

NCLR Community and Family Wealth-Building Strategies

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Hispanics in Housing and Urban Development (HHUD)

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- Good afternoon. I want to begin by thanking Jose for inviting the National Council of La Raza or NCLR. This is a great opportunity for us to dialogue about the important contributions of the Hispanic community. I also want to extend a greeting from Janet Murguía, our President and CEO. Unfortunately, she was not able to join us today.
- I feel honored to be part of such a distinguished panel.
- In my role as NCLR's Senior Policy Analyst, I am NCLR's lead on housing issues. I conduct our research in the areas of homeownership, bank advocacy, and housing counseling. I represent these issues in federal policy debates and assist in the development of our housing programs.
- Most of you are likely familiar with NCLR, but for those who are not, we are the largest national Hispanic civil rights and advocacy organization in the U.S., established in 1968 to improve opportunities for Hispanic families.
- To this end, NCLR conducts research, policy analysis, advocacy, and program development. We are a leading voice in many of the areas which you might expect – immigration, education, health care, and civil rights. In recent years, we have also expanded our anti-poverty work, taking on new issues such as access to financial services, homeownership, predatory lending, and retirement security.
- In addition, we reach thousands of Latino families each year through our network of nearly 300 community-based Affiliates. They operate health clinics, charter schools, and after school care. They provide social services, voter registration programs, tax clinics, and workforce development and housing counseling programs.

- While NCLR is doing a lot of great work in many areas, I am going to focus my comments on the area of community and family wealth-building.
- NCLR has a three-part strategy to empower Latino families and communities to build and maintain wealth.
 - Support policy initiatives that build, maintain, and protect assets.
 - Operate community-based programs that help families obtain assets.
 - Build the capacity of Latino organizations through community lending.
- Let me start with our policy-related work.
- NCLR has a rich history advocating on housing issues. For more than twenty years, NCLR has advocated for improved fair housing and equal access to credit laws.
- More recently, however, NCLR has expanded its work beyond this to include wealth-building, or wealth-preserving, issues. Within the scope of housing policy, this means working on such topics as predatory lending, mortgage market access, and foreclosure.
- We choose the issues that we weigh in on with care. Through our Affiliates, we are able to keep a pulse on what homeownership-related issues are rising to the forefront for Latino families. We are in constant dialogue with our lender partners, regulators, and other advocates to better understand their needs and perspective.

- Our cross-cutting relationships with industry, community, and advocacy stakeholders put us in a unique position to develop practical solutions to Latinos' unique market challenges.
- Often times we are the only organization representing the Latino perspective on these issues at the federal level. Predatory lending is a good example of this.
- Several years ago we began hearing from our housing counselors that they were losing clients to unethical lenders.
- Through our research we documented the distinct experiences and challenges facing the Latino community. It also became clear that their barriers were not being discussed in the federal predatory lending debate.
- NCLR stepped in to become a champion for Latinos.
- We have produced a number of written materials and testified before Congress and other regulatory bodies to make it clear that no national solution to abusive lending is complete without considering the needs of Latino families.
- It is important to note that our research and advocacy work would not be the same without the hard work of NCLR Affiliates. This brings me to our community-based programs.
- As many of you probably know, NCLR is a HUD housing counseling intermediary.
- We got into the business of housing counseling in 1997 in a concentrated effort to increase Hispanic homeownership.

- In ten years we have grown from a pilot project with seven Affiliates to a network of more than 40 organizations. Since inception, we have counseled more than 120,000 families, creating 20,000 new homeowners.
- Our model of focusing on one-on-one service has been so successful that we are using it to expand into more basic financial services. We have launched a pilot within NHN that connects IDA accounts, tax preparation work, and financial counseling. This allows our organizations to provide wealth-building services to families who are very far from being able to purchase a home.
- Eventually all NHN organizations will provide the kind of individualized financial counseling that used to only be available to families of significant means.
- We are deeply passionate about this work. However, the mortgage market is changing.
- Dwindling down payment resources and the rise of mortgage brokers are causing counselors to scramble to reach their traditional clients.
- Unfortunately, housing counselors have never been more important. The market is only becoming more complex and foreclosures are on the rise. Housing counselors are key to building and preserving wealth in Latino communities.
- I would like to turn now to our work in the area of community finance.
- NCLR's wholly-owned community development finance institution, Raza Development Fund, is the nation's largest Hispanic-focused CDFI.

- RDF was established in 1998 to serve the needs of Latino CDCs who seemed to be left behind by other major CDFIs. Since then, they have closed 142 loans worth approximately \$61 million, and leveraging more than \$460 million in project dollars.
- They are working in 19 states, helping our Affiliates build charter schools, health clinics, new facilities, and housing development. In fact, RDF is widely recognized as specializing in charter schools, pioneering the underwriting standards when others would not touch them.
- The work of RDF is critical to building wealth in Latino communities and increasing their quantity and quality of services. Because of their capacity-building efforts, our Affiliates are more fiscally stable through building ownership, are able to improve their facility, or develop affordable housing.
- I want to close by telling you a story about one of our clients from Chicago.
- Last winter, the Dominguez family decided to refinance their home. Their furnace had broken, and they needed quick access to cash. Looking for help, the family turned to a local mortgage broker who told them he had a deal that was perfect for them.
- The broker told them that their only option was to refinance at a slightly higher interest rate than they were paying, but that this would only be temporary. Their broker assured them that in four months their rate would be drastically reduced.

- Five months after closing, the Dominguez's can no longer afford to make their payments on their mortgage. They have discovered there was no automatic reduction of their interest rate. It was all a scam to get them to refinance again.
- The Dominguez family thought they could trust their broker. He spoke their language and promised to help with their long-term financial goals.
- Now, stuck with a mortgage they can not afford, the broker is nowhere to be found.
- This family turned to an NHH organization for help. It is on behalf of families like the Dominguez's that we advocate for wealth-preserving policies, support community-based programs, and build the capacity of Latino-led nonprofits.
- As federal employees and representatives of the community, I urge you to promote programs and policies that build wealth and ensure the full inclusion of all communities, regardless of race, ethnicity, or language abilities.

Thank you.