THE STATE OF EQUITABLE HOMEOWNERSHIP

2025 Report

STUDY PRESENTED BY THE NATIONAL FAIR HOUSING ALLIANCE

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EXECUTIVE SUMMARY

Homeownership remains a cornerstone of financial security and intergenerational wealth in the United States. Yet, for many Black, Latino, Asian, Pacific Islander, and Native[1] individuals and families, this pathway has been obstructed by a legacy of discriminatory policies, practices, and systems that continue to shape—and in some cases restrict—access to credit, housing, and economic opportunity. These systemic barriers have created and sustained stark racial disparities in homeownership and wealth. The *2025 State of Homeownership Report* offers a comprehensive assessment of trends in the housing and lending markets over recent years, outlining the policy and programmatic interventions necessary to preserve recent progress and close longstanding racial and ethnic homeownership gaps. The report examines patterns and developments that explain people's ability to access housing and credit opportunities. It also explores homeownership trends, the impact of access to homeownership, and solutions for addressing long-term barriers to inclusion in communities with a history of success in homeownership, despite continually being underserved.

The *2025 State of Homeownership Report* was developed through a rigorous, data-driven process that included analysis of national data sets, such as U.S. Census and Home Mortgage Disclosure Act data, as well as data from the Consumer Financial Protection Bureau, the Department of Housing and Urban Development, and other agencies. It synthesizes academic and policy research; evaluates the impact of government, nonprofit, philanthropic, and industry programs; and incorporates insights from the National Fair Housing Alliance's Fair Housing Trends reports, which cull data from private fair-housing agencies throughout the nation, among other sources.

There are promising patterns in the data. For example, the homeownership rate for Blacks, Latinos, Asians, and Natives/Hawaiians/Pacific Islanders has increased in recent years, helping close their homeownership gaps with Whites slightly. However, recent actions, including the removal of homebuying programs and homeownership preservation tools, threaten to undo important gains made since 2019.

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1 - **Note on the language in this report:** As a civil rights organization, we are aware that there is not universal agreement on the appropriate race or ethnicity label for the diverse populations in the United States or even on whether or not particular labels should be capitalized. We intend in all cases to be inclusive, rather than exclusive, and in no case to diminish the significance of the viewpoint of any person or to injure a person or group through our terminology. For purposes of this report, we have utilized the following language (except in cases where a resource, reference, case, or quotation may use alternate terminology): Black, Latino, Asian, and White. In prior publications, we have utilized the term "African American," but there are some who argue that this term is exclusive, and we intend to be as inclusive as possible. We are also aware that many people prefer the term "Hispanic" or "Latinx." We intend in this report to include those who prefer "Hispanic" or "Latinx" in the term "Latino" and intend no disrespect. Additionally, we are aware that many people prefer the term "Asian American," and we intend to include those who prefer "Asian American" in the term "Asian" and also intend no disrespect. We refer to "neighborhoods of color" or specify the predominant race(s) of a neighborhood, rather than utilizing the term "minority." We also use the term "disability," rather than "handicap" (the term used in the Fair Housing Act).

We highlight and explain essential developments in this report, including:

- In 2024, the White homeownership rate was 60 percent higher than the Black homeownership rate, 52 percent higher than the Latino homeownership rate, and 19 percent higher than the Asian/Native/Hawaiian/Pacific Islander (ANHPI) rate. This reflects a positive trend in closing homeownership gaps, given that, in 2019, the White homeownership rate was 80 percent higher than the Black homeownership rate, 57 percent higher than the Latino rate, and 27 percent higher than the ANHPI rate.
- From 2019 to 2024, the homeownership rate for Black households increased by 14.29 percent. The rate for ANHPI households increased by 8.67 percent. The rate for Latino households increased by 4.72 percent, and the rate for White households increased by 1.78 percent.
- Underserved groups achieved homeownership gains as a result of intentional, collaborative, and impactful efforts led by advocates, government agencies, industry stakeholders, and philanthropic organizations—including COVID relief initiatives, Special Purpose Credit Programs (SPCPs), First-Generation Down Payment Assistance Programs, shared equity housing programs, modernization of the Qualified Mortgage Rule, the incorporation of positive rental payment data, and the return of cash-flow data into mortgage underwriting.
- Black, American Indian/Alaska Native (AIAN), and Latino borrowers are still denied mortgage loans more frequently than White and Asian borrowers, with Black applicants denied most frequently at 27.11 percent, AIAN applicants denied at 26.24 percent, and Latinos denied at 22.07 percent in 2024. In comparison, White and Asian applicants had their mortgage applications denied at much lower rates of 16.54 percent and 14.34 percent, respectively.
- Inventory of housing for purchase has decreased overall, with 665,603 active listings in 2024 as compared to 1,154,139 in 2017, leading median listing prices to escalate.
- Ongoing factors such as the rising cost of homeowners' insurance and discrimination in sales, appraisal, and lending continue to contribute to persistent racial and ethnic homeownership gaps.

> Underserved groups achieved homeownership gains as a result of intentional, collaborative, and impactful efforts led by advocates, government agencies, industry stakeholders, and philanthropic organizations.

While recent years, particularly the years since 2019, have seen meaningful progress in narrowing homeownership gaps through targeted policy and programmatic interventions, progress is now at risk. Without sustained and equitable action, the gains made by Black, ANHPI, and Latino households may be reversed, further entrenching inequality and undermining the stability of the broader housing market.

Preserving and advancing fair homeownership opportunities is critical to fulfilling the promise of the Fair Housing Act.

Recommendations for policymakers include:

- Promoting and increasing the implementation of fair homeownership programs that increase access to homeownership for Black, Latino, ANHPI, and other underserved homebuyers, such as First-Generation Down Payment Assistance Programs and SPCPs.
- Promoting fair access to lines of credit and equitable lending through new and inclusive credit-score models and appraisal reform.
- Preserving mortgage servicing reforms adopted during the COVID pandemic to increase homeownership sustainability and preservation.
- Enacting the Neighborhood Homes Investment Act and other federal tax credits for home development in distressed urban, rural, and suburban neighborhoods and increasing funds for affordable housing development while ensuring these funds comply with the Fair Housing Act's obligation to affirmatively further fair housing.
- Implementing zoning reforms to enable the increased development of fair and affordable housing opportunities in well-resourced communities.
- Ensuring all communities have access to climate mitigation efforts and insurance that is fairly priced and adapted to climate change.
- Upholding the Fair Housing Act's longstanding prohibition on housing discrimination, including policies and practices that have a discriminatory effect.
- Establishing a robust civil rights framework for responsible housing and lending-related artificial-intelligence systems through federal and state legislation, rulemaking, and private-sector policies.
- Enacting appraisal reforms to mitigate the ongoing discrimination that undermines wealth-building opportunities for households of color.

Preserving and advancing fair homeownership opportunities is critical to fulfilling the promise of the Fair Housing Act, revitalizing communities, strengthening the economy, and closing the nation's racial wealth and homeownership gaps. The report urges policymakers, advocates, and industry leaders to take bold, concentrated steps to ensure fair access to homeownership and wealth-building opportunities for all.

INTRODUCTION

Homeownership has long been a path to creating financial security and intergenerational wealth for households in the U.S. It continues to be the major driver of building wealth, especially for people of color. However, centuries of discriminatory policies and practices in the housing and financial markets, many of which persist to this day, created deep disparities in access to credit and homeownership, leaving expansive racial wealth and homeownership gaps for people of color. These discriminatory practices created and exacerbated segregation[2] and fostered a biased appraisal system[3], dual credit market[4], discriminatory technologies[5], restrictive zoning ordinances[6], and more. These policies, practices, and systems were designed to deny Blacks, Latinos, Asians/Natives/Hawaiians/Pacific Islanders (ANHPIs), and others access to housing and financial opportunities, and left unresolved, they will perpetuate their original purpose.

Since 2019, the National Fair Housing Alliance (NFHA), in tandem with other organizations, has made critical progress in narrowing homeownership and credit gaps. These gains were achieved partly through concerted policy and programmatic efforts implemented before and during the COVID pandemic and subsequent recovery period. And while this progress is encouraging, recent increases in homeownership for Blacks and Latinos, who have disproportionately faced discrimination in our society, need to be preserved through continued equitable policies and programs.

If we continue this progress and intentional focus, the gains made over the past several years will not be eroded, and we will move closer to realizing the promise of the Fair Housing Act—to eliminate discrimination and create inclusive, thriving communities for all. However, the policy wins, program innovations, and regulatory structures that helped create an environment ripe for progress are under threat. The current federal administration's actions are making homeownership more expensive for everyone and unattainable for most. Moreover, the country is likely to see discrimination run rampant, predatory financial behavior reemerge, and the most financially vulnerable people in our nation suffer.

This report provides an overview of the data related to wealth and homeownership over the past five years, with a focus on disparities across racial and ethnic demographics. It then outlines policy and programmatic recommendations that, if implemented, will support and advance a fair and affordable housing and financial market, creating opportunities for people to achieve the American Dream of homeownership, improve economic outcomes while building intergenerational wealth, and foster a stronger housing market for everyone.

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2 - Gregory Squires, The Fight for Fair Housing: Causes, Consequences, and Future Implications of the 1968 Federal Fair Housing Act, New York, Routledge, 2018.

3 - National Fair Housing Alliance, Identifying Bias and Barriers, Promoting Equity: An Analysis of the USPAP Standards and Appraiser Qualifications Criteria, January 2022, https://nationalfairhousing.org/wp-content/uploads/2022/02/2022-01-28-NFHA-et-al_Analysis-of-Appraisal-Standards-and-Appraiser-Criteria_FINAL.pdf.

4 - National Fair Housing Alliance, Access to Credit, Accessed June 2025, https://nationalfairhousing.org/issue/access-to-credit/.

5 - National Fair Housing Alliance, Federal Banking Regulator RFI re AI Advocate Letter, July 1, 2021, https://nationalfairhousing.org/wp-content/uploads/2021/12/Federal-Banking-Regulator-RFI-re-AI_Advocate-Letter_FINAL_2021-07-01.pdf.

6 - Rothstein, Richard. The Color of Law. New York, Liveright Publishing Corporation, 2018.

THE STATE OF EQUITABLE HOMEOWNERSHIP: WHAT THE DATA TELL US

The landscape for fair and affordable housing has undergone significant changes since the years preceding the COVID pandemic. Beginning in 2020, real estate market conditions and pandemic-related financial circumstances created a favorable environment for many homebuyers. Historically low interest rates, the student loan payment pause, economic stimulus payments, and a surge of innovative and inclusive loan products, which were particularly effective in reaching Black and Latino buyers, supported the expansion of homeownership to more people of color. The sections below provide an overview of the most recent homeownership-related data, including demographic information, homeownership rates, and the drivers of the homeownership disparities observed in the U.S. today.

POPULATION AND RACIAL AND ETHNIC DEMOGRAPHIC SHIFTS

The changing racial and ethnic demographics in the U.S., demonstrated in Figure 1, make it particularly important to foster inclusive and fair programs and policies.

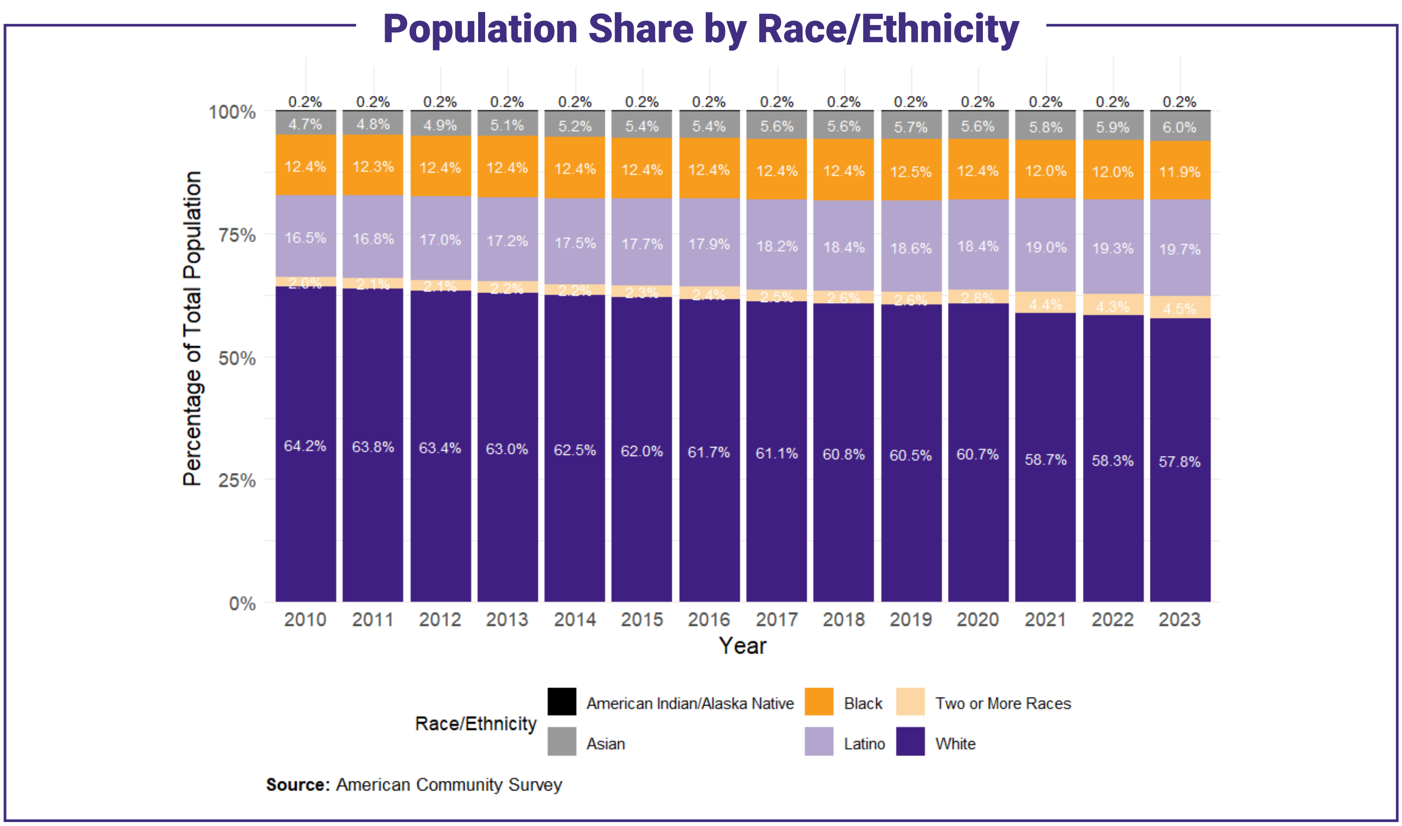

Figure 1 – U.S. Population Share by Race (2010 – 2023)

The demographics in the U.S. continue to shift toward increased racial and ethnic diversity. The percentage of the White population fell more than six percentage points from 2010 to 2023, in line with predictions that the White population will no longer be the majority by 2045.[7] The growth in the percentage of Latinos drives the most significant demographic shifts.

It is important to note these demographics, as they indicate that the majority of new households formed in the U.S. will be by people of color.[8] The health of our nation's housing finance system will increasingly rely on our ability to expand opportunities to groups that have long been excluded or restricted from fairly accessing homeownership.

WEALTH AND INCOME

Fair access to homeownership is imperative, because homeownership continues to be the major driver of wealth and financial security for most households nationwide. Wealth and income gaps are both a result of and an ongoing contributing factor to the ability of Blacks, Latinos, and ANHPIs to attain homeownership in this current credit and housing market.

In late 2024, inflation-adjusted wealth for Black households was about $311,000; for Latino households, about $251,000; and for White households, about $1.365 million. The data on how wealth has increased over time also show that wealth for Whites grew faster than for Blacks and Latinos since 2022.[9] Many Whites were able to successfully refinance their homes during COVID, while the Federal Reserve's COVID mitigation efforts provided $40 billion in monthly mortgage-backed security purchases in an attempt to stave off a recession. The Federal Reserve's actions to mitigate the economic impacts of COVID also resulted in lowering the federal funds rate, which helped mortgage interest rates remain at historic lows and stimulated home purchasing and refinancing. During this time alone, the Black–White wealth gap grew by $20 trillion.[10] And many Whites were able to lock in low interest rates while significantly reducing their mortgage costs.[11]

From 2013 to 2023, the U.S. experienced notable changes in median household income across racial and ethnic groups. Higher incomes enable individuals to save for a down payment and have a more favorable debt-to-income (DTI) ratio. It also allows for financial resilience and long-term sustainability in homeownership. The data reveal a consistent upward trend in income for all groups, with robust growth among historically lower-income populations. While White households maintained one of the highest overall income levels throughout the decade, other groups saw more substantial percentage increases in income. This suggests a gradual narrowing of income gaps, although disparities remain. Asian and White households consistently enjoy higher median household incomes than other racial groups. From 2010 to 2023, Asian household incomes increased significantly, surpassing a median of $100,000. In comparison, the median household incomes of American Indian/Alaska Native (AIAN), Black, and Latino households have hovered in the $50,000-to-$70,000 range as of 2023 as these groups continue to face broad discrimination in employment and other sectors.[12] This disparity directly affects the ability to own homes and build wealth, particularly because the ability to save for a down payment is the most significant barrier to obtaining a mortgage to purchase a home.

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7 - Jonathan Vespa, Lauren Medina, and David M. Armstrong, Demographic Turning Points for the United States: Population Projections for 2020 to 2060, U.S. Census Bureau, February 2020, https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf.

8 - Laurie Goodman and Jun Zhu, The Future of Headship and Homeownership, Urban Institute, January 21, 2021, https://www.urban.org/research/publication/future-headship-and-homeownership.

9 - Ana Hernández Kent, "The State of U.S. Household Wealth," Federal Reserve Bank of St. Louis, accessed June 5, 2025, https://www.stlouisfed.org/community-development/publications/the-state-of-us-household-wealth.

10 - Shawn Donnan, Ann Choi, Hannah Levitt, and Christopher Cannon, "Wells Fargo Rejected Half Its Black Applicants in Mortgage Refinancing Boom," Bloomberg, March 10, 2022, bloomberg.com/graphics/2022-wells-fargo-black-home-loan-refinancing/.

11 - Federal Reserve Bank of Atlanta. Atlanta Fed Research Examines Racial Disparities in Mortgage Refinancing. February 3, 2023. https://www.atlantafed.org/economy-matters/economic-research/2023/02/03/atlanta-fed-research-examines-racial-disparities-in-mortgage-refinancing.

12 - Valerie Wilson and William Darity Jr. Understanding black-white disparities in labor market outcomes requires models that account for persistent discrimination and unequal bargaining power. Economic Policy Institute, March 25, 2022, https://www.epi.org/unequalpower/publications/understanding-black-white-disparities-in-labor-market-outcomes/.

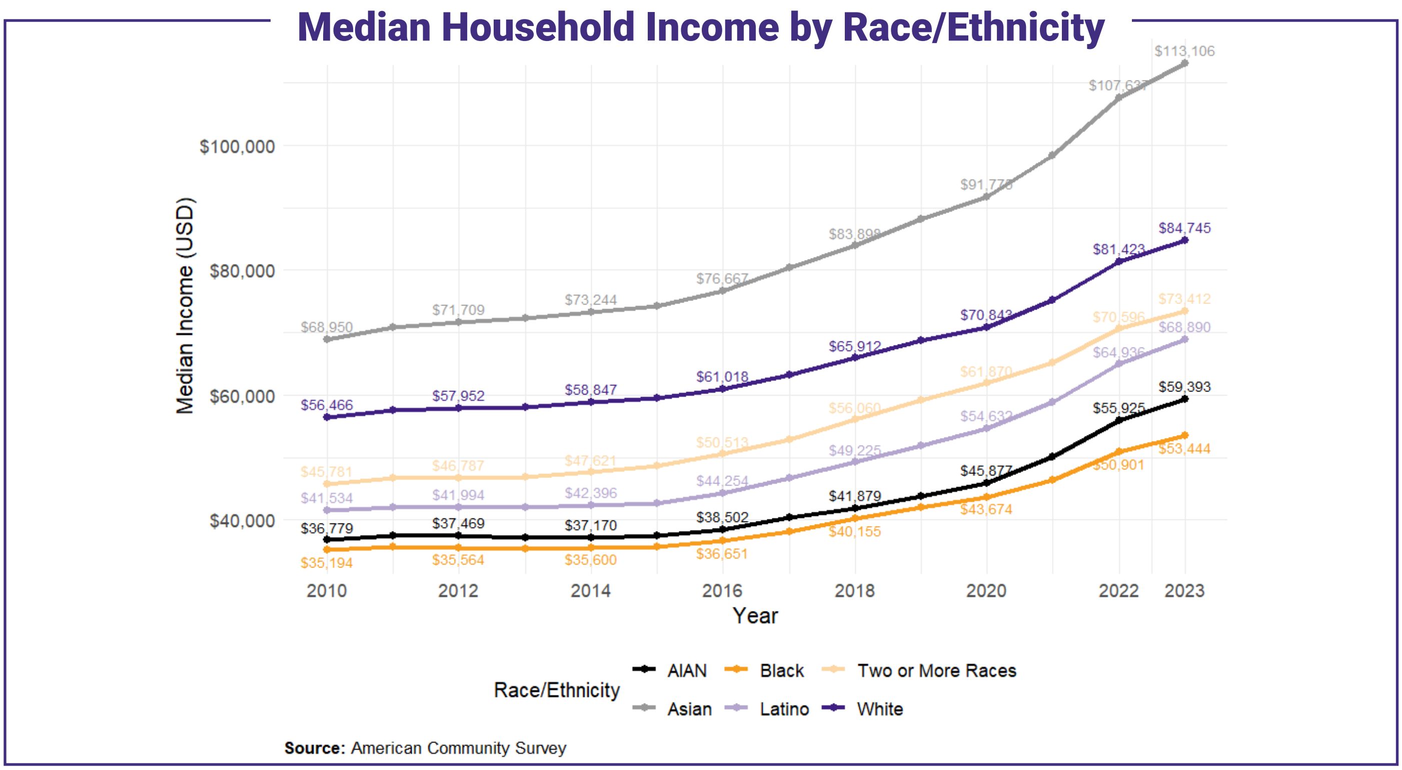


Figure 2 – Median Household Income by Race/Ethnicity

HOMEOWNERSHIP GAPS

Current homeownership rates are a result of historic systemic housing and lending discrimination and are intertwined with the wealth and income disparities we see today. Deliberate and calculated solutions, such as Special Purpose Credit Programs (SPCPs); First-Generation Down Payment Assistance programs; shared equity homeownership programs; and other innovative, equity-focused programs, helped consumers overcome barriers to homeownership access. Additionally, improvements in underwriting and risk-assessment tools, such as the increased use of cash-flow underwriting, as well as the use of positive rental housing payment data, helped mitigate challenges that many underserved borrowers face.

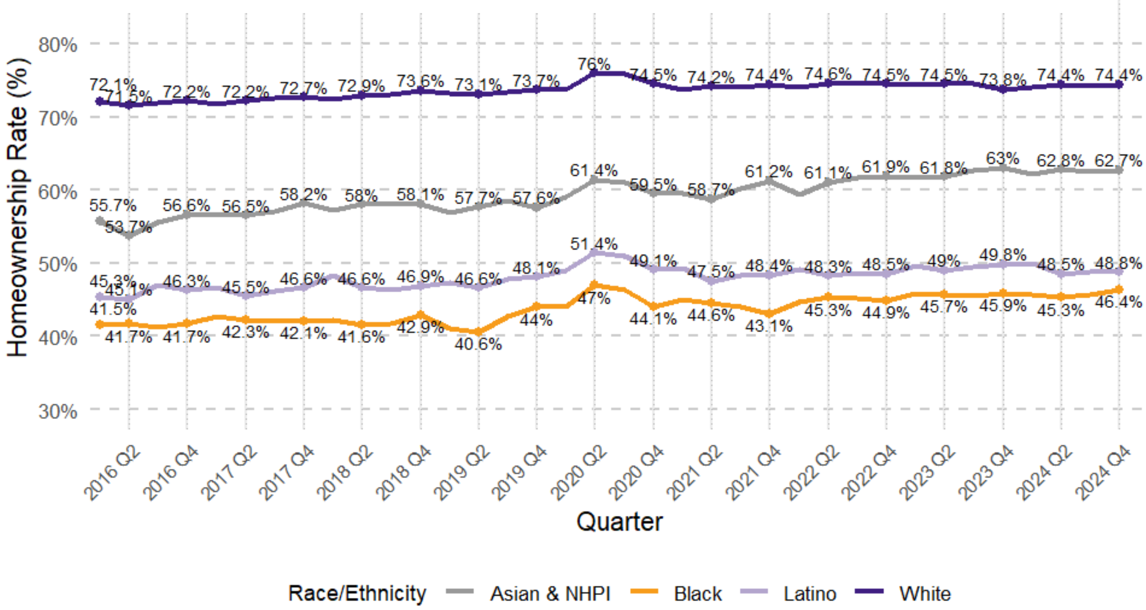
One catalytic contributor to the expansion of homeownership opportunities for underserved groups stemmed from a significant change in a major financial regulation—the Qualified Mortgage (QM) Rule. In 2019, NFHA, Rocket Mortgage (then Quicken Loans), and the Housing Policy Council formulated the QM Salon to fashion an intersectoral consensus comment[13] in response to the Consumer Financial Protection Bureau's (CFPB) Notice of Proposed Rulemaking on changes to the General Qualified Mortgage definition as part of the Ability-To-Repay/Qualified Mortgage Rule.[14] This consensus paper, signed by 12 membership and trade organizations—including the American Bankers Association, Bank Policy Institute, and National Housing Conference—ultimately led to the CFPB releasing a QM rule with a less restrictive framework that still provided important marketplace protections. The new Rule helped make access to credit easier for underserved groups while maintaining responsible ability-to-repay standards. A look at the growth in homeownership rates from 2019 to 2024 reinforces this point.

Most racial and ethnic demographic groups experienced gains in homeownership from 2019 to 2024. For example,

13 - See the consensus comment at https://nationalfairhousing.org/wp-content/uploads/2021/12/QM-Coalition_ATR-QM-NPRM-Response_090520.pdf.

14 - Federal Register. (2020, December 29). Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition. 85 FR 86402. https://www.federalregister.gov/documents/2020/12/29/2020-27571/qualified-mortgage-definition-under-the-truth-in-lending-act-regulation-z-seasoned-qm-loan.

Homeownership Rate by Race/Ethnicity (2016-2024)



Source: U.S. Census Bureau via FRED®

Race/Ethnicity	2019 Q2	2024 Q4	Percentage Point Difference	Percentage Increase	H/O Racial Gap 2019	H/O Racial Gap 2024
White	73.1	74.4	1.3	1.78%	NA	NA
Asian & NHPI	57.7	62.7	5.0	8.67%	26.69%	18.66%
Latino	46.6	48.8	2.2	4.72%	56.87%	52.46%
Black	40.6	46.4	5.8	14.29%	80.05%	60.34%

Figure 3 – Homeownership Rate by Race/Ethnicity

in 2024, the Black homeownership rate reached a peak of 46.4 percent, up from a low of 40.6 percent in 2019.[15] The homeownership rate for Latino homeowners was as high as 48.8 percent in 2024, rising from 46.6 percent in 2019. Additionally, the ANHPI homeownership rate hit a low of 46.6 percent in 2019 and a high of 62.7 percent in 2024.[16] While disparities persist, there has been a narrowing of the White/Black, White/Latino, and White/ANHPI homeownership gaps, with the most significant gap reduction seen for Black households.

Using the above figures provides a framework for analyzing the slight reduction in the racial homeownership gaps over the five-year period from 2019 to 2024. The homeownership rate increased by 1.3 percentage points for White households; this represented a 1.78 percent increase in the White homeownership rate from 2019 to 2024. The homeownership rate increased for Latino households by 2.2 percentage points from 2019 to 2024; this represented a 4.72 percent increase in homeownership rates. Comparatively, the homeownership rate increased for ANHPI households by five percentage points, representing an 8.67 percent increase in the homeownership rate. The homeownership rate increased for Black households by 5.8 percentage points, representing a 14.29 percent increase in the homeownership rate.

Unfortunately, we lack the data to disaggregate the homeownership rates for ANHPI households for all the years included in this report. An examination of the 2020 Census data highlights the benefits of disaggregating the data. In 2020, Asian households had a homeownership rate of approximately 61 percent, and AIAN households had the lowest at about 42 percent. The distance between the two has grown wider as Asian homeownership has steadily increased

15 - In 2019, the Black/White homeownership gap grew to a difference of 32.5 percentage points. The spread (between 73.1% and 40.6%) was the widest it had been since 1890. See Adam Levitin, "How to Start Closing the Racial Wealth Gap," The American Prospect, June 17, 2020, https://prospect.org/economy/how-to-start-closing-the-racial-wealth-gap/.

16 - Note that, while all data sets that capture homeownership rates show racial and ethnic gaps, the exact percentages vary depending on the data source and will yield different percentage gaps as a result.

while AIAN homeownership has remained mostly stagnant. With better and more detailed data, insights like this will become easier to generate. This is why it is imperative for the U.S. Census Bureau to capture more refined information about U.S. residents going forward.[17]

In 2019, the White homeownership rate was 80 percent higher than the Black homeownership rate. It was also 57 percent and 27 percent higher than the Latino and ANHPI rates, respectively. However, in 2024, the White homeownership rate was only 60 percent higher than the Black homeownership rate, 52 percent higher than the Latino homeownership rate, and 19 percent higher than the ANHPI rate.

These gains testify to the equity-based policies and programs implemented just before and during the COVID crisis that bolstered homeownership and wealth creation, highlighted in more detail later in this report. The homeownership gains for Asian, Black, and Latino households are encouraging, but they will be jeopardized as the policies and programs that were instrumental in realizing them are stripped away. The loss of this progress and deepening of disparities in homeownership will only perpetuate wealth inequality and hinder the growth of financial stability for underserved households. It will result in a weakened national economy, as all net new household growth is expected to consist of households of color.[18]

THE DRIVERS OF WEALTH AND HOMEOWNERSHIP GAPS

The sections below provide a deeper examination of the data on buyer characteristics, residential loan characteristics, and market factors that continue to drive and inform the current state of homeownership and wealth gaps.

Debt-to-Income Ratio

A debt-to-income (DTI) ratio reflects the total debt that the borrower will have, including the prospective mortgage loan, compared to the borrower's income. The ratio is calculated by dividing monthly debt payments by monthly income. Generally, lenders consider a DTI ratio of over 43 percent too high, although some lenders may allow DTI ratios above 43 percent under certain circumstances. Loan applicants with higher home sales prices and higher mortgage payments will likely have higher DTI ratios. Figure 4 reveals significant disparities in the distribution of DTI ratios of both home-purchase and refinance loans when disaggregated by race and ethnicity.

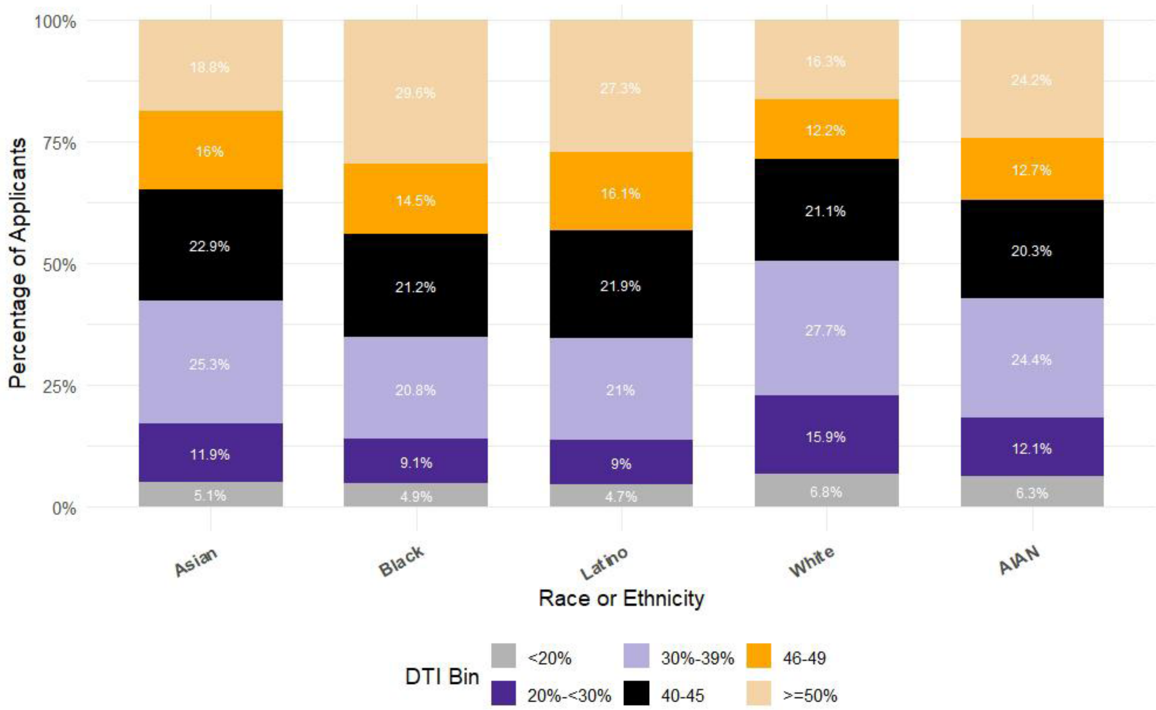
In 2024, Black and Latino borrowers had obstructively high DTI ratios, with approximately 65 percent of both Black and Latino borrowers in the range of 40 percent to 50 percent or higher. Moreover, Black and Latino borrowers had DTI ratios that were higher than those of their White counterparts. This is due in large part to White consumers being more than twice as likely to have financial assistance from a parent who was likelier to benefit from prior homeownership policies and programs. As a result, Black and Latino consumers have lower down payments, meaning they

17 - The Leadership Conference on Civil and Human Rights. The Leadership Conference Applauds New Federal Standards for Race and Ethnicity Data Collection. March 28, 2024. https://civilrights.org/2024/03/28/the-leadership-conference-applauds-new-federal-standards-for-race-and-ethnicity-data-collection/.

18 - Laurie Goodman, Rolf Pendall, and Jun Zhu, Headship and Homeownership: What Does the Future Hold?, Urban Institute, June 8, 2015. https://www.urban.org/research/publication/headship-and-homeownership-what-does-future-hold.

are required to borrow more to purchase a home.[19,20,21] In some cases, a low down payment might result in a higher interest rate for the borrower. Additionally, due to centuries of discrimination that have led to a dual credit market, Blacks and Latinos have slightly lower credit scores[22], which can lead to higher interest rates and mortgage payments, thereby increasing their DTI ratio. These consumers also earn lower incomes than their White counterparts, as previously discussed, which might result in higher DTI ratios.

Debt-to-Income (DTI) Ratio Distribution by Race/Ethnicity (2024)



Source: 2024 Home Mortgage Disclosure Act (HMDA) data

Figure 4 – Debt-to-Income Ratio Distribution by Race/Ethnicity (note that this analysis includes home purchase, refinance, and home improvement loans)

Combined Loan-to-Value Ratio

Combined loan-to-value (CLTV) ratios are another reason why prospective borrowers may be denied a loan. When a loan is denied due to collateral issues, this likely means the appraised value of the property is too low to collateralize the mortgage, and the CLTV ratio would exceed the mortgage lender's standards. Figure 5 shows the CLTV distribution of mortgage and refinance applications in 2024 by race and ethnicity.

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19 - Signe-Mary McKernan, Caroline Ratcliffe, Margaret Simms, and Sisi Zhang, Private Transfers, Race, and Wealth, Urban Institute, August 11, 2011, https://www.urban.org/sites/default/files/alfresco/publication-pdfs/412371-Private-Transfers-Race-and-Wealth.PDF.

20 - Neil Bhutta, Andrew C. Chang, Lisa J. Dettling, and Joanne W. Hsu, "FEDS Notes: Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances," Federal Reserve Board, September 28, 2020, https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.html.

21 - Hyojung Lee, "How Many Young Homebuyers Get Support from Their Parents and How Much of a Difference Does It Make?" Joint Center for Housing Studies, Harvard University, November 28, 2018, https://www.jchs.harvard.edu/blog/how-many-young-homebuyers-get-support-from-their-parents-and-how-much-of-a-difference-does-it-make.

22 - National Fair Housing Alliance, Access to Credit, accessed June 10, 2025, https://nationalfairhousing.org/issue/access-to-credit/.

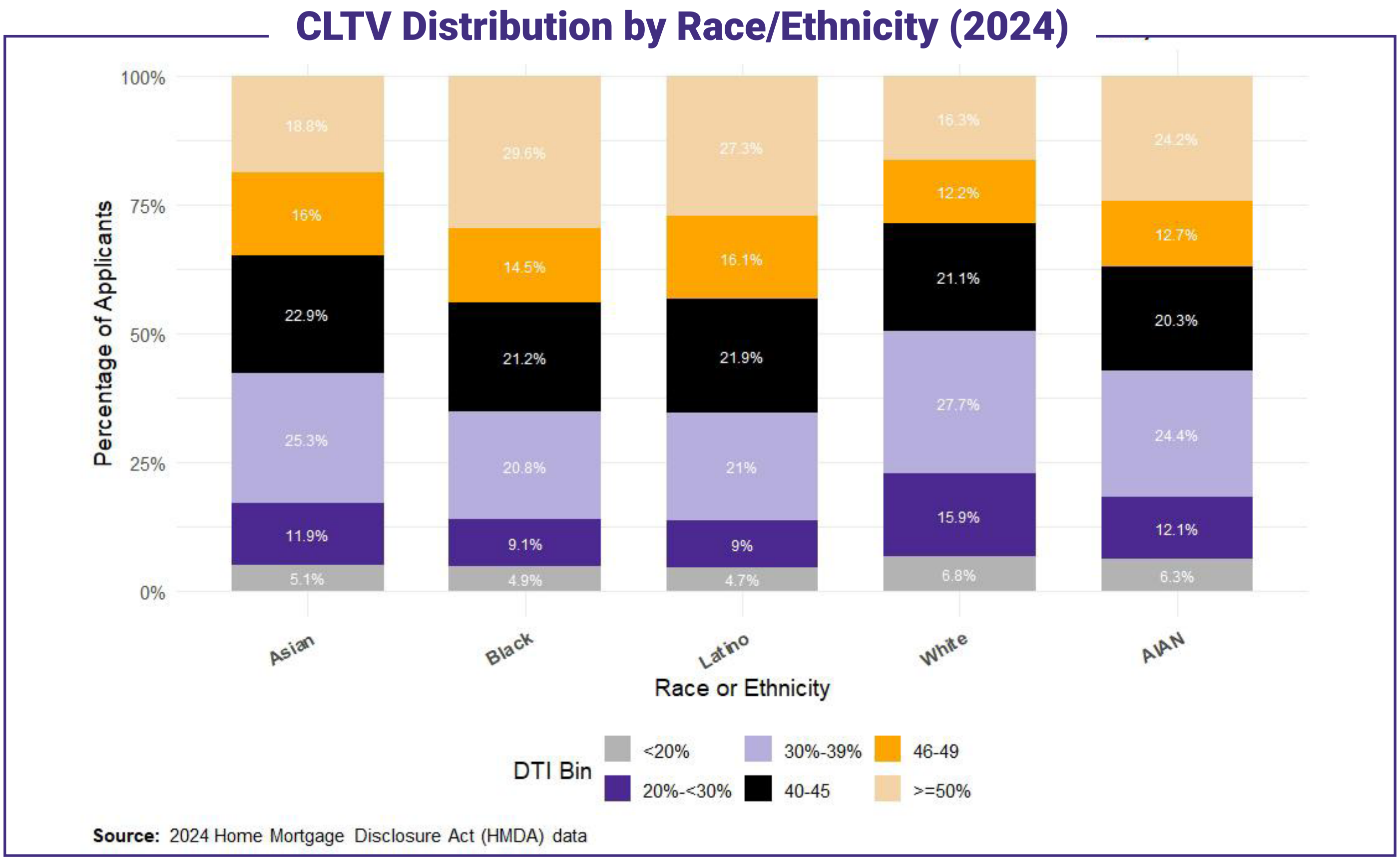

Figure 5 – CLTV Distribution by Race/Ethnicity
(note that this analysis includes home purchase, refinance, and home improvement loans)

The chart illustrates that, as of 2024, there are substantial differences in CLTV distribution between racial and ethnic groups. White households comprise the highest percentage (61 percent) of applicants in the lower-than-80 percent CLTV category, followed by Asians at 59 percent. However, only 49 percent of Black and Latino applicants fall into this category.

This difference, once again, is likely because Black and Latino borrowers generally have lower down payments than White borrowers. This can be due to their reduced access to financial assistance from family that were excluded from prior federal homeownership policies and private practices and programs or that they are less likely to own a home that can be leveraged for their next home purchase. Borrowers with higher CLTV ratios can expect to be charged a higher interest rate, thereby increasing the overall cost of their mortgage. Higher CLTV ratios might also be the result of appraisal bias, which can artificially deflate the home's value.[23]

Property Values

The disparities in homeownership rates reveal the diminished purchasing power of Black, Latino, and AIAN borrowers due to wealth, income, and access to credit gaps caused by decades of systemic discrimination, both within the housing finance system and more broadly. Additionally, disparities in the median property values of homes purchased also demonstrate the need for more equitable homeownership policies and programs. For example, the disparities in median purchase price show that the ability for Black, Latino, and AIAN households to realize the full wealth-building potential of homeownership is limited.[24]

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23 - Jonathan Rothwell and Andre M. Perry, "How racial bias in appraisals affects the devaluation of homes in majority-Black neighborhoods." Brookings, December 5, 2022, https://www.brookings.edu/articles/how-racial-bias-in-appraisals-affects-the-devaluation-of-homes-in-majority-black-neighborhoods/.

24 - It is important to note that many Asian homeowners live in metropolitan and higher-cost areas where the cost of housing is inordinately high. This impacts the higher median property values for this market segment.

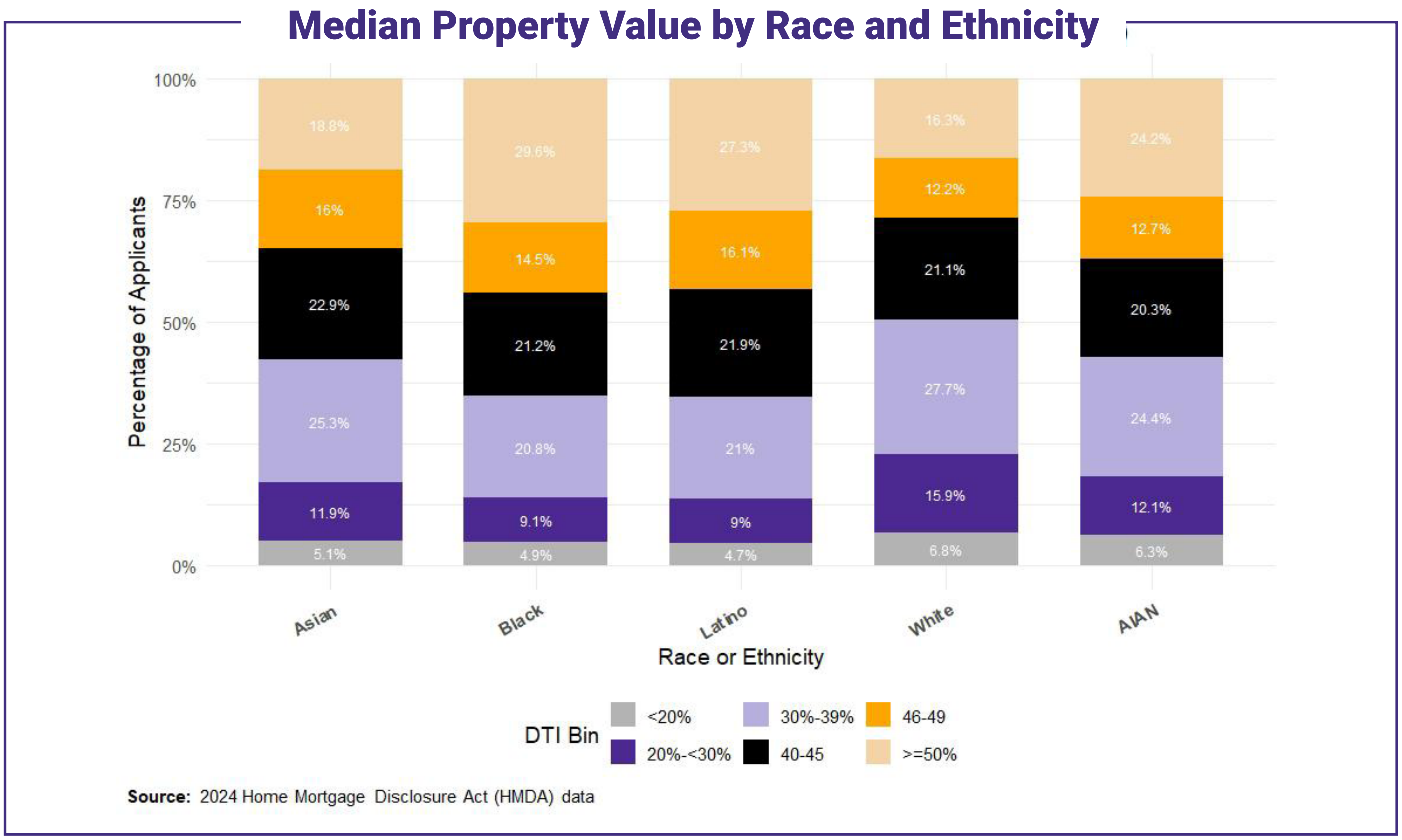


Figure 6 – Median Property Values of Homes Purchased by Race and Ethnicity

While Black and Latino households experienced the most significant gains in the median property value of homes purchased in recent years, indicating improved access to higher-value housing or increased appreciation in their communities, disparities in median property value have persisted.

There are many likely reasons for these disparities. As noted earlier, Black and Latino households are less likely to qualify for larger mortgage loans due to persistent income and wealth disparities. Additionally, longstanding practices of devaluing homes in predominantly Black and Latino neighborhoods due to appraisal bias[25] and other contributing factors mean that Black and Latino households in particular will be likelier to purchase homes that are valued lower.

Mortgage Interest Rates

Mortgage interest rates significantly contribute to the overall cost of homeownership. While there were minimal differences in median interest rates between racial and ethnic categories in each year from 2018 to 2024, it is important to note that, overall, interest rates declined by almost 60 percent from 2018 to 2022, from an average of 4.78 percent to 2.99 percent before spiking to around seven percent in 2024. The decline in interest rates briefly made homeownership more attainable for many households that were unable to afford a mortgage when interest rates were higher.

25 - National Fair Housing Alliance, Identifying Bias and Barriers, Promoting Equity: An Analysis of the USPAP Standards and Appraiser Qualifications Criteria, January 2022, https://nationalfairhousing.org/wp-content/uploads/2022/02/2022-01-28-NFHA-et-al_Analysis-of-Appraisal-Standards-and-Appraiser-Criteria_FINAL.pdf.

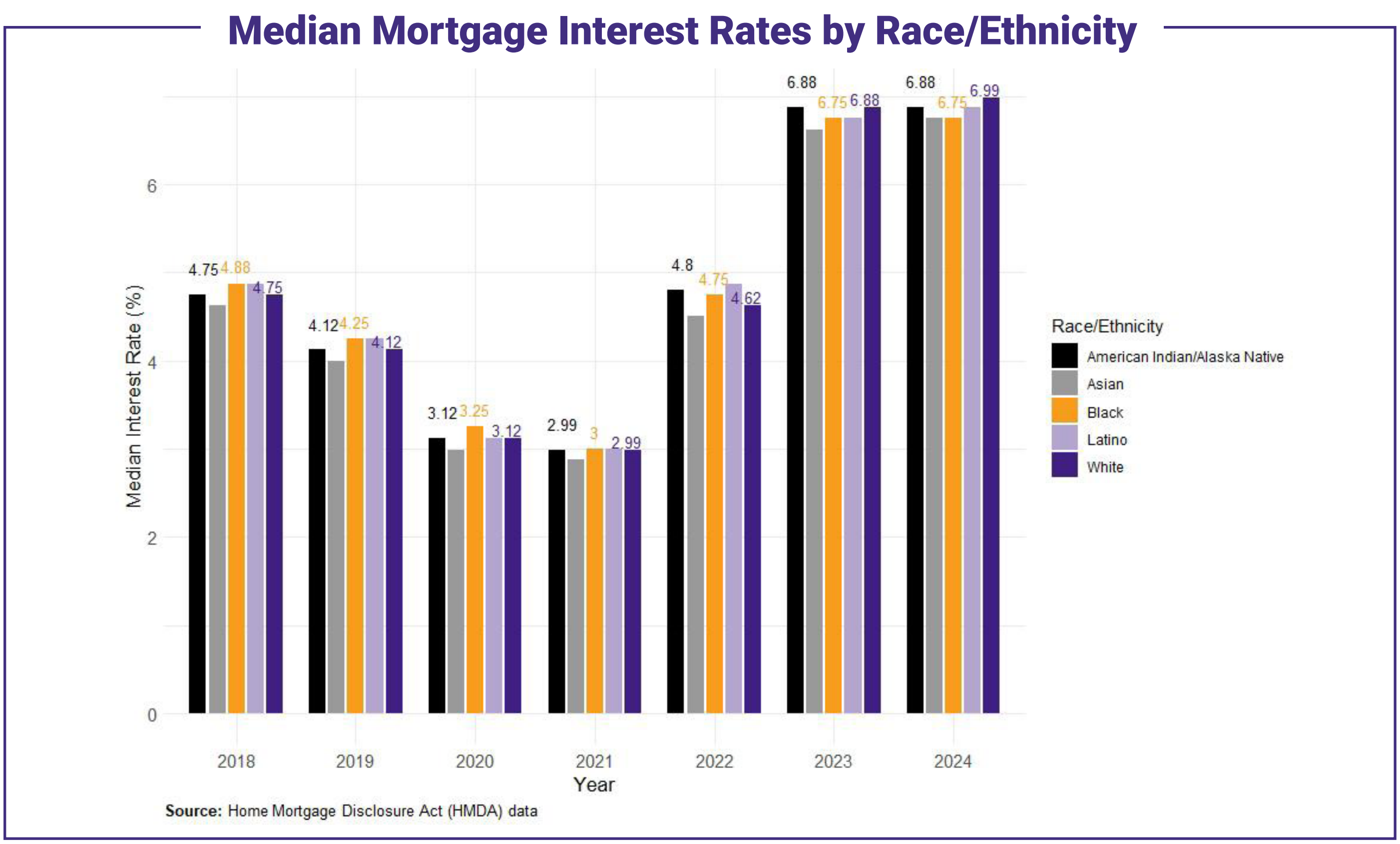


Figure 7 – Median Mortgage Interest Rates by Race or Ethnicity
(note that this analysis includes home purchase, refinance, and home improvement loans)

Loan Channel Distribution

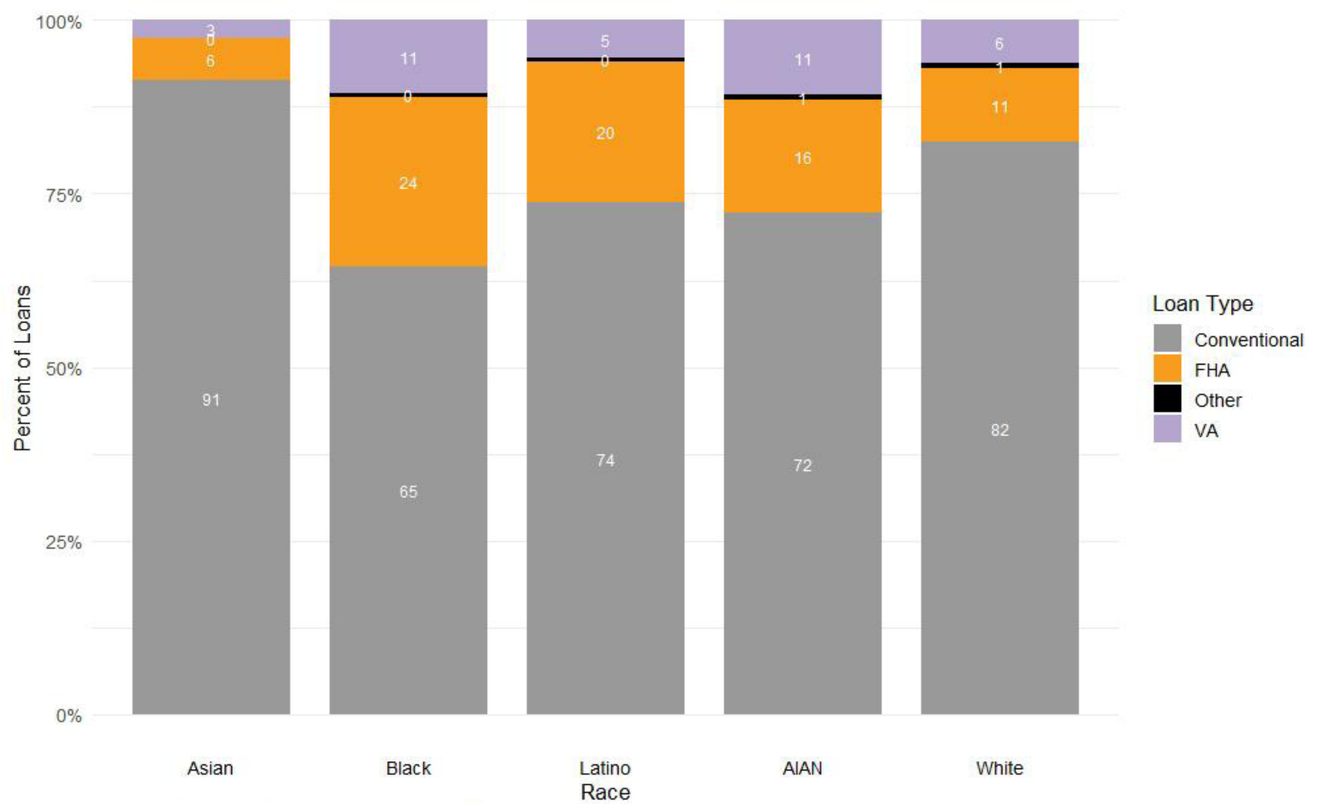
The type of mortgage loan that a household can obtain is also an essential factor in understanding disparities in homeownership and wealth-building. Often, Federal Housing Administration (FHA) loans cost borrowers more over time than conventional loans, and the higher cost of financing can limit overall wealth-building opportunities and increase the costs associated with homeownership.

The two most prevalent loan types across all races and ethnicities are conventional and FHA loans, with conventional loans being used most significantly among White and Asian borrowers. Over 90 percent of Asian and over 80 percent of White borrowers used conventional financing. As previous studies have shown[26], our analysis of the 2024 Home Mortgage Disclosure Act (HMDA) data reveals that Black and Latino households are likelier to receive FHA and Veterans Affairs (VA) loans than other borrowers. There are many reasons for this continuing pattern, including the lack of bank presence in majority-Black and -Latino neighborhoods,

26 - Skylar Olsen, "A House Divided – How Race Colors the Path to Homeownership, Zillow, January 15, 2014, https://www.zillow.com/research/minority-mortgage-access-6127/?msockid=2c55cc18c8ce6fa42086df7fc9dc6edf.

as well as more flexible credit requirements and lower down-payment options for FHA loans.[27] Additionally, research shows that this pattern is a result of structural barriers to lending opportunity, including Black and Latino borrowers being likelier to be steered toward an FHA loan, even when they qualify for conventional loans.[28] In contrast, Asian and White borrowers are likelier to receive conventional loans, which typically come at lower costs and require higher down payments.

Loan Channel Distribution by Race (2024)



Source: 2024 Home Mortgage Disclosure Act (HMDA) data

Figure 8 – Loan Channel Distribution by Race/Ethnicity
(note that this analysis includes home purchase, refinance, and home improvement loans)

From 2019 to 2022, there was an increase in conventional loan usage among Black and Latino borrowers. This implies that favorable interest rates had a positive impact on homebuying and overall financial access. However, after 2022, there was an uptick in the percentage of FHA and VA mortgages going to Black and Latino borrowers, reviving the difficulties that these groups have traditionally experienced when trying to access prime credit. This is despite Government-Sponsored Enterprises' (GSEs) obligations to ensure broad credit liquidity in all communities. The uptick in FHA usage in 2024 may signal renewed affordability challenges amid rising interest rates and steering toward government-backed loan programs. These trends indicate that equitable loan programs can positively impact homeownership for individuals who have traditionally been denied access to mainstream financial institutions and loan products.

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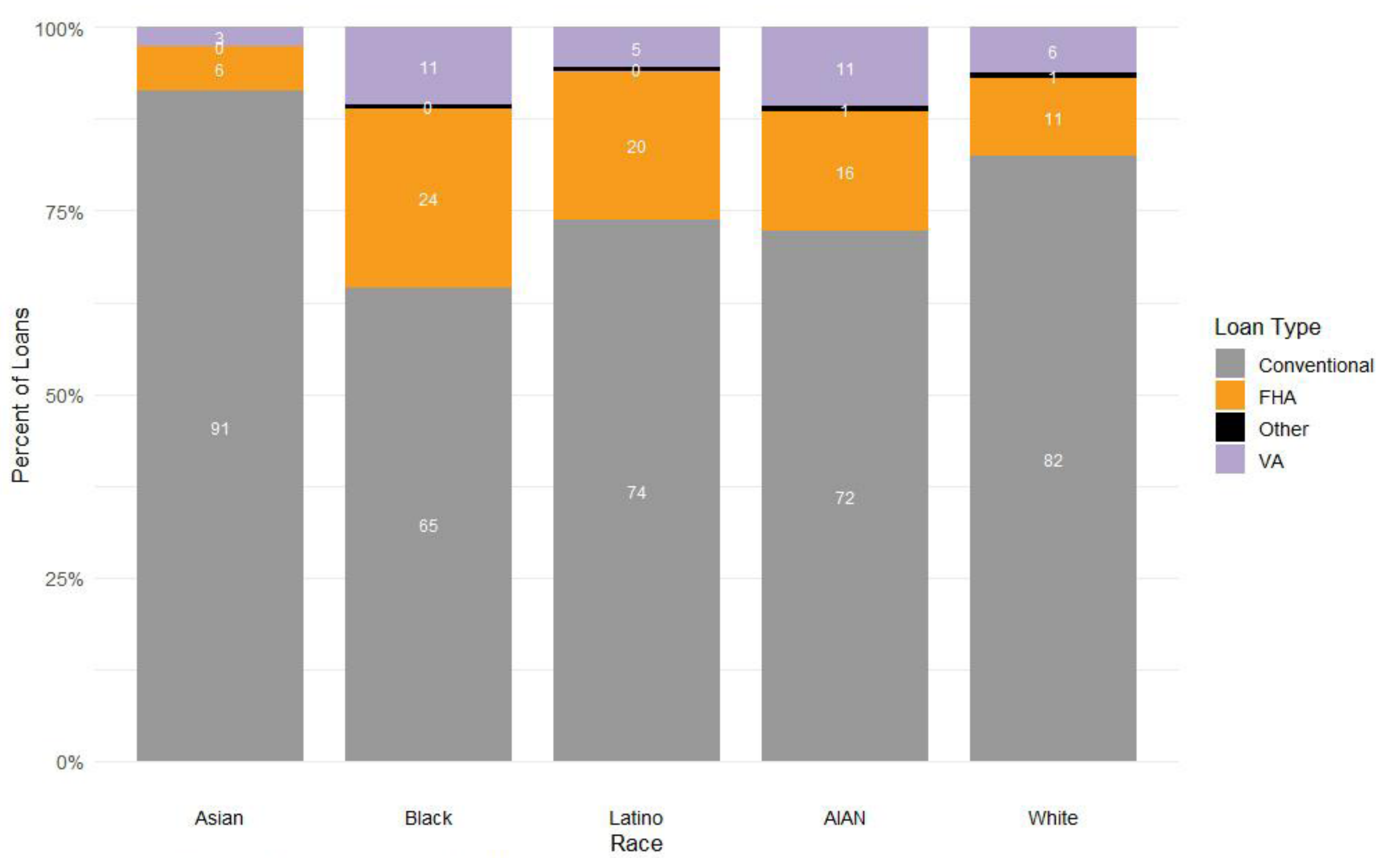
27 - Racial Disparities in Homeownership: How lending practices have prevented New Yorkers of color from purchasing homes and deepened wealth inequality. Office of the New York State Attorney General, October 31, 2023, https://ag.ny.gov/sites/default/files/reports/oag-report-racial-disparities-in-homeownership.pdf.

28 - Barbara van Kerkhove, "Report Finds FHA/VA Lending Disproportionately Prevalent in Neighborhoods of Color," Empire Justice Center, July 19, 2012, https://empirejustice.org/resources_post/report-finds-fhava-lending-disproportionately-prevalent-in-neighborhoods-of-color/.

Denial Rates

HMDA data from 2024 show that Black, AIAN, and Latino borrowers are denied mortgage loans more frequently than White and Asian borrowers. Figure 9 illustrates this point, with Black applicants denied most frequently at 27.11 percent, AIAN applicants denied at 26.24 percent, and Latinos denied at 22.07 percent. In comparison, White and Asian applicants had their mortgage applications denied at much lower rates of 16.54 percent and 14.34 percent, respectively. The persistent disparity in mortgage denial rates between Black, AIAN, and Latino borrowers as compared to White borrowers—revealed year after year in the HMDA data—stems from a complex mix of historical, structural, and economic factors. Those factors include discrimination, redlining, algorithmic bias, the dual credit market, appraisal bias, and economic factors. While there has been progress in reducing overt discrimination, systemic and structural inequalities continue to drive disparities in mortgage lending. The 2024 denial rates mirror a longstanding trend suggesting that for underserved groups to fully access quality credit and build generational wealth, stubborn barriers must be eliminated through increased enforcement and broader efforts to responsibly and fairly expand credit access.

Mortgage Application Denial Rates by Race/Ethnicity (2024)



Source: 2024 Home Mortgage Disclosure Act (HMDA) data

Figure 9 – Mortgage Application Denial Rates by Race/Ethnicity
(note that this analysis includes home purchase, refinance, and home improvement loans)

Housing Cost Burden

Housing cost burden measures the share of a household's total monthly income that goes toward housing-related costs. Generally, a household with housing costs over 30 percent of its monthly income is considered housing-cost-burdened.

Being housing-cost-burdened can have implications for both renters and existing homeowners regarding their ability to reap the benefits of homeownership. For example, renters who are housing-cost-burdened are generally unable to save for a down payment. As shown in Figure 10, renters who are housing-cost-burdened are likelier to be Black and Latino than White, Asian, or AIAN. In 2021, 56.4 percent of Black renters and 53.4 percent of Latino renters were housing-cost-burdened, compared to only 46.2 percent of White renters, 44.1 percent of Asian renters, and 42 percent of AIAN renters.

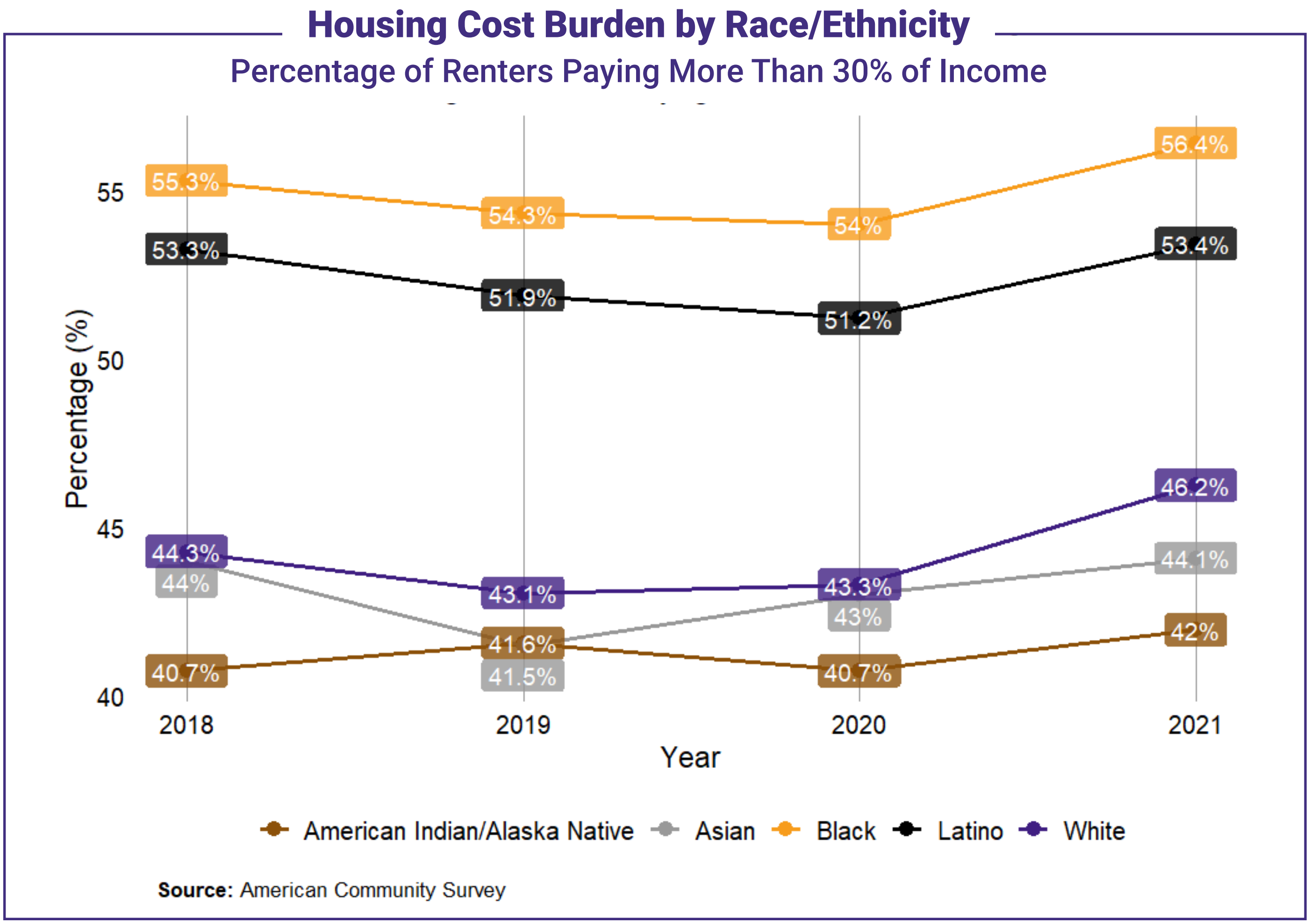
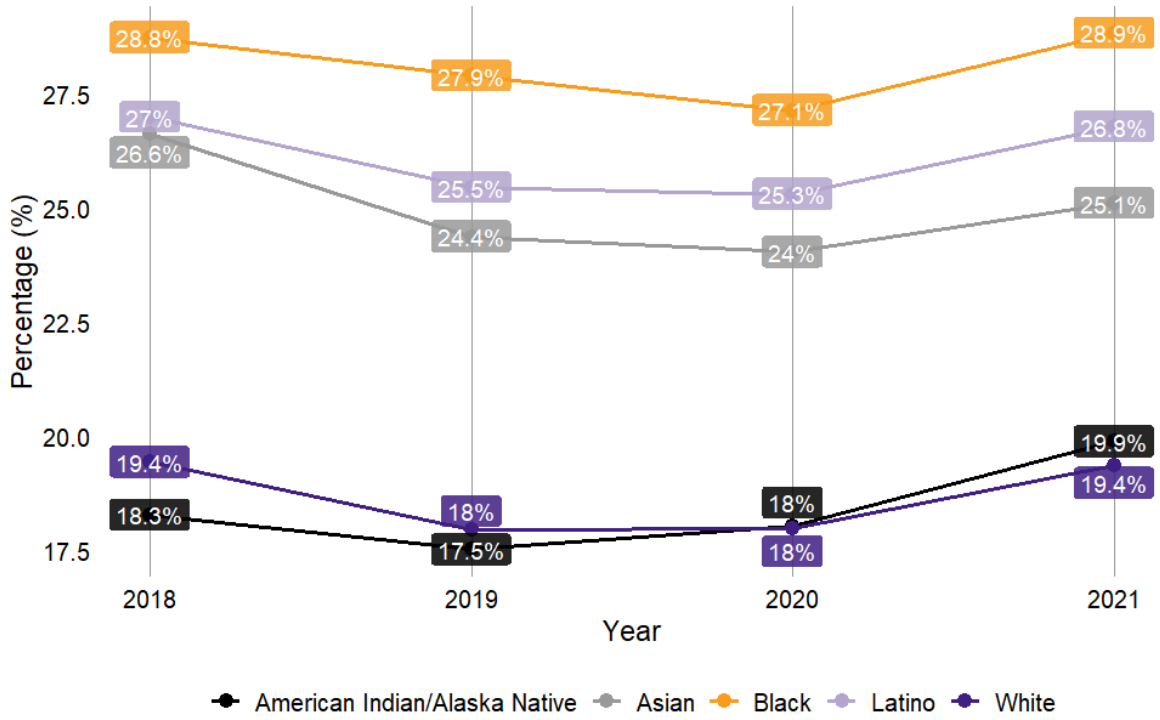


Figure 10 – Housing Cost Burden by Race/Ethnicity - Renters

Housing cost burden is also important for existing homeowners, indicating if homeownership is secure and if it will likely serve as a vehicle for financial security over time. Figure 11 shows the percentage of homeowners over the 30 percent housing-cost-burden threshold. From 2018 to 2021, Black homeowners consistently faced the highest cost burden, peaking again at 28.9 percent in 2021, following a marginal decline in 2020. Latino homeowners also faced relatively high burdens at 27 percent in 2018 and 26.8 percent in 2021. In comparison, White and AIAN homeowners exhibited lower housing cost burdens, though their percentages increased slightly toward the end of the observed time frame.

Housing Cost Burden by Race/Ethnicity

Percentage of Owners Paying More Than 30% of Income



Source: American Community Survey

Figure 11 – Housing Cost Burden by Race/Ethnicity – Owners

Black and Latino households struggle more with housing affordability in comparison to other races, underscoring the need for policy and practice interventions to produce more affordable housing units and programs that expand access to affordable homeownership for everyone.

Lower Inventory

Figure 12 offers a dual-axis perspective of the fluctuations in both housing inventory and listing prices over time. One line displays the active listing count, indicating the market's supply side, while the other shows the median listing price scaled so that both trends can be displayed on the same graph. The inventory of housing for purchase has decreased overall, with 665,603 active listings in 2024, compared to 1,154,139 in 2017. The median listing price in 2017 was $249,900 and had increased to $409,500 by 2024.

Over time, the graph shows that as the number of active listings (housing supply) decreases, the median price tends to trend upward. This indicates that the housing market is steadily tightening, further limiting accessibility and affordability. This tightening will disproportionately impact first-time buyers and marginalized racial or ethnic potential homebuyers. Given that supply and demand are not in balance, as illustrated in the chart, it is crucial to focus on both aspects that drive homeownership: fair accessibility and affordability.

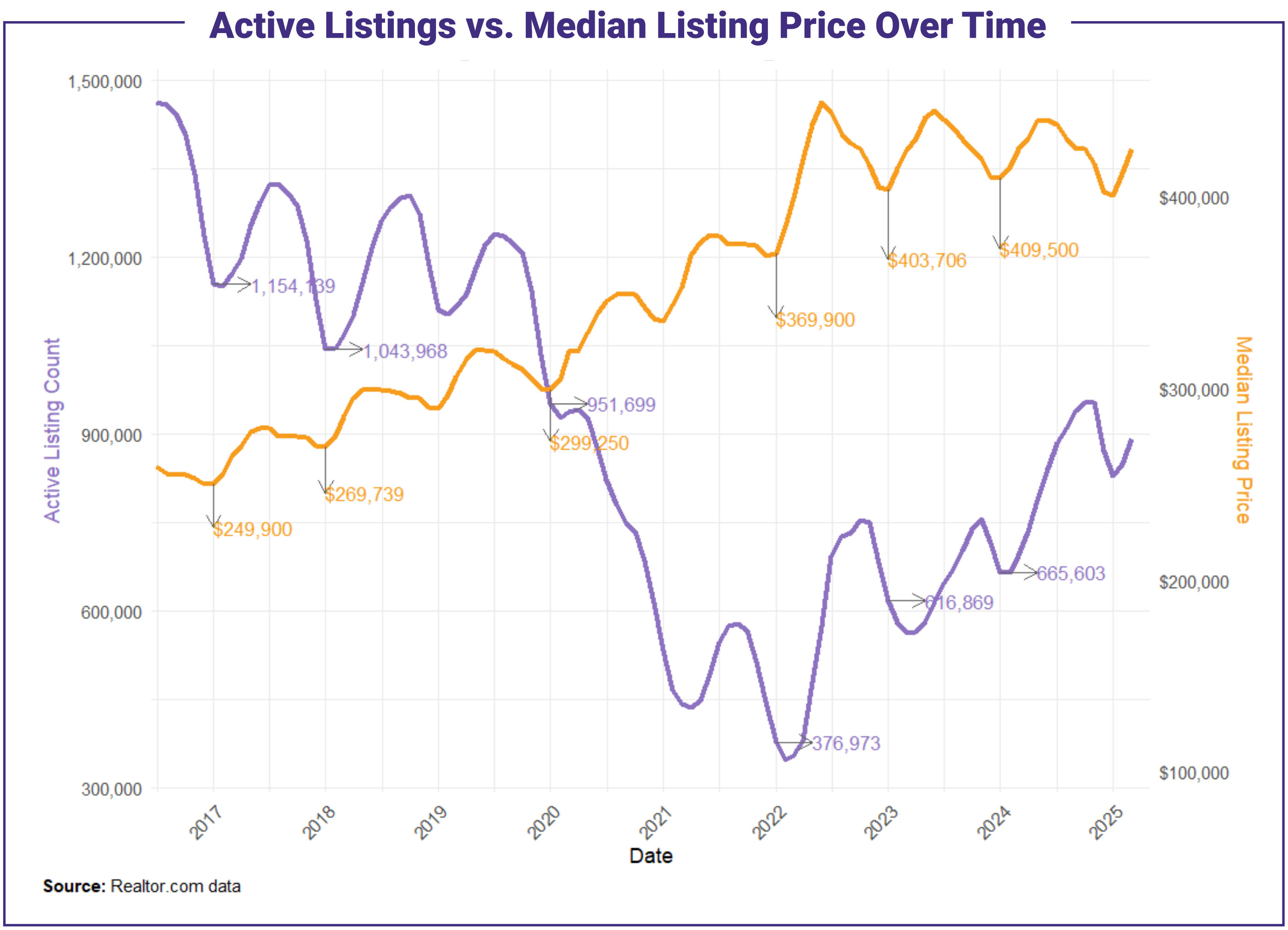


Figure 12 – Active Listings vs. Median Listing Price Over Time

Escalating Insurance Costs

Homeowners' insurance costs are another factor putting homeownership out of reach for many prospective homebuyers. Homeowners' insurance is essential to obtaining a mortgage, but insurance costs are rapidly rising with increased climate-related disasters in nearly every market nationwide. The financial burden of these added insurance expenses continues to escalate dramatically. Premiums increased by 20 percent from January 2022 to January 2025, compared to a two percent increase from January 2020 to January 2022.[29] Moreover, the people disproportionately impacted by climate-related disasters reside in formerly redlined communities, leaving households of color likelier to have to disproportionately shoulder rising insurance costs or be pushed out of homeownership altogether, like some Black residents of Altadena, California.[30]

29 - U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Premiums for Property and Casualty Insurance: Premiums for Homeowner's Insurance, Federal Reserve Bank of St. Louis, accessed June 5, 2025, https://fred.stlouisfed.org/series/PCU9241269241262.

30 - Gloria Oladipo, "For Black families in Altadena, history and community burned alongside homes," The Guardian, January 18, 2025, https://www.theguardian.com/us-news/2025/jan/18/altadena-fire-black-families.
[31] Iris Kim and Alicia Victoria Lozano, "After the Eaton Fire, Altadena residents fight to keep out luxury developers," nbcnews.com, March 23, 2025, https://www.nbcnews.com/news/nbcblk/eaton-fire-altadena-residents-fight-keep-luxury-developers-rcna196272.

Discrimination in Homeownership-Related Housing Transactions

Ongoing discrimination is also a contributing factor to our nation's racial and ethnic homeownership gaps. In 2023, NFHA reported 766 complaints of real estate sales discrimination and 294 complaints of mortgage lending discrimination.[31] These were just the complaints filed with NFHA members, who are local fair-housing agencies supported by the federal Fair Housing Initiatives Program, or with the U.S. Department of Housing and Urban Development (HUD), Fair Housing Assistance Program agencies, and the U.S. Department of Justice (DOJ). However, many more sales and lending discrimination cases nationwide go undetected or unreported.

In addition to individual sales and lending discrimination complaints, redlining continues to be a barrier to making mortgage credit and homeownership available to everyone in a fair manner. Both private, nonprofit local fair-housing organizations and the DOJ have filed several redlining cases in recent years. The DOJ, under its Combatting Redlining Initiative, for example, filed and settled five redlining cases in 2023 that resulted in over $48.1 million in loan subsidy funds.[32]

Appraisal discrimination also continues to pose barriers to Black and Latino households seeking to build wealth through homeownership. Research shows that homes in White neighborhoods are appraised at values nearly 250 percent higher than comparable homes in similar Black neighborhoods and almost 278 percent higher than comparable homes in similar Latino neighborhoods.[33] Moreover, White communities have access to over $15 trillion more in capital because of racialized appraisal practices, and appraisal bias caused homes in Black neighborhoods in 113 metro areas throughout the U.S. to be devalued by $162 billion.[34]

In addition to individual sales and lending discrimination complaints, redlining continues to be a barrier to making mortgage credit and homeownership available to everyone in a fair manner.

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31 - National Fair Housing Alliance, 2024 Fair Housing Trends Report, https://nationalfairhousing.org/wp-content/uploads/2023/04/2024-Fair-Housing-Trends-Report-FINAL_07.2024.pdf.

32 - Ibid.

33 - Junia Howell and Elizabeth Korver-Glenn, Appraised: The Persistent Evaluation of White Neighborhoods as More Valuable Than Communities of Color, Eruka, November 2022, https://www.eruka.org/appraised.

34 - Jonathan Rothwell and Andre M. Perry, How racial bias in appraisals affects the devaluation of homes in majority-Black neighborhoods, Brookings, December 5, 2022, https://www.brookings.edu/articles/how-racial-bias-in-appraisals-affects-the-devaluation-of-homes-in-majority-black-neighborhoods/.

POLICY RECOMMENDATIONS

After finally making hard-earned progress in closing the racial homeownership gap during the COVID pandemic and recovery period, the political winds shifted in 2025. With the new federal administration not only taking action to reverse those gains but also introducing new policies that hinder progress, the housing crisis is likely to worsen, and Black, Latino, and ANHPI homebuyers especially will bear the brunt of those actions.

Policymakers must take concrete steps to ensure that all individuals have access to fair and equitable housing opportunities. Access to a safe and affordable home near well-resourced schools, reliable transportation, Internet connectivity, healthy food, quality healthcare, fresh air, clean water, and living-wage jobs is essential to the American Dream, and ensuring that every community is provided access to these conditions is imperative to our nation's future. With too many people struggling to make ends meet due to a lack of fair and affordable housing and growing racial and economic inequality, access to equitable housing opportunities can transform our society, increase prosperity, and create new promises for future generations.

The recommendations outlined below provide concrete steps that policymakers can take to continue to advance fair homeownership opportunities and advance equitable housing opportunities. While the actions below are directed at policymakers, we encourage advocates and industry leaders to champion these solutions and promote their adoption.

1. **Promote and increase the implementation of fair homeownership programs**, such as First-Generation Down Payment Assistance Programs and SPCPs, that increase access to homeownership for underserved homebuyers. First-generation homeownership[35] programs provide increased access and resources to buyers who are the first in their families to own a home. Thus, they more explicitly address the lack of intergenerational wealth experienced by many borrowers of color. SPCPs[36] are another tool that enables lenders to provide special programs that benefit a specific economically or socially disadvantaged group of borrowers. These homeownership programs address the need for more targeted interventions to reach more Black, American Indian, Hawaiian, Alaska Native, and Latino buyers, thus helping close racial wealth and homeownership gaps.

   NFHA encourages housing advocates and members of Congress to promote passage of the Downpayment Toward Equity Act[37]: $100 billion for first-generation homebuyers from a new HUD grant program to provide financial assistance for down-payment and closing costs, interest-rate reductions, shared equity home subsidies, and home modifications for persons with disabilities to help individuals and families pursue homeownership and its wealth-building benefits.

35 - See https://nationalfairhousing.org/issue/first-generation-homeownership/ for more information.

36 - See https://spcptoolkit.com/ for more information.

37 - See https://www.congress.gov/bill/119th-congress/senate-bill/967/text/is?overview=closed&format=txt for more information.

2. **Promote fair access to lines of credit and equitable lending through new and inclusive credit score models and appraisal reform.** Expanding access to credit by prospective borrowers who are ready for homeownership is imperative for the health of our housing finance system, and this can be advanced in some of the following ways:

    - The Federal Housing Finance Agency (FHFA) should finalize the implementation of new and inclusive credit score models (FICO 10T and Vantage Score 4.0) to increase credit access in underserved communities.
    - FHFA and federal financial regulators should promote the use of positive rental payment history and cash-flow assessments by lenders in home mortgage underwriting to better assess a borrower's risk.
    - FHFA should eliminate loan-level price adjustments to ensure all creditworthy borrowers, including Blacks, Latinos, American Indians, Hawaiians, and Alaska Natives can fairly access mortgage loans and are not penalized for the system's prior failures.
    - Congress should pass legislation to strengthen the Community Reinvestment Act (CRA) by:
    - Ensuring SPCPs that comply with the Equal Credit Opportunity Act receive CRA consideration
    - Requiring covered institutions to meet the credit needs of underserved borrowers and communities, including borrowers and communities of color
    - Including larger credit unions, mortgage banks, and Community Development Financial Institutions in the definition of covered financial institutions to ensure that all financial institutions serve the credit needs of the communities in which they operate

3. **Preserve the mortgage servicing reforms adopted during the COVID pandemic to increase homeownership sustainability and preservation.** Preserving homeownership for borrowers who may be experiencing financial challenges due to economic upheaval benefits both the affected households and the larger community. Actions that Congress, regulators, and federal agencies should take include but are not limited to:

    - Reinstating the CFPB 2021 Mortgage Servicing Final Rule, which was rescinded in 2025. This Rule required servicers to offer loss mitigation options to borrowers before initiating foreclosure proceedings and mandated enhanced communication with borrowers in forbearance, among other protections.
    - Reinstating the Veterans Affairs Servicing Purchase (VASP) program, which was rescinded in 2025. The VASP program prevented foreclosures by rolling the homeowner's missed payments into a new, low-interest-rate loan owned by the VA.
    - Continuing the FHA's Loss Mitigation Waterfall standards, currently scheduled to sunset on September 30, 2025.
    - Continuing the FHA's Home Affordable Modification Program, currently scheduled to sunset on September 30, 2025.

4. **Enact the Neighborhood Homes Investment Act and other federal tax credits for home development in distressed neighborhoods and increase funds for affordable housing development while ensuring compliance with the Fair Housing Act's Affirmatively Furthering Fair Housing provision.**

    Policymakers can advance such efforts by promoting passage of two crucial pieces of proposed legislation: 1) The Housing Crisis Response Act[38], which provides $150 billion to facilitate the development of fair and affordable housing and decrease housing costs to address the nation's fair-and-affordable-housing crisis and 2) the Neighborhood Homes Investment Act[39] with fair-housing principles, which is a new federal tax credit for the development and renovation of 500,000 housing units in distressed neighborhoods to revitalize urban, suburban, and rural communities hit hardest by the Great Recession.

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38 - See https://www.congress.gov/bill/118th-congress/house-bill/4233 for more information.

39 - See https://www.congress.gov/bill/118th-congress/senate-bill/657 for more information.

5. **Implement zoning reforms to enable the increased development of fair and affordable housing opportunities.** As the data in this paper underscore, there is a dire need for more fair and affordable housing supply, both for housing-cost-burdened renters and prospective homebuyers, particularly first-time and first-generation homebuyers. Residential zoning remains a barrier to the development of such affordable housing and has long been a tool to fuel segregation. Exclusionary zoning has been used to effectively lock out renters, low-income individuals, and people of color from well-resourced neighborhoods that offer life-affirming amenities required to live thriving lives. While zoning and land-use reforms are often discussed as a tool to improve rental-housing affordability, certain reforms, such as upzoning and reducing minimum lot-size restrictions, can also be used to support the creation of fairer and more affordable entry-level homeownership opportunities. For example, zoning reforms can help promote the development of missing middle housing, such as condominiums, cooperatives, duplexes, triplexes, quadplexes, and a range of other options beyond typical single-family detached homes and high-rises. This can help reduce the cost of construction and home prices, and many individuals will need the ability to fairly access credit opportunities to purchase these more affordable housing options.

   Localities should reform any remaining exclusionary zoning policies in jurisdictions across the country and advance robust inclusionary zoning measures, longer affordability periods, and efforts that affirmatively further fair housing.

6. **Ensure all communities have access to climate mitigation efforts and insurance that is fairly priced and adapted to climate change.** All stakeholders should promote reforms that will help increase the sustainability of communities' infrastructure, the resilience of properties, and insurance cost-saving measures. This includes:

   - Governments, investors, and foundations providing funding to strengthen the viability of the built environment and improve the infrastructure in cities and rural areas
   - Congress preserving approved funding under the Inflation Reduction Act and Infrastructure Act to support much-needed upgrades in a manner that ensures systems and properties can withstand the continuing increase in severe- and extreme-weather-related events
   - Governments, lenders, and foundations providing grant dollars and low-interest-rate loans to homeowners to enable them to make sustainable upgrades to their properties so that they are not targeted and victimized by predatory financial services providers
   - Insurers and industry players supporting strategies to incentivize risk-mitigation efforts such as offering discounts when homeowners make sustainable upgrades to their properties

7. **Uphold the Fair Housing Act's longstanding prohibition on housing discrimination, including policies and practices that have a discriminatory effect.** Sales and lending discrimination are still an issue in communities across the country, contributing to deep racial and ethnic homeownership and wealth gaps. Advocates and policymakers must work together to ensure robust enforcement of fair housing and fair lending laws by advocating for appropriate funding for HUD; local, private, nonprofit fair-housing organizations; and existing Qualified Fair Housing Enforcement organizations (QFHOs), as well as creating new QFHOs in underserved areas to assist and provide victims of housing discrimination. This includes ensuring that the DOJ, HUD, FHFA, and federal financial regulators engage in robust enforcement of the Fair Housing Act and the Equal Credit Opportunity Act (including using the disparate impact theory and applying the Fair Housing Act's Affirmatively Furthering Fair Housing provision) to ensure fair housing, fair lending, fair automated systems, and responsible artificial intelligence (AI) so that individuals and communities can achieve the American Dream of safe, stable housing. Regulators should also encourage banks to meet the credit needs of their communities through the CRA HUD should ensure that the Fair Housing Initiatives Program[40] is fully funded each year to ensure enforcement and promotion of the nation's fair-housing and fair-lending laws. FHFA should ensure that GSEs meet their chartered and statutory obligations to ensure broad credit liquidity in all communities at all times.

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40 - The Fair Housing Initiatives Program was established in 1987 under the Housing and Community Development Act, signed by President Reagan, to provide funding to public and private organizations to support activities that prevent or eliminate illegal housing discrimination, including enforcement, education, and outreach efforts.

8. **Establish a robust civil rights framework for responsible housing-related AI systems through federal and state legislation, rulemaking, and private-sector policies.** In the context of advancing fair and affordable housing, including increasing homeownership opportunities for underserved groups, AI holds great promise for improving systems, democratizing opportunities, lowering costs, and increasing productivity. Yet, it also poses great dangers for perpetuating bias, as AI models are developed using historical data that can perpetuate discrimination. AI and automated systems are already used extensively in the housing and finance sectors, including credit scoring, automated underwriting, risk-based pricing, and dynamic rental pricing systems, as well as marketing and automated valuation models.[41]

   Despite the urgent need for a stronger civil rights framework in housing-related AI systems, the existing Executive Order for the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence was rescinded in January 2025.[42] However, many states are passing legislation to protect their consumers and advance responsible AI. Congress must oppose any effort to restrict states' ability to protect their residents from AI decision-making that violates their privacy and civil rights, consumer protection, and other laws. Housing advocates and policymakers should support comprehensive federal AI legislation established on civil-rights- and equity-based principles that ensure AI benefits all of society.

9. **Enact appraisal reforms to mitigate the ongoing discrimination that undermines wealth-building opportunities for households of color.** To address appraisal discrimination and gaps that serve as barriers to homeownership, FHFA should release property-level appraisal data, allow GSEs to reduce discretion in appraisals, and encourage lenders and appraisal management companies to implement sound methods to identify and prevent appraisal discrimination, including the ability of consumers to easily request a Reconsideration of Value when the consumer believes the appraisal is discriminatory or inaccurate.

CONCLUSION

Homeownership is increasingly out of reach for too many households, particularly for Black, Native American, Alaska Native, and Latino households. Decades of systemic barriers to accessing credit and homeownership opportunities for communities of color undermines fair opportunity and threatens the nation's economic stability. Progress in recent years in closing our racial and ethnic homeownership gaps has been promising, but this progress is at risk and will likely be reversed if immediate action is not taken. As the data in this report show, we need policy and programmatic interventions to not lose the important gains made since 2019; continue the expansion of homeownership opportunities, ensuring fair access to credit and insurance. Policymakers, industry players, government, and advocates must take concrete steps to preserve recent effective homeownership programs and policies that have resulted in much-needed progress that has benefited everyone. They must also take additional steps to continue the advancement of fair access to credit and homeownership opportunities so that all of us have the opportunity to live our American Dream and share in the nation's prosperity.

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41 - See Testimony of Lisa Rice, President and CEO of the National Fair Housing Alliance before the U.S. House Financial Services Committee in a hearing entitled, AI Innovation Explored: Insights into AI Applications in Financial Services and Housing (July 23, 2024).

42 - Trump Administration, Initial Rescissions of Harmful Executive Orders and Actions, Jan. 20, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/initial-rescissions-of-harmful-executive-orders-and-actions/.

ABOUT NFHA

The National Fair Housing Alliance (NFHA) has led the fair-housing movement for almost four decades. Recognizing how inequitable policies created deep racial disparities in housing and wealth attainment, NFHA launched the Keys Unlock Dreams Initiative (KUDI) in 2019. KUDI was designed to help ensure that underserved communities, which have too long suffered from redlining and disinvestment, are well-resourced. The initiative is advancing solutions to dismantle systemic barriers to opportunity, replacing them with equity-building solutions to reduce the racial wealth and homeownership gaps based on robust research, advocacy, and valuable industry partnerships.

Find out more at: www.nationalfairhousing.org.

REPORT AUTHORS (LISTED ALPHABETICALLY):

Shanti Abedin

Laurie Benner

Jameel Khan

Lisa Rice

Maureen Yap