Financial Innovations for Homeownership in Distressed Communities

Setting the Context
About us

Center for Community Progress

• The national nonprofit focused on building a future in which entrenched, systemic blight and vacancy no longer exist.

• Serve communities through technical assistance, education and training, policy, and research. Focus on systems-level change.

• Snapshot of our work: In 2015, fielded 250 technical assistance inquiries, supported policy and programmatic change in dozens of communities and states, reached 5,500 through trainings & presentations, distributed 1000s of publications
Local innovators:

Kirk Mills, CFA, President,  
St. Louis Community Credit Union

Suzanne C. Hough, Vice President - Community Development,  
Carrolton Bank

Colleen Schwarz, Vice President of Affordable Housing,  
Community Reinvestment Fund, USA
Setting the Context: The impact of the foreclosure crisis on neighborhoods and access to mortgages
Detroit’s dramatic population decline and mortgage foreclosure crisis

Source: Google Street View, Goobingdetroit.com
Setting the Context: A pattern that began before the foreclosure crisis
St. Louis, Home Owner’s Loan Corporation Map, 1937
Setting the Context:
Redlining in its latest incarnation
New Era of Redlining

Redlining that relies on appraisals and underwriting anchored in the decimation of values and equity in communities of color

From 2006-2012 – Metro region mortgages originations fell 79% for African American applicants. By comparison, mortgage originations dropped only 11% for white applicants. (Urban Institute, 2014)
Decline in FHA loans

United States

- 2009: 53%
- 2010: 54%
- 2011: 58%
- 2012: 62%
- 2013: 68%

City of Detroit

- 2009: 49%
- 2010: 29%
- 2011: 37%
- 2012: 51%
- 2013: 64%

Source: Zillow analysis of Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) data, 2009-2013