

October 28, 2024

**RE: Comment on the Federal Housing Finance Agency's Proposed Rule on 2025-2027 Enterprise Housing Goals (12 CFR Part 1282; RIN 2590-AB34)**

National Disability Institute (NDI) is the first and only disability rights organization committed to building a better financial future for people with disabilities and their families by achieving financial security and independence. NDI writes in support of proposed rule RIN 2590-AB34 as a means of increasing access to stable, affordable housing for low-income people, particularly those facing racial and ethnic marginalization.

NDI is a leading voice on the intersection of disability and economic instability as well as the adverse consequences of the intersectionality of discrimination based on disability, race, ethnicity, gender and sexual orientation. Over nearly twenty years, NDI has analyzed data collected by the FDIC, the U.S. Census Bureau and the FINRA Investor Education Foundation to offer new insights and knowledge about financial behavior and economic status of people with disabilities and their families.

Broadly, the rule is an important move towards safeguarding and supporting access to housing and homeownership for vulnerable and marginalized communities via advancing equity in housing finance. The proposed rule will impact the financial wellness and futures of many people with disabilities, especially those who are low income and very low income, particularly those who belong to other communities that routinely face discrimination and economic disparities. While NDI supports these goals of the FHFA's proposed rule, it remains a significant oversight to omit benchmark levels explicitly addressing people with disabilities alongside much needed focuses on low-income and very low-income communities and communities of color.

People with disabilities are an overwhelmingly low-income population overall, while people of color with disabilities are often even more acutely economically disadvantaged. People with disabilities are already more likely to live in poverty (and thus in low-income census tracts), experience unemployment, have unstable or inconsistent access to housing, rely on predatory financial products, and lack adequate health care and access to transportation. NDI is dedicated to furthering economic security and advancement for people with disabilities, and access to affordable and stable housing is a fundamental pre-requisite for financial well-being. Lacking stable housing impacts all aspects of a person's life, including the ability to enter and remain in the workforce and attain economic security. People with disabilities should have equitable access to affordable and stable housing as a basic need. Further, access to homeownership is a path to wealth for marginalized groups and populations that experience systematic discrimination.

NDI tracks indicators of financial distress among people with disabilities, such as the following:

- 36% percent of Black people with disabilities are living in poverty and 35% percent of Black workers with disabilities lost their jobs during COVID-19 pandemic.

- The percentage of households with an annual income of less than \$15,000 is 5.6 times higher in households with a disability (i.e., with a householder that has one or more disabilities) than those without a disability (32.3% versus 5.8%).<sup>1</sup>
- Across all racial/ethnic groups, households with a disabled working-age householder have lower net worth, compared to households without disability (\$14,180 versus \$83,985). Households with householders who are Black and disabled have the lowest net worth (\$1,282); next are households with householders who are Latinx and disabled (\$13,340).<sup>2</sup>
- Across all racial and ethnic groups, a lower percentage of people with disabilities saved for unexpected expenses, compared to people without disability. Lower percentages of people with disabilities who are also Black (29%) and Latinx (30%) saved for unexpected expenses, compared to those who have disabilities and are White (44%).<sup>3</sup>

### Disabled Populations and Housing Access

People with disabilities comprise a significant minoritized group in the United States, with greater representation among the aging population and communities of color.

- Earlier this summer, the CDC’s Disability and Health Data System (DHDS) released updated figures noting that 1 in 4 people in the United States (more than 70 million total) reported being disabled.<sup>4</sup>
- Older adults reported a higher disability prevalence (43.9% of people aged 65 years and older) compared to other age groups.<sup>5</sup>
- When disaggregating disability status by race/ethnicity, the groups with the highest prevalence of disability (both 38.7%) were Native/Indigenous people and people of multiracial or mixed-race backgrounds.<sup>6</sup> This means that disabled people are also overrepresented in census tracts that consist of majority or predominantly households of color as well.

Disabled people are highly vulnerable to poverty and homelessness:

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<sup>1</sup> See “Income Inequality: Disability, Race and Ethnicity,” National Disability Institute analysis of 2021 Federal Deposit Insurance Corporation (FDIC) Survey of Household Use of Banking and Financial Services, available at <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2023/07/fdic-income-inequality-factsheet-2023.pdf>.

<sup>2</sup> National Disability Institute (August 2020), *Race, Ethnicity and Disability: The Financial Impact of Systemic Inequality and Intersectionality*, available at <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2020/08/race-ethnicity-and-disability-financial-impact.pdf>, citing National Disability Institute Analysis of U.S. Census Bureau (2019) Survey of Income and Program Participation Microdata, 2014 Panel, Wave 4.

<sup>3</sup> Nanette Goodman and Michael Morris (2019), *Banking Status and Financial Behaviors of Adults with Disabilities*, National Disability Institute, available at <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2019/11/ndi-banking-report-2019.pdf>.

<sup>4</sup> The Centers for Disease Control (CDC), “CDC Data Shows Over 70 Million U.S. Adults Reported Having a Disability,” *CDC Online Newsroom*, 16 July 2024. (accessed October 28, 2024, 9:00 AM), <https://www.cdc.gov/media/releases/2024/s0716-Adult-disability.html>

<sup>5</sup> The CDC

<sup>6</sup> The CDC (categorized as “American Indian or Alaskan Native” and “Other/Multirace” respectively)

- People with disabilities consistently earn about \$8,000 less per year than their non-disabled counterparts.<sup>7</sup>
- The poverty rate for disabled people is 25-26% as compared to 11% for nondisabled people.<sup>8</sup>
- All 4.1 million people with disabilities between the ages of 18 and 64 who receive Supplemental Security Income (SSI) are unable to afford housing in the U.S. market without additional support or assistance.<sup>9</sup>
- In fact, many disabled people are very low income, to the extent that they cannot even afford or access any housing at all:
  - 84% of low-income disabled people in the US are financially eligible for housing assistance but do not receive it (nearly 18 million people/15.6 million households).<sup>10</sup>
  - 31% of all people experiencing homelessness are disabled and chronically homeless, of whom, 65% are sleeping in unsheltered locations.<sup>11</sup>
  - On any given night, nearly 25% of the population in homeless shelter counts are people with disabilities.<sup>12</sup>

Disabled people are deeply affected by inaccessible housing costs, are less likely to be homeowners, and are frequently discriminated against in the home purchase process. Furthermore, housing units are frequently physically inaccessible for disabled people:

- 7 million people with disabilities spend more than the recommended 30% of their income on rent, with 4 million people with disabilities spending more than 50% of their income on rent.<sup>13</sup>
- In 2021, only 14% of disabled people were homeowners, compared to 48% of nondisabled people.<sup>14</sup>
- The U.S. Department of Housing and Urban Development (HUD) notes persistent discrimination against people who attempt to use disability income to qualify for a home loan.<sup>15</sup>
- Almost 7 million households (5% of the total population) report difficulty getting around in their homes, suggesting potential disabilities; just over 20% of households with a known disabled resident reported having a hard time navigating their homes, especially with entry, kitchen, or bathrooms.<sup>16</sup>

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<sup>7</sup> p. 15, National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR), *Annual Report on People With Disabilities in America 2024*, [researchondisability.org](https://www.researchondisability.org), (accessed October 28, 2024, 9:00 AM), <https://www.researchondisability.org/sites/default/files/media/2024-03/2024-annual-report-a11y-1.pdf>

<sup>8</sup> p. 16, NIDILRR

<sup>9</sup> Sloane, Lisa. "Priced Out: The Affordable Housing Crisis for People with Disabilities in 2024," *Technical Assistance Collaborative (TAC)*, <https://www.tacinc.org/blog/priced-out-the-affordable-housing-crisis-for-people-with-disabilities-in-2024/> (Accessed October 28, 2024, 9:00AM),

<sup>10</sup> Sloane

<sup>11</sup> Sloane

<sup>12</sup> p. 19, National Disability Institute (NDI) and the Asset Funders Network (AFN), "Advancing Economic Justice for People with Disabilities," 2023 Brief, [assetfunders.org](https://www.nationaldisabilityinstitute.org/wp-content/uploads/2023/06/afn_2023_persons-with-disabilities_brief.pdf), [https://www.nationaldisabilityinstitute.org/wp-content/uploads/2023/06/afn\\_2023\\_persons-with-disabilities\\_brief.pdf](https://www.nationaldisabilityinstitute.org/wp-content/uploads/2023/06/afn_2023_persons-with-disabilities_brief.pdf)

<sup>13</sup> p. 19, NDI and AFN

<sup>14</sup> p. 19, NDI and AFN

<sup>15</sup> p. 19, NDI and AFN

<sup>16</sup> p. 19, NDI and AFN

## Discussion of FHFA Proposed Rule

The proposed rule promises to preserve the current landscape of housing access for people with disabilities, who are disproportionately low and very low-income groups, especially people of color with disabilities. This is through a measured approach to benchmarking for the Enterprise 2025-2027 goals with respect to the following:

Single-Family Housing category:

- Low-Income Home Purchase Goal
- Very Low-Income Home Purchase Goal
- Low-Income Refinance Goal
- Minority Census Tracts Home Purchase Subgoal
- Low-Income Census Tracts Home Purchase Subgoal

Multi-Family Housing category:

- Low-Income Goal
- Very Low-Income Goal
- Small Multifamily Low-Income Subgoal

NDI particularly applauds FHFA for changing the status of the multifamily very low-income housing category to that of a top-level goal, where it was previously a subgoal. This status change appropriately dignifies the importance of access to housing for very low-income groups, whose primary housing category is rental housing within multifamily housing units. Additionally, NDI applauds FHFA for its cautious approach to the benchmarking for the single-family low-income census tracts home purchase subgoal, leaving it at 4%, reflecting “concerns about the potential that Enterprises may seek to meet the goal by purchasing loans to higher-income borrowers in lower-income areas” (p. 70138). Such loans would risk contributing to gentrification and displacement, which often have negative effects on access to stable and affordable housing for low-income and very low-income groups, particularly for communities of color.<sup>17</sup>

While NDI applauds the change of the multifamily very low-income housing category from a subgoal to a goal, we observed the FHFA’s proposed 2025-2027 benchmark for this goal to be proportionally low in comparison to the low-income housing goal in the multifamily category. These goals are set with a view of prior performance combined with projected market performance. The multifamily low-income 2023 performance was 76.3 and 67.1 in 2023 and is set at 61 as a goal for the revised rule, holding steady on the previous benchmark. For the very low-income goal, 2023 performance was at 18.7 and 20.6, with a goal of 12. Where FHFA proposes to keep the 12% benchmark, NDI proposes an increase of this benchmark to reflect the greater need in this group, and to make the final number more proportional to the relationship between performance and benchmarking.

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<sup>17</sup> National Low Income Housing Coalition, “Gentrification and Neighborhood Revitalization: What’s the Difference?,” *nlihc.org*, 05 April, 2019. <https://nlihc.org/resource/gentrification-and-neighborhood-revitalization-whats-difference>. (Accessed October 28, 2024, 9:00 AM)

Finally, NDI urges the FHFA to ensure the final rule fulfills the agency’s goals to support “a reliable, stable, equitable, and liquid U.S. housing finance system” and to “foster housing finance markets that promote equitable access to affordable and sustainable housing” by explicitly including protections for people with disabilities. The data presented above makes a strong case for FHFA to enumerate people with disabilities as a targeted class and loans originated in census tracts with higher incidence of disabled households as benchmarking goals for both Enterprises. In light of data cited above regarding discrimination against disabled homebuyers using public benefits income towards the purchase of a home, FHFA should include guardrails against such discrimination in both the single-family and multi-family categories. Similarly, in light of the overlap in categories of low and very low-income status, racial and ethnic minority status, and disability status, FHFA should also include a provision for the added cost of accessibility modifications to homes within the way that Enterprises disburse loans to disabled borrowers.

We encourage the FHFA, as it finalizes the rule, to continue and expand its outreach to advocates and directly impacted community members who understand the immediate impact of disability on financial and housing security. If the Commission has any questions about the impact of the proposed rule on people with disabilities, NDI would be glad to provide additional information or assistance.

Sincerely,

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