

## Increasing Access to Homeownership and Generational Wealth Building for Latino Households

JPMorganChase is committing \$6 million to UnidosUS to expand affordable homeownership opportunities for Latino communities nationally by supporting homebuyer readiness programs, expanding access to credit, increasing housing supply, and preserving Latino homeownership.

Homeownership is the bedrock of financial security, housing stability, and economic mobility for communities nationwide. For Latino communities, owning a home is not only a source of financial and household stability but also the primary way to build and pass down wealth from one generation to the next. Despite [recent progress](#), homeownership rates across Latino communities are among the lowest in the country. As of 2023, the Latino homeownership rate was [51 percent, trailing 25 percentage points below](#) homeownership rates for White households.

Latinos are among the [fastest-growing demographic groups](#) in the U.S. [More than 63 million people](#)—or one in five people nationally—are Latino as of 2022. In response to this rapid growth, Latino households are expected to drive demand for homeownership opportunities across the housing market—in the next 20 years, [70 percent of all net new homeowners will be Latino](#). However, Latino families encounter daunting housing market challenges and structural barriers, such as housing supply shortages, rising interest rates, and unequal access to credit that limit their prospects of homeownership.

JPMorganChase and UnidosUS each recognize that the growing demand for affordable and sustainable homeownership among Latino households presents an opportunity to collaborate on solutions to increase housing supply, accelerate access to affordable mortgages, and strengthen generational wealth building.

JPMorganChase is committing \$6 million to UnidosUS to expand affordable homeownership opportunities for Latino communities nationally. Both institutions are committed to advancing data-driven policy recommendations to ensure all communities can access affordable homeownership opportunities and reap the full benefits of homeownership.

## Recommendations

### Invest in Supply

Expanding funding to increase affordable housing supply can help overcome the [estimated shortage of 3.89 million homes](#) and meet the demand for homeownership by Latino households in the next two decades.

- Advance the creation of a new Neighborhood Homes Tax Credit to support the development of affordable single-family homes. The bipartisan [Neighborhood Homes Investment Act \(NHIA\)](#) would unlock affordable homeownership opportunities by filling a longstanding gap in housing markets by financing the acquisition and rehabilitation of

single-family homes in economically distressed neighborhoods where the costs to update the home exceed a property's sale value. NHIA could [add an estimated 500,000 starter homes](#) in under-resourced communities.

- Strengthen the Treasury Department's Community Development Financial Institutions (CDFI) Fund and Capital Magnet Fund, both of which are effective levers in advancing housing supply. The Capital Magnet Fund allows CDFIs and affordable housing developers to leverage additional private capital to finance affordable housing. The Capital Magnet Fund has successfully generated \$20 of additional investment for every \$1 funded through the program.



## Reduce Barriers to Homeownership

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Latino communities exhibit some of the [highest rates of mortgage readiness](#), yet structural barriers continue to impede their path to homeownership. On average, Latino households take eleven years to save for a down payment—a period that is only growing as more than [half of Latino renters are cost-burdened](#).

- Expand housing counseling and down payment assistance programs. Effective models can target assistance based on homebuyer income or wealth, offer pre- and post-purchase homebuyer counseling and assistance, and allow homebuyers to stack down payment funds with various programs, including those from financial institutions like [JPMorganChase](#).
- Prioritize programs that assist with burdensome closing costs that add another layer of difficulty for many prospective homebuyers. Recent [research from the JPMorganChase Institute](#) suggests that Latino borrowers face higher average closing costs than White borrowers, paying approximately \$270 when utilizing banks. This cost differential increases to \$462 and \$590 for Latino borrowers utilizing nonbanks and brokers, respectively. The research also revealed that Latino households are more likely to prioritize low down payments, manageable payments, and affordable closing costs when selecting a mortgage.



## Prioritize Affordable and Sustainable Mortgages

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Mortgage providers can consider the specific needs of Latino communities, which are more than [twice as likely to live in multigenerational living arrangements and have higher than average debt-to-income ratios](#).

- Update credit scoring models to consider on-time rental payments and embrace co-borrowers and sources of supplemental income of mortgagors who can contribute to mortgage payments.
- Leverage private capital in the mortgage market to expand secondary liquidity for sustainable loans that would increase competition, enable mortgage product innovation, and diversify product offerings.



## Preserve Wealth Across Generations

Preventing heirs property issues and promoting bias-free property valuations can support generational wealth building for Latino households.

- Build awareness of appraisal bias and potential interventions, such as the Reconsideration of Value if it is suspected that an appraisal is biased based on a protected class. A [recent report by Freddie Mac](#) found that homes in majority-Latino neighborhoods are twice as likely to face undervaluation. From 2015 to 2020, 15 percent of single-family homes in majority-Latino census tracts had appraisals below their contract price, in contrast to 7 percent in majority-White tracts and 13 percent in majority-Black tracts.
- Increase access to affordable estate planning services to prevent future and resolve existing cases of heirs property. Heirs property is known to disproportionately undermine housing stability, property ownership, and generational wealth building for low-income [Black and Latino homeowners](#).

### About the PolicyCenter

The JPMorgan Chase PolicyCenter develops and advances sustainable, evidence-based policy solutions to drive inclusive economic growth in the U.S. and around the world. It is powered by the firm's unique global business resources and expertise, including data, research, talent, and philanthropic investments. The PolicyCenter works with policy, business, and community leaders to drive effective public policy solutions at all levels of government.

To learn more, visit [www.jpmorganchase.com/impact/our-approach/policy-center](http://www.jpmorganchase.com/impact/our-approach/policy-center).

### About UnidosUS

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an Affiliate Network of nearly 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political, and social progress is a reality for all Latinos, and we collaborate across communities to achieve it. For more information on UnidosUS, visit [unidosus.org](http://unidosus.org) or follow us on Facebook, Instagram, LinkedIn and X.