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July 6, 2017

Freddie Mac
801 Pennsylvania Avenue, NW #335
Washington, DC 20004

Re: Comments on Freddie Mac's Proposed Duty to Serve Underserved Markets Plan

On behalf of the National Council of La Raza (NCLR), please accept these comments on the content of the Proposed Duty to Serve Underserved Markets Plan of Federal Home Loan Mortgage Corporation (Freddie Mac). NCLR is the largest constituency-based Hispanic organization in the U.S., dedicated to improving life opportunities for the nation's 56 million Hispanics. As such, we have a deep interest in improving Hispanics' access to mortgage financing and homeownership. NCLR applauds Freddie Mac for accepting the challenge to better serve communities of color and low-income households while upholding an obligation to safety and soundness under conservatorship.

Background

In 2015, there were 56 million Hispanics in the U.S., making up 17.6% of the country's total population.[1] The latest projections from the U.S. Census Bureau expect the Hispanic population to reach 28.6% by 2060.[2] In 2015, the median household income of Hispanic households increased to $45,148, the highest it has been since 2006, and the poverty rate for Hispanics dropped to its lowest rate in 10 years.[3] Despite these recent economic gains, Hispanic families, the neighborhoods in which they live, and other communities of color continue to experience the spillover effects of the foreclosure crisis while also being locked out of new originations in the housing market. Latino homeownership, the single greatest source of wealth in the community, reached a high-water mark of 50% in 2006, only to see 66% of its housing wealth disappear by 2009 due to the foreclosure crisis.[4] Nearly 10 years later, the Hispanic homeownership rate remains low, at 46%, and Hispanic borrowers are still denied a mortgage at a higher rate than white borrowers.[5] Research shows Latinos will account for 40 percent of net new households within the next 10 years,[6] suggesting that a failure to incorporate the needs of Hispanics and low-income communities into the nation's federal housing policy will have negative consequences for all Americans and the U.S. economy.

NCLR has a long history in the field of housing and community development. Since the 1980s, NCLR began testifying on Hispanic housing conditions and advocating for more flexible underwriting guidelines and affordable housing products.

- The NCLR Homeownership Network (NHN), a network of more than 50 community-based organizations (CBOs), is in its 20th year of providing homeownership counseling services to 35,000 very low-, low-, and moderate-income families annually and averages more than 1,500 closings a year.

- The Raza Development Fund (RDF),[*] NCLR's wholly-owned Community Development Financial Institution (CDFI), provides capital to NCLR Affiliates for community facilities including charter schools, day care, primary health care, and affordable housing development. RDF annually loans $37.4 million and, since its inception in 1999, has leveraged approximately $2 billion in private capital investment.
- NCLR formed an arm's length corporation, Hogar Hispano, Inc. (HHI),[†] that is repurposing Real Estate Owned (REO) properties nationally. Since 2013 HHI has acquired and repurposed over 1,300 properties through donation and purchase. In addition, it created a foreclosure prevention program that purchases distressed mortgages to keep families in the home. Working with NCLR and private capital sources, it has acquired over 550 loans to date and is actively bidding on additional loan pools. Its modification rate has been higher than private purchasers because of the comprehensive programming—all families served by HHI receive housing counseling from the NCLR Homeownership Network.

In light of NCLR's experience, we submit the following comments on whether Freddie Mac's proposed plan will effectively serve the underserved markets if carried out as proposed, and our recommendations to help the proposed plan better serve the Affordable Housing Preservation and Rural Housing Underserved Markets.

General Comments and Recommendations

As proposed, Freddie Mac's Plans to serve the three Underserved Markets position the Enterprise to begin addressing the needs of the underserved markets. NCLR believes that the proposed activities and objectives indicate that the Enterprise is adopting appropriate measures. However, we believe that while some activities are adequate, there are objectives and activities that could go a step further to provide more meaningful access in underserved markets. Therefore, we propose specific recommendations in two specific Underserved Markets, Affordable Housing Preservation and Rural Housing, to improve Freddie Mac's ability to target and tailor the proposed activities to adequately serve very low-, low-, and moderate-income households in these markets.

In the Affordable Housing Preservation Market, we provide comments and recommendations to enhance the efficacy of objectives under the activities relating to the Low-Income Housing Tax Credit, financing for multi-family rental properties and Shared-equity programs. In the Rural Housing Market, we offer recommendations to enhance the efficacy of underwriting and new offerings as well as increase access to homebuyer education in high-needs rural regions. Prior to the release of the Underserved Markets Plans, NCLR had advocated for the integration of housing counseling into the objectives and activities of the Plans. We applaud Freddie Mac for

[*] Raza Development Fund is a CDFI that invests capital, provides technical assistance and creates financing solutions to increase opportunities for the Latino community and low-income; see more at http://razafund.org/.
[†] Hogar Hispano is an independent 501(c)(3) economic development corporation. It provides community and economic development resources, technical expertise, and service to local and national organizations conducting programs designed to improve the quality of life for Latino and other underserved communities; see more at http://hogarhispanoinc.org/.

including the objective, **"Increase Future Homebuyer Education and Resources"** in the Manufactured Housing and Rural Housing Plan activities. NCLR recommends that Freddie Mac should include a similar objective in its the Plan to guide Freddie Mac's proposed activities to educate potential homeowners, especially if they are entering into shared-equity financing agreements. Freddie Mac should make pre-purchase counseling a requirement for very low-, low-, and moderate-income households who would become homeowners as a result of the financing opportunities supported by Freddie Mac's Plans. One way to do this would be for Freddie Mac to require housing counseling on any mortgage loans backed by properties purchased by the target income categories of the Duty to Serve program.

In addition, Freddie Mac has identified target income categories--"very-low, low-, and moderate-income"--for each activity and objective. While there is variation throughout the plans, it is unclear how Freddie Mac plans to work with lenders and stakeholders to target these income categories, especially in different geographic locations, where the definitions of very-low, low-, and moderate-income may vary. We recommend that Freddie Mac indicate their plans for each of the Underserved Markets, including which income categories lenders will target, and how lenders' activities and stakeholder engagement will meaningfully target households within each of the income levels defined by statute:[‡]

- **(24) Very low-income**
  (A) In general, the term "very low-income" means—
  (i) in the case of owner-occupied units, families having **incomes not greater than 50 percent of the area median income**; and
  (ii) in the case of rental units, families having **incomes not greater than 50 percent of the area median income,** with **adjustments for smaller and larger families**, as determined by the Director.

- **(14) Low-income**
  The term "low-income" means
  (A)— in the case of owner-occupied units, income not in excess of **80 percent of area median income;** and
  (B) in the case of rental units, income not in excess of 80 percent of area median income, with **adjustments for smaller and larger families**, as determined by the Director.

- **(16) Moderate-income**
  The term "moderate-income" means—
  (A) in the case of owner-occupied units, income **not in excess of area median income**; and
  (B) in the case of rental units, income **not in excess of area median income**, with **adjustments for smaller and larger families**, as determined by the Director.

[‡] The Federal Housing Enterprises Financial Safety and Soundness Act of 1992, United States Code, title 12, sec. 4502 (1585-88); available at https://www.gpo.gov/fdsys/search/pagedetails.action?granuleId=USCODE-2011-title12-chap46-sec4502&packageId=USCODE-2011-title12.

Duty to Serve Underserved Markets Proposed Plan for the Affordable Housing Preservation Market

<u>Strategic Priorities Statement</u>

We applaud Freddie Mac for identifying strategic priorities to guide its activities in the Affordable Housing Preservation Underserved Market. In light of the number and the complexity of the issues within this market, we believe it is wise for Freddie Mac to keep its approach simple and build on the Enterprise's existing strengths in the affordable housing preservation space. While homebuyer education is included as an objective in the Manufactured Housing and Rural Housing Plan activities, we were disappointed that housing counseling was not in the proposed Plan for the Affordable Housing Preservation Market.

We were also disappointed that Freddie Mac did not choose to include activities and objectives under the Regulatory Activity: Purchase or Rehabilitation of Certain Distressed Properties. Freddie Mac included its overview of the market context that "Affordable housing stock, especially for first-time homebuyers, remains limited," and cited a disturbing trend of the shrinking of available housing inventory of bottom- and middle-value tier metro area homes between 2010-2015. Freddie Mac has identified that less than 20% of existing homes for sale were in some of the nation's largest metros, and these were the most affordable in value in relation to their area median income. There appears to be a strong argument for Freddie Mac to use all available tools and methods to preserve affordable homes, and not only provide increased liquidity for lenders to buy mortgages in underserved markets. The methods should also include the rehabilitation and purchase of distressed properties by mission-oriented individuals and non-profit entities in order to make them available at an affordable price point for households in the Freddie Mac's target income categories or to keep households affordable within the underserved markets.

Freddie Mac Priorities for the Affordable Housing Preservation Market:

Multifamily

We applaud Freddie Mac for looking to support both subsidized and unsubsidized affordable housing and promote residential economic diversity through its strategic priorities.

Priority 3. Provide liquidity to small financial institutions, which are a key source of financing for smaller, unsubsidized affordable housing properties.

Recommendation: We agree that this should be a priority for Freddie Mac. NCLR recommends that Freddie Mac working with local and/or small financial institutions, including mission-oriented CDFIs located in areas where very low-, low-, and moderate-income families live, and those institutions which are already responsive to the needs of households within the target incomes. Altogether, Freddie Mac should consider vetting the institutions for their vested and stated interest in serving households within the target incomes.

Recommendation: We strongly urge Freddie Mac to consider factors of racial diversity when considering activities that would promote residential economic diversity through its strategic priorities.

Single-Family
Freddie Mac will look to leverage its experience and existing capabilities in designing activities to support energy efficiency and shared equity, and these activities are appropriately grounded in strategic priorities.

Priority 2. Provide the market with data and underwriting guidance that can be leveraged across market participants
Priority 3. Enhance consumer awareness about financing options and lender awareness about Freddie Mac product flexibilities
Priority 5. Leverage pilots to test new product features and underwriting flexibilities.

Recommendation, Priorities 2 & 3: As Freddie Mac strives to provide the market with data and underwriting guidance that can be leveraged across market participants, we recommend that Freddie Mac provide data to market participants such as HUD approved housing counseling agencies, nonprofit housing and community development organizations, and consumer facing, community-based entities familiar with the dynamics of underserved markets. By sharing this data, Freddie Mac can ensure that these entities will be effective partners in enhancing consumer awareness about existing and new financing options for very-low, low-, and moderate-income households in this market.

Recommendation, Priority 5: While Freddie Mac leverages pilots to test new product features and underwriting flexibilities, it should also strive to establish a reasonable timeframe within which the application of new features or flexibilities, once proven successful, can be expanded beyond the pilot phase. Freddie Mac should define what successful implementation looks like and define what an effective feature and underwriting flexibility would be.

- **Example**: If a pilot is implemented in Year 1, and meaningful results of tested features and flexibilities emerge in Year 2, Freddie Mac should consider how to expand the use of impactful features and flexibilities. In addition, it should provide a timeline for expanding the application of a new feature or underwriting flexibility.
- **Example**: Freddie could explicitly state and strive in its Plan to implement a product feature that would ensure greater liquidity for LIHTC properties in which a majority (75%) of residents earn at or below 50% of Area Median Income (i.e. very low-income).

Activities and Objectives

Activity 1 – Low-Income Housing Tax Credits (Debt): Statutory Activity
OBJECTIVE A: PROVIDE LIQUIDITY AND STABILITY THROUGH LIHTC LOAN PURCHASES

Freddie Mac proposes using, as a baseline, an average of its prior three years of loan purchases adjusted downward by 35 percent to account for the estimated and assumed total market reduction of 35 percent, described above. This equates to roughly 13,500 units or 90 transactions.

Freddie Mac's Target

Providing financing for 13,500 units or 90 transactions annually will have a meaningful impact on the market, especially in light of the market headwinds discussed throughout and in light of the fact that this number of transactions is greater than the number we financed as recently as 2014.

- **Recommendation**: To promote residential economic diversity, NCLR recommends that Freddie Mac include a mechanism that would increase the number of LIHTC loan purchases in high-opportunity neighborhoods or areas with fewer mixed-income properties.

Freddie Mac currently identifies the income targets as VLI, LI, and MI. NCLR recommends that for each scenario and anticipated concept score, Freddie Mac includes sub goals such as:

- A Concept Score of 40 would mean Freddie Mac purchases 14,250 units or 95 transactions, of which 40% are VLI, 50% are LI and 10% are MI. Freddie Mac should base the breakdown on its market analysis.

OBJECTIVE B: DEVELOP A NEW OFFERING WITH A MORE EFFICIENT ORIGINATION PATH FOR LIHTC PRESERVATION

As the objective now states, Freddie Mac will provide training on a term sheet and provide a report to FHFA based on the adoption of the term sheet. In the proposed training sessions, NCLR recommends that Freddie Mac identify the target audience for these trainings, as well as an action plan for how the proposed audience would adopt the terms. While we presume that lenders would be in the audience, Freddie Mac should clarify this point. Freddie Mac should also identify what would happen if the audience receives the training but experiences challenges in adopting or does not adopt them.

OBJECTIVE C: DEVELOP A NEW OFFERING TO CLOSE CAPITAL GAPS FOR LIHTC TRANSACTIONS

As the activity is currently defined, Freddie Mac anticipates it would be difficult to attract mission-focused investors due to reported expectations of yields of a greater size that are similar to those anticipated by traditional investors. Freddie Mac should describe how it intends to identify local foundations and mission-focused investors to accomplish this objective.

In Year 1, Freddie Mac plans to introduce a pilot designed to give investors the opportunity to promote affordable housing preservation by closing funding gaps left by the reduction in available LIHTC equity. In Year 2, Freddie Mac will review the pilot and determine if any changes are required and if the offering should be made more broadly available. If the offering is ready for broad availability, it will publish an official product term sheet and provide training and marketing materials to the applicable seller/servicers.

- **Recommendation:** Freddie Mac should identify a method or process for reviewing the offering, as well as conditions and timeline for the broad availability of the product. Instead of having an objective that includes a pilot and product, Freddie Mac should separate the two elements, with one objective being the completion of the pilot, and the other being the complete development of the product.

Activity 5 – Financing of Small Multifamily Rental Properties: Regulatory Activity
As Freddie Mac has suggested, small financial institutions, community banks and CDFIs serve an important role in supporting communities across the country, as well as providing financing for projects that are smaller or locally important. Many of the multifamily loans originated by these financial institutions are focused on these smaller projects.

- **Recommendation:** Freddie Mac should support the work of CDFIs that focus on communities of color, such as the Raza Development Fund (RDF). RDF has experience working in multi-family development in Portland, Oregon. RDF partners with NCLR Homeownership Network Affiliate Hacienda CDC,[§] which operates a program that provides affordable housing to individuals and families falling under 60% of the Family Median Income threshold. RDF refinanced a note than encompassed six parcels, but released three of those parcels to Hacienda CDC to allow for their redevelopment. As a result of this arrangement, Hacienda CDC will be able to:
  - Rehabilitate a 25-unit apartment building and its community facility
  - Build a new headquarters and management office
  - Redevelop an additional community facility in the future

Activity 8 – Shared Equity Programs for Affordable Housing Preservation: Regulatory Activity

If the Shared Appreciation loan fund model is successful, Freddie Mac has stated it expects the model to increase first-lien mortgage originations to very low- and low-income borrowers. Freddie Mac should clarify why it decided to include moderate-income households as targets in Objectives A and B, and not in Objective C. In Objective C, the income targets are very low-income and low-income households.

OBJECTIVE A: INVEST IN RESEARCH AND DEVELOPMENT OF A SHARED APPRECIATION REVOLVING FUNDING MODEL

Freddie Mac should identify existing models of shared appreciation loans and funds in its research plan. Freddie Mac intends to invest up to $2 million in the research and development objective. We recommend that Freddie Mac explain the research plan and method of approach, as well as a commitment to study existing and successful models across the country.

Freddie Mac has stated that the goal is to fund shared appreciation loan programs through private and social investors rather than grants or subsidies. Freddie Mac should describe in its Plan how it defines private and social investors, as well as its process to identify these investors.

OBJECTIVE C: DEVELOP COMPREHENSIVE UNDERWRITING GUIDELINES TO FACILITATE ORIGINATIONS OF LOANS UNDER SHARED EQUITY PROGRAMS

[§]Hacienda CDC is a nonprofit Latino Community Development Corporation that strengthens families by providing affordable housing, homeownership support, economic advancement and educational opportunities; see more at http://www.haciendacdc.org/.

Freddie Mac has stated that in Year 1, it would develop underwriting and appraisal requirements to support the origination and purchase of loans tied to shared equity programs. In Year 2, it would issue updated requirements through a Guide bulletin update or test them through a pilot.

- **Recommendation:** Freddie Mac should provide more information about plans for a proposed pilot, and on what basis it would determine whether to perform a pilot or issue a Guide bulletin update. Freddie Mac has stated in its final objective that it would "make more robust adjustments during year two." Freddie Mac should describe, in its Plan, how it would come to decide to make more robust adjustments and what those adjustments would be. For example, would Freddie Mac increase the number of anticipated loans originated in the pilot phase, based on these adjustments? It should clarify the intended impact of making additional adjustments.

Additional Comments

Freddie Mac should consider the benefits of partnering with and investing in housing counseling agencies to strategically target very low-, low-, and moderate-income households and increase the likelihood of positive borrower outcomes, in the next iteration of its Underserved Markets Plans.

For example, Freddie Mac should be facilitating partnerships between lenders and housing counselors so that borrowers are fully aware of available financing options, including shared equity financing. For very low-, low-, and moderate-households, working with a housing counselor can help a potential homebuyer understand the concepts of different financing structures, and help them prepare to be successful homeowners. Freddie Mac should support and make investments in shared appreciation loan programs that require homeownership education, which include pre- and post-purchase counseling by a HUD approved housing counseling agency.

- Example: The Lopez Community Land Trust[**] in Lopez Island, Washington provides supportive services and stewardship, including first-time homebuyer classes, homeownership counseling, and training in cooperative governance for households seeking sustainable homeownership through a limited equity cooperative.
- Example: One Roof Community Housing[††] also provides pre-and post-purchase support for buyers applying for land trust homes, including free one-on-one homebuyer counseling sessions. One Roof requires that buyers applying for land trust homes to complete an eight-hour, HUD-certified homebuyer education class and attend an orientation session about the community land trust program.

Numerous studies have demonstrated the value of housing counseling to both borrowers and lenders.[7] Community-based housing counselors, as trusted sources of accurate information, can assist borrowers better understand their options, and allow them to seek help in a timely manner. For example, during the foreclosure crisis, the intervention of a trusted counselor was necessary for many victims of predatory lending practices who would not have responded to direct

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[**] The Lopez Community Land Trust; see more at https://www.huduser.gov/portal/periodicals/em/fall12/highlight3_sidebar.html.

[††] One Roof Community Housing; see more at https://www.huduser.gov/portal/periodicals/em/fall12/highlight3.html.

correspondence with their bank or loan servicer due to significant mistrust and the distress of being underwater on a mortgage. Likewise, housing counseling agencies can help to ensure that Enterprise Duty to Serve activities are accessible to borrowers in underserved markets.

Pre-purchase counseling can help reduce the likelihood of default and foreclosure by helping individuals determine if they are ready for homeownership, and by connecting them with safer and more affordable mortgage products. One study has shown that low- and moderate-income homeowners who have voluntarily received housing counseling services show improved loan performance, and that this is attributable to the type of mortgage contract, budgeting and credit management skills taught by counselors.[8] Once in the home, active post-purchase counseling can address early stage delinquencies.[9]

At the same time, if homeowners do struggle with their mortgage payments, housing counseling can be an effective intervention to help them avoid foreclosure. One recent report[10] reviewed outcomes associated with 240,000 loans that received counseling under the National Foreclosure Mitigation Counseling program. Counseled clients were 2.83 times more likely to receive a loan modification, and 70% less likely to redefault on a modified loan. Counseled clients had modifications that saved them an average of $732 per year compared to modifications given to non-counseled borrowers.

- **Example of a successful and meaningful partnership between secondary market, primary market, and non-profit housing counseling agencies: Home to Own –** A homeownership program targeting families earning below 80% of Area Median Income (AMI): In the early 1990s, NCLR partnered with Fannie Mae and First InterState Bank to design and implement a pilot program that tested the feasibility of new approaches to homeownership for low-income families, such as affordable housing products that incorporate more flexible underwriting guidelines, pre-purchase housing counseling, and credit enhancements including down payment assistance. According to an independent evaluation of the program,[11] this pilot provided mortgages to nearly 500 families, all of whom earned below 80% of AMI, with more than 70% going to families below 60% of AMI. In addition, the Home to Own portfolio of mortgages performed very well nearly three years after origination, demonstrating a default rate of approximately 1%, three percentage points lower than the overall industry average for delinquencies at the time.

Duty to Serve Underserved Markets Proposed Plan for the Rural Housing Market

Activities and Objectives

NCLR applauds Freddie Mac for including "increase future homebuyer access to education and resources" among the objectives of the Plan's Activities for the Rural Housing Market.

- **Recommendation:** Freddie Mac should consider how it could integrate HUD approved housing counseling agencies and other community-based non-profits into the Rural Housing Market Plan objectives to enhance its ability to target very low-, low-, and moderate-income households. We provide suggestions for how Freddie Mac should do so in the following comments.

- **Recommendation:** While homebuyer education is considered in the Outreach evaluation area, Freddie Mac should consider homebuyer education as an Investment in its Rural Housing Market Plan. An Outreach objective will certainly support awareness of homebuyer education, and the importance of preparing home buyers for sustainable homeownership. However, we believe outreach on its own will not necessarily encourage Freddie Mac lenders to partner or invest in housing counseling. We urge Freddie Mac to consider ways, including but not limited to formal fee-for-service partnerships, to encourage lenders to effectively partner with HUD-approved housing counseling agencies, which are community-based, within the target income categories designated in their plans, or have the capacity to serve households within an underserved market in the target income levels.

Activity 1 – High-Needs Rural Regions: Regulatory Activity

OBJECTIVE B: COMPLETE A REVIEW OF LOAN OFFERINGS AND UNDERWRITING PARAMETERS

- **Recommendation:** NCLR applauds Freddie Mac for reviewing borrower-qualifying criteria, such as credit sources and down-payment options, to determine whether and how we can enhance its current offerings. In making any product adjustments to qualifying criteria, it would be appropriate for Freddie Mac to address underwriting automation to promote lender confidence in making loans to very low-, low-, and moderate- income borrowers who are in high-needs rural regions.

OBJECTIVE C: INCREASE FUTURE HOMEBUYER ACCESS TO EDUCATION AND RESOURCES

Freddie Mac will expand its existing homebuyer education curriculum to address area-specific challenges, such as the use of contracts-for-deeds in the colonias,[‡‡] promotion of estate planning to create clear title for future generations, and technical training for education providers in specific areas. It intends to partner with nonprofits, housing finance agencies and CDFIs to conduct outreach regarding borrower needs in these regions. Based on the high demand for such a program, Freddie Mac anticipates that a comprehensive educational curriculum will have a meaningful positive impact in high-needs rural regions.

- **Recommendation:** Freddie Mac should work with CDFIs and HUD approved housing counseling agencies that provide bilingual and bi-cultural services, such as those within the NCLR Homeownership Network. In addition, it should consult with community-

‡‡ In 1990, the Cranston-Gonzalez National Affordable Housing Act (NAHA) created a federal definition for colonias, which is still used for most Department of Housing and Urban Development (HUD) programs today. Under NAHA, a colonia is an "identifiable community" established before November 28, 1989 in Arizona, California, New Mexico, or Texas within 150 miles of the U.S.-Mexico border that lacks potable water and sewage systems and decent housing; see more at http://www.ruralhome.org/storage/documents/rpts_pubs/ts10_border_colonias.pdf.

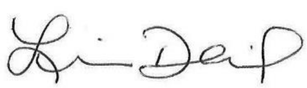
based housing practitioners as well as lenders and financial institutions, to inform the design and content of the curriculum.

NCLR agrees that Freddie Mac should conduct research and outreach to assess additional areas to target expansion of homebuyer education and resources. This assessment should include the location and availability of small or regional lending institutions, non-profit organizations and CDFIs providing housing support in the regions. Upon completion of an initial assessment, Freddie Mac will provide further capacity building to one to two mission-oriented organizations in these regions that are active in affordable housing by establishing additional partnerships with nonprofits, housing finance agencies or CDFIs that provide homebuyer education, housing counseling, individual development accounts (IDAs) and related resources that are relevant to very-low or low-income homebuyers or homeowners.

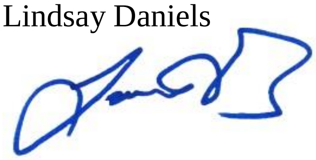
- **Recommendation:** Freddie Mac should describe the type of capacity-building support it intends to provide to the mission-oriented organization. NCLR recommends that support should include financial investments to increase the staff capacity and geographic reach of mission-oriented organizations and for the nonprofit partners that provide homebuyer education, housing counseling and access to IDAs.

Thank you for the opportunity to present these comments. The recommendations contained in this letter are designed to help Freddie Mac increase its effectiveness in serving underserved markets, particularly Latino homebuyers and homeowners. If you would like to discuss our recommendations in greater detail, please contact Lindsay Daniels, Associate Director of Economic Policy, ldaniels@nclr.org, or Lot Diaz, Vice President of Housing and Community Development, ldiaz@nclr.org.

Sincerely,



Lindsay Daniels



Lautaro "Lot" Díaz

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[3] National Council of La Raza, *Latino Poverty and Income: Significant Gains in 2015,* (Washington, DC: National Council of La Raza, 2016).

[4] Rakesh Kochhar, Richard Fry, and Paul Taylor, *Wealth Gaps Rise to Record Highs Between Whites, Blacks, Hispanics* (Washington, DC: Pew Research Center, 2011), http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/ (accessed July 4, 2017).
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[6] Laurie Goodman, Rolf Pendall, and Jun Zhu, *Headship and Homeownership: What Does the Future Hold?* (Washington, DC: The Urban Institute, 2015).

[7] Marvin Smith, Daniel Hochberg, and William Greene, *The Effectiveness of Pre-Purchase Homeownership Counseling and Financial Management Skills*, Philadelphia, PA: Federal Reserve Bank of Philadelphia, 2014, https://www.philadelphiafed.org/-/media/community-development/homeownership-counseling-study/2014/homeownership-counseling-study-042014.pdf (accessed July 4, 2017); and Donna Demarco, et al., *The First-Time Homebuyer Education and Counseling Demonstration: Early Insights*, Department of Housing and Urban Development, Washington, DC, 2016, https://www.huduser.gov/portal/sites/default/files/pdf/First-Time-Home-Buyers.pdf (accessed July 4, 2017).
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[9] Janneke Ratcliffe, *Regaining the Dream: Case Studies in Sustainable Low-Income Mortgage Lending*, (Chapel Hill, NC: University of North Carolina Center for Community Capital, 2014) http://ccc.unc.edu/files/2015/01/RTD-Case-Studies-Nov-2014.pdf (accessed July 4, 2017).
[10] Kenneth M. Temkin, et al., *National Foreclosure Mitigation Counseling Program Evaluation Final Report, Rounds 3 Through 5* (Washington, DC: The Urban Institute, 2014).
[11] Ryan M. Johnson and Elsa Macias, *Home to Own: A New Model for Community-Based Low-Income Mortgage Lending*, (Tempe, AZ: Morrison Institute for Public Policy, Arizona State University, 1995).