

FHEO Table Talks Series: Racial Disparities in Homeownership and Achieving Racial Equity and Fair Housing in Underserved Communities

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Speaker: Lydia Pope, President, National Association of Real Estate Brokers (NAREB)

DeAndra J. Cullen: Hello. Welcome to another episode of the FHEO table talks series. I am your host DeAndra Cullen. Today I am joined by the incoming president-elect Lydia Pope of the National Association of Real Estate Brokers also known as NAREB. Congratulations to you, Lydia, on your election as the new president. In addition to this new role, Lydia is currently the Branch Manager for National Investment Division Housing Counseling Agency and a certified property manager from the Real Estate Management Institute. At the core of HUD's mission is the belief that every person deserves the chance to live with security, dignity, and a hope in a place that they can call home. June is home ownership month and during this episode we celebrate the nation's commitment to advancing affordable home ownership opportunities, especially in underserved communities. Let's jump into today's discussion in reducing the racial disparities in home ownership. I want to also talk about NAREB's programs geared towards increasing housing opportunities for the underserved communities within this country. Madam President, let's start our table talk with a quick, fun icebreaker. My question to you, miss Lydia, is what skill do you think everyone should have?

Lydia Pope: Well, growing up, do you know that I was the shyest person in school. Even my bio, my, you know, they have those different um resumes you put out in in grade school, and in high school, well I was known as the shyest person in school. So, I would say the best skill would be communication because you have to learn how to communicate. And I'm here where I am today because I actually went to school for communication to learn. So, I would say communication.

DeAndra J. Cullen: That's a great skill, that definitely is. That's a skill that I definitely um have had to hone in on myself. Um, as president-elect of NAREB, what do you see as your role in achieving racial equity and fair housing in underserved communities? What do you think your role is?

Lydia Pope: Well, my role as president-elect is to work with our national organization. We have over 80 chapters. In our local chapters, they're the boots on the ground focusing on democracy and housing. They're the ones that's lifting up their sleeves to work with our first time home buyers, those that are losing their house in foreclosure. And we're the advocacy group. And our goal is not just the lift up our sleeves but to be this spokesperson for those who can't speak. And also shield those who don't know how to be shield and those that are facing discrimination. So, we're the boots on the ground and our 80-plus chapters are learning and they're training to learn how to work with our first-time homebuyers and our foreclosure clients that so much need our assistance.

DeAndra J. Cullen: Gotcha. NAREB's number one goal is to build wealth for Black Americans through home ownership. Can you take a few minutes to elaborate on building black wealth through NAREB's five pillars?

Lydia Pope: Thank you. I am so pleased to be able to talk about the five pillars. You know the National Association of Real Estate Brokers known as NAREB, we've adopted what we call our five pillars on building black wealth through homeownership. So, I'm going to go through each one of those pillars and talk a little bit about each and every one. Our first one is our faith base and our civic engagement. You know, according to the Pew Research, over 75 percent of the African American report that they are affiliated with the religious organization in their community. Also, there's a large percentage of professional Black Americans that belong to either a civic or professional organization. So our goal, number one, is to educate them about home ownership and to inspire them to purchase real estate. So that's our faith base and our civic engagement.

Our second point, I'm sure we'll put on the screen soon [*PPT slide shown on the screen – see end of this document for slide*], our second pillar is our women investing in real estate. It's known as our WIRE. That's one of our... we take that to the heart, because what we find out is that women, there's a large percentage of black women that are in need of assistance when it comes to home ownership and it comes to development. WIRE focuses on the development of educating black women consumers as well as the women in the real estate profession. So let me give you some information some goal. WIRE goal number one is to increase the access to financial information for capital for black women. WIRE also has a goal to increase the home ownership and real estate investments for black women. So we're teaching our black women how to invest in real estate. And lastly our goal in WIRE is the development of affordable housing to and for black women.

You know, our third pillar which I love this, is diversity and inclusion which talks about our small businesses. What we find is the National Association of Real Estate Brokers, known as NARAB, many of our members are small business owners, and they qualify for a lot of the diversity and inclusion initiatives. So, our goal and our focus is going to be center on creating number one diversity and senior leadership. You know, leadership development, mentorship, business development, and also learning about the minority certifications that are out there that will create opportunity for our business owners within our organization. Also, procurement opportunities. There's so many opportunities when it comes to supplier diversity, so we're going to talk a little bit about that when it comes to the career days and the community days that we focus on when we get to the multi-generation wealth. And also with the diversity inclusion it's the career days that are hosted at the high school level and the college campuses. We like to train our youth as it pertains to real estate in the focus on homeownership as well. So, we have these workshops and these career days. We have them at the high school we have them at the colleges so they would understand the need of just not home ownership, but also a career in real estate and the importance of owning land.

Multi-generational wealth is our other pillar, that's our fourth pillar. You know, NAREB understands the wealth building concepts. We understand the plans and we also understand the execution that should be addressed in our generational basis. You know, when we come to NAREB we have developed age and lifestyle and specific initiatives just for the audiences of our millennial community, of our senior community of the gen X the gen Z's about wealth building and home ownership. So, our NAREB initiatives on the multi-generational wealth, it includes number one our youth academy. Every year our national association has a youth academy where we focus on financial literacy, and that age group is anywhere from the age of 9 to 17. That way the youth begin to understand the importance of money, budgeting, savings, and a little bit about home ownership. We want to come off early. We also have our millennial movement. We're focusing on generation Z and millennial consumers about real estate and

the importance of purchasing. And then the efforts, we do not want to forget about our seniors, the focus is the key element to prepare them for their legacy wealth.

Well, in our last pillar which is one of our largest pillar, is our government relations and advocacy. You know, over the course of NAREB's rich history, the barriers to homeownership have been identified and addressed and eliminated based on the association commitment to advocacy. You know, our focus is to make sure that Black Americans have choices when it comes to homeownership. We always use our powerful voice in support of the legislations that are out, and the regulatory change is designed to increase black home ownership. Part of our government relations and advocacy is our state of housing in Black America, known as SHIBA. This has been around since 2012 and the purpose of SHIBA is to go over all the different numbers and challenges that have been happening within the black community. It's amazing that even today some of those items on our SHIBA report that we put out every year are still on the report. That means we have work to do. Also, part of advocacy is our SHIBA bytes. What we do is every month we educate our membership of what's happening in legislation, what what's going on, what rules have passed, what bills have passed what's going on with down payment assistance? Well our SHIBA bytes give a 30-minute window, a small bite size of information just for our membership so we can keep them up the speed of what's happening in America. You know, knowing that 45.1 percent of the black home ownership rate is where we're at right now in the first quarter of 2021. You know, I went back on some percentages and what I found out is in 1930... 1950, I would say there was 35 was the black homeownership rate. In 1970 it was 42 percent, then it dropped in 2017 to 41 percent. So as we can see, this gap is wider today than it's been 53 years ago when the fair housing became law. So, we know as an organization that we have work to do. And finally, as we close into our government relations and our other four pillars, National Association of Real Estate Brokers is so proud to present these five pillars. Each one of these pillars have programs that will focus just not on the community that we're serving so much but it's also focused on our membership and the ultimate goal is to increase the black homeownership rate.

DeAndra J. Cullen: That is phenomenal. Uh, it just seems like you've really thought methodically about how you're going to address every not just generations but even different, you know, the ages and the um the interests and just the needs that are out there. So, I want to thank you. And as a mother of a 14-year-old, to know that you are doing financial literacy to a young teenager to me is just phenomenal work. So, I just put that plug in for those moms up there that financial literacy is a real big, real big deal for kids all ages. So, uh, thank you for taking that effort and doing that. My next question for you is what part does home ownership play in achieving racial equity? I know that's a loaded question, but it's such an important one so what part does home ownership play in this?

Lydia Pope: Well homeownership plays a huge part. Let me start with increasing opportunities for blacks. You know we talked earlier about the racial gap. We talk about the percentages, and we have to understand that the goal to wealth building is owning land. Land is the most precious item that's out there. Its bigger than anything. I tell people: you know, rather you spend your money on a pair of shoes or would you rather spend it on some land. That's very important. But also we want to increase and invest in our communities. What we're finding out as far as home ownership is that when you buy a home in the neighborhood, you increase the community that you're serving. You bring businesses one they want to flourish because the home ownership is growing. So you're increasing the businesses and what we would like to see is the community will expand. The more you move in and build community, the more businesses will come in and create this community that we so much want. That our children

can grow and go to school and talk to your neighbors and cut the grass, you know and just have conversations and be a part of the different civic engagements that are out there within your own city and community. But most importantly when it comes to homeownership and how it plays a role is generational wealth. You know, you have to start early, and we understand that our community is a solid force of the black homeownership rates, we're trying to bring that up, but it has a solid ground. And what we find that not everyone grew up having a parent that owned a home. Not everyone knew what homeownership is. They had never felt that they may have been renting their entire life. Well, let me remind you today that building community and wealth building starts today. If your parents didn't own a home, then guess what you own a home and you start that a generational well. And the more that we started from our youth growing up, guess what happens, homeownership becomes an intricate part of our daily routine because we enjoy, like I said, the walking the school the talking with neighbors and the equity building that is in your home, to sit in your backyard and say that you own this land. It's the most precious item in America. So as generational wealth begins to expand, our goal is, if your parents didn't own one guess what let's start today.

DeAndra J. Cullen: I like that, let's start today. Um, you talked earlier about the wealth gap. How can stakeholders in the housing industry or ecosystem stop the decline in black home ownership and increase home ownership opportunities for underserved communities?

Lydia Pope: Well, what we find out is a couple of things. Number one, the banks, the banks in the inner city, it's so important that we begin to have banks where people can walk to, where they can go in and look at folks like us so they'll have a good connection. What we find in the black community is a lot of the payday lenders, but very few banks. Another is the education in the community. We have large church groups, we have different um civic engagement groups. Fraternities, sororities that are part of the housing industry that can really, really be a great part of us building and having opportunities for the unserved. You know, the housing counseling agency as well plays a big part within the housing industry. What we find is that within our black community that we have so many different areas where we can have home buyer workshops in person and virtual. We can do a hybrid. And the goal is that in the housing industry our housing counselors are the educators. It doesn't cost anything to sit down. It's free of charge to sit down with the HUD-approved housing counselor to learn about your credit, to learn about your budget, to understand those steps to home ownership. And also supporting our local fair housing agencies to conduct more investigation, exposing those that are discriminating. You know, it's so important when you deal with fair housing. There's been a lot of issues around that, and this is something that hasn't went on, um, today has happened over the course of the years and centuries and decades. And so our goal is to stop the bleeding within the community, to hold them accountable for what they're doing. You know, our faith base and our civic engagement as I mentioned earlier are leaders that helps to educate their congregation about financial literacy and wealth building. So our goal is, as an association and as stakeholders of the community, it's so important that in order to create home ownership you got to have the banks in the community. You have to have the education. You have to have the housing counselor. You have to have your civic engagement, your churches, your community outreach, um, folks that will be there to help educate each and every one of us because what it's going to take, it's going to take someone to help someone in order to be able to increase black wealth.

DeAndra J. Cullen: I so appreciate that, when you say that you, you're focusing on the resources, bringing the resources to the community, educating the community, and making sure that they're able

to go to those trusted voices like the faith-based organizations in the community. So, I like the fact that your focus is still in the community and I appreciate your thoughts on that. So, we know that this past year has been a very difficult time, um, for this entire world. Not just this country, but for the entire world. And I'm speaking of the COVID-19 infection. What does NAREB plan to do to address housing insecurity post-COVID?

Lydia Pope: Well, NAREB has taken a huge step to support our policy makers and our legislators by preventing foreclosure during, after the pandemic. As we know, once the pandemic hit, everything froze. Jobs were lost, our folks within black community, they had difficulty paying their mortgages, paying their rent. Well, the policy makers and legislators have taken the, taken the step further to just not only have assistance for our renters and assistance for our homeowners, but we're hoping that they'll extend the time for them to recover. You know, one year in COVID is a lot of years of our black community being affected. It's going to take some time to recover. And extending that would allow our homeowners and our renters that want to become future homeowners to have the window to be able to, if they're not making their payments, and this is being an a modification process I would say for foreclosure it would help the homeowner build their savings, build that wealth, so that they can stay within the community and not lose their home. You know, also we would like to meet with our legislators and our policy makers to provide directions, suggestions from an organizational perspective. You know, NAREB is a black organization. You know, we've been around for over 74 years and our focus is serving the unserved and underserved. What better organization to work with side-by-side who understands the needs of our black community. In addition to that, our community days. You know, I talked earlier about our five pillars. So, to address this crisis, NAREB has taken us within our five pillars to talk and live and breathe it. We're educating the community. Community days, showing them about the wealth building, investing in real estate, understanding and teaching our youth, you know, how to understand financial literacy. You know, how to open up a bank account. These are things that NAREB has taken that position to address this. And lastly, collaborating with other organizations. You know, I understand, NAREB can't do everything by itself. It takes a team, you know like they say, it takes a family to raise a child. Well, it takes a team to be able to grow and change the wealth of black Americans within our community. So, collaborations play a huge part within our organization. And we are working to collaborate with other organizations just so that we can, again, that racial gap – our goal is to make sure we bring that a little bit higher than the 40 to 41.5 percent.

DeAndra J. Cullen: Absolutely – have a mission in trying to obtain a goal. And also, you know, just the whole concept of really taking that entire village as you mentioned and bringing everyone together, having those voices from the community at the table where these policies and decisions are being made. So, I thank you for your thought on that, as well. In this current climate, why is advancing racial equity in housing more important now than ever?

Lydia Pope: You know, I say why not, you know. It took a George Floyd, a new administration, and stakeholders to make some noise. So why not. You know, I talked earlier about the different racial gaps – from 35 percent to 45.1. These percentage haven't changed a lot over the years, over the 53 plus years. We're still here, and so we have to begin to now make some noise. And I think their voices are being heard more ever than before. But it took some of our predecessors, took those that have made the way and paved the way and talked about black home ownership. But it also took a George Floyd and, like I said earlier, a new administration to understand the need of the black Americans. And what's so important is our home ownership, you know, once we find out that average black family has 10

percent of wealth than the average white family, that's a very low number. And so we hear all these percentages, but we have work to do. We have to stop the bleeding or will affect the millennials and the generation Z that want to understand about home ownership. So this is the right time right now. So all of us need to collaborate to work together so that the millennials and the generation Z doesn't have the effect that many of us have had in the past.

DeAndra J. Cullen: Lydia, thank you for that. I have just one thing I wanted to ask. You talked a lot about your five pillars. Is there a place, maybe your website, where someone who's watching this episode could go to really look at your five pillars? Um, do you have your website that you might be able to share with us?

Lydia Pope: Absolutely. You can go on the www.nareb.com and you will find our five pillars and all the information you need to see exactly what NAREB is doing and the great work that we're doing.

DeAndra J. Cullen: Thank you for that. Um, I didn't want a moment to pass where I didn't actually ask that information, because I'm sure we're going to get emails and calls for, uh, your website. So, thank you for sharing that. What do you see as HUD's role in advancing this administration's priority in addressing racial discrimination in the housing market?

Lydia Pope: Well, first I would say is partner in collaborating with NAREB. We call ourselves the realist. We have been around since 1947. What better organization that is a black organization that focuses on black homeownership, where black folks that live in the black community. We lived and breathed, many of us, over the course of the years, so why not collaborate with an organization such as us. Our state of housing in black America tells you all the numbers, all the statistics, it lets you know what our directions are, what our policies are. In addition to that, we would like for HUD, as far as role in advancing, creating programs that would enable blacks to purchase homes. You know, the reduction of MI requirements for FH borrowers, the expanding of the rehab loans, there are so many different avenues that we can touch on. But the goal is making sure that we have access to capital, which creates and increases new homeowners. It increases the jobs, it increases opportunities, and also when you do a 203K or rehab loan, it increases the minority owned construction businesses that's, well, right in the heart of the community.

DeAndra J. Cullen: Wow, in the heart of the community. How can HUD and other stakeholders in the housing industry work together to root out discrimination in the appraisal and home buying process? What can we do together?

Lydia Pope: Together we can enforce the federal housing policies and laws when it comes to the racial biases. We can also create a more diverse appraisal workforce through diversity and inclusion. There's a low percentage of blacks that are appraisal with America, we have to change that. When we talk about home ownership and the gap, there's a huge gap in the appraisal business, so our goal is hoping that within the national appraisers that there will be some type of diversity and education classes that would just, not only teach about the racial biases, appraising, and educate those that are currently appraisers, but also open up new opportunities for black appraisers to get into the business so they too can be a part of this solution not part of the problem. And then, again, offering more programs for training. You know, a lot of the schooling are so expensive today, so we can have scholarships for um those that are interested in appraising again just so that they can have that opportunity to be able to be an appraiser. There are some young folks coming out of college, we talk about the generation Z and the millennials as

this large group that's going to override the baby boomers. Well, guess what, I'm sure a large percentage of them would love to go into the field of appraising. So, the education and training is so vital.

DeAndra J. Cullen: Good information. I have to share that with my 28-year-old and my 25-year-old who are still trying to figure their lives out. So thank you for that advice. I'll definitely share that with them. What advice would you give HUD to improve our engagement with underserved communities?

Lydia Pope: You know, I would say that I would love for HUD to meet the elected city officials. You know, when you talk about your mayors and your council people of the ward, it's going to take a large village to educate the city. Well, who better knows their city than the elected officials. You know, talking with them, educating them so they can pour that information into their community and to the ones that are looking to buy homes and those that are at their homes right now and need assistance. So, the elected officials is one of the hugest part, I would say HUD to reach out to, and even have a type of webinar or training for them, so they would know how to articulate that information to the community that they're serving. Also working with our local realtors chapter. NAREB has about 80 chapters around the country, majority of them are in urban communities, so we're teaching, we're talking about the home ownership, we're right in the heart of the grassroots. And so working with our local realtors chapter and place a big huge role within NAREB and also within HUD as well, because now you have someone that's a voice for them, that's educating them about homeownership and about the need of owning land. Then our local housing agencies, you know, they're HUD-approved. I mentioned earlier, you know, free of charge doesn't cost anything to sit down and to understand. Well, again, I'm so happy that HUD has funding a lot of the housing counseling agencies that are HUD-approved, increasing those numbers so they can expand their workforce and be able to educate more consumers within the community. So, HUD is doing some great things and working with the city officials would be one thing. Working within our local chapter presidents, and the continuation of the HUD housing counseling agencies.

DeAndra J. Cullen: Awesome, awesome. And thank you so much for, uh, sharing that because it's a very important area for us to really think about how we engage our nonprofits and our grassroots and those civil rights advocacy groups that are really helping us move this charge forward. So, thank you for that. Madam President, I want to thank you for your advocacy and partnership. NAREB clearly is doing an amazing job making sure black home ownership is a real possibility in this country. We want to thank you for your efforts both personally and professionally. It is so encouraging to all of us to know that we have people like yourself committed to reducing the racial disparities in home ownership in underserved communities. Do you have any final thoughts for the audience at this time?

Lydia Pope: I do. You know, my thoughts to the audience, I would say, is only land is the most precious item in America. You know, if you didn't have parents that own land, you start that generation, you'll be the first in your family. You'll be the first to say that I own a home and allow that generation to move on from generation to generation to generation. Those that are currently homeowners, pass that on to your children and your children's children, understanding that this is the most highest legacy of wealth is home ownership.

DeAndra J. Cullen: Well, you've heard it, audience. For those of you all, no matter what your age, whatever your interests are, home ownership is critical and it's so important. Thank you so much for talking with us today Madam President and outlining NAREB's building black wealth initiatives. Be sure

to tune in to our next table talk on July 14th when we will chat with Dr. Tully Elliott and Dr. Edward Miller on the inequities in healthcare and its impact on housing stability. Until then, take care everyone. Bye-bye.