared to 8% of whites, and Latinos were 78% more likely to have a high-cost home loan. Further, only 48% of Latinos were homeowners, compared to 70% of whites. According to recent **data** from the Census Bureau, only 40% of Latino homeowners and 36% of renters had high confidence in their ability to make next month's mortgage or rent payment.

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

For these reasons, in February, UnidosUS sent a [letter](#) to President Biden urging him to propose a FY2023 budget that reduces racial disparity and advances equity by supporting key economic, health, education, civil rights, and immigration funding priorities. I urge you, as leaders of the Senate Appropriations Subcommittee with jurisdiction over essential housing programs needed for Latino economic empowerment, to prioritize housing investments in a way that will help Latinos and their families weather the current rise in housing prices and build wealth for the future. These priorities include:

- **\$100 million for HUD’s Housing Counseling Program.** The Housing Counseling Program allows community-based organizations to provide personal financial advice that keeps renters and homeowners in their homes. Robust funding is critical, given that the ongoing COVID-19 pandemic has devastated the housing market. Today, about [750,000 households](#) remain in COVID-19–related forbearance plans and nearly [950,000 borrowers](#) are in serious delinquency. As UnidosUS has [documented](#), borrowers who receive housing counseling in the early stages of default are far more likely to receive a loan modification and stay in their homes than are those who receive counseling when they are already seriously delinquent or in foreclosure. We are deeply disappointed that the recent FY2022 omnibus legislation provided only \$57.5 million for the Housing Counseling Program, a \$20 million *decrease* from the funding provided for FY2021. In the midst of a housing crisis exacerbated by high inflation, Congress must ensure that struggling renters and homeowners are supported through such a critical program and urge reinstatement of funding at the higher level.
- **\$10 billion for first-generation down payment assistance.** Housing equity accounts for [over 57%](#) of Latino household wealth. Remarkably, Latinos are the only community that is [expected to see an increase](#) in homeownership between 2020 and 2040. A strong investment in housing for first-generation homebuyers would help close the wealth gap for Latinos and others for whom saving for a down payment is a [formidable hurdle](#) to buying a home. We commend President Biden for including a complimentary loan and down payment assistance pilot proposal in the budget to expand homeownership opportunities for first-generation and low-wealth, first-time homebuyers. But an ambitious program of this scale needs robust and ambitious funding levels to match and meet its goals. The proposed \$115 million for this pilot proposal falls very short of the funding level needed to successfully execute this program, and we urge Congress to fund this priority at least three times that level.
- **\$20 billion for the Homeowner Assistance Fund.** Federal loss mitigation policies have helped many homeowners keep their homes and wealth during the pandemic. But delayed rollouts and inequitable implementation left homeowners experiencing financial stress and placed them at risk of losing their home. This is particularly true of low-income homeowners, homeowners of color, and those who are behind on their mortgages and other housing-related expenses. Many states have also exhausted their current funds, despite continuing needs, and the skyrocketing costs of housing. It is

critical that Congress continue to replenish this program to avert a far worse housing crisis.

- **\$70.3 million for HUD’s Fair Housing Initiatives Program.** This program, which assists victims of housing discrimination, is especially important for Latinos. Hispanic renters, for example, are **less likely** to get a response from property managers when seeking a rental home. At the same time, Latino homeowners are **more likely** to pay a higher interest rate for their mortgage and pay greater refinance fees compared to white borrowers. Funding is needed to ensure that Latinos are treated fairly when seeking to rent or purchase a home.

It is time for Congress to deliver for our country’s 62 million Latinos, who have been for too long disproportionately excluded from federal priorities. Funding the programs listed above will provide much-needed housing security for millions of citizens and tap into the significant economic potential of Latinos, whose contributions help restore and grow our nation’s economic prosperity every day.

Thank you in advance for advancing appropriations legislation that fully and equitably includes Latinos for the benefit of all Americans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Rodriguez', with a stylized flourish at the end.

Eric Rodriguez
Senior Vice President
Policy and Advocacy
UnidosUS