

Feds Needed in Housing Recovery

By Rep. Mike Honda

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The Asian-American and Pacific Islander communities have been particularly hard hit by housing foreclosures. Homeownership rates for Asians, for example, fell 1.2 percent in 2008, compared with a drop of 0.8 percent among Latinos and only 0.4 percent for whites.

Now the Department of Housing and Urban Development has taken an important step by naming a housing counseling intermediary. The National Coalition of Asian Pacific American Community Development is the first federal network of community-based groups focused on offering housing counseling services.

This HUD move is essential, especially in a year projected to hit a record high in national housing foreclosures.

But recovering from this foreclosure crisis requires a more proactive and inclusive outreach strategy from every federal agency. Our existing foreclosure-related federal programs — like the National Foreclosure Mitigation Counseling Program — are structured only to fund organizations with a long-established history of counseling.

Many AAPI organizations are just too new.

There are two key reasons for this extra push.

First, minority communities, specifically immigrants and first-time homebuyers with limited English and little financial literacy, were targeted by predatory lenders. A disproportionately high number of minority homeowners have subprime loans.

For example, there were higher incidents of subprime loans among black (45 percent), Latino (43 percent) and Asian Pacific Islander (23 percent) homeowners than among their white counterparts (19 percent), according to a Mortgage Bankers Association study of 2006 California homeowners.

In addition, Fannie Mae estimates that as many as 50 percent of the minority homeowners who received a subprime loan should have qualified for a prime loan. This clearly indicates the need for housing counseling services.

While this trend was prevalent throughout all minority populations, it reached alarming rates in the developments for Asian-American and Pacific Islander communities. Subprime loans tripled between 2004 and 2005.

The Federal Reserve Board found that, in certain regions, several Asian subpopulations — for example the Hmong in the Minneapolis-St. Paul area — have inordinately high rates of adjustable rate mortgages. Now, as many of 50 percent of these homes are in pre-foreclosure — like those of South Asian immigrants in Queens, N.Y.

The situation is worsened by the lack of reliable data about AAPI communities, which are growing in diversity and presence. This makes it difficult to track trends and prescribe targeted solutions.

Second, language and cultural barriers have historically prevented AAPI communities and community-based organizations from fully using federal resources and government services.

In 2007, I requested a study from the Government Accountability Office to explore federal agencies — efforts to provide linguistically and culturally competent services to these communities.

I have now seen the GAO's initial findings, and much remains to be done. Federal agencies need to increase access to those communities with limited English proficiency — particularly to AAPI communities, with their great diversity.

To help address this challenge, President Barack Obama reestablished the White House Initiative on AAPIs, first convened by President Bill Clinton, to develop a needs assessment and set of recommendations to make federal resources more accessible and effective in serving the AAPI community.

Two initial conclusions made by the original AAPI White House Commission remain germane. Specifically, all federal agencies need to do a better job of collecting and disaggregating data by language, race and ethnicity, so that we have more accurate information about growing Asian and other immigrant subpopulations.

In addition, greater access to federal programs for AAPIs and AAPI-serving organizations, by expanding language and culturally sensitive outreach and marketing efforts, is still needed. In working closely with Obama on this White House initiative, I am hopeful that lingering problems can be addressed.

As Congress moves to consider financial reform proposals, we must include strong provisions to require that lending institutions provide understandable materials to every potential customer.

We must also make our federal agencies more responsive and available to communities with limited English. We cannot afford to leave out immigrants and growing subpopulations in the Asian-American and Pacific Islander community — or any other linguistically and culturally isolated community.

If we are to learn anything from this economic crisis, it is that we are only as strong as our weakest link. We must do everything in our power to ensure that all Americans, irrespective of language or financial capacity, have access to all our government resources.