**Comment from Dr. Julianne Malveaux**

This comment is submitted to express thoughts regarding the Federal Home Loan Mortgage Corporation’s (Freddie Mac’s) proposal to issue second mortgages. Many believe it will not help African Americans and other minorities who find themselves falling behind other Americans in homeownership rates. In fact, we believe the only beneficiary of the policy would be those who already own their own homes, already have equity, and have the advantage of years of low-interest loans that are no longer available.

This proposal, while well-intentioned, will keep more people from the outside looking in, and it should be rejected until further study is performed. The American people deserve further transparency so they can examine the data and determine the real winners of this proposal.

The homeownership rate for White Americans was 72.7% in 2021, compared to just 44% for African Americans. Those lucky enough to have purchased a home when interest rates were lower now find it more difficult to keep it.

Over the past three decades, rates of foreclosures have consistently been higher for Black or Hispanic households. Black and Hispanic households are also [burdened](https://home.treasury.gov/news/featured-stories/racial-differences-in-economic-security-housing) with taking on more debt to purchase a home, reducing their eligibility for a Freddie Mac second mortgage.

Freddie Mac issuing second mortgages would only exacerbate this inequality in homeownership rates. By favoring those who already own homes and have equity, the proposal would create a situation where the rich get richer and the poor fall further behind. This directly contradicts the goal of creating equal opportunity and leveling the playing field.

The proposal would also contribute to the gentrification many neighborhoods are currently facing, as those with the financial means to secure a second mortgage could invest in property improvements. This would drive up property values, making it even more difficult for low-income families and minorities to afford homes in their communities.

 The government must prioritize policies that promote equal opportunity and work to create a more inclusive and equitable society for all. We would encourage a pause and hosting a series a round table discussion with key housing advocates to ensure that this proposal meets that goal.

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