

*Prepared by
Legislative Policy and
Research Office*

Task Force on Addressing Racial Disparities in Home Ownership

Preliminary Report

September 2019

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Senator Cliff Bentz, Senate District 30
Representative Mark Meek, House District 40, Co-Chair
Representative Jack Zika, House District 53

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Se-ah-dom Edmo, MRG Foundation
Frederick Edwards, Faith, Hope, and Charity, Inc.
Joe Enlet, Consulate General of Federated States of Micronesia
Maxine Fitzpatrick, Portland Community Reinvestment Initiative, Inc.
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Julie Nash, loanDepot
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80TH LEGISLATIVE ASSEMBLY
JOINT TASK FORCE ADDRESSING RACIAL DISPARITIES IN HOME OWNERSHIP

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September 23, 2019

To Senate President Peter Courtney and House Speaker Tina Kotek:

Submitted herewith is the preliminary report of the Task Force on Addressing Racial Disparities in Home Ownership. This task force was created in 2018 for the purpose of identifying the barriers to homeownership that people of color face in Oregon; developing recommended solutions, including legislation, to modify practices or procedures for mortgage loan applications and approvals to eliminate any impermissible discrimination or barriers; and developing solutions to improve other conditions that reduce or prevent homeownership among people of color in this state.

This is only a preliminary report containing an update on the Task Force's progress and a set of initial recommendations for the 2020 session. The complete report addressing the requirements of House Bill 4010 (2018) will be submitted by the end of 2019. The Task Force also recommends an extension of this work to further consider a second set of recommendations to address the barriers to homeownership for communities of color in Oregon.

Sincerely,


Senator James Manning


Representative Mark Meek

EXECUTIVE SUMMARY

The Task Force on Addressing Racial Disparities in Home Ownership has been charged with identifying the barriers to homeownership that people of color face in Oregon; developing recommended solutions, including legislation, to modify practices or procedures for mortgage loan applications and approvals to eliminate any impermissible discrimination or barriers; and developing solutions to improve other conditions that reduce or prevent homeownership among people of color in this state.

Process

The Task Force met from September 2018 to January 2019 and focused on identifying the systemic barriers to homeownership for people of color. The Task Force met three times between June and August of 2019 to define a problem statement, discuss each homeownership barrier, and identify policy solutions for further research and development into recommendations. On September 19, 2019, the Task Force met and adopted preliminary recommendations.

Task Force Problem Statement

Oregon's communities of color do not have equal, fair, or equitable access to homeownership. A comprehensive review of public, private, and NGO data sources show that communities of color own homes at lower rates than their white counterparts. These disparities are the result of historical and current discriminatory housing policies and practices, disparate access to credit, generational poverty, and racial biases, which are exacerbated by present-day barriers that disproportionately impact Oregon's communities of color.

Preliminary Recommendations

The Task Force first recommends that its work be extended through September 2020 to allow it to continue developing recommended solutions to address the barriers that reduce or prevent homeownership among people of color in Oregon. In addition, the Task Force adopted the following recommendations focused on addressing racial disparities for the upcoming 2020 short session:

1. Provide funding to culturally specific organizations for outreach to increase the visibility of and access to homeownership assistance programs by communities of color, including increasing access to culturally specific homebuyer education and counseling, down payment assistance, down payment savings credits, and individual development accounts.
2. Improve education and training required of and provided to mortgage and real estate professionals to cover homebuyer assistance programs and incorporate racial bias training. Explore changing licensure requirements or specifying continuing education content requirements for real estate and mortgage lending

professionals in statute or administrative rule through the Oregon Real Estate Agency and Department of Consumer and Business Services.

3. Have Oregon Housing and Community Services (OHCS) provide additional financial support and technical assistance to non-profits and culturally specific organizations to conduct outreach, tailor programs, and deliver community-specific financial literacy courses and homebuyer assistance, education, and counseling programs.
4. Increase funding for down payment assistance and individual development accounts to support homeownership by people of color.
5. Set goals, reporting requirements, and program standards for OHCS specific to homeownership by people of color.
6. Convene a work group with Oregon's nine federally recognized Tribes to identify homeownership needs and develop recommendations for state programs and investments to increase homeownership rates for tribal members.