

FHEO Table Talks Series

AANHPI Communities: Examining Historical Barriers and Today's Housing Opportunities

Host: **Chang Chiu**, Special Policy Advisor for HUD's Office of Fair Housing and Equal Opportunity

Speaker: **Hope Atuel**, Executive Director for Asian Real Estate Association of America

Chang Chiu: Hello and welcome to another episode FHEO Table Talk series. I'm your host Chang Chui, special policy advisor, HUD Office of Fair Housing and Equal Opportunity. In the Table Talk Series, we speak with trusted community voices and experts, to share their learnings and insights with HUD and HUD partners.

Today's Table Talk, is our second this year, to focus on Asian-American, Native Hawaiian, or Pacific Islander. Or AANHPI communities. In this session, we'll discuss housing related barriers that members of the AANHPI community have historically faced and in some cases continue to face. As well as opportunities to promote housing choice for this diverse and growing population.

Today, I'm pleased to be joined by Hope Atuel, who has served as Executive Director of Asian Real Estate Association of America or AREAA, since 2012. The mission of AREAA is to promote sustainable ownership communities in AANHPI, by creating a powerful national voice for housing and real estate professionals that serve that community. Hope thanks so much taking time out of your busy schedule to be here today. I'm excited of our audience to hear from you, some of the AANHPI community and to learn how they can better support fair housing choice for this community.

First to begin, can you tell us about a bit of the work your organization carries out in support of the AANHPI community? And what makes AREAA unique, relative to other organizations in the real estate industry?

Hope Atuel: Sure. Thank you, first of all, Chang, for having me, for HUD having me representing ARA at today's table talk. Chang. It's truly a privilege to speak to on behalf of AREA, Asian real estate association of America and our community as well. You know, AREA, is now the largest, Asian-American, Native Hawaiian, and Pacific Islander. It's a mouthful, AANHPI, member and trade organization in the United States. We represent more than 17,000 members across the United States. We also have a footprint of forty chapters as well. We were founded in 2003, as perhaps one of the original diversity, equity, and inclusion organizations in real estate. We focus on primarily on the needs of ANHPI real estate professionals, rather its residential, commercial, mortgage, title along with helping move the needle for home ownership for our community. We work on the barriers of entry challenges, that our community faces as it relates to home ownership. I think that what makes our organization, what makes AREAA unique, is that we bring all the Asian segments and sub-groups together.

AREAA continues to talk about the ANHPI community as more than one. In fact AREAA has members, 51, that's a lot, 51 nationalities who speak more than 26 individual languages. This does not include dialects as well. Because we bring all of the subgroups and segments of the AANHPI community together. We are aware of the differences a subgroup may have, and this is important in providing information and serving our community, because our community, as you know Chang not a monolith. Not only the language different with each of the segments, but the culture and home preference have its own distinction. And this helpful again in serving our community.

Chang Chiu: Thank you Hope that's very interesting. It's clear that Area, unique insights ANHPI communities across the US. That it's work is vital to serving that community I want to follow up with a related question about 51 nationalities that you serve. How does AREAA address the different segments of the AANHPI community?

Hope Atuel: Yeah, that's a really good question as you know I've mentioned 51 nationalities. Language is perhaps, one of the biggest things we service our community. As you know with 51 nationalities there's different languages and dialects, so our members and the industry provide language translations provide services for community, who may consider themselves limited English proficient. The other things to, providing information on cultural nuances when it comes to home preferences. A lot of Asian Americans and Native Hawaiians and Pacific Islanders, prefer to live in multi-generational homes. So that's a unique type of preference for our community and so educating real estate professionals with this type, with these types of distinction, serve the same different segments within groups the AANHPI community.

Chang Chiu: Great, thank you for that. We know the AANHPI community is incredibly diverse and important to HUD and HUD partners appreciate that diversity to help ensure, addressing the broad range needs in that community. I want to turn to question about, historical practices, that have effected the AANHPI community to freely choose the homes and neighborhoods they live in. AREA, state of Asia America report, is hosted on your organization's website. Contained within the report, is a historical timeline of policy and practices that have created barriers for the AANHPI community. Can you tell us bit more about some policies were and how the legacy of the policy and practices effect the AANHPI community today?

Hope Atuel: Yeah, no that's a really great question. You know before the civil rights movement and such, there were so many practices that were discriminatory not just to our community, right. Asian American and Native Pacific Islander community, but communities of color, but at time, they were deemed to be legal unfortunately. For example, in the 1900s there would be Asian exclusionary act, followed by Chinese exclusionary act, that prohibited Chinese nationals from entering the United States. And then 1942, following the bombing of Pearl harbor, there was an executive order that was issued that forced Japanese Americans into incarceration camps.

And because of these policies, and unfortunately legislation, all of Asian American, Chinese, Japanese have lost their homes. And it took a while either to get their homes back and rebuild their lives and that has truly hurt our community. On our good note, AREAA has had huge policy wins, that have been helpful to our communities. For example, 2016, we embarked what

we called the no other campaign. And it was effective Asian Americans reported as a stand-alone category in the quarterly report home ownership by race and by ethnicity U.S. census bureau.

In fact, this report was released. It's quarterly, early in February, earlier this month. It reported that Asian-Americans and Native Hawaiians, and Pacific Islanders, our current home ownership is about 61% compared to the national average that's about 65%. And if you take a look at the non-Hispanic Whites, it's about 74%. If you take a look at ANHPI's and non-Hispanic Whites, there's about a 13% gap. Asian-Americans and Native Hawaiians, and Pacific Islanders, that's really important to know, were previously lumped into a category called other. For us, it's fairly important we had standalone category, if we don't have category, we don't have a voice. And if we don't have a voice, we don't exist. We were fairly successfully in getting that change back in 2016, from the government agency, similar to a census bureau. We still have a little bit of work to do, so think tanks reflect that change and also include Asian-Americans and Native Hawaiians, and Pacific Islanders as a stand alone category under home ownership data.

Another one I wanted to point out, while language, the preferred language field on URLA form or uniform residential application form, was not included when it was revised a couple years ago. We are currently working with FHFA on language translations, as it relates to the mortgage and under writings process. So we are happy to report, that FHFA has now on their website, translations within Asian language for top language, that includes Asian languages, includes Gulvas, which is Filipino, Vietnamese, Korean and Chinese. This is very helpful for our community, it's a policy change, we continue to do on behalf of Asian Americans, Native Hawaiians, and Pacific Islanders

Chang Chiu: Great thank you Hope. I'm really pleased to see all the work AREA, has been doing on data equity. It's really important. It's really important we don't forget these countries race based discrimination and segregation towards the member of AANHPI community. It's critical for states, counties, cities that are HUD grantees to remain vigilant housing to protect all Americans from discrimination related to housing real estate transactions. I encourage everyone to look at AREAA report, AANHPI home ownership trend. My next question, Hope, the more recent history of the AANHPI community. In recent years, we've seen some interesting changes, in were AANHPI households are moving and settling in the US. Can you describe those changes and what might be emerging migration patterns? And what these trends AANHPI households that are relocating and for the communities to which they are moving?

Hope Atuel: Yes, we actually infographic to show where AANHPIs are actually moving. So typically, you will see our community in bi coastal cities. Right. You'll see us in LA. San Francisco, New York. Gateway cities as we call it. But in the recent ten years, what's been interesting there has been this migration pattern, towards the middle of the country, towards the South. Interesting enough, there was a report, which was recently published national association of realtors. And the report is called double trouble. Double Trouble title actually refers to rising prices of homes and also the lack of inventory we've been hearing.

AREAA reports only 51%, 51% of all housing inventory in the United States, are affordable to those have household incomes, get this, of at least 99,000 compared to in 2019 it was 58%.

That's drop of almost 10%. And for those in the bracket, 63% of properties are affordable, compared to 71% in 2019. So we are seeing gap, of home ownership, and we feel that if we are not addressing affordability and making grants and providing programs to communities of color, this gap between communities of color is going to increase.

AREAA evaluated affordability levels of different ethnic groups, and interesting enough Asian Americans slightly ahead of the curve, as we see in a lot economic and demographic data. 48% of our community, makes more than a hundred thousand dollars. It's really great to have that economic prosperity. Because compared to Hispanics, that's about 25% of their community, and Black households, that's about 20%. We are doing really well, most of the earnings, on the earnings front, one of the greatest concerns, over AREAA, migration patterns to see where and how Asian community continues to disperse.

We believe at a critical juncture, when it comes to the lives of AANHPIs. The cities, that were, that are experiencing large population, so you'll see that on that map. That's Honolulu, that San Jose, San Francisco, LA, New York. And just like any other family who want to dream of home ownership, we want lump of confidence within our community as well, safety and security of that has been an issue for community for last couple of years. And so you'll take a look at migration patterns and what any reports which is also evident in this map of that your seeing, that, the move towards Texas. Texas has experienced boom and this increase of Asian Americans and Native Hawaiians and Pacific Islanders moving into a places Houston, Dallas, McCallean.

Our president this year, Tim Hear, is from the south, from Atlanta. Atlanta is one of the cities listed as more affordable cities. We're seeing that trend AANHPI migration as well. It's great that, there is that migration pattern affordable cities and we also attribute good schools and were jobs are. You take a look at manufacturing, cities or states like Alabama, states like Tennessee, again seeing some of the increase with AANHPI community members. We continue to mod through this trend, this is helpful to our audience and real state professionals, as they equip their staff and teams to service our community members across the country.

Chang Chiu: Thanks for the forward early advance, Hope. The additional detail on the migration patterns and tie it to affordability. I'll remind our viewers that HUD has several tools that can keep tabs on emerging graphic shifts, like the one Hope just described. One tool CPD maps, which allows users and generate reports with data, from a variety of HUD data sources, integrated with economic and demographic indicators. Fair housing and data mapping tool or AFHAT, which is designed HUD grantees conduct robust fair housing planning. AFHFT, offers the ability to identify possibility of segregation, high areas or racially or ethnic concentrations of poverty, or areas without access to quality jobs or schools. I'd encourage all HUD grantees to explore AANHPI population in their community might be changing and ways in their housing choices may be limited.

Hope you spoke earlier diversity broader AANHPI community, I wanted to follow up with one important aspect of that diversity. Which is that the AANHPI community, especially those born outside the US, may have cultural experiences that shape their perceptions in a unique way. Can

you reflect on how cultural experiences might impact home ownership such as credit worthiness and other financial tools?

Hope Atuel: Absolutely, Chang. As you said, there are many cultural perceptions, particularly with first generation, Asian immigrants here in the United States. You know many Asian Americans have been taught, and I think of my parents, they've been taught to avoid credit and be debt averse. And so there are many instances, that we see is actually thin credit file. The credit score almost nonexistent. So one of our policy priorities, and continues to be one of our policy priorities in the last five years, to support alternate credit score models. We all know that credit score, a good credit score that is has a positive impact on one's ability to qualify for mortgage. This is despite stable jobs as we with income levels within Asian Americans or significant savings for down payment. We really feel and we believe alternative credit scoring models, would remove a huge barrier for AANHPI community and community members within this country.

You know we are encouraging the financial services industry as well, including GNCS, both Fanny and Freddie to not just look at Fico scores, but also accept rental payment, utility bills, cell phone, cable bills. That are actually good predictors of one's ability to consistently pay for whatever credit obligation they have. What is promising news, is that late last year, FHFA announced Fanny would include rental payment, in their desktop underwriting. So we do believe and feel, this is going to open more doors potential home owners within AANHPI community. So, I hope that's helpful Chang.

Chang Chiu: That is super helpful. Access mainstream financial services and education about the home buying process, as well use alternative credit scores are critically important to expanding housing choices for the AANHPI community and other Americans. On a related topic, I want to ask you about the issue of mortgage readiness. AREAA analyzes mortgage readiness of the AANHPI community. Can you explain what it means to be mortgage ready? And what you've learned from your analysis?

Hope Atuel: Absolutely and we have another infographic for this particular topic. So we get the source of this data from Freddie Mac, who have been long time partners, gratefully for this data. Freddie Mac mortgage ready as someone does have a current mortgage, somebody who is 45 years old or younger, somebody who has a credit score 661 or higher. Somebody who has a back and DTI, debt to income ratio that does not exceed more than 25%, someone has had no foreclosure or bankruptcy in the past 84 months. I believe that's seven years, not sure. And have no major delinquencies in the past six months. Pacific islanders are mostly of the coast because that is where the density of the populations is and some pockets of middle America. Partly that is because, we have chosen to live as a community to live in gateway cities. Unfortunately, those are high price cities, and so we need to do as an organization, to do a better job with educating our community members that there is a lot of more kind of like areas out there, that they can explore if they want to become a future homeowner.

Also prepare them for financial literacy, which is very helpful for becoming future homeowner. Many AANHPIs feel the need to be financially ready, stable and secure before buying a home.

And we tend to be overly cautious side. You'll find us wanting to, save up to 20% of our down payments and it's not uncommon for our community members for the 50%. That delays the time and ability for someone to become a homeowner. An education of other programs, besides conventional loans is very important, and I know that's part of HUD grant and all other information that can be passed along to our community members.

Chang Chiu: Thanks so much for your insights there. As you know through programs like HUD certified housing counseling. HUD is deeply committed to Americans better prepared to purchase and maintain homes, without taking on unstable levels of housing debt. I want to turn now, fair housing enforcement. AREAA has a uh three-point policy plan, that is recommended on your website. In the three-point policy plan, you include fair housing and advocate for in one of your policies, fair housing enforcement. Can you say more about the recommended policy changes and why you important to increase fair housing enforcement?

Hope Atuel: Yes. unfortunately, our community, Asian Americans have seen a recent increase in hate crimes. It's not just a city like San Francisco or LA or even New York, but cities like Atlanta. We're going to first anniversary of the shootings in the Atlanta in a couple of weeks. It's very scary, to think that our security now being threatened. We believe as an organization, now more than ever, tighter policies, legislation to enforce fair housing is greatly needed. I'm not sure Chang, if you've seen or if your familiar, Newsday report, 2019 pre covid, it showed the need for more testers and more education regarding discrimination, or steering people to communities, we think, you should just live there.

Some of our community members, would even report, they get calls, from Asian-American, Native Hawaiian, or Pacific Islanders, who ask them for help, even if they live more than a hundred miles away. Because they feel, these community members feel, being discredited, because their surname or their accent. Practitioners, may not be aware their doing this, and education is fairly important. Organization work with partners. Like the real estate brands, how important it is, in working and making sure, there's equitable access to housing. Making sure we point to fair housing and all that stuff, some from a local level, we need more testers. We need to make sure that testing continues at a local level, because now more than ever, communities feeling that discrimination and it's unfortunate that, it's doesn't seem to be stopping anytime soon.

I believe even HUD reports an increase in the number of just complaints about discrimination again Asian Americans. So yes, fair housing indeed that's going to be helpful security back and housing security that is for our community.

Chang Chiu: Thank you Hope. Thank you for the reminder of the Newsdays 2019 report. That showed the levels housing discrimination on AANHPI community. As you all know, fair housing priority for HUD and through our fair housing initiatives we fund nonprofit organization, engage activities like fair housing testing ,so we can expose where it's happening in the community. Support our efforts on enforcement. And as a reminder to our viewers, anyone who believes they've been discriminated against in violation of the fair housing act. Can file a compliant, that HUD will investigate. You can file a complaint or learn from more about the

process, FGO home page at hud.gov/fair housing. Returning again to the topic of diversity. We know many of the AANHPI fair housing, community first generation immigrants and born outside the US. For many in this population, English might not be their primary language.

As I noted in our previous ANNPFI table talks episode, I'm a first-generation immigrant from Taiwan. And language access has been important issue for my family. As many of you may know, HUD recently approved HUD access plan, updating outlining HUDs commitment for for people limited English proficiency including immigrants, services, activities conducted within the agency. The plan is available on HUD website.

I wanted to talk about the role of language barriers in homeownership. In your view, how critical is addressing language barriers, AANHPI, community? And as an example, can you tell us a significance preferred language field on a home loan application. I know you provided earlier the new development, HFA. Your insights there would be great.

Hope Atuel: Absolutely! You know two-thirds of Asian American's are foreign born, so not surprising, that many of our community members would self classify themselves as limited English proficient. That is why we advocated preferred language data field in the URLA form. That would be the first step in collecting data, about Asian-Americans, and Native Hawaiians, or Pacific Islanders, who made need assistant mortgage process and they wanted in their language, their own language.

We have a lot of, DC in May, in conjunction with Asian American and Pacific Island month. And they talk about stories of themselves as little kids having to translate the closing table. Now why would an eight year old or nine year old, burden and responsibility to translate legal documents for their parents? You know their parents were marketed in language, so it's only fair and only right, to be service in language.

And that's why we feel strongly preferred language data field. You know language barriers impact the education, information and awareness for first time home buyers. For most American's like myself and like you Chang, we are probably going, buying house the largest purchase we are going to make in our lives. And it's hard enough for native English speakers to understand, all of the mortgage documents and disclosures, we have to read, for someone who is limited English proficiency. It's very daunting. It's overwhelming and certainly is a barrier. We want to eliminate that barrier and we want to make sure community members have help ,when it comes to understanding what DTI, what does APR mean, because to just verbatim type of translation is not going to work. And that's why we applaud FHFA for their work they do, for the work they continue to do with glossary of terms, it's certainly has been very helpful for the AANHPI community.

Chang CHIU: Those are great insights thanks very much. For my last question, I want to return to the topic of home ownership counseling. How do AREAA members work with first time home buyer programs, that are often supported by HUD grantees? Are these programs, AANHPI clients as part of their mission to serve diverse communities?

Hope Atuel: Absolutely Chang. Funding for these types of programs, whether it's first time home buyer programs, is such a critical element for communities of color. That goes beyond ANNPFI's, funding for these types of program especially you do it in language, whether understand finances, or finance literacy, how do build your credit, how to clean your credit, access down payment assistance programs, that most people are not aware of, even looking affordable housing options within your area, is fairly important. And look at our chapter in the downtown LA market, that services a lot of Korean Americans and a lot of community members in that particular areas, do not speak English very well.

So our chapters partners with HUD grantees, but they also partner with faith based organizations to make sure, that our community members are equipped and are equipping themselves to be come future homeowner. The goal of the objective is which I think we are aligned, is to achieve the great American dream of home ownership for all Americans and access to that.

Chang Chiu: Appreciate that response Hope. I want to remind our audience find much more house counseling and find HUD certified housing counselors on [HUD. Gov.](https://www.hud.gov) Hope, I want to thank you for joining us today and sharing your thoughts. The AANHPI community is a diverse and growing community. The insights you shared will state and local government better serve these individuals and families. I want to give you an opportunity to share any final thoughts with our audience. Hope, anything else to add before we conclude?

Hope Atuel: Final thought, I think we are all aware, all familiar three C's to lending, which is capacity to repay collateral and credit. When you're working AANHPI community, let me offer three c's, can remember three c's. culture, communications, and community. Try to understand culture, I know it's a pretty fairly complex culture, with many, many sub groups, Integrate yourself in the community, trusted professional and trusted advisor. I would say learn the communication skills, because there are communication nuances, implications, in the home buying and mortgage translation process. Chang thanks again for having me represent AREAA today. I hope what I provided educational and informational for everyone.

Chang Chiu: Thank you Hope. Thank you for the three c's, culture, community, communications. I want to thank our audience and thank each one of them for listening in today, I've you've enjoyed the conversation with Hope as much as I have. I'm hopeful you've come away with greater awareness of issues facing AANHPI communities, feed the work all you do to improve housing access. In the meantime, be sure FHAEO table talk series, we will see you then.