

**Latino Focus Group
Feedback on Operation HOME Priorities
December 17, 2007**

Participants:

Pietro Ferrari, Executive Director, Hacienda CDC	Omar Martinez, Homeownership Manager, Hacienda CDC
Joseph Portillo, Residential Mortgage Loan Officer, Umpqua Bank Mortgage	James Parsley, Sales Manager, Bank of America
Cristina Calderon, Realtor, RE/Max Signature Properties	Benjamin M. Joseph, Broker, Hasson Company Realtors
Fernando A. Velez, Consumer Information Specialist, Oregon DCBS	Ronald J. Salgado, Vice President, Bank of America
Veronica Bucio, Home Buying Specialist, Portland Housing Center	Itzel Spehar, Community Homeownership Trainer, Portland Housing Center
Veronica Castillo, Residential Mortgage Loan Officer, Bank of America	Dory Van Bockel, Secretary, Latino Home Initiative
Maabi J. Munoz, Mortgage Loan Consultant, Mortgage Only Inc,	Usrula Rojas Weiser, IME Coordinator, Mexican Consulate
Guest: Art Hendricks, PDC	Facilitator: Cathey Briggs

Pietro Ferrari, Executive Director, Hacienda CDC, welcomed participants and introduced Art Hendricks, PDC, and Cathey Briggs, facilitator.

Art Hendricks provided background on Operation HOME, the goal of which is to close the minority homeownership gap. He reported that a steering group and a number of committees have been working on developing goals and strategies to close the gap. One committee on Housing Supply has not completed its report because of ongoing discussion about preferred strategies, but a Priority (“to increase the supply of affordable housing for first time homebuyers”) is included. The Operation HOME Steering Committee has invited feedback from different interest groups to ensure an inclusive and comprehensive product.

He indicated that the goal of the program is to increase Homeownership among Latinos by 3000 new homebuyers by 2015.

Art responded to questions from participants to clarify both the process and the substance of the recommendations. In particular he asked this group to give feedback on both priorities and strategies from the perspective of Latino potential homebuyers.

After reviewing the draft documents, Cathey asked if there were any priorities that were missing. One priority was suggested: “Educate undocumented potential homebuyers about the risks and implications of homeownership.” Even though the group acknowledged that this was a sensitive issue, they felt that it was important to include it

because it is a specific issue unique to the Latino community. Homeownership counselors indicated that they often meet with families where there are both documented and undocumented family members. The group also indicated that undocumented people can be particularly vulnerable to predatory lenders. Cathey gave the 12 voting participants 6 dots and asked them to vote on their priorities (only one dot per priority). What follows are the priorities reranked with one additional priority.

Priorities as Ranked by Focus Group on Latino Homeownership:

- Priority 1 Develop a multi-targeted **outreach and education** plan to increase financial literacy and provide quality, culturally specific homebuyer education that meets national standards. (12 votes)
- Priority 2 Expand the availability of, and increase funding for, **first-time homebuyer financial tools**. (10 votes)
- Priority 3 **Increase the stock** of affordable ownership housing in Portland. (9 votes)
- Priority 4 Develop Operation HOME's capacity to **influence homeownership policy** legislation and resource allocation at the local, state and national levels. (8 votes)
- Priority 5 (tie) Create a **community awareness campaign** to build consumer confidence within each community of color and promote homeownership as a desirable and achievable opportunity. (7 votes)
- Priority 5 (tie) NEW:** Education of undocumented potential homebuyers on the risks and implications associated. (7 votes)
- Priority 6 Create a comprehensive City of Portland **foreclosure prevention** program that is effectively linked with pre-purchase education systems, but also provides post-purchase assistance and tools. (6 votes)
- Priority 7 (tie) **Diversify Portland's real estate and finance workforce** at all levels and in all disciplines. (5 votes)
- Priority 7 (tie) Advance the concept of **Employer Assisted Housing** (EAH) as being in the self-interest of business leaders in Portland. (5 votes)
- Priority 8 Create an **Operation HOME clearinghouse** of homeownership information that consumers and industry professionals can access directly or through partner organizations. Include on-line tools to help people learn more about homeownership. (2 votes)
- Priority 9 Create an organizational and professional **Operation HOME certification program** that leverages existing industry education

systems and focuses on cultural competency, and affordable lending resources and techniques. (1 vote)

Participants provided additional feedback on why they voted the way they did:

If the supply of affordable housing is not increased, more resources and more subsidies will be needed to close the gap. Strategies have to recognize the economic principle of supply and demand

Some of the listed priorities seem more like strategies, e.g. Operation HOME Clearinghouse and Operation HOME Certification.

Undocumented Latinos are at risk of predatory lending. Even though it is a sensitive issue, there needs to be recognition of the reality inherent. There is also a lack of data about the real gap in homeownership because of the undocumented population.

Parking Lot Issues: The following comments were raised as advice and feedback on priorities and strategies:

There were questions of semantics – some priorities could be portrayed as strategies.

Whatever priorities and strategies are adopted, it is important that there not be a “1-size fits all” approach, not just between different minority groups, but among minority groups. The point was made that outreach to the Latino community is challenging because of the geographic spread and the diversity within the community. No one community group speaks for all Latinos. Ensure that there is room for more than entity or agency charged with outreach.

Significant additional resources will be needed to implement this program – is that the intention that the new resources are public or private resources?

Regarding the discussion about the role of homeownership in wealth creation there was a diversity of opinion. Some felt that there should be no restrictions on homeownership subsidies: no income limits and no recapture. Others felt that without restrictions, high income households would take advantage of the limited resources. There was also a comment that the recent housing downturn has exposed the problem of unrestricted sub prime lending.

Education about options is important. A case in point was made by one participant that FHA loans could have served 60% of the sub prime market had buyers been aware of that option.

Mortgage brokers are a big sector of the real estate industry. The question was raised as to whether they are educated about the loan products available. There is a perception that mortgage brokers are not regulated and are part of the problem.