

Latino Homeownership Dashboard

Arizona

Tracking progress across five key metrics:

1. **Headline Data**
2. **Homebuyer Readiness**
3. **Access to Credit**
4. **Housing Supply**
5. **Homeownership Preservation**

Latino Homeownership Dashboard Indicators

The Latino Homeownership Dashboard is intended to provide housing policymakers, advocates, and other key stakeholders with [informative metrics on Latino homeownership](#). The goal of the Dashboard is to track progress toward closing the Latino homeownership gap. With that in mind, we selected metrics within five categories: [headline data](#), [homebuyer readiness](#), [access to credit](#), [housing supply](#), and [homeownership preservation](#).

The headline data numbers provide a broad picture of Latino homeownership. The section on homebuyer readiness serves as a gauge for the number of Latino households who are prepared or could become prepared for homeownership. We include sections on access to credit and housing supply since they are primary barriers to access for Latino households. And finally, we end with a section on homeownership preservation because to close homeownership gaps, it is vital not just to increase the number of new homeowners but to ensure that homeownership is sustainable over time.

Headline Data

- **The Latino homeownership rate and the gap between Latino and white homeownership rates** benchmark progress toward the goal of closing the Latino homeownership gap.
- **The number of Latino households and homeowners** allow us to understand the trajectory of household formation and access to homeownership.

Homebuyer Readiness

- **Median income for Latino households relative to white ones** are a measure of creditworthiness and ability to save for a down payment.
- **The Latino population in their prime homebuying years and the Latino share of the general population in their prime homebuying years** identify a segment of potential Latino homebuyers that can be targeted by homeownership programs.

Access to Credit

- **Denial rates for Latino mortgage applicants** demonstrate the ongoing gap in access to mortgage credit.
- **Top denial reasons for Latino mortgage applicants** highlight the key barriers to mortgage credit, including debt-to-income ratios, credit, and collateral.
- **Denial rates by lending channel** show through which channels Latino applicants are more likely to receive mortgage credit.

Housing Supply

- **Annual permits issued** is a general indicator of housing supply conditions that demonstrates the number of new housing construction units planned to be built.
- **Data on home prices** indicate what market conditions Latino households interested in homebuying are experiencing and how they compare to white potential homebuyers.
- **Cash buyer activity in the housing market** can serve as a proxy for institutional investor activity and gives a sense of how competitive the market is, particularly for those seeking to purchase a home with a mortgage.

Homeownership Preservation

- **Data on serious delinquencies and foreclosures** broadly indicate the number of households losing or at risk of losing their homeownership status.
- **Rate-and-term refinance denial rates for Latino applicants** provide an important indicator of the difficulty of refinancing to a more affordable mortgage rate relative to white households.

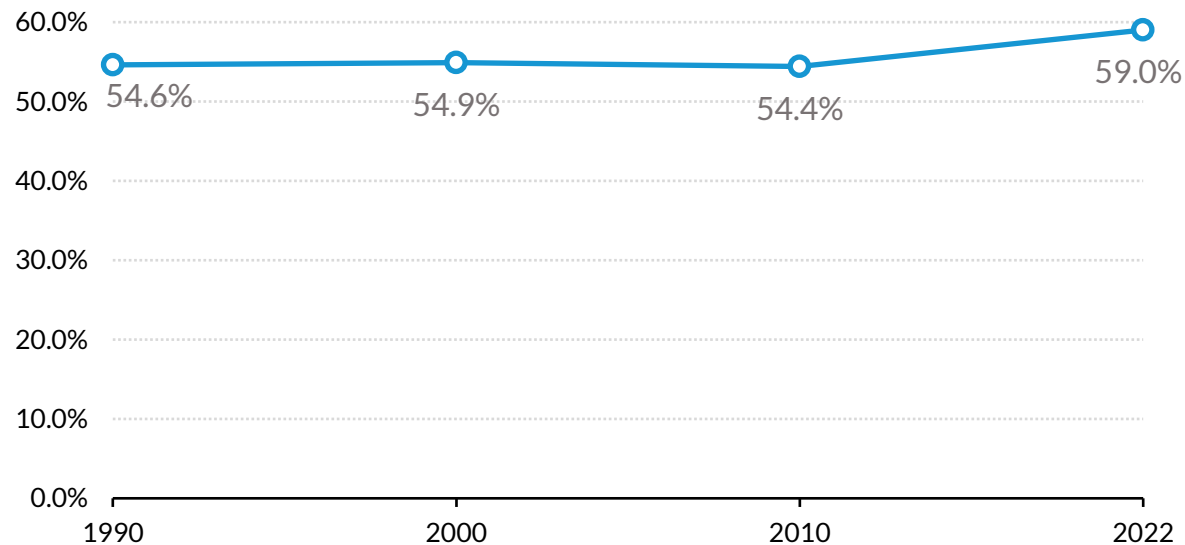
Note: Throughout this dashboard, we use the terms "Latino" and "Hispanic" interchangeably. The US Census Bureau defines Hispanic or Latino as a person of Cuban, Mexican, Puerto Rican, South or Central American, or another Hispanic, Latino, or Spanish origin. We acknowledge these may not be the preferred identifiers for all and remain committed to employing inclusive language whenever possible.

Headline Data

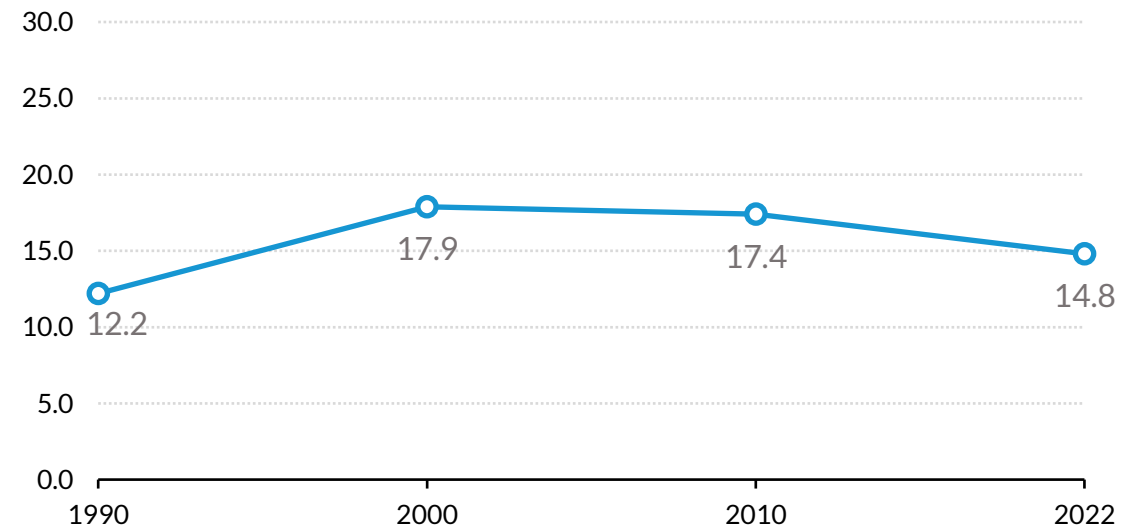
Latino Homeownership Rate & Homeownership Gap

The Latino homeownership rate in Arizona has risen over the past three decades, from **54.6 percent in 1990** to **59.0 percent in 2022**. But it still significantly lags the white homeownership rate, by **14.8 percentage points** as of 2022.

Latino Homeownership Rate



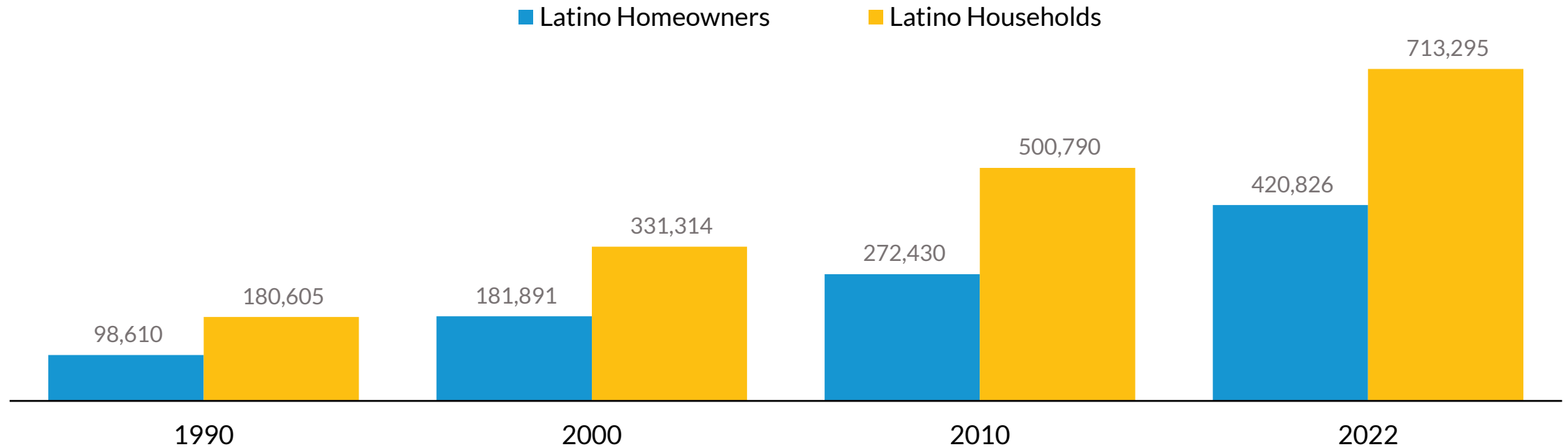
White-Latino Homeownership Rate Gap (percentage points)



Source: American Community Survey (ACS) and Decennial Census data.

Latino Households and Homeowners

The numbers of Latino homeowners and households in Arizona have both risen significantly since 1990. As of 2022, Arizona had **over 713,000 Latino households** and **nearly 421,000 Latino homeowners**.

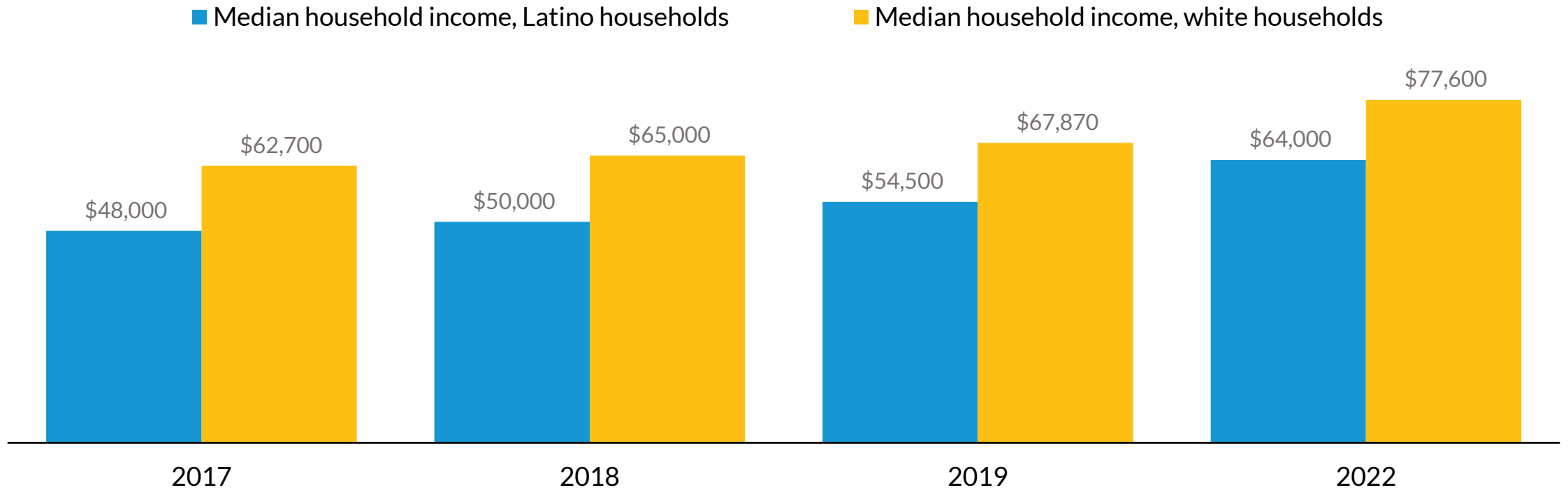


Source: American Community Survey (ACS) and Decennial Census data.

Homebuyer Readiness

Median Income for Latino Households

The median household income for Latino households in Arizona has been rising, reaching **\$64,000 in 2022**. But the median income for Latino households still **lags the white median income by \$13,600**. Income is a key factor that lenders use in evaluations of mortgage creditworthiness. Lower incomes also make it more difficult for households to save for a down payment.

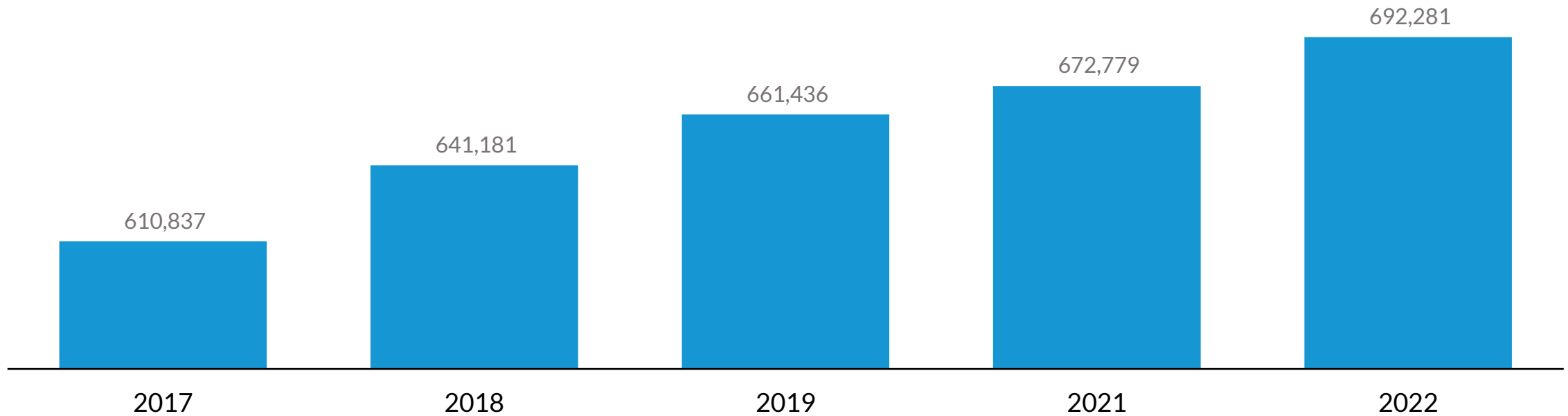


Source: American Community Survey (ACS).

Note: 2020 is omitted due to disruptions to ACS data collection during the COVID-19 pandemic.

Latino Population in their Prime Homebuying Years

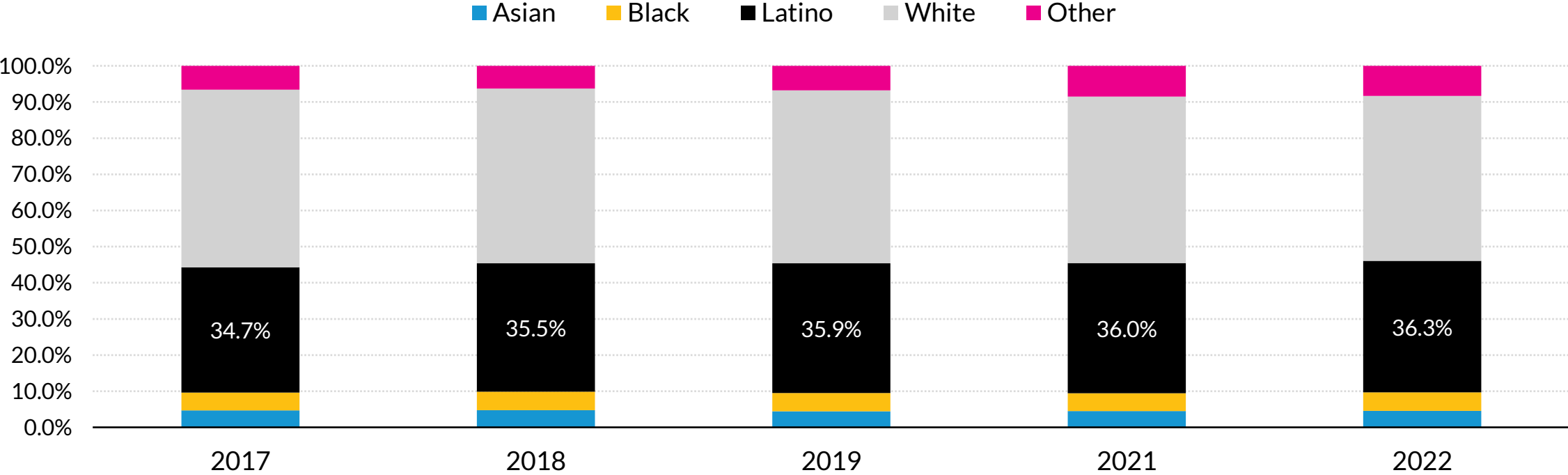
The Latino share of the prime homebuying age population has been marginally increasing each year for the past several years. As of 2022, over **692,000 Latinos in Arizona are in their prime homebuying years** (ages 25-44).



Source: American Community Survey (ACS).

Latino Share in their Prime Homebuying Years

The Latino population skews relatively young compared to other racial and ethnic groups. As of 2022, Latinos represent **36.3 percent of the total population in their prime homebuying years in Arizona** (ages 25 to 44).

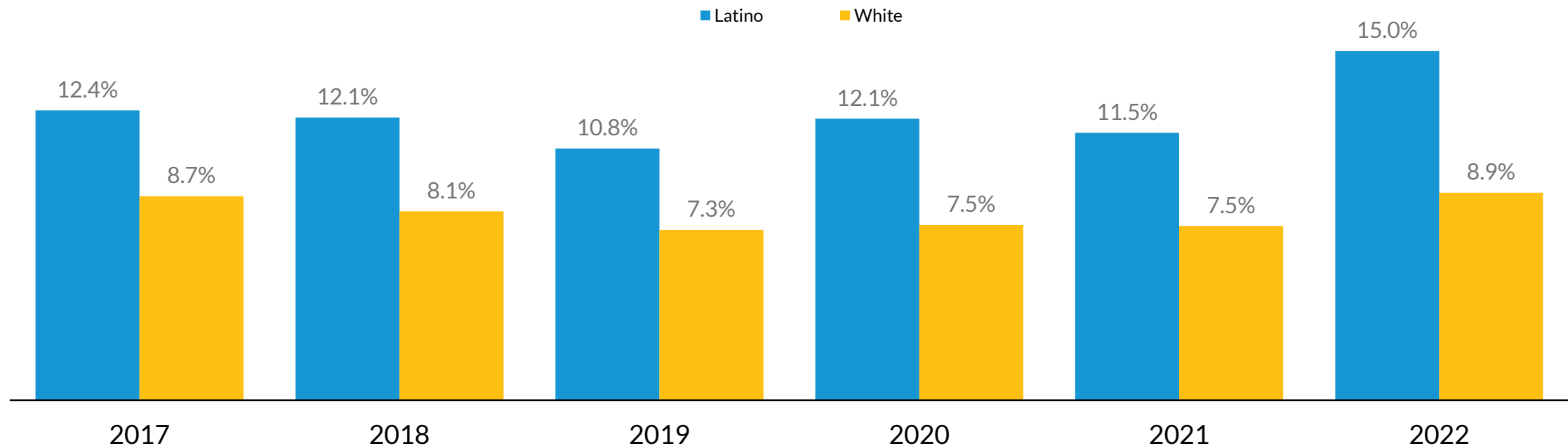


Source: American Community Survey (ACS).

Access to Credit

Denial Rates for Latino Mortgage Applicants

Latino purchase mortgage applicants experience higher denial rates than their white counterparts in Arizona. In 2022, **15.0 percent of Latino applicants** for owner-occupied first lien purchase mortgages were denied, compared to **8.9 percent of white applicants**.

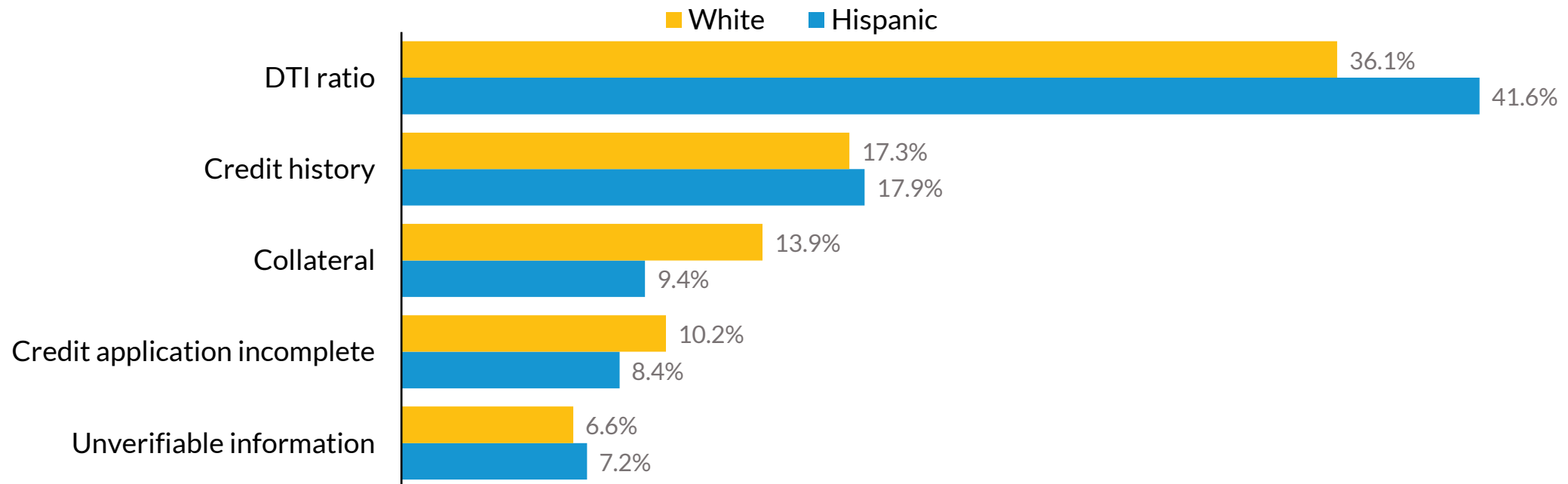


Source: Home Mortgage Disclosure Act (HMDA).

Note: Figure shows denial rates for owner-occupied first lien purchase mortgages.

Top Denial Reasons for Latino Mortgage Applicants

The top five denial reasons given for Latino purchase mortgage applicants in Arizona in 2022 were **debt-to-income (DTI) ratio, credit history, collateral, credit application incomplete, and other**. Latino applicants were more likely than white applicants to have their **DTI ratio and credit history cited** as their denial reason.

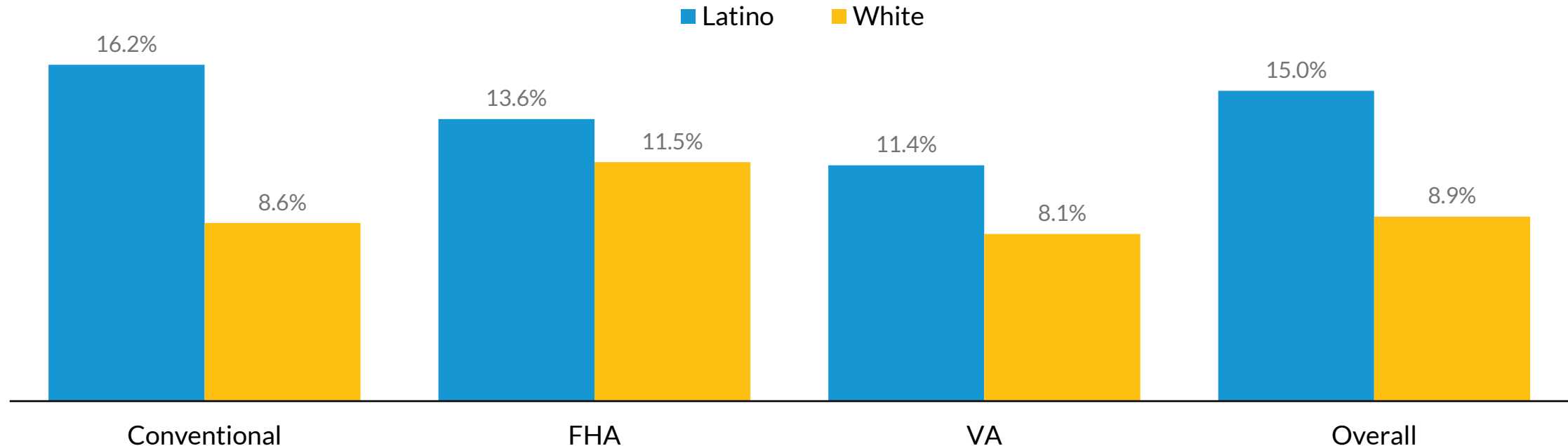


Source: Home Mortgage Disclosure Act (HMDA), 2022.

Note: Figure shows the top five denial reasons for Latino applications for owner-occupied purchase mortgages. Shares are derived from the total number of applications for which a denial reason was given. Other denial reasons not shown include unverifiable income, insufficient cash, employment history and mortgage reason denied.

Denial Rates by Lending Channel for Latino Applicants

Latino applicants in Arizona are more likely to be denied for conventional purchase loans than for Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) purchase loans. In 2022, **16.2 percent** of Latino applicants in Arizona were denied for conventional loans, compared to **13.6 percent** and **11.4 percent** denied for FHA and VA loans, respectively. Across all lending channels, Latino applicants were more likely to be denied than white applicants.



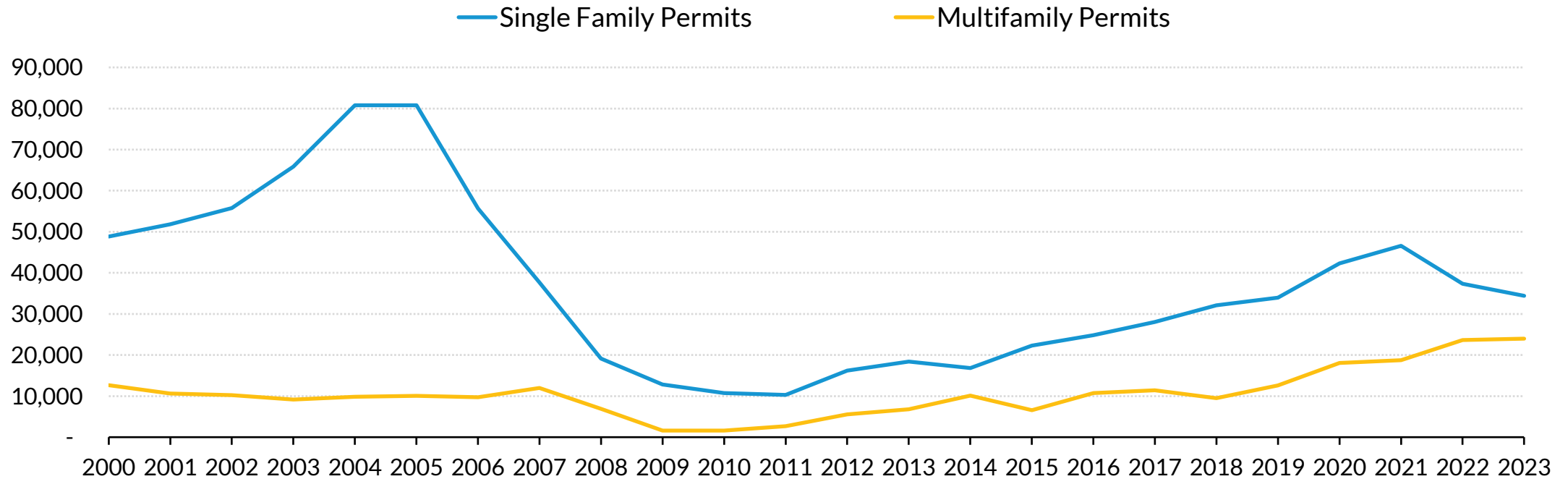
Source: Home Mortgage Disclosure Act (HMDA), 2022.

Note: Figure shows approval rates for owner-occupied first lien purchase mortgages.

Housing Supply

Annual Permits Issued

In 2023, **over 34,000** single-family permits and **over 24,000** multi-family permits were issued in Arizona, up from lows following the Great Recession, with single-family significantly lower than in the early 2000s. Constrained supply is particularly a concern for Latino households, who are more likely to live in high-cost markets and tend to have lower incomes than their white counterparts.

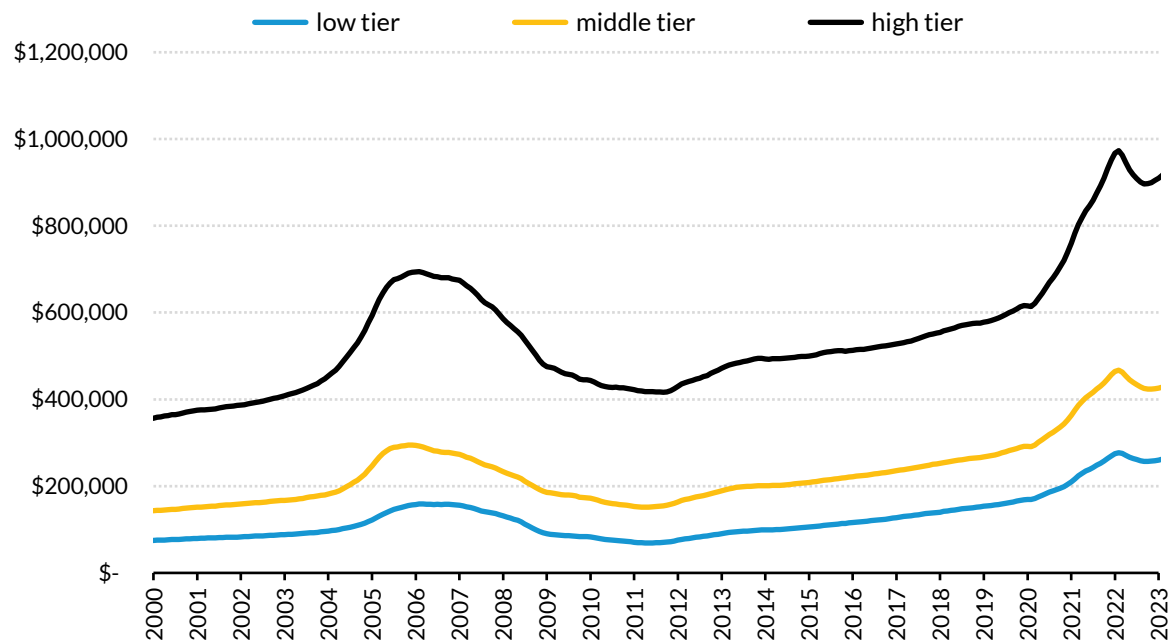


Source: U.S. Census Bureau, Moody’s Analytics, Inc.

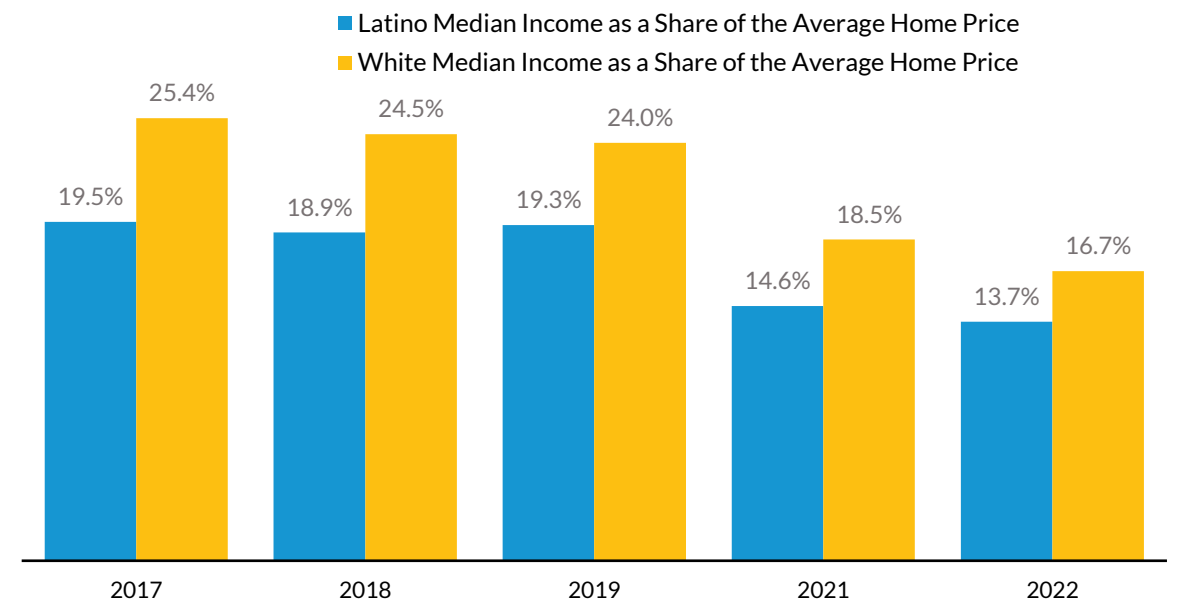
Home Prices

Home prices in Arizona **rose during the pandemic**, with the most expensive homes—those in the highest price tier—experiencing the greatest home price growth from early 2020 to present. Although home price growth has cooled recently, this change has been offset by rising interest rates, meaning affordability is still hampered. Additionally, Latino median incomes are consistently lower than white median incomes, **making the average home price less affordable to them**.

Average Home Prices, by Price Tier



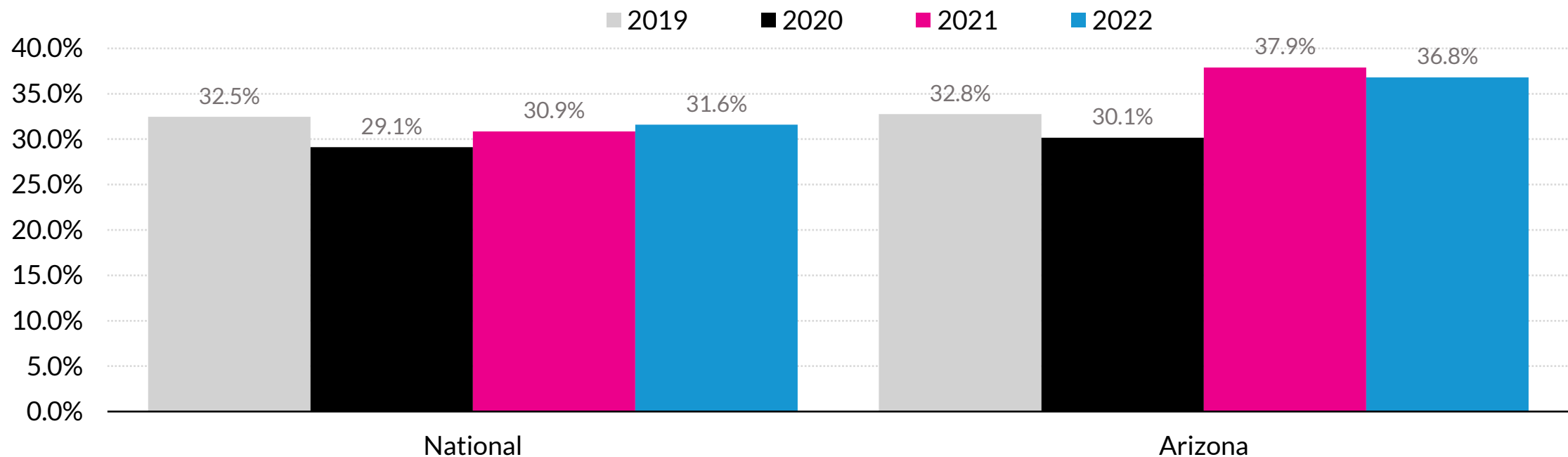
Median Incomes to Average Home Price Ratios



Source: BlackKnight Home Price Index and American Community Survey (ACS) data.
 Note: 2020 is omitted due to disruptions to ACS data collection during the COVID-19 pandemic.

Cash Buyer Activity in the Housing Market

Cash buyer activity in the housing market can serve as a proxy for investor activity in the market, though we note that it is an overestimate. Nationwide, **cash buyer activity increased slightly from 2021 to 2022** while at the same time the **cash buyer share in Arizona decreased slightly**. Arizona has **higher rates of cash buyer activity** than the national level. Investor activity in the market has the potential to make homebuying more difficult for owner-occupants looking to buy with a mortgage.



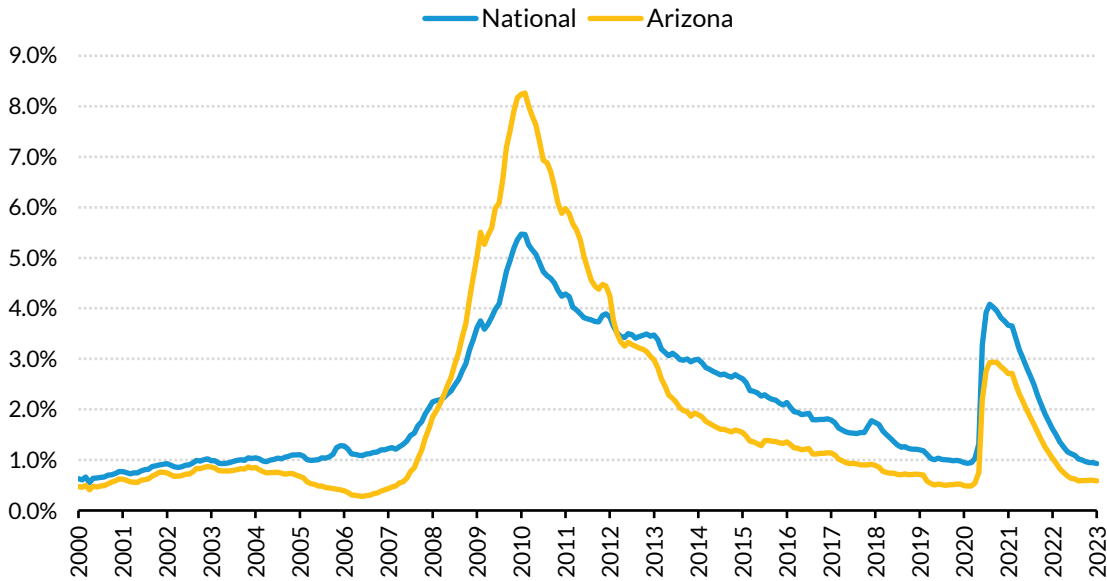
Source: Home Mortgage Disclosure Act (HMDA) and CoreLogic MarketTrends data.

Homeownership Preservation

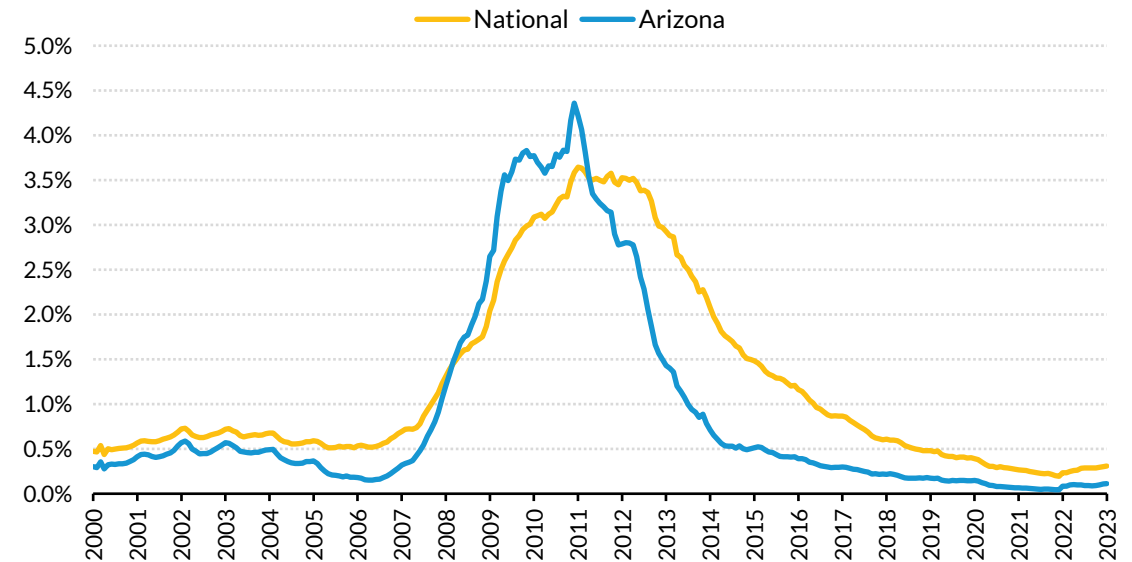
Serious Delinquency and Foreclosure Rates

While 90-day delinquency rates rose significantly during the beginning of the COVID-19 pandemic, they have since fallen to **about 1 percent nationwide** and **below 1 percent in Arizona**. Foreclosure rates have also remained low due to pandemic protections like forbearance and the foreclosure moratorium. Arizona tended to have **lower delinquency and foreclosure rates** than the nation since the pandemic.

90-Day Delinquency Rates



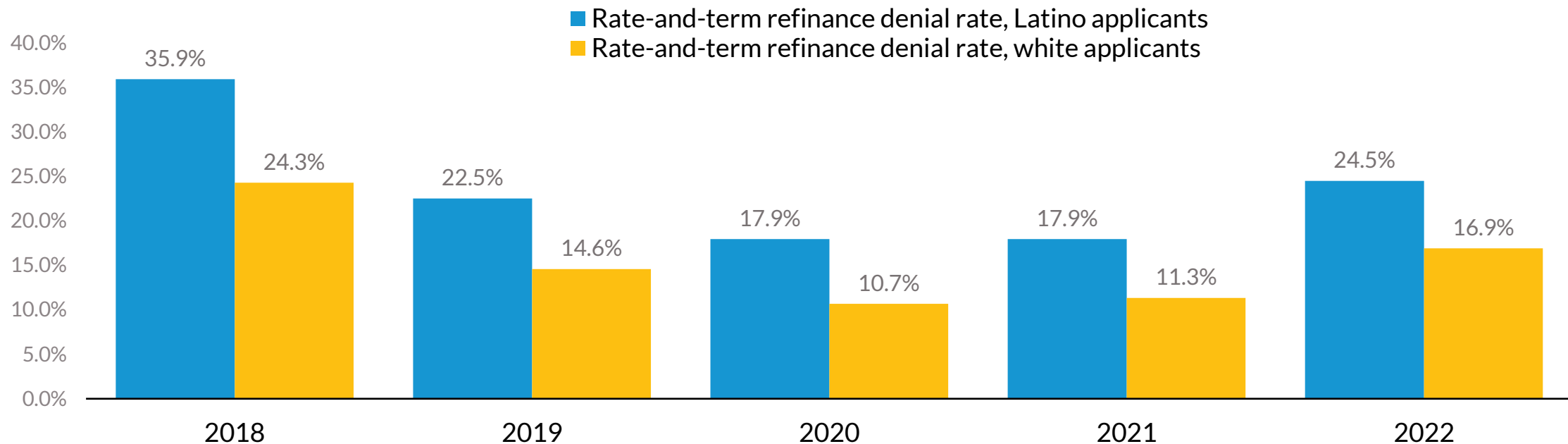
Foreclosure Rates



Source: CoreLogic MarketTrends data.

Rate-and-Term Refinances

Rate-and-term refinances can allow a homeowner to reduce their monthly payments by lowering their interest rate. As of 2022, Latino borrowers in Arizona are still more likely to be denied for a rate-and term refinance (**24.5 percent**) than their white counterparts (**16.9 percent**). Rate-and-term refinance denial rates increased significantly in 2022 as interest rates increased, but are lower than denial rates in 2018, another year with rising interest rates.



Source: Home Mortgage Disclosure Act (HMDA) data.

Note: Denial rates are for rate-and-term refinance applications for owner-occupied, first lien loans only.