

Priorities for Advancing Latino Homeownership

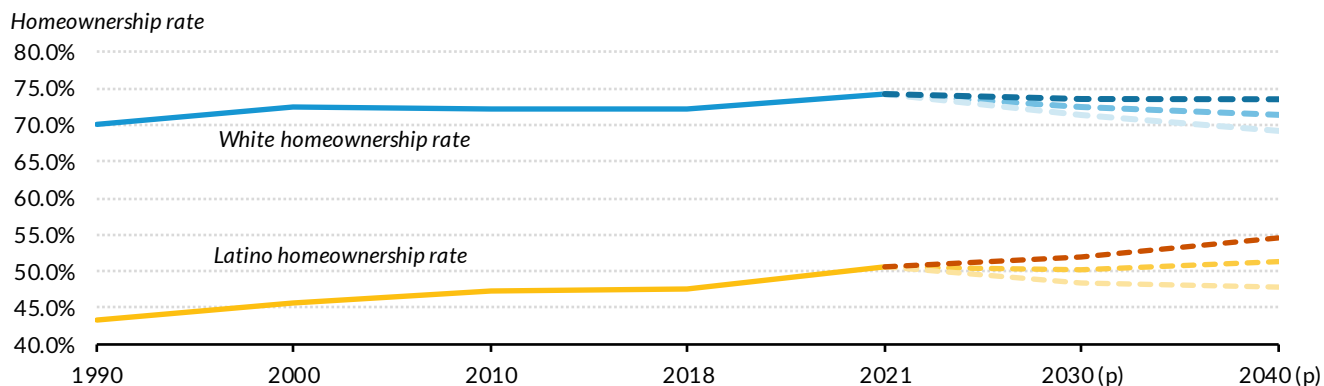
A Research Agenda

Amalie Zinn, Janneke Ratcliffe, Aniket Mehrotra, and Noerena Limón

In 2021, 50.6 percent of Latino households owned their homes, the highest level since 2009. And according to Urban Institute estimates, Latino households are poised to drive US homeownership gains through 2040. A critical examination and adaptation of our current finance, housing, and urban planning ecosystems is necessary to maximize Latino households' homeownership potential.

As research partner with UnidosUS's [Home Ownership Means Equity \(HOME\) initiative](#), the Urban Institute identified what is known and what key research gaps remain pertaining to Latino homeownership.

FIGURE 1
White and Latino Homeownership Rates and Projections under Different Rate Scenarios (Slow, Average, Fast)



Sources: 1990–2010 Decennial Censuses, 2007–21 American Community Surveys, and Urban Institute projections.

Note: (p) = projected.

In our research agenda, we identified six priority topics:

Topic 1: Historical context. A long history of public- and private-sector exclusion has created and sustained homeownership disparities among households of color. There remain gaps in the research on the specific historical exclusion of Latino households, the legacy of this history on current systemic barriers for Latinos, and the informed, targeted corrective actions that can mitigate these barriers.

Key research questions. How have discriminatory policies and practices against Latinos in the US manifested in current land, housing, and credit market disparities? How do current measures of racial segregation, demographic concentration, and gentrification relate to Latino homeownership trends and property valuation bias? How well do antidiscrimination policies (e.g., special purpose credit programs) support Latino homeownership?

Topic 2: Structural challenges. Our current housing finance system does not match with the unique demographic and cultural realities of many Latino households. For example, the current underwriting system does not accommodate multi-earner and nontraditional income-earner households, and the homebuying process can be particularly complicated for first-generation homebuyers and those with limited English proficiency.

Key research questions. How do specific aspects of the Latino market interact with standard risk criteria, mortgage products, and loan servicing? How can we modernize how we define “mortgage ready”?

Topic 3: Macro-level and intersectional conditions. Nearly three-quarters of Latino renters want to become homeowners, but their homeownership prospects are heavily defined by demographic and geographic factors. Research that disaggregates the Latino population by macro-level factors will inform tailored solutions to advance Latino homeownership.

Key research questions. How do factors such as national origin, immigration status, market location, and employment outlook affect homeownership prospects for Latino groups?

Topic 4: Housing supply. Latinos in the US are concentrated in high-cost markets with severe housing supply challenges. The housing needs and preferences of Latinos suggests unique supply challenges, as Latino households are larger and more multigenerational than others, thus demanding larger—and more expensive—homes.

Key research questions. What are the promises and pitfalls of alternative types of homes and forms of homeownership (e.g., manufactured housing, accessory dwelling units, and co-ops) on the Latino homeownership rate? What interventions would be particularly effective in places with high home prices and low supply, where Latinos disproportionately reside?

Topic 5: ITIN mortgages. Individual Taxpayer Identification Number (ITIN) loans are a unique type of mortgage for those without traditional documentation, which can offer a path to homeownership for Latinos who are non-US citizens and without Social Security numbers. Some financial institutions have begun to offer ITIN mortgages, but many questions remain about the availability and riskiness of these loans.

Key research questions. What are obstacles and opportunities for ITIN mortgages?

Topic 6: Fintech. There has been limited research on the use and impact of financial technology (fintech)—such as cryptocurrency and payment and peer-to-peer lending apps—in Latino communities. One study found that fintech algorithms discriminated less than face-to-face lenders in determining interest rates but did not reach zero discrimination, and another study found greater automated valuation modeling errors in predominantly Black neighborhoods.

Key research questions. What impact does fintech have on Latino home purchase and financing?

ABOUT THE AUTHORS

Amalie Zinn

azinn@urban.org

Amalie Zinn is a research assistant in the Housing Finance Policy Center at the Urban Institute. Her research focuses on housing finance and racial wealth and homeownership gaps.

Janneke Ratcliffe

jratcliffe@urban.org

Janneke Ratcliffe is vice president for housing finance policy at Urban. Her research focuses on increasing access to financial systems that foster economic security and prosperity.

Aniket Mehrotra

amehrotra@urban.org

Aniket Mehrotra is a policy assistant in the Housing Finance Policy Center. His work focuses on housing finance and racial disparities in wealth and homeownership.

Noerena Limón

noerena@gmail.com

Noerena Limón is an appointed board member with the California Housing Finance Agency. Her research focuses on housing finance and economic mobility.