



“The Characteristics and Challenges of Today’s Homebuyers”

Oral Statement

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Chair Davidson, Ranking Member Cleaver, and members of the Subcommittee, thank you for the opportunity to testify today. I am Nikitra Bailey, Executive Vice President of the National Fair Housing Alliance® (“NFHA™”). NFHA leads the fair housing movement and represents over 170 local fair housing enforcement agencies throughout the United States. NFHA’s members serve on the front lines, combatting millions of incidents of housing discrimination.

The nation is faced with a fair and affordable housing crisis that is squeezing the budgets of everyday people, particularly consumers of color. Low housing inventory, record competition from corporate investors, exclusionary zoning ordinances, high interest rates, and more are all driving prices higher. The Federal Reserve Board does not have the tools to address these housing challenges. While the Federal Reserve attempted several deflationary efforts, housing costs continued to skyrocket. And Federal Reserve Chair Powell [recently stated progress on lowering inflation is “not assured.”](#) Further, data shows housing will continue to be a major driver of inflation and its impact will not subside until the end of 2024 and beyond. Thus, Congress and the Biden



Administration must act quickly to make equitable housing investments that promote financial inclusion and stimulate economic growth for everyone.

Homeownership is the primary way that most families build wealth and achieve economic stability. However, thousands of race conscious housing, banking, and other policies created systems and structures that were highly inequitable and mostly to the benefit of White Americans. Even after passage of the Fair Housing Act in 1968 and Equal Credit Opportunity Act in 1974, policies of the federal government and private actors continued to perpetuate segregation and discrimination. Explicitly race-based policies were replaced by subtler “race-neutral” methods of excluding people of color. These policies and practices created today’s persistent and growing racial homeownership and wealth gaps where the White homeownership rate is nearly 67 percent higher than the Black homeownership rate, 45 percent higher than the Latino homeownership rate, and 20 percent higher than the rate for the Asian American community.

Mortgage discrimination is not a relic of the past. The Department of Justice’s [recent record settlements totaling more than \\$100 million in redlining cases](#) in Black and Latino neighborhoods nationwide is a stark reminder that redlining persists and underscores the importance of using all the tools at our disposal to root it out.

Even technological homeownership decisions perpetuate bias. Researchers at UC Berkely [found that algorithmic systems overcharge Black and Latino mortgage borrowers \\$765M](#) more annually, and Automated Valuation Models [perpetuate discrimination](#) against homeowners of color.



People of color continue to share stories of having to “whitewash” their homes to receive a fair and accurate appraisal. Can you imagine having to remove your personhood from your home, which is also often a family’s largest asset? In 2021, [homes in White neighborhoods were appraised at values nearly 250 percent higher than similar homes in similar Black neighborhoods and at values nearly 278 percent higher than similar homes in similar Latino neighborhoods within the same metropolitan areas, depriving households of color of opportunities to build wealth.](#) Overall, White communities have access to over \$15 trillion more in capital because of racialized appraisal practices.

There are solutions that are already working in forward thinking states like [Minnesota](#), [Maine](#), [Vermont](#), [Rhode Island](#), [New Jersey](#), and [North Carolina](#). Congress can follow their lead and remove barriers that stymie progress and center housing as the path to restorative justice and inclusive growth.

The Homeowner Assistance Fund (HAF) is an example of Congress doing just that by helping nearly 400,000 hardest hit homeowners remain housed during the COVID pandemic. HAF along with sensible mortgage servicing reforms supported broadly by the housing sector were instrumental in thwarting another foreclosure crisis like the one that occurred in 2008. Further, the addition of inclusive policies like the Equal Credit Opportunity Act’s Special Purpose Credit Programs helped to increase Black homeownership by 13 percent and Latino homeownership by seven percent between 2019-2023. NFHA partnered with MBA to create a [Special Purpose Credit Program Toolkit](#) to assist lenders with properly developing the programs.

All future net household growth will be from households of color and White homeownership is set to decline. With housing accounting for nearly 20



percent of the United State’s GDP, Congress must advance inclusive policies so that the housing market and economy are not jeopardized.

My written testimony details other solutions, and I look forward to discussing them with you. Thank you.