

# SUMMARY OF ISSUES

## BARRIERS TO HISPANIC HOMEOWNERSHIP

### LANGUAGE BARRIERS

**33%** of the Hispanic population in the U.S. are immigrants and their first language is Spanish. These Hispanic Americans are underserved and underrepresented, as vital documents such as prerequisite explanations, loan applications, appraisal documents and closing contracts are rarely presented in Spanish. Over **12.3 million** Hispanic Americans aged 38-53 in the U.S. need help navigating the homebuying process in their own language. [Source: NAHREP](#)



### ACCESS TO CREDIT

Hispanic Americans are denied mortgages and loans at a disproportionate rate. **16.1%** of all mortgage applications in 2020 were denied; of those denials, Hispanic borrowers had the second highest denial rate of **21.9%**, nearly double the denial rate of White applicants. Hispanic homebuyers are forced to settle for worse rates and higher payments, further blocking financial wellness for Hispanic Americans even if they are able to purchase a home. [Source: Home Mortgage Disclosure](#)



### OVERUTILIZATION OF FHA LOANS

Hispanic homebuyers are twice as likely to use **Federal Housing Administration (FHA)** loans to finance a home than white buyers. While these loans make homeownership possible for minorities and low-income Americans, FHA Loans come with their own caveats and needs that may lead to discrimination towards FHA borrowers from both homesellers and mortgage lenders.



### ACCESS TO DPA PROGRAMS

Hispanic loan denial rates confirms the presence of racial discrimination in mortgage lending. Traditional mortgage denial metrics are flawed because they don't subjectively control for the creditworthiness of diverse applicants. These systemic discriminations lead to the necessity for **Down Payment Programs (DPA)** that evaluate the life and finances of Hispanic Americans, to make homeownership possible for more Hispanic Americans.

