

Kate Brown
Governor



**Oregon Commission on
Asian and Pacific Islander Affairs**
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Joint Interim Taskforce on
Addressing Racial Disparities in Home Ownership
Thursday, January 10, 2019, HR C

Co-Chairs Senator Manning and Representative Meek, and members of the Taskforce:

On behalf of the Oregon Commission on Asian and Pacific Islander Affairs (OCAPIA) I thank you for the opportunity to join your discussion of racial disparities and home ownership. I am David Tam and serve as the Vice Chair of the Commission, a governor and legislatively appointed group that brings an independent voice to the policy table of the 30+ distinct ethnic and cultural groups that comprise the API Community in Oregon. I am presenting today with my colleague on OCAPIA, Jackie Leung. I will start with an overview of presenting issues along with policy areas both Oregon based and nationally that may be useful for your policy work. Commissioner Leung will address some insights on special challenges within the Pacific Islander community, among the most vulnerable in Oregon. The Commission offers its partnership as you explore ways to increase home ownership for our community: essential to the building of wealth and wellbeing for many families.

OCAPIA has a long standing interest in the disparities of home ownership among the most hard pressed of the API community, much of which is strongly related to pervasive issues of poverty and economic class, language barriers, educational attainment, poor health, institutionalized racism, and cultural norms that make access to home loans more difficult. Illustrative of the effect of these disparities, according to the Housing and Development Corporation, City of Portland, 2004 report, home ownership rates among white vs. Asian households with high incomes were 77% and 60% respectively in Multnomah County, and while about the same for middle income homeownership, for the poorest homeowners it is much worse. 48% low income white homeownership vs. 34% low income Asian homeownership. *Source: The Asian and Pacific Islander Community in Multnomah County: An Unsettling Profile, p 52, selected pages attached to this statement.*

Institutional racism has long challenged the API community in Oregon and nationally to thrive. From Japanese Americans living in Eastern Oregon who fled there with their families seeking safety from internment camp roundups during WWII, to Chinese Americans who came to Oregon to help build it in pioneer days, only to face exclusion laws for citizenship barring them from home ownership, and recent subprime loan issues targeting the most vulnerable in the API communities, and current fears of immigration officials and government, Oregon API's are living in a challenging environment. While we recognize home ownership as an essential way to build stability in every community, OCAPIA urges the taskforce to link its policy efforts to

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workforce inclusion and licensing issues, health, language access, educational achievement, as well as lending practices.

Recently, Jamal Fox, Chair of the Commission on Black Affairs, addressed the Taskforce on the plight of immigrants seeking affordable housing. This is a significant factor for Oregon's API community. The Unsettling Profile report reveals deep disparities in academic achievement among other API groups in Multnomah County schools, noting less than 45% academic achievement for Burmese, Chuukese, Karen, Nepali, Pohnpeian, Rohingya, Samoan, and Yapese youth, a reflection of the challenges their families face as they attempt to read and understand banking and loan documents. Chair Fox shared with you some of the successful approaches that Multnomah County is exploring for increasing home ownership which is a compelling list. In addition, I would like to share some of the policy work that is proceeding nationally and may have application for Oregon from the RE/MAX and Freddie Mac report: State of Asia America 2017-19. Pp 8 – 9. http://www.areaa.org/wp-content/uploads/2018/04/StateofAsia2017-18_vFINAL.pdf

Removal of the 1 % Rule: In early 2017, the FHA announced their decision to remove this guideline requiring lenders using FHA loans to assume a debt repayment of at least 1% on all outstanding student loans. In a recent survey by the National Financial Capability Survey, 25% of API's over the age of 25 said their student loans were negatively impacting their ability to purchase a home. The removal of the rule allows lenders to use their judgment when considering how to score a person's debt repayment.

Language Access: In 2017, Fannie Mae and Freddie Mac proposed redesigning the Uniform Residential Loan Application and associated data set to include the addition of a Preferred Language Data Field which would allow applicant to input what language they would prefer to receive financial documents. This would be the first such effort in the history of these lenders, and an important step to take. Oregon's ability to require such fields may be a fruitful area to consider. According to this report, nationally, 77% of API's speak another language at home. Pressing for language access in key documents for home loans and myriad others is an ongoing need in all policy work related to access especially in the home buying process.

Alternate Credit: Join the national effort to update credit scoring systems to account for different cultural and lifestyle backgrounds. Many API's lack a substantial enough history, or have no credit history, due to coming from cultural backgrounds that do not favor taking on debt. By taking into account criteria such as rent or utility payments to count toward a person's credit score, many API's would be considered loan-worthy while maintaining safe lending standards.

As I conclude my statement I would like to share another aspect of challenges to home ownership in the immigrant and refugee community among API's, Hispanic, and Black communities: lack of ability to bring their advanced degrees and professional experience from their home countries into Oregon's workforce and economy. Brainwaste, as this is called in national efforts to remedy it, is an area that OCAPIA is working on with the other OAC's, Governor's Office, HECC, Partners in Diversity and other collaborators in resettlement agencies, business, and licensing boards to improve the ability of those with credentials in key fields to become licensed practitioners in Oregon. Immigrants and refugees in Oregon's API community in Oregon bring great potential, with skills and credentials they bring with them, that once realized, boost their ability to own homes. We can contribute related information from our public policy research on this subject if that would be helpful to your considerations and invite you, in this or other committee work to reach out to us to learn more about this work in Oregon.

I will now ask Commissioner Leung to bring her perspective on immediate challenges in the Pacific Islander Community. Thank you for your good work in making homeownership reality for more in the API community.

Sincerely,

A handwritten signature in black ink, appearing to read "David Tam". The signature is stylized with a large, sweeping initial "D" and a long horizontal stroke extending to the right.

David Tam, Vice Chair

A handwritten signature in black ink, appearing to read "Jacquelyn Leung". The signature is written in a cursive, flowing style.

Jacquelyn Leung, Commissioner