

# Webinar

## ULI Philadelphia: Forum on Black and Brown Homeownership (Day 1)

Date: February 16, 2022

00:00:05 --> 00:00:08: Good morning and thank you everyone for joining us today  
 00:00:08 --> 00:00:12: for the UI Philadelphia and the Development Workshops Forum on  
 00:00:12 --> 00:00:13: Black and Brown homeownership.  
 00:00:13 --> 00:00:16: Before we get started, I just wanted to take a  
 00:00:16 --> 00:00:20: second to go through some quick housekeeping items on today's  
 00:00:20 --> 00:00:23: call will ask everyone in attendance to leave themselves on  
 00:00:24 --> 00:00:27: mute to ensure that our panelists remain front and center  
 00:00:27 --> 00:00:31: and the audio quality remains strong so everyone can hear it correctly and properly.  
 00:00:31 --> 00:00:33: Will also ask everyone to submit their questions through the  
 00:00:33 --> 00:00:37: chat function of of zoom,  
 00:00:37 --> 00:00:38: so feel free to submit your questions throughout today's  
 00:00:38 --> 00:00:43: program  
 00:00:43 --> 00:00:43: and will.  
 00:00:43 --> 00:00:48: We'll have some time for moderated Q&A at the end.  
 00:00:48 --> 00:00:51: And we'll try to get to as many questions as  
 00:00:51 --> 00:00:52: we possibly can.  
 00:00:52 --> 00:00:53: For anyone on the call who I don't know,  
 00:00:53 --> 00:00:54: my name is Kevin Moran.  
 00:00:54 --> 00:00:58: I'm a director here at ULI Philadelphia and it's my  
 00:00:58 --> 00:01:03: pleasure to to welcome everyone today to today's conversation.  
 00:01:03 --> 00:01:05: Just as some quick background about you all,  
 00:01:05 --> 00:01:07: I Philadelphia the mission of your life.  
 00:01:07 --> 00:01:10: Philadelphia is the shape, the future of the built environment  
 00:01:10 --> 00:01:13: for transformative impact in communities worldwide.  
 00:01:13 --> 00:01:16: We really do this through a few different mission commitment  
 00:01:16 --> 00:01:16: areas,

00:01:16 --> 00:01:20: including connecting diverse sets of practitioners,  
00:01:20 --> 00:01:24: inspiring best practices in the industries of real estate and  
00:01:24 --> 00:01:24: land use,  
00:01:24 --> 00:01:28: and really taking a leading role in helping to solve  
00:01:28 --> 00:01:29: real estate.  
00:01:29 --> 00:01:32: Land use challenges in communities.  
00:01:32 --> 00:01:35: Uli is a global organization of interdisciplinary real estate.  
00:01:35 --> 00:01:39: Land use practitioners really ranging in professions from  
architects to  
00:01:39 --> 00:01:40: designers,  
00:01:40 --> 00:01:44: developers, lenders, both from the private sector and public  
sector  
00:01:44 --> 00:01:47: is really anyone who touches the land use process has  
00:01:47 --> 00:01:48: has a place.  
00:01:48 --> 00:01:52: But then you'll, I globally we're about 45 thousand members  
00:01:52 --> 00:01:56: worldwide and we have about 900 members in the  
Philadelphia  
00:01:56 --> 00:01:57: region,  
00:01:57 --> 00:01:59: which includes the Greater Philadelphia Metro,  
00:01:59 --> 00:02:02: Central Pennsylvania, Delaware at the Lehigh Valley.  
00:02:02 --> 00:02:05: That's not gonna be jersey as an organization.  
00:02:05 --> 00:02:07: We're really a member driven organization.  
00:02:07 --> 00:02:11: We have over 20 different committees and councils that  
really  
00:02:11 --> 00:02:14: drive all of the programming and conversations that we have  
00:02:15 --> 00:02:16: as an organization.  
00:02:16 --> 00:02:19: In fact, today's conversation is a really great example of  
00:02:19 --> 00:02:22: that where we have Members from our small scale and  
00:02:22 --> 00:02:25: impact Development Council or Housing Council,  
00:02:25 --> 00:02:27: our community and Economic Development Council,  
00:02:27 --> 00:02:29: as well as I as well as our diversity,  
00:02:29 --> 00:02:34: equity and Inclusion Advisory advisory group all sort of  
helping  
00:02:34 --> 00:02:34: to.  
00:02:34 --> 00:02:39: Frame today's conversation and and put together the content  
for  
00:02:39 --> 00:02:41: for today's for today's discussion.  
00:02:43 --> 00:02:46: So before we jump into the program formally,  
00:02:46 --> 00:02:48: I do want to take a moment just to recognize  
00:02:48 --> 00:02:49: you alive.  
00:02:49 --> 00:02:53: Philadelphia's annual sponsors. Without their support.  
00:02:53 --> 00:02:55: None of these conversations would really be possible,  
00:02:55 --> 00:02:57: so I want to take a moment to thank our

00:02:57 --> 00:02:58: urban visionary sponsors.

00:03:00 --> 00:03:03: Our diamond leadership circle and platinum sponsors.

00:03:06 --> 00:03:10: As well as our silver and friends sponsors.

00:03:10 --> 00:03:13: And then I also want to take a moment to

00:03:13 --> 00:03:18: thank specifically our event sponsors for today's conversation.

00:03:18 --> 00:03:22: For really making today's conversation possible and also to be

00:03:22 --> 00:03:27: able to make the recording of today's conversation available for

00:03:27 --> 00:03:27: free,

00:03:27 --> 00:03:31: following usually in about 2 weeks after today's program so

00:03:31 --> 00:03:32: that we can.

00:03:32 --> 00:03:34: We can really reach a wider audience.

00:03:34 --> 00:03:38: So to that end, I want to thank Shift Capital

00:03:38 --> 00:03:40: and Councilmember Alan Dow.

00:03:40 --> 00:03:43: With that I'm happy to pass things over to our

00:03:43 --> 00:03:45: Co host for today's discussion.

00:03:45 --> 00:03:48: David Feldman, who's the executive director of the Development Workshop.

00:03:50 --> 00:03:53: Thank you as well. We're going to thank Laura Slutsky

00:03:53 --> 00:03:55: Annually for so enthusiastically.

00:03:55 --> 00:03:59: Joining with the Development Workshop to quickly come together to

00:03:59 --> 00:04:00: plan this event.

00:04:00 --> 00:04:03: Looking at solutions to the serious decline in black and

00:04:03 --> 00:04:08: brown homeownership since the especially since the financial crisis from

00:04:08 --> 00:04:12: levels that were already deeply below that of white homeownership

00:04:12 --> 00:04:16: around Thanksgiving. Charles Lomax, a member of the development workshop,

00:04:16 --> 00:04:19: Laura Slutsky, and I, we're at a forum on housing

00:04:19 --> 00:04:20: affordability in general.

00:04:20 --> 00:04:25: And discussed having a separate event specifically addressing black homeownership,

00:04:25 --> 00:04:28: Laura reached out to local councils at ULI.

00:04:28 --> 00:04:32: And as Kevin mentioned, four separate UI councils quickly came

00:04:32 --> 00:04:35: on board along with the development workshops,

00:04:35 --> 00:04:38: diversity, equity and Inclusion Committee to plan the event that

00:04:38 --> 00:04:39: we're attending today.

00:04:39 --> 00:04:43: And on Friday. We're very thankful for our panelists who

00:04:43 --> 00:04:43: joined us.

00:04:43 --> 00:04:46: Also on short notice to share the work that they

00:04:46 --> 00:04:49: are doing in this space to an acknowledgement of the

00:04:49 --> 00:04:51: importance of home ownership.

00:04:51 --> 00:04:55: To build and to maintain generational wealth across black

00:04:55 --> 00:04:58: and brown families on behalf of the development workshop.

00:04:58 --> 00:05:01: I'm glad that a broader audience will also understand the

00:05:01 --> 00:05:03: role of the workshop as a think tank and a

00:05:03 --> 00:05:07: policy organization comprised of a broad spectrum of

00:05:07 --> 00:05:10: participants in

00:05:10 --> 00:05:12: the overall development space in Philadelphia.

00:05:12 --> 00:05:16: Our membership includes developers, many more,

00:05:16 --> 00:05:20: including planners, architects, finance and title companies.

00:05:20 --> 00:05:24: Title companies like the other David Feldman.

00:05:24 --> 00:05:25: Law firms, economists and anchor institutions including

00:05:25 --> 00:05:29: healthcare systems and

00:05:29 --> 00:05:33: universities.

00:05:33 --> 00:05:35: We examine the intersection of the city and its residents,

00:05:35 --> 00:05:39: economic health, and the health of the development

00:05:39 --> 00:05:42: environment which

00:05:42 --> 00:05:45: includes concern for increasing jobs,

00:05:45 --> 00:05:47: expanding diversity and equity, and improving education.

00:05:47 --> 00:05:50: The workshop is proud that its membership arguably

00:05:50 --> 00:05:52: represents the

00:05:52 --> 00:05:55: most diverse membership of any organization in the real

00:05:55 --> 00:05:59: estate

00:05:59 --> 00:06:03: and development space in the region.

00:06:03 --> 00:06:07: Most of all, I want to thank and acknowledge Octavia

00:06:07 --> 00:06:10: how of the Pew Charitable Trust,

00:06:10 --> 00:06:14: Philadelphia Policy and Research Institute initiative.

00:06:14 --> 00:06:18: Sorry for stepping up to moderate both sessions this week.

00:06:18 --> 00:06:19: Pews, Philadelphia policy and research initiative has been

00:06:19 --> 00:06:23: incredibly important.

00:06:23 --> 00:06:27: Examining a range of housing issues to provide the

00:06:27 --> 00:06:31: information

00:06:31 --> 00:06:35: necessary to actually address disparities and inequities,

00:06:35 --> 00:06:39: they pointed out that the client in homeownership described

00:06:39 --> 00:06:43: who

00:06:43 --> 00:06:47: Philadelphia landlords are and what profile of landlords serve

00:06:47 --> 00:06:51: which

00:06:51 --> 00:06:55: profile of tenants.

00:06:55 --> 00:06:59: Quantified the extent of the tangled title issue and already

00:06:59 --> 00:07:03: analyzed responses to how the pandemic has impacted

housing stresses  
in Philadelphia.  
We're thrilled to have Octavia how with us today and  
Friday to moderate and engage our experience panels to  
address  
solutions to the issues in this forum.  
Octavia manages the housing research portfolio for pews  
research and  
policy initiative,  
and in this role, she develops research products that explore  
the impact of poverty and local economic trends on the  
availability,  
affordability and quality of housing in the city.  
Before joining view, Octavia Hill worked for the Philadelphia  
City  
Planning Commission,  
where she facilitated the development of citywide and  
neighborhood comprehensive  
plans and examined local land use and housing conditions  
using  
geospatial analysis.  
So thank you again Octavia,  
for agreeing to serve as a moderator for these two  
discussions this week.  
Thanks and thanks to Kevin to both of you for  
for inviting me.  
It's really. Really a pleasure to be able to participate  
in this conversation and really to be engaging with the  
panels that you have here.  
I'm looking really looking forward to the conversation and the  
conversation that we're going to have on Friday.  
Let's go ahead and hop in.  
So what's the challenge here?  
What do we? What are we trying to to discuss  
and really solve for?  
And in Philadelphia and in this conversation?  
So doing part to the cities low housing costs.  
Homeownership has been attainable for black households in  
the city.  
As a result, the city Philadelphia has the highest rate  
of black homeownership among the 50 largest cities in the  
country.  
That rate was 48% in 2019.

00:07:59 --> 00:08:02: So when it comes to the gap in homeownership between  
00:08:02 --> 00:08:04: black and white households in this in Philadelphia,  
00:08:04 --> 00:08:07: the city is faring a bit better than other parts  
00:08:07 --> 00:08:08: of the country.  
00:08:08 --> 00:08:10: But this is a fragile state.  
00:08:10 --> 00:08:13: Recent research from the Federal Philadelphia Federal  
Reserve Bank.  
00:08:13 --> 00:08:16: Indicate that there's been very little change in that gap  
00:08:16 --> 00:08:17: over several decades.  
00:08:17 --> 00:08:19: Instead, as home prices rise,  
00:08:19 --> 00:08:23: homeownership is increasingly out of reach for Philadelphia  
households,  
00:08:23 --> 00:08:25: but particularly for its black residents,  
00:08:25 --> 00:08:28: giving that the median household income for Black  
Philadelphians was  
00:08:28 --> 00:08:29: 52%  
00:08:29 --> 00:08:32: of that for white Philadelphians.  
00:08:32 --> 00:08:36: Beyond this, many existing homeowners face challenges that  
threaten their  
00:08:36 --> 00:08:38: continued home ownership.  
00:08:38 --> 00:08:40: Let's talk a bit about more about about the front  
00:08:41 --> 00:08:42: end of this challenge.  
00:08:42 --> 00:08:44: Getting into a home, as most of you at this  
00:08:44 --> 00:08:45: event are aware,  
00:08:45 --> 00:08:48: Philadelphia seen a pretty big shift in its housing market  
00:08:48 --> 00:08:51: over the past decade or two in the past ten  
00:08:51 --> 00:08:51: years,  
00:08:51 --> 00:08:54: the median household price doubled,  
00:08:54 --> 00:08:57: or home home price doubled to nearly two to more  
00:08:57 --> 00:08:59: than \$204,000 in 2020.  
00:08:59 --> 00:09:02: Going back a little bit further to 2000,  
00:09:02 --> 00:09:04: before the city began to grow again,  
00:09:04 --> 00:09:06: the median home price was \$80,000.  
00:09:07 --> 00:09:10: At the same time, it's been increasingly difficult across the  
00:09:10 --> 00:09:10: country,  
00:09:10 --> 00:09:14: not just in Philadelphia for to obtain small mortgages for  
00:09:15 --> 00:09:18: the low cost homes that do remain high fixed costs,  
00:09:18 --> 00:09:22: and a system that ties lenders compensation to loan size,  
00:09:22 --> 00:09:25: have made smaller mortgages less profitable than larger  
ones.  
00:09:25 --> 00:09:29: For banks, credit unions, and other traditional mortgage  
mortgage lenders  
00:09:29 --> 00:09:30: as a result.

00:09:30 --> 00:09:32: Homeownership is out of reach for many households,  
00:09:32 --> 00:09:35: while others seek risky alternative pathways to  
homeownership.

00:09:35 --> 00:09:39: For example, rent to own agreements.

00:09:39 --> 00:09:43: In the meantime, those who can afford to pay cash  
00:09:43 --> 00:09:46: make up an increasing share of low cost homebuyers in  
00:09:46 --> 00:09:47: the city.

00:09:47 --> 00:09:51: But for now, Philadelphia remains more affordable than most  
other  
00:09:51 --> 00:09:51: cities.

00:09:51 --> 00:09:55: At \$1243 a month, the median cost of mortgage properties  
00:09:55 --> 00:10:00: in Philadelphia is the lowest among the nation's most  
populous  
00:10:00 --> 00:10:03: cities and below average for the for the nations large,  
00:10:03 --> 00:10:09: high poverty cities reflecting the city's longstanding reputation  
for affordability.

00:10:09 --> 00:10:12: And home ownership in the city remains one of the  
00:10:12 --> 00:10:15: best ways to avoid cost burden in the city.

00:10:15 --> 00:10:18: 28% of homeowners in Philadelphia were spending 30%  
00:10:18 --> 00:10:21: of their more more of their incomes on housing much  
00:10:21 --> 00:10:22: lower than the 54%  
00:10:22 --> 00:10:25: rent that renters pay. 50 excuse me.

00:10:25 --> 00:10:29: 54% of renters that are struggling to make ends meet  
00:10:29 --> 00:10:31: in terms of housing costs.

00:10:31 --> 00:10:36: Not surprisingly, being cost burden is least common among  
Philadelphia  
00:10:36 --> 00:10:38: households that not only own their homes,  
00:10:38 --> 00:10:40: but own their homes free and clear,  
00:10:40 --> 00:10:43: meaning they don't have a mortgage to pay.

00:10:43 --> 00:10:47: But the number of low and moderate income homeowners  
who  
00:10:47 --> 00:10:51: are mortgage free has declined in the past decade.

00:10:51 --> 00:10:55: 40% of owners in the city are about 130,000 homeowners  
00:10:55 --> 00:10:59: in the city own their properties outright in that status.

00:10:59 --> 00:11:04: From 2018, the median household expense for those units  
with  
00:11:05 --> 00:11:07: with no mortgage is \$448.00.

00:11:07 --> 00:11:11: The largest share of you know mortgage free households are  
00:11:11 --> 00:11:14: spending 250 to \$500 a month.

00:11:14 --> 00:11:16: But some are really struggling with home repair and this  
00:11:16 --> 00:11:18: applies not just to those who have who own their  
00:11:18 --> 00:11:19: properties free and clear,  
00:11:19 --> 00:11:22: but but many homeowners and those who have lower  
incomes

00:11:22 --> 00:11:26: are struggling to make sure that their properties remain habitable,

00:11:26 --> 00:11:28: that they're not that they're able to fix that leaky

00:11:28 --> 00:11:30: roof that they're able to take care of.

00:11:30 --> 00:11:34: You know, their their basic systems and and upgrade their

00:11:34 --> 00:11:36: properties so they can be livable,

00:11:36 --> 00:11:42: comfortable, and safe. Until those in reality,

00:11:42 --> 00:11:46: when hospitals are not able to make those repairs or

00:11:46 --> 00:11:49: gain funds to do to make those repairs in the

00:11:49 --> 00:11:50: worst cases,

00:11:50 --> 00:11:52: it can lead to the loss of a home.

00:11:52 --> 00:11:54: Many of the cities in low income neighborhoods,

00:11:54 --> 00:11:58: often primarily black neighborhoods. I'm free and clear homes are

00:11:58 --> 00:12:01: the primary mode of home ownership in North Philly.

00:12:01 --> 00:12:03: For example, we're home overall,

00:12:03 --> 00:12:07: homeownership is low mortgage, free homes represent 52%,

00:12:07 --> 00:12:10: so more than half of all owner occupied properties.

00:12:10 --> 00:12:13: A high higher share than in any other part of

00:12:13 --> 00:12:14: the city.

00:12:14 --> 00:12:16: And what's interesting, there is that one of in four

00:12:16 --> 00:12:19: of those of the city's free and clear homes are

00:12:19 --> 00:12:20: low cost homes.

00:12:20 --> 00:12:23: They're estimated by their owners to have a market value

00:12:23 --> 00:12:24: of \$70,000 or less.

00:12:24 --> 00:12:29: So those units are an important source of affordable housing

00:12:29 --> 00:12:30: for Philadelphia,

00:12:30 --> 00:12:33: but the homes are of little value to households looking

00:12:33 --> 00:12:36: for a place to live unless they can acquire home

00:12:36 --> 00:12:40: through inheritance can purchase it without taking out a loan

00:12:40 --> 00:12:43: or able to find a small mortgage and compete with

00:12:43 --> 00:12:45: cash buyers in the market.

00:12:45 --> 00:12:48: Some of the homes are passed down informally without a

00:12:48 --> 00:12:49: recorded deed,

00:12:49 --> 00:12:52: meaning there the end up with a tangled title in

00:12:52 --> 00:12:55: this practice creates lots of problems on its own,

00:12:55 --> 00:12:56: kind of doubling back to that.

00:12:56 --> 00:12:58: That issue of home repair.

00:12:58 --> 00:13:00: Do you have a tangled title you're not able to

00:13:00 --> 00:13:02: take out a loan you may not even be eligible

00:13:02 --> 00:13:03: for programs.

00:13:03 --> 00:13:07: Some programs that exist to to do home repairs.



00:13:07 --> 00:13:11: Pew estimates that more than 10,000 homes,  
 00:13:11 --> 00:13:15: 10,400 homes in the city have tangled titles representing.  
 00:13:15 --> 00:13:19: \$1.1 billion I'd like to pause there 'cause the big  
 00:13:19 --> 00:13:19: number,  
 00:13:19 --> 00:13:24: but \$1.1 billion in wealth is inaccessible to heirs.  
 00:13:24 --> 00:13:27: This issue is a particular concern for the city's black  
 00:13:27 --> 00:13:28: residents.  
 00:13:28 --> 00:13:31: The tracks with the highest rates of tangled titles are  
 00:13:31 --> 00:13:35: those in which black residents constitute the largest  
 00:13:35 --> 00:13:35: percentage of  
 00:13:35 --> 00:13:38: population.  
 00:13:35 --> 00:13:38: On Friday, we'll focus on Tangled titles and some of  
 00:13:38 --> 00:13:42: the other factors that are threatening homeowners ability to  
 00:13:42 --> 00:13:44: stay  
 00:13:42 --> 00:13:44: in the homes that they have acquired.  
 00:13:44 --> 00:13:47: But today we're going to focus on getting folks into  
 00:13:47 --> 00:13:50: homes in the 1st place and talk about solutions that  
 00:13:50 --> 00:13:54: these organizations have have been working with and that  
 00:13:54 --> 00:13:57: ideas  
 00:13:54 --> 00:13:57: on how we can. Tackle this problem head on.  
 00:13:57 --> 00:14:00: So to do that we have a panel that is  
 00:14:00 --> 00:14:04: that really is stems from different spaces in the in  
 00:14:05 --> 00:14:05: the home.  
 00:14:05 --> 00:14:07: The process of of home ownership.  
 00:14:07 --> 00:14:12: So we have Lisa blow from Chi Baltimore Rob Heironimus  
 00:14:12 --> 00:14:13: from Bolton Bake.  
 00:14:13 --> 00:14:17: Dave Thomas from pH DC and Sharisa win from Compass  
 00:14:17 --> 00:14:18: Real estate.  
 00:14:22 --> 00:14:24: So go ahead and get us started in the conversation.  
 00:14:24 --> 00:14:26: I just want to have you guys kind of go  
 00:14:26 --> 00:14:30: through and tell us what is your organization's role in  
 00:14:30 --> 00:14:32: the purchase home purchase process.  
 00:14:32 --> 00:14:35: Are you seeing a racial gap in in your home  
 00:14:35 --> 00:14:38: ownership gap in your work?  
 00:14:38 --> 00:14:41: I think we can. I think I'd like to start  
 00:14:41 --> 00:14:43: with Lisa if that's alright.  
 00:14:43 --> 00:14:43: Sure,  
 00:14:43 --> 00:14:45: thank you so much. Thanks for having me.  
 00:14:45 --> 00:14:47: As Octavia mentioned, I'm Lisa,  
 00:14:47 --> 00:14:51: Bud low. I am the CEO of high in Baltimore.  
 00:14:51 --> 00:14:55: Chi stands for a comprehensive Housing Assistance Inc.  
 00:14:55 --> 00:14:59: We are a community based organization and agency of the  
 00:14:59 --> 00:15:04: the Jewish community in Baltimore and we focus on housing

00:15:04 --> 00:15:10: and community development in Northwest Baltimore City and County.

00:15:10 --> 00:15:13: So primarily I I want to address our role in

00:15:13 --> 00:15:19: housing counseling so as community based organization really neighborhood focus.

00:15:19 --> 00:15:22: We we sort of hit this issue from multiple fronts,

00:15:22 --> 00:15:26: but I think the most relevant here is our housing

00:15:26 --> 00:15:30: counseling work so so we work in pre purchase with

00:15:30 --> 00:15:36: prospective homebuyers through sort of a two step process homebuyer

00:15:36 --> 00:15:40: education which you know we run a monthly two day.

00:15:40 --> 00:15:43: Homebuyer Ed workshop. You know,

00:15:44 --> 00:15:47: day one kind of focuses on the role of the

00:15:47 --> 00:15:48: lender.

00:15:48 --> 00:15:53: Runs through, you know, really important information like minimum credit

00:15:53 --> 00:15:57: scores and sort of what goes into a credit score

00:15:57 --> 00:15:58: to kind of,

00:15:58 --> 00:16:01: you know, breakdown that that you know topic that people

00:16:01 --> 00:16:03: talk about a lot but may not have like a

00:16:04 --> 00:16:06: full understanding of kind of how they get to that

00:16:06 --> 00:16:08: number that is associated with themselves.

00:16:08 --> 00:16:11: We talk about debt, income ratio,

00:16:11 --> 00:16:14: you know that both the housing debt and also just

00:16:14 --> 00:16:17: kind of like the the global debt and and you

00:16:17 --> 00:16:18: know what kind of.

00:16:18 --> 00:16:23: Is affordable. We also talk about the various products that

00:16:23 --> 00:16:27: lenders may have and incentives that that that they may

00:16:27 --> 00:16:30: have so that prospective homebuyers are,

00:16:30 --> 00:16:34: are, you know, really kind of gaining some knowledge about

00:16:34 --> 00:16:36: what to look for in a lender.

00:16:36 --> 00:16:39: Day two goes through kind of really in detail.

00:16:39 --> 00:16:40: The home buying process, you know,

00:16:40 --> 00:16:43: talking about, looking for a realtor.

00:16:43 --> 00:16:45: You know what's I look for in a neighborhood?

00:16:45 --> 00:16:49: What the contract process is like,

00:16:49 --> 00:16:50: you know, sort of, you know,

00:16:50 --> 00:16:52: getting an appraisal, having it inspected,

00:16:52 --> 00:16:53: settlement all of that kind of stuff.

00:16:53 --> 00:16:56: I mean, new, break it down into all this topics

00:16:56 --> 00:16:59: you realize how very complex the home buying process is

00:16:59 --> 00:17:01: so you know the effort here is to kind of

00:17:01 --> 00:17:06: give. Get some education out there and and really help

00:17:06 --> 00:17:07: people understand.  
00:17:07 --> 00:17:09: You know from a big picture perspective,  
00:17:09 --> 00:17:12: what what they might be embarking upon,  
00:17:12 --> 00:17:14: and then the next step.  
00:17:14 --> 00:17:17: People who who you know I've heard that and aren't  
00:17:17 --> 00:17:17: scared away,  
00:17:17 --> 00:17:21: come in for one on one counseling with our HUD,  
00:17:21 --> 00:17:24: certified housing counselors. And there,  
00:17:24 --> 00:17:27: you know, all of that same kind of those same  
00:17:27 --> 00:17:31: topics are addressed but but very specifically in a deep  
00:17:31 --> 00:17:35: dive relating to the person's situation themselves and really  
kind  
00:17:35 --> 00:17:37: of work through household budget and.  
00:17:37 --> 00:17:41: You know what? What is affordable to that particular  
perspective,  
00:17:41 --> 00:17:45: homebuyer and kind of really help breakdown and navigate  
the  
00:17:45 --> 00:17:46: you know,  
00:17:46 --> 00:17:47: the home buying process.  
00:17:50 --> 00:17:52: I I kind of want to ask you follow up  
00:17:52 --> 00:17:52: questions,  
00:17:52 --> 00:17:55: but I want to make sure everybody gets a chance  
00:17:55 --> 00:17:57: to to introduce before we get carried away.  
00:17:57 --> 00:18:00: How about I'm seeing your face next in my screen,  
00:18:00 --> 00:18:03: Cherise, if you want to talk about your role in  
00:18:03 --> 00:18:06: the in the purchase process and and if you're seeing  
00:18:06 --> 00:18:06: the gap,  
00:18:06 --> 00:18:09: the racial homeownership gap in in your work.  
00:18:09 --> 00:18:12: Absolutely so. Hi everyone, my name is Cherise.  
00:18:12 --> 00:18:15: Win with the Win Group and a real estate agent  
00:18:15 --> 00:18:15: with Compass.  
00:18:15 --> 00:18:19: So yes, I've been doing this for the last 10  
00:18:19 --> 00:18:21: years full time.  
00:18:21 --> 00:18:22: And we're boots on the ground,  
00:18:22 --> 00:18:25: so we help people buy and sell real estate all  
00:18:25 --> 00:18:25: the time.  
00:18:25 --> 00:18:27: And I definitely see a gap.  
00:18:27 --> 00:18:30: It actually starts pretty early where you see,  
00:18:30 --> 00:18:35: you know, you know. White parents buying properties for  
their  
00:18:35 --> 00:18:37: children while they're in college,  
00:18:37 --> 00:18:39: so it starts very early,  
00:18:39 --> 00:18:42: so being able to do that.

00:18:42 --> 00:18:45: Through their parents or through some type of a sense  
00:18:45 --> 00:18:48: assistance with either inheriting a property or having that  
down  
00:18:48 --> 00:18:50: payment from the parents.  
00:18:50 --> 00:18:53: Being able to buy in their early 20s versus US,  
00:18:53 --> 00:18:57: potentially buying and maybe like late 30s to like early  
00:18:57 --> 00:18:57: 40s.  
00:18:57 --> 00:19:01: Our first home they'll be working on their second home  
00:19:01 --> 00:19:02: and.  
00:19:02 --> 00:19:05: And what's the word? I'm looking for reaping the appreciation  
00:19:05 --> 00:19:06: of that first home,  
00:19:06 --> 00:19:09: that appreciation. Being able to take that money and buy  
00:19:09 --> 00:19:10: that second property.  
00:19:10 --> 00:19:12: So definitely saying that, and in the work that we  
00:19:12 --> 00:19:13: do with boots on the ground.  
00:19:17 --> 00:19:19: Wow, I mean, I just.  
00:19:19 --> 00:19:21: I think that when I think about this conversation,  
00:19:21 --> 00:19:24: you're often thinking about that first home and like what's  
00:19:24 --> 00:19:26: what's passing next.  
00:19:26 --> 00:19:29: But I think even not necessarily receiving the inheritance  
from  
00:19:29 --> 00:19:30: your parents,  
00:19:30 --> 00:19:33: but having that help in the process of buying a  
00:19:33 --> 00:19:33: home.  
00:19:33 --> 00:19:36: I think it's a really interesting perspective to think about  
00:19:36 --> 00:19:38: the ways of disparities exist.  
00:19:38 --> 00:19:40: Dave. Can you tell us a little bit about your  
00:19:41 --> 00:19:43: work and and how you're seeing disparities show up in  
00:19:43 --> 00:19:44: your work?  
00:19:50 --> 00:19:56: You're on mute. My apologies,  
00:19:56 --> 00:19:57: no worries.  
00:19:58 --> 00:20:02: Dave Thomas, President, CEO PHDC.  
00:20:02 --> 00:20:05: And let me just say in Charisse what she said  
00:20:05 --> 00:20:07: is so important.  
00:20:07 --> 00:20:09: As was Lisa, you know,  
00:20:09 --> 00:20:13: PC troll in Philadelphia as a full service housing and  
00:20:14 --> 00:20:17: community development organization is multi pronged.  
00:20:17 --> 00:20:21: You know we are responsible for developing new affordable  
units  
00:20:21 --> 00:20:24: as well as trying to help people get into what  
00:20:24 --> 00:20:27: we refer to as naturally occurring affordable housing that is  
00:20:27 --> 00:20:29: on the market for sale.  
00:20:29 --> 00:20:32: So we've had programs such as the Philly First Home

00:20:32 --> 00:20:32: program which.

00:20:32 --> 00:20:37: I'm very successful thanks to my legislative colleagues for their

00:20:37 --> 00:20:40: forward thinking making that money available.

00:20:40 --> 00:20:43: Can't imagine what would have happened without it,

00:20:43 --> 00:20:46: because that certainly took fire and what we saw with

00:20:47 --> 00:20:50: that only confirmed what Cherise was saying and what Lisa

00:20:50 --> 00:20:51: saying.

00:20:51 --> 00:20:54: So for instance what we saw with Philly first home

00:20:54 --> 00:20:57: is that the majority of people who purchased homes and

00:20:57 --> 00:21:00: let me just explain fully personal real quick Philly first

00:21:01 --> 00:21:04: home provided a \$10,000 down payment assistance grant.

00:21:04 --> 00:21:08: That was very instrumental in a lot of folks being

00:21:08 --> 00:21:09: able to.

00:21:09 --> 00:21:14: So I'll just say. Reach that dream of owning a

00:21:14 --> 00:21:14: home,

00:21:14 --> 00:21:17: so to speak, and what we saw in the numbers

00:21:17 --> 00:21:18: statistics.

00:21:18 --> 00:21:21: You know it's it's pretty much backs what we're saying

00:21:21 --> 00:21:21: today.

00:21:21 --> 00:21:26: Most of the folks that participated in totally first home.

00:21:26 --> 00:21:29: They they were black and brown.

00:21:29 --> 00:21:33: And I will also tell you that in many respects

00:21:33 --> 00:21:38: that the average price was around \$200,000 or less.

00:21:38 --> 00:21:43: And what we're seeing today is that that market is

00:21:43 --> 00:21:44: drying up.

00:21:44 --> 00:21:48: There's not much out there for that.

00:21:48 --> 00:21:52: Product at 200,000. Even though we're about to reopen fully

00:21:52 --> 00:21:52: first home,

00:21:52 --> 00:21:57: we still have concerns that we don't have enough supply

00:21:57 --> 00:21:59: to meet the demand.

00:21:59 --> 00:22:02: And one of the things that we're trying to address

00:22:02 --> 00:22:04: now is is building new portable units.

00:22:04 --> 00:22:08: Can also making those units affordable to that same market,

00:22:08 --> 00:22:09: which is going to be a challenge.

00:22:09 --> 00:22:12: But I think there's something that we're certainly up for,

00:22:12 --> 00:22:15: but the other piece that Cherise made a point to,

00:22:15 --> 00:22:17: I think, is something that we need to address too.

00:22:17 --> 00:22:19: And I've been working with some of our Council colleagues

00:22:19 --> 00:22:20: on this as well,

00:22:20 --> 00:22:23: and that is the the lack of appreciation and black

00:22:23 --> 00:22:25: and brown neighborhoods.

00:22:25 --> 00:22:28: I mean when you're talking about using that value and  
00:22:28 --> 00:22:30: how St described the.  
00:22:30 --> 00:22:33: Parents using, I mean being able to purchase for their  
00:22:34 --> 00:22:34: children.  
00:22:34 --> 00:22:39: Much of that purchase capital came from the appreciation of  
00:22:39 --> 00:22:44: the property that they own that they use that appreciates.  
00:22:44 --> 00:22:46: And since it you know they spread that well,  
00:22:46 --> 00:22:49: sort of speak. Unfortunately, in black and brown  
neighborhoods,  
00:22:49 --> 00:22:51: that property does not appreciate.  
00:22:51 --> 00:22:53: You know if you just looked at those Philadelphia versus  
00:22:54 --> 00:22:54: South.  
00:22:54 --> 00:22:56: Do the same house size is pretty much similar.  
00:22:56 --> 00:23:00: Let's just use 1200 square feet and in the.  
00:23:00 --> 00:23:05: Values are dramatically different, and unfortunately that is a  
huge  
00:23:05 --> 00:23:08: problem because you're not able to to build off that  
00:23:09 --> 00:23:09: well.  
00:23:09 --> 00:23:12: So for instance, that family that you just said is  
00:23:12 --> 00:23:14: living in a house at \$75,000,  
00:23:14 --> 00:23:17: well and in another neighborhood in Philadelphia,  
00:23:17 --> 00:23:20: that property is worth \$100,000.  
00:23:20 --> 00:23:24: And what you can do with that appreciated value allows  
00:23:24 --> 00:23:26: you to move up.  
00:23:26 --> 00:23:28: So another neighborhood, if you will,  
00:23:28 --> 00:23:31: but also opens up that property for the next group  
00:23:31 --> 00:23:33: of folks who need that that lift up for this  
00:23:33 --> 00:23:34: thing.  
00:23:34 --> 00:23:36: So I mean, we have some challenges,  
00:23:36 --> 00:23:38: but I I think that.  
00:23:38 --> 00:23:40: My partners and City Council.  
00:23:40 --> 00:23:43: I again I think I'm blessed to be sitting here  
00:23:43 --> 00:23:46: and working with those folks because they certainly have  
them  
00:23:46 --> 00:23:50: forward thinking and and I'm hoping that that collectively we  
00:23:50 --> 00:23:52: can figure out the challenges that face froze up.  
00:23:54 --> 00:23:57: Thanks Dave, I'm definitely gonna want to follow up with  
00:23:57 --> 00:23:59: you about some of the things you said the the  
00:23:59 --> 00:24:02: idea that there's this supply is drying up is  
00:24:02 --> 00:24:04: one that I really want to kind of hammer in  
00:24:04 --> 00:24:07: on just to have the panel to talk about that  
00:24:07 --> 00:24:10: and what was contributing to that.  
00:24:10 --> 00:24:11: And then also going to want to talk a bit

00:24:11 --> 00:24:12: about just that program.

00:24:12 --> 00:24:15: I think it was. It was remarkable to hear what

00:24:15 --> 00:24:18: the numbers are in terms of the participation of black

00:24:18 --> 00:24:19: and brown households,

00:24:19 --> 00:24:20: so going to kind of come in quickly.

00:24:20 --> 00:24:21: Get back to you on that.

00:24:21 --> 00:24:23: But first I want to hear from Rob,

00:24:23 --> 00:24:25: you're kind of hiding. In in our screens here,

00:24:25 --> 00:24:28: but I want to hear about your role in the

00:24:28 --> 00:24:30: process because it's a really pivotal 1.

00:24:31 --> 00:24:33: Sure, no thank you and and good morning.

00:24:33 --> 00:24:37: And I, I apologize for hiding so not definitely not

00:24:37 --> 00:24:38: trying to.

00:24:38 --> 00:24:40: So first of all, I just want to echo the

00:24:40 --> 00:24:42: comments that everyone had made so far.

00:24:42 --> 00:24:45: They're spot on with everything they said and I see

00:24:46 --> 00:24:49: a lot of familiar names here in the participant list

00:24:49 --> 00:24:49: as well.

00:24:49 --> 00:24:53: My role with with Fulton Bank is to work with

00:24:53 --> 00:24:54: our loan officer,

00:24:54 --> 00:24:58: sales managers, regional managers across our five state

00:24:58 --> 00:25:00: footprint,

00:24:58 --> 00:25:00: which is Pennsylvania, New Jersey,

00:25:00 --> 00:25:03: Delaware, Virginia, Maryland and DC.

00:25:03 --> 00:25:06: And we have about 120 loan officers give or take

00:25:06 --> 00:25:07: and you know,

00:25:07 --> 00:25:10: we really support the affordable housing,

00:25:10 --> 00:25:14: affordable lending programs. And that's really my focus.

00:25:14 --> 00:25:17: CRA fair lending and you know,

00:25:17 --> 00:25:21: we we really try to understand each market.

00:25:21 --> 00:25:23: We need that local Intel.

00:25:23 --> 00:25:26: We need that local staffing to be a part of

00:25:26 --> 00:25:27: the community.

00:25:27 --> 00:25:30: And you know some of the challenges that we see,

00:25:30 --> 00:25:34: especially moving forward over the course of the next few

00:25:34 --> 00:25:35: years which.

00:25:35 --> 00:25:37: They have all been discussed already,

00:25:37 --> 00:25:39: but I'm sure we'll go into further detail.

00:25:39 --> 00:25:45: Is inventory we're seeing a massive reduction in overall

00:25:39 --> 00:25:45: inventory

00:25:45 --> 00:25:46: for everybody.

00:25:46 --> 00:25:51: There's actually more Realtors right now across the United

00:25:46 --> 00:25:51: States

00:25:51 --> 00:25:53: than there is home listings.

00:25:53 --> 00:25:57: You know, you have raising home values and prices,

00:25:57 --> 00:26:02: some of this being driven by a supply chain issues.

00:26:02 --> 00:26:06: New construction prices are going high.

00:26:06 --> 00:26:08: And some would even say oh,

00:26:08 --> 00:26:10: we approaching another bubble again.

00:26:10 --> 00:26:14: I think it's real. That's my my perception on it.

00:26:14 --> 00:26:18: You know you're seeing the average cost of construction going

00:26:18 --> 00:26:20: up between 30 to \$50,000.

00:26:20 --> 00:26:23: You know that's pulling up some of the value on

00:26:23 --> 00:26:24: the other properties,

00:26:24 --> 00:26:30: which makes that affordability component somewhat out of reach for

00:26:30 --> 00:26:31: individuals you have.

00:26:31 --> 00:26:34: As mentioned before, cash buyers.

00:26:34 --> 00:26:38: You have situations, multiple offers.

00:26:38 --> 00:26:41: We have folks out there who you know they're putting

00:26:41 --> 00:26:44: in their 9th offer their their 10th off for on

00:26:44 --> 00:26:46: a home and they keep getting outbid,

00:26:46 --> 00:26:50: why? Well, they're using an FHA product that you know,

00:26:50 --> 00:26:56: requires a deeper inspections or they're relying on multiple grants,

00:26:56 --> 00:26:59: which perhaps in the eyes of some could be viewed

00:26:59 --> 00:27:02: as a negative if you're a seller agent,

00:27:02 --> 00:27:04: or if you're the seller,

00:27:04 --> 00:27:06: so you know multiple layers.

00:27:06 --> 00:27:09: So our role moving forward and and what it has

00:27:09 --> 00:27:10: always been,

00:27:10 --> 00:27:13: quite frankly, is to know our markets to try to

00:27:13 --> 00:27:17: have products that fit the needs of the Community to

00:27:17 --> 00:27:18: the best that we can.

00:27:18 --> 00:27:22: And we're always adjusting. I also am the voice of

00:27:22 --> 00:27:25: Fulton to Fannie Mae and Freddie Mac.

00:27:25 --> 00:27:28: I share my concerns about some of the things that

00:27:28 --> 00:27:32: I see and hopefully make some guideline changes in the

00:27:32 --> 00:27:32: future.

00:27:32 --> 00:27:35: One of the things that is being looked at right

00:27:35 --> 00:27:37: now is using rental history.

00:27:37 --> 00:27:40: As a part of a qualifying component.

00:27:40 --> 00:27:42: So I'll I'll kill battle,

00:27:42 --> 00:27:47: but we really try to take it as the housing

00:27:47 --> 00:27:49: financial literacy.



00:27:49 --> 00:27:51: But to be clear on that,  
00:27:51 --> 00:27:55: you know from that housing process organizations like what  
Lisa  
00:27:55 --> 00:28:00: does mean just just critical to the success of homeownership  
00:28:00 --> 00:28:01: utilizing grants,  
00:28:01 --> 00:28:06: making customers feel comfortable and really just lining  
everything up  
00:28:07 --> 00:28:10: so they can have that smooth transaction and.  
00:28:10 --> 00:28:14: Move towards a settlement and potential close so I could  
00:28:14 --> 00:28:14: go on.  
00:28:14 --> 00:28:15: I have lots of things to say,  
00:28:15 --> 00:28:18: but I'll pause from now and direct it as we  
00:28:18 --> 00:28:19: we take some questions.  
00:28:19 --> 00:28:20: So thank you.  
00:28:22 --> 00:28:24: I want to kind of tie in something that you  
00:28:24 --> 00:28:25: just said Rob about.  
00:28:25 --> 00:28:28: Basically, these rules that people are allowed to kind of  
00:28:28 --> 00:28:30: take into account things like your,  
00:28:30 --> 00:28:32: your rent, payments and utility payments.  
00:28:32 --> 00:28:36: Are you seeing that make a difference?  
00:28:36 --> 00:28:38: I think for you and I think just for for  
00:28:38 --> 00:28:38: Lisa,  
00:28:38 --> 00:28:41: I'm wanting to see like is that something that you're  
00:28:41 --> 00:28:43: able to advise your clients?  
00:28:43 --> 00:28:45: Is there? Is it too early in the game to  
00:28:45 --> 00:28:46: see that it's making a difference?  
00:28:46 --> 00:28:49: Or just curious about how that's operating?  
00:28:51 --> 00:28:53: Yeah, no, that's a great question.  
00:28:53 --> 00:28:55: I'll go ahead Lisa, sorry go ahead,  
00:28:55 --> 00:28:56: no go ahead, go ahead.  
00:28:58 --> 00:29:02: Yeah, so I'll just make a quick comment on that  
00:29:03 --> 00:29:07: is Fulton has a product that we've rolled out in  
00:29:07 --> 00:29:14: 2014 that really used those nontraditional tradelines as a  
qualifier.  
00:29:14 --> 00:29:16: So you have a lot of folks out there that  
00:29:16 --> 00:29:18: are financially responsible,  
00:29:18 --> 00:29:20: but they have good jobs.  
00:29:20 --> 00:29:22: You know, they're they're good borrowers.  
00:29:22 --> 00:29:27: But maybe their credit profiles then maybe they only have  
00:29:27 --> 00:29:28: one active tradeline.  
00:29:28 --> 00:29:30: Maybe they have no active tradelines,  
00:29:30 --> 00:29:33: and when you're trying to put that through a normal  
00:29:33 --> 00:29:36: loan qualification process through DU desktop underwriting,

00:29:36 --> 00:29:39: that's with Fannie Mae or LPA.

00:29:39 --> 00:29:42: Through Freddie Mac, you come back and get a term

00:29:42 --> 00:29:44: called refer with caution,

00:29:44 --> 00:29:46: which is a nice way of saying denied.

00:29:46 --> 00:29:49: So we've taken those components to say,

00:29:49 --> 00:29:53: hey, we can look at someone's profile,

00:29:53 --> 00:29:56: and if we can get a good history on rental

00:29:56 --> 00:29:56: payment,

00:29:56 --> 00:29:58: cable Bill, gas Bill Electric.

00:29:58 --> 00:30:02: So we can use those things as almost non traditional

00:30:02 --> 00:30:06: trade lines and we have an exclusive portfolio product,

00:30:06 --> 00:30:09: 97% financing with no MI and you know we put

00:30:09 --> 00:30:13: that out there as an option for individuals like that.

00:30:13 --> 00:30:16: So and I think some of those discussions again,

00:30:16 --> 00:30:18: small voice here you know with Fannie and Freddie when

00:30:18 --> 00:30:21: we've talked about the things that we've done and that

00:30:21 --> 00:30:22: it's been successful,

00:30:22 --> 00:30:24: because really, that's that's the end game in fair and

00:30:24 --> 00:30:25: responsible banking.

00:30:25 --> 00:30:28: We want to make sure that people can acquire financing

00:30:28 --> 00:30:30: and be successful and.

00:30:30 --> 00:30:33: To make their payments and be in a good financial

00:30:33 --> 00:30:33: space,

00:30:33 --> 00:30:37: you know it's starting to become more and more like

00:30:37 --> 00:30:37: OK.

00:30:37 --> 00:30:40: We need to start thinking a little bit more outside

00:30:40 --> 00:30:43: of the box here and understand the criteria of customers

00:30:43 --> 00:30:44: in this space.

00:30:48 --> 00:30:49: Lisa, do you want to add to that?

00:30:49 --> 00:30:50: Sure,

00:30:50 --> 00:30:53: I'll just chime in so you know just kind of

00:30:53 --> 00:30:54: like framing that we are,

00:30:54 --> 00:30:56: you know, again, the community based organization,

00:30:56 --> 00:30:59: right? So we're not making the the kind of like

00:30:59 --> 00:31:00: lending policy,

00:31:00 --> 00:31:03: right? We're just responding to it and and just to

00:31:03 --> 00:31:07: kind of reflect for a minute how complicated this conversation

00:31:07 --> 00:31:08: is,

00:31:08 --> 00:31:10: right? And? So if you've got someone who is a

00:31:10 --> 00:31:12: first time homebuyer,

00:31:12 --> 00:31:16: this even just beginning to think about this is daunting.

00:31:16 --> 00:31:18: And so that's why that's sort of where we come

00:31:18 --> 00:31:18: in,  
00:31:18 --> 00:31:22: right? So we're that interface with the community where that  
00:31:22 --> 00:31:26: kind of accessible source of information you know people  
don't  
00:31:26 --> 00:31:29: need to know all of the complicated banking roles or  
00:31:29 --> 00:31:33: or products that are out on the market but able  
00:31:33 --> 00:31:34: to access,  
00:31:34 --> 00:31:37: you know, an agency that's in the community that they're  
00:31:37 --> 00:31:39: able to trust and and that you know,  
00:31:39 --> 00:31:42: certified counselor will can can walk them through this kind  
00:31:42 --> 00:31:43: of thing.  
00:31:43 --> 00:31:46: So we we have begun to kind of.  
00:31:46 --> 00:31:50: Here about these sort of non traditional credit models we  
00:31:50 --> 00:31:54: but but I will say that we are not really  
00:31:54 --> 00:31:58: using this very much yet and primarily because it's just  
00:31:58 --> 00:32:01: kind of early days. You know that it really hasn't  
00:32:01 --> 00:32:03: gotten to the point where a lot of lenders are  
00:32:03 --> 00:32:06: are working in this space and so you know what  
00:32:06 --> 00:32:09: we were really kind of more into looking at the  
00:32:09 --> 00:32:12: credit scores looking at the history,  
00:32:12 --> 00:32:17: the payment history and in that in that more traditional  
00:32:17 --> 00:32:17: way.  
00:32:17 --> 00:32:21: And I I just wanted to make one other comment  
00:32:21 --> 00:32:21: to,  
00:32:21 --> 00:32:26: you know, when Cherise was talking about the difference  
between  
00:32:26 --> 00:32:29: sort of the readiness of of of homeowners in the  
00:32:29 --> 00:32:31: black and brown community,  
00:32:31 --> 00:32:34: and you know the assistance that that you know they  
00:32:34 --> 00:32:37: may or may not be getting from their appearance.  
00:32:37 --> 00:32:41: Or you know other kind of you know there there  
00:32:41 --> 00:32:43: kind of trusted people that that.  
00:32:43 --> 00:32:47: That is definitely something that we are seeing in terms  
00:32:47 --> 00:32:47: of.  
00:32:47 --> 00:32:50: You know, we we, our clients,  
00:32:50 --> 00:32:54: our Housing Council clients are pretty much 5050 split  
between  
00:32:54 --> 00:32:55: white and black.  
00:32:55 --> 00:32:58: The the difference in the clients who are coming who  
00:32:58 --> 00:33:01: are coming from black and brown communities or is  
somewhat  
00:33:01 --> 00:33:01: in readiness.  
00:33:01 --> 00:33:04: So you know their credit scores aren't quite there where

00:33:04 --> 00:33:07: they haven't saved for a down payment where somebody else

00:33:07 --> 00:33:07: moved home,

00:33:07 --> 00:33:10: you know to to save for a down payment they

00:33:10 --> 00:33:14: haven't saved for a down payment and those other kind

00:33:14 --> 00:33:14: of,

00:33:14 --> 00:33:18: you know, even the financial savvy you know to to

00:33:18 --> 00:33:18: know.

00:33:18 --> 00:33:21: What are the questions to ask or how do you

00:33:21 --> 00:33:21: get prepared?

00:33:21 --> 00:33:24: Is is a little bit behind and so and that

00:33:24 --> 00:33:24: you know,

00:33:24 --> 00:33:27: kind of comes from maybe being the first person in

00:33:28 --> 00:33:28: their family.

00:33:28 --> 00:33:31: To, you know, attempt to be a homeowner and that

00:33:31 --> 00:33:31: kind of thing.

00:33:31 --> 00:33:33: And so that's really where we are.

00:33:33 --> 00:33:39: Are definitely noticing a gap and why it's critically important

00:33:39 --> 00:33:40: for you know,

00:33:40 --> 00:33:45: for for first time homebuyers especially black and brown communities

00:33:45 --> 00:33:48: to get to the this kind of financial guidance.

00:33:48 --> 00:33:51: So that they're able to put themselves in a position

00:33:51 --> 00:33:52: to be able to to buy that home.

00:33:54 --> 00:33:56: Teresa looked like you wanted to to chime in on

00:33:56 --> 00:33:56: that,

00:33:56 --> 00:33:58: but I just have one quick question for you,

00:33:58 --> 00:34:01: Lisa, are you? You describe 2 phases of your home

00:34:01 --> 00:34:02: counseling program.

00:34:02 --> 00:34:04: One, it seems like it's sort of general and then

00:34:04 --> 00:34:06: getting into the one on one counseling.

00:34:06 --> 00:34:10: He said. If so, if your your general client tail

00:34:10 --> 00:34:10: is 5050%

00:34:10 --> 00:34:13: black and white, do you see a shift in the

00:34:13 --> 00:34:16: the percentage of clients that are moving into that next

00:34:16 --> 00:34:18: phase because of the reasons you describe?

00:34:18 --> 00:34:20: Or does it really matter once they get to the

00:34:20 --> 00:34:23: part where they're actually buying a house?

00:34:23 --> 00:34:25: It it more so matters when you get to that

00:34:25 --> 00:34:26: second phase,

00:34:26 --> 00:34:28: because that's when they're taking it.

00:34:28 --> 00:34:31: That general information and applying it to their particular situation.

00:34:31 --> 00:34:35: And that's the point at which we started gathering documents  
00:34:35 --> 00:34:37: and really taking that deep dive and.  
00:34:37 --> 00:34:41: And you know, the only other comment that I'll make  
00:34:41 --> 00:34:45: about that question is the you know incredible volume of  
00:34:45 --> 00:34:46: of clients,  
00:34:46 --> 00:34:49: and you know which is way more than what we're  
00:34:49 --> 00:34:50: able to address.  
00:34:50 --> 00:34:52: And you know, one thing that we have seen over  
00:34:53 --> 00:34:53: time is,  
00:34:53 --> 00:34:56: you know. Less kind of funding resources to support housing  
00:34:56 --> 00:34:59: counseling and when you take a look at this kind  
00:34:59 --> 00:35:02: of big picture issue and all the policy you know  
00:35:02 --> 00:35:04: changes that we could advocate for,  
00:35:04 --> 00:35:07: you know, support to housing counselors who are able to.  
00:35:07 --> 00:35:11: Actually, you know, kind of distill all of this information  
00:35:11 --> 00:35:13: and get into the hands of of you know the  
00:35:14 --> 00:35:16: end user seems to be really critical space.  
00:35:16 --> 00:35:18: That prism advocacy.  
00:35:20 --> 00:35:24: Teresa housing  
00:35:24 --> 00:35:26: counselors becoming a challenge in Philadelphia.  
00:35:26 --> 00:35:27: As well. You know, with Philly.  
00:35:27 --> 00:35:32: First, we partnered with a multitude of housing counseling  
00:35:32 --> 00:35:34: agencies  
00:35:32 --> 00:35:34: to get folks home purchase ready.  
00:35:34 --> 00:35:38: But the problem that you're having with housing counseling  
00:35:38 --> 00:35:39: agencies  
00:35:38 --> 00:35:39: right now is that I believe it's that.  
00:35:39 --> 00:35:41: I believe it's a certification by HUD,  
00:35:41 --> 00:35:45: but there's. There's a requirement that folks meet a  
00:35:45 --> 00:35:49: certification  
00:35:45 --> 00:35:49: that I'll be honest has been very challenging in Philadelphia  
00:35:49 --> 00:35:52: in order to get everyone certified to be able to  
00:35:52 --> 00:35:55: continue. Counseling folks and to to that.  
00:35:55 --> 00:35:58: To that end, if we don't have the people on  
00:35:58 --> 00:35:59: that side,  
00:35:59 --> 00:36:01: as Lisa just pointed out,  
00:36:01 --> 00:36:02: we're not funding that side,  
00:36:02 --> 00:36:04: and we're not taking care of that side.  
00:36:04 --> 00:36:06: We're going to have a big challenge in terms of  
00:36:06 --> 00:36:10: meeting people's needs and people's desires to purchase  
00:36:10 --> 00:36:12: home because  
00:36:10 --> 00:36:12: they're going to lack the knowledge in the in the  
00:36:12 --> 00:36:16: information necessary to make sure that they're going to be

00:36:16 --> 00:36:19: not only just a homeowner but a viable homeowner.  
00:36:19 --> 00:36:23: A person that can maintain their home after purchasing.  
00:36:23 --> 00:36:26: That home, and that's that's a big piece that Philadelphia  
00:36:26 --> 00:36:28: is really struggling with right now.  
00:36:28 --> 00:36:31: With this certification model. I don't know how we get  
00:36:31 --> 00:36:32: through it.  
00:36:32 --> 00:36:34: I know my partners at the city,  
00:36:34 --> 00:36:38: DHCD Department of Housing and Community Development  
and working with  
00:36:38 --> 00:36:42: their counseling agencies to try to provide that additional  
funding  
00:36:42 --> 00:36:43: to get these folks certified,  
00:36:43 --> 00:36:46: but then look at where we are in this world  
00:36:46 --> 00:36:49: right now and we're dealing with our housing counselors are  
00:36:49 --> 00:36:53: so overwhelmed right now with rental assistance with  
housing counseling  
00:36:53 --> 00:36:56: assistance. The diversion of mortgages,  
00:36:56 --> 00:36:59: the diversion of eviction. I mean,  
00:36:59 --> 00:37:01: they're overwhelmed. I'll be real and I don't know  
00:37:01 --> 00:37:03: how you get through all of this right now,  
00:37:03 --> 00:37:06: so we have to give a ladder.  
00:37:06 --> 00:37:08: Me, I have to give a lot of props to  
00:37:08 --> 00:37:11: Lisa and her staff and the Council agents here in  
00:37:11 --> 00:37:15: Philadelphia because I can't imagine the challenges that  
they're facing  
00:37:15 --> 00:37:18: right now and and and it isn't one of those  
00:37:18 --> 00:37:20: positions and I hate to say this is one of  
00:37:20 --> 00:37:24: those areas where folks don't think about it until it's  
00:37:24 --> 00:37:27: gone. Intel's last, or until we actually have a huge  
00:37:27 --> 00:37:30: dilemma on our hands and by then it may be  
00:37:30 --> 00:37:30: too late.  
00:37:32 --> 00:37:35: That's a, that's a really great point.  
00:37:35 --> 00:37:38: I I was something you said Dave made me.  
00:37:38 --> 00:37:39: I'm going to put a pin in it.  
00:37:39 --> 00:37:40: I'm going to say it.  
00:37:40 --> 00:37:42: And then I went to take Cherise's comment,  
00:37:42 --> 00:37:45: but in our prep calls we had talked about.  
00:37:45 --> 00:37:49: You know this train. This training relating to who's actually  
00:37:49 --> 00:37:50: in the field,  
00:37:50 --> 00:37:52: supporting the process of home ownership,  
00:37:52 --> 00:37:54: and you mention the training for,  
00:37:54 --> 00:37:57: like appraisers who's able to like just thinking about what  
00:37:57 --> 00:38:00: that impact is on the the homeownership pipeline.

00:38:00 --> 00:38:01: I'll dig into that question a little bit more,  
00:38:01 --> 00:38:02: but when it's to put it out there or something,  
00:38:02 --> 00:38:05: I want it to. Address before I go back to  
00:38:05 --> 00:38:05: Cherise.  
00:38:07 --> 00:38:07: Thank you  
00:38:07 --> 00:38:11: so yeah, Lisa said something interesting in regards to even  
00:38:11 --> 00:38:13: if in the black and brown community you are,  
00:38:13 --> 00:38:17: you know, financially savvy, but you're the 1st in your  
00:38:17 --> 00:38:18: family to buy a home,  
00:38:18 --> 00:38:23: so you're set back like even financially savvy.  
00:38:23 --> 00:38:25: And even if you make a decent income,  
00:38:25 --> 00:38:29: unfortunately you're also in a position where you're now look  
00:38:29 --> 00:38:32: to when things happen you have.  
00:38:32 --> 00:38:34: They're they're reaching out to you to take care of  
00:38:34 --> 00:38:34: it,  
00:38:34 --> 00:38:37: therefore decreasing the amount of money that you have  
towards  
00:38:37 --> 00:38:38: a down payment.  
00:38:38 --> 00:38:41: So a lot of these loan programs which are great,  
00:38:41 --> 00:38:45: they have income, income limit restrictions which don't help  
the  
00:38:45 --> 00:38:47: people making six figures,  
00:38:47 --> 00:38:51: unfortunately. Therefore they can't utilize those programs,  
00:38:51 --> 00:38:53: but they still are are in need of that down  
00:38:53 --> 00:38:55: payment assistance,  
00:38:55 --> 00:38:58: because again, they're reaching back to help their family and  
00:38:58 --> 00:39:01: taking care of situations that are not regarding  
homeownership,  
00:39:01 --> 00:39:02: unfortunately.  
00:39:03 --> 00:39:04: That's a really great point.  
00:39:04 --> 00:39:06: I think that we often like those are kind of  
00:39:06 --> 00:39:07: nuances that are.  
00:39:07 --> 00:39:09: It's easy to miss and hard to document just what  
00:39:09 --> 00:39:12: the impact is and pick kind of being in that  
00:39:12 --> 00:39:13: middle space on both.  
00:39:13 --> 00:39:16: You know financially but just also in your community.  
00:39:16 --> 00:39:17: Meaning like you know your family,  
00:39:17 --> 00:39:23: your friends, whatever. I think that's a really interesting.  
00:39:23 --> 00:39:25: Interesting point, I think it kind of takes me back  
00:39:25 --> 00:39:27: to the question I'm supposed to be asking you now,  
00:39:27 --> 00:39:31: which is how are you seeing?  
00:39:31 --> 00:39:34: Let me let me find the words that I was  
00:39:34 --> 00:39:36: supposed to ask you nicely.

00:39:36 --> 00:39:40: I want you to talk about the interplay between historical  
00:39:40 --> 00:39:42: discrimination and homebuyer readiness.  
00:39:42 --> 00:39:45: And so I think we're kind of touching on it  
00:39:45 --> 00:39:49: a lot already and just have it impacts current homeseekers.  
00:39:49 --> 00:39:51: I'm going to actually toss a question right to you,  
00:39:51 --> 00:39:53: Dave, 'cause I want to hear you talk about it  
00:39:53 --> 00:39:56: because I think when we talk about historical discrimination,  
00:39:56 --> 00:39:58: its impact on home values and what that means for  
00:39:58 --> 00:39:59: appraisals.  
00:39:59 --> 00:40:00: I just want to hear you dive in.  
00:40:00 --> 00:40:03: And if you guys have other thoughts on that,  
00:40:03 --> 00:40:06: you haven't already said about how historical discrimination.  
00:40:06 --> 00:40:09: Kind of impacts what we're seeing in the market today.  
00:40:09 --> 00:40:10: I'd love to hear that,  
00:40:10 --> 00:40:13: but to you, Dave and and Rob if feel free  
00:40:13 --> 00:40:15: to chime in and like I want to make sure  
00:40:15 --> 00:40:17: that you're not left out of the conversation,  
00:40:17 --> 00:40:18: but go ahead Dave,  
00:40:19 --> 00:40:22: yeah. So when you talk about the historical discrimination  
and  
00:40:22 --> 00:40:24: and what we talked about the other day,  
00:40:24 --> 00:40:27: it really to me and and certainly like to hear  
00:40:27 --> 00:40:29: from my colleagues on this call as well.  
00:40:29 --> 00:40:32: But I'm I. I think it really begins with the  
00:40:32 --> 00:40:35: valuation issue and and in all honesty,  
00:40:35 --> 00:40:37: because when when you look at.  
00:40:37 --> 00:40:39: And I'll go back to my history in in the  
00:40:39 --> 00:40:41: city of Philadelphia,  
00:40:41 --> 00:40:44: 'cause I'm gonna share my experiences and how I see.  
00:40:44 --> 00:40:49: I mean just simple things such as land valuation and  
00:40:49 --> 00:40:51: who values that land.  
00:40:51 --> 00:40:54: And unfortunately the people who value that land are not  
00:40:54 --> 00:40:57: the folks who live in Philadelphia and in many respects  
00:40:57 --> 00:41:00: they come from other places because that's how the industry  
00:41:00 --> 00:41:02: is set up or they don't even come to Philadelphia.  
00:41:02 --> 00:41:06: They just pull certain data points that basically allow them  
00:41:06 --> 00:41:08: to make certain determinations.  
00:41:08 --> 00:41:11: But more importantly, how do you break that cycle?  
00:41:11 --> 00:41:13: I mean, it's almost it's almost impossible.  
00:41:13 --> 00:41:14: We're trying to figure that out today,  
00:41:14 --> 00:41:16: because when you talk about appraisers,  
00:41:16 --> 00:41:20: most of your appraisers are not black and brown.



00:41:20 --> 00:41:24: Your appraisers is an industry that's very unique whereby you

00:41:24 --> 00:41:27: can go to school and get up and get certified

00:41:27 --> 00:41:28: as an appraiser.

00:41:28 --> 00:41:31: But you won't, or you can get the education.

00:41:31 --> 00:41:32: I should say as an appraiser,

00:41:32 --> 00:41:35: but you won't get the certification until you actually get

00:41:35 --> 00:41:36: fill time.

00:41:36 --> 00:41:37: And how do you get the field time in the

00:41:37 --> 00:41:38: area?

00:41:38 --> 00:41:42: Where you don't have connectivity to to an appraiser?

00:41:42 --> 00:41:43: I mean at the end of the day,

00:41:43 --> 00:41:45: it's almost and I don't want to talk about food,

00:41:45 --> 00:41:48: but it's almost like a lot of other industries you

00:41:48 --> 00:41:48: know.

00:41:48 --> 00:41:52: Then there's then there's school and building trades and things

00:41:52 --> 00:41:56: of that nature where you're connected by family and in

00:41:56 --> 00:41:57: folks like that.

00:41:57 --> 00:41:59: And that's the pathway for a lot of folks.

00:41:59 --> 00:42:02: But black and brown people don't have that connectivity.

00:42:02 --> 00:42:03: They don't have that pathway,

00:42:03 --> 00:42:06: unfortunately. So like I said when I looked at certain

00:42:06 --> 00:42:07: things in Philadelphia,

00:42:07 --> 00:42:11: I can take. 11,000 square foot home in Philadelphia and

00:42:11 --> 00:42:15: South Philadelphia and I can sell that for \$350,000 tomorrow.

00:42:15 --> 00:42:18: I do that same thing in in North Philadelphia.

00:42:18 --> 00:42:22: I'll be lucky to get \$140,000 half that value and

00:42:22 --> 00:42:24: it's just and I know it's location,

00:42:24 --> 00:42:27: location, location. But it's not all location,

00:42:27 --> 00:42:29: location, location, people. We we,

00:42:29 --> 00:42:31: we all need to do math and let's just do

00:42:31 --> 00:42:32: simple math.

00:42:32 --> 00:42:35: And we recognize that there's a discrepancy and we all

00:42:36 --> 00:42:38: read about the discrepancies when when folks.

00:42:38 --> 00:42:41: Sent bring out appraisers and they changed their house to

00:42:41 --> 00:42:44: look there's certain way because they want that value to

00:42:45 --> 00:42:47: be appreciated in order for them to to get what

00:42:47 --> 00:42:49: they're trying to get out of that property.

00:42:49 --> 00:42:52: Whether it be a college education for their child,

00:42:52 --> 00:42:54: a new home home for upgrade,

00:42:54 --> 00:42:57: whatever it is, or just making repairs to their house.

00:42:57 --> 00:42:58: But how do you change that?

00:42:58 --> 00:43:01: Is the problem and I'm not working with a few  
00:43:01 --> 00:43:03: folks that I see on this forum right now.  
00:43:04 --> 00:43:05: Like Rachael Meadows and and folks,  
00:43:05 --> 00:43:09: they're trying to figure out how we deal with that.  
00:43:09 --> 00:43:13: Situation, but that's a situation they probably have to take.  
00:43:13 --> 00:43:16: That probably has to go way beyond the local level,  
00:43:16 --> 00:43:18: but it probably has to get to the federal side.  
00:43:18 --> 00:43:22: It it really has to change dramatically in order for  
00:43:22 --> 00:43:25: us to see a change in how properties are valued  
00:43:25 --> 00:43:26: equally.  
00:43:29 --> 00:43:30: Just  
00:43:30 --> 00:43:33: saying this is wrong, if I can just chime in  
00:43:33 --> 00:43:35: and and and put a little bit of context around.  
00:43:35 --> 00:43:39: I agree with everything you're saying and you know we  
00:43:39 --> 00:43:42: see it all the time on the lender side and  
00:43:42 --> 00:43:43: you know a few things.  
00:43:43 --> 00:43:46: I always hear the term and appraisal is not a  
00:43:46 --> 00:43:46: science,  
00:43:46 --> 00:43:50: it's an art. You know some loan products and depending  
00:43:50 --> 00:43:53: upon the transaction they call for multiple appraisals.  
00:43:53 --> 00:43:58: We've seen appraisal swings, 40 thousand \$50,000.  
00:43:58 --> 00:44:02: Happen all the time and you know the the interesting  
00:44:02 --> 00:44:05: thing is and this kind of sparked from the mid  
00:44:05 --> 00:44:09: to late 2000s when you know we had to kind  
00:44:09 --> 00:44:13: of the mortgage bubble burst and and everything went  
haywire.  
00:44:13 --> 00:44:17: There was a regulatory component that was put into place  
00:44:17 --> 00:44:22: where lenders banks are no longer allowed to communicate  
with  
00:44:22 --> 00:44:23: appraisers.  
00:44:23 --> 00:44:26: And we literally hit a button that says order appraised,  
00:44:26 --> 00:44:28: we we collect the fee.  
00:44:28 --> 00:44:32: We hit the button that order goes down to something  
00:44:32 --> 00:44:35: called an A an appraisal management company and AMC.  
00:44:35 --> 00:44:40: That appraisal management company then puts a bid out to  
00:44:40 --> 00:44:41: the appraisers.  
00:44:41 --> 00:44:44: And that appraisal funnels back through the AMC and then  
00:44:44 --> 00:44:46: the AMC says here you go lender here.  
00:44:46 --> 00:44:50: Here appraisal. Now we can dispute value,  
00:44:50 --> 00:44:53: but we have to have comparable sales.  
00:44:53 --> 00:44:56: We have to have the evidence and basically the AMC  
00:44:56 --> 00:44:58: kind of acts like the go between.

00:44:58 --> 00:45:01: So we definitely see this and I can tell you  
00:45:01 --> 00:45:04: that it is on the radar of Fannie Mae and  
00:45:04 --> 00:45:04: Freddie Mac.  
00:45:04 --> 00:45:09: They're actively looking into this to have some hard evidence  
00:45:09 --> 00:45:10: and hard proof.  
00:45:10 --> 00:45:12: I know there's a lot of.  
00:45:12 --> 00:45:18: Talk about doing more automated and computer model  
determinations of  
00:45:18 --> 00:45:19: value,  
00:45:19 --> 00:45:22: and they're trying to remove any sort of.  
00:45:22 --> 00:45:26: You know, the terminology, whitewashing of of home values.  
00:45:26 --> 00:45:30: So I do think that there is some a red  
00:45:30 --> 00:45:32: flag up on this.  
00:45:32 --> 00:45:34: I'm just not sure really what the the end all  
00:45:34 --> 00:45:35: solution will be,  
00:45:35 --> 00:45:38: but I just wanted to kind of paint that picture  
00:45:38 --> 00:45:40: of sometimes the spot that we're into as as lenders  
00:45:40 --> 00:45:42: and it's it's a tough place.  
00:45:42 --> 00:45:43: Beast, sometimes.  
00:45:45 --> 00:45:47: Sharisa feels like we're kind of all in in your  
00:45:47 --> 00:45:48: world as well.  
00:45:48 --> 00:45:51: In terms of thinking about getting a property to appraise  
00:45:51 --> 00:45:52: you,  
00:45:52 --> 00:45:53: have any any thoughts on that?  
00:45:53 --> 00:45:56: And also it it. It makes me hearken back into  
00:45:56 --> 00:45:57: your past comment,  
00:45:57 --> 00:45:59: because that determination of value,  
00:45:59 --> 00:46:02: and that determination of comps is largely driven by who  
00:46:02 --> 00:46:04: is who is viewing it right,  
00:46:04 --> 00:46:07: you know? That go ahead.  
00:46:08 --> 00:46:10: I I there were so many things I actually forgot  
00:46:10 --> 00:46:11: to say,  
00:46:11 --> 00:46:13: but I'm I'll touch on this.  
00:46:13 --> 00:46:15: It's it's. It's definitely hard,  
00:46:15 --> 00:46:19: especially as a black real estate agent and having black  
00:46:19 --> 00:46:24: clients and and in neighborhoods where it is already  
gentrified.  
00:46:24 --> 00:46:27: And having those conversations and and being able to have  
00:46:27 --> 00:46:30: it freely when when you're also black,  
00:46:30 --> 00:46:32: just coming in and like OK and they all already  
00:46:32 --> 00:46:35: also know because they see the news and they understand  
00:46:35 --> 00:46:38: that they might get a lower appraisal value just because

00:46:38 --> 00:46:40: they're black and it's like made up a term.  
00:46:40 --> 00:46:41: How do we D black?  
00:46:41 --> 00:46:44: If I your house and it's unfortunate.  
00:46:44 --> 00:46:47: Right? Like? Why is that even a conversation and you  
00:46:47 --> 00:46:48: like you?  
00:46:48 --> 00:46:50: There's this tension that we live in like one of  
00:46:50 --> 00:46:53: my clients live in South Philly and they have like  
00:46:53 --> 00:46:56: this huge black painting of a little girl with her  
00:46:56 --> 00:46:58: big ol Afro puffs. And it's the centerpiece of the  
00:46:58 --> 00:47:00: house and it makes the house.  
00:47:00 --> 00:47:03: I'm like we can't take this down but it's it's  
00:47:03 --> 00:47:04: a question.  
00:47:04 --> 00:47:06: It's a question that we have if we don't take  
00:47:06 --> 00:47:07: this down.  
00:47:07 --> 00:47:09: Is it a possibility? And the answer is yes,  
00:47:09 --> 00:47:12: unfortunately is a possibility. So which way do you go?  
00:47:12 --> 00:47:14: I'm not sure because I'm.  
00:47:14 --> 00:47:15: You know I'm the expert,  
00:47:15 --> 00:47:17: I'm I'm trying to get you to get the highest  
00:47:17 --> 00:47:18: value for your home,  
00:47:18 --> 00:47:23: but also recognizing that this could be an obstacle in  
00:47:23 --> 00:47:23: our way so.  
00:47:24 --> 00:47:29: The A solution. I'm not sure I mean to to  
00:47:29 --> 00:47:31: David's point,  
00:47:31 --> 00:47:34: there's not enough black and brown appraisers.  
00:47:34 --> 00:47:37: There's not enough black and brown real estate agents,  
00:47:37 --> 00:47:40: so one of the things in regards to partnerships and  
00:47:40 --> 00:47:41: things of that nature.  
00:47:41 --> 00:47:43: I was one of the founders of an affinity group  
00:47:43 --> 00:47:46: with it within my brokerage at Compass called Compass and  
00:47:47 --> 00:47:47: Color,  
00:47:47 --> 00:47:51: and we're there to build community within the Black and  
00:47:51 --> 00:47:52: brown real estate.  
00:47:52 --> 00:47:55: You know, agents and staff because there's not enough of  
00:47:55 --> 00:47:56: us there,  
00:47:56 --> 00:47:59: especially full time. To be able to build inwardly to  
00:47:59 --> 00:48:00: them,  
00:48:00 --> 00:48:02: breathe it, be able to project outwardly,  
00:48:02 --> 00:48:04: so we build it here because there's a lot of  
00:48:04 --> 00:48:06: money to be made and wealthy.  
00:48:06 --> 00:48:09: Whether you're an agent or you know you're investing in  
00:48:09 --> 00:48:12: real estate as a whole so we can do it

00:48:12 --> 00:48:13: inwardly.  
00:48:13 --> 00:48:14: We can project it outwardly,  
00:48:14 --> 00:48:15: and then if we can do that,  
00:48:15 --> 00:48:20: we can help people understand and also get into the  
00:48:20 --> 00:48:21: real estate game.  
00:48:21 --> 00:48:23: Hopefully a little bit earlier,  
00:48:23 --> 00:48:26: but helping them budget by getting their credit readiness by  
00:48:26 --> 00:48:28: having those conversations.  
00:48:28 --> 00:48:31: Early enough it starts with the kids.  
00:48:31 --> 00:48:32: I mean starts with the kids and of course we  
00:48:33 --> 00:48:35: can't leave all the adults because we needed to change  
00:48:35 --> 00:48:35: now.  
00:48:35 --> 00:48:37: But if we can educate early,  
00:48:37 --> 00:48:38: we'll have a better chance.  
00:48:38 --> 00:48:42: So yes, the the discrimination of not being able to  
00:48:42 --> 00:48:46: buy and just being plain out decline for mortgage.  
00:48:46 --> 00:48:49: The predatory lending, the redlining,  
00:48:49 --> 00:48:54: all of that. Perpetuate it or discourage homeownership and  
therefore  
00:48:54 --> 00:48:56: lacking importance of home ownership.  
00:48:56 --> 00:49:00: So now you have people who live in neighborhoods that  
00:49:00 --> 00:49:02: they don't really want to currently buy it.  
00:49:02 --> 00:49:05: So if you don't want to buy there when gentrification  
00:49:05 --> 00:49:06: starts to happen,  
00:49:06 --> 00:49:09: you see prices increase and you're like,  
00:49:09 --> 00:49:11: oh, that completely renovated house.  
00:49:11 --> 00:49:13: Let's just say it was over five years ago in  
00:49:13 --> 00:49:14: Point Breeze.  
00:49:14 --> 00:49:17: It's 180,000. Why would you want to pay that much  
00:49:17 --> 00:49:20: to live here and then you have somebody else come  
00:49:20 --> 00:49:20: in?  
00:49:20 --> 00:49:23: They pay 180. \$1000 for their house.  
00:49:23 --> 00:49:26: Five years later they sell it for \$320,000.  
00:49:26 --> 00:49:28: That is what we're missing in our communities.  
00:49:28 --> 00:49:30: We won't. We don't want to buy there 'cause we  
00:49:30 --> 00:49:31: don't want to send our kids to school there.  
00:49:31 --> 00:49:33: We don't want to. You know,  
00:49:33 --> 00:49:35: it's bad, there's trash. There's all types of things that  
00:49:35 --> 00:49:38: interfere with why we don't want to purchase in our  
00:49:38 --> 00:49:39: specific neighborhoods.  
00:49:39 --> 00:49:41: And then we miss out on appreciation in that building  
00:49:41 --> 00:49:42: that financial wealth.

00:49:44 --> 00:49:47: Really interesting like I feel like I could like have  
00:49:47 --> 00:49:48: a whole side of our conversation with you,  
00:49:48 --> 00:49:51: which we can't do on this call.  
00:49:51 --> 00:49:53: Just because like thinking about the school piece and we're  
00:49:53 --> 00:49:54: not going to,  
00:49:54 --> 00:49:55: we're not going to dive here.  
00:49:55 --> 00:49:57: There's I don't want to to send my kids to  
00:49:57 --> 00:49:58: the local schools,  
00:49:58 --> 00:50:01: but also can I afford to pay this mortgage and,  
00:50:01 --> 00:50:03: you know, send my kid to a private school if  
00:50:03 --> 00:50:05: that's the only option.  
00:50:05 --> 00:50:07: You know, while the neighborhood is working itself out?  
00:50:07 --> 00:50:09: But that's a sidebar. My thoughts,  
00:50:09 --> 00:50:11: not what we're supposed to do here in this conversation  
00:50:11 --> 00:50:12: is going to bring it back.  
00:50:12 --> 00:50:15: I'm just thinking about. Is some of the things that  
00:50:15 --> 00:50:18: we're saying there there's two sides of this story,  
00:50:18 --> 00:50:20: right? So there is the home seeker.  
00:50:20 --> 00:50:22: And then there's a home buyer,  
00:50:22 --> 00:50:23: and they both really. You know,  
00:50:23 --> 00:50:26: it's like this circle because the value you're able to  
00:50:26 --> 00:50:26: attain,  
00:50:26 --> 00:50:28: you're able to kind of put into the next house  
00:50:29 --> 00:50:30: and be able to as they describe kind of.  
00:50:30 --> 00:50:34: Move up the ladder, but it'll be interesting to kinda  
00:50:34 --> 00:50:38: hear you guys talk about what it is to kind  
00:50:38 --> 00:50:42: of thread the line about affordability in place in like  
00:50:42 --> 00:50:44: seeking to get fair values.  
00:50:44 --> 00:50:46: But also wanting to think about affordability,  
00:50:46 --> 00:50:49: wanting to see your home property values increase,  
00:50:49 --> 00:50:53: but being concerned about what your tax bill looks like.  
00:50:53 --> 00:50:55: So if you guys have any thoughts that you want  
00:50:55 --> 00:50:56: to share on,  
00:50:56 --> 00:50:59: you know. Basically the rising home prices in the city  
00:50:59 --> 00:51:01: and you know what that means for for a home  
00:51:01 --> 00:51:03: buyers and also homeowners in the city.  
00:51:05 --> 00:51:08: Maybe I could just just chime in 'cause I,  
00:51:08 --> 00:51:09: I know this isn't the topic,  
00:51:09 --> 00:51:11: but I do just want to hit on what just  
00:51:11 --> 00:51:15: kind of pick up on Cherise is thread because from  
00:51:15 --> 00:51:16: our perspective,  
00:51:16 --> 00:51:19: as I said at the top we're housing agency and

00:51:19 --> 00:51:22: community development agency and this is the spot where the

00:51:22 --> 00:51:25: two really come together and so you know to really

00:51:25 --> 00:51:28: look at we we actually do work with schools as

00:51:28 --> 00:51:30: part of strengthening neighborhood.

00:51:30 --> 00:51:34: So it is part of that holistic strategy.

00:51:34 --> 00:51:37: You know, kind of looking at a neighborhood you know

00:51:37 --> 00:51:37: we we say,

00:51:37 --> 00:51:40: like from the sidewalk level like what's it like to

00:51:40 --> 00:51:42: live here and what can we do to you?

00:51:42 --> 00:51:45: Know, to really kind of strengthen from from all these

00:51:46 --> 00:51:48: multiple points and then the other thing is just,

00:51:48 --> 00:51:50: you know this is it.

00:51:50 --> 00:51:52: It sort of layers into this.

00:51:52 --> 00:51:56: The conversation that we've been having is this outlook called

00:51:56 --> 00:52:00: Asset based Community development and so you know that is

00:52:00 --> 00:52:03: not only a way of just kind of framing,

00:52:03 --> 00:52:06: you know the what. You know what's in a neighborhood

00:52:06 --> 00:52:09: and and from from a strength based perspective you know

00:52:09 --> 00:52:11: what are those assets,

00:52:11 --> 00:52:13: so it's not only a way of framing the neighborhood.

00:52:13 --> 00:52:16: For for people who are living there currently,

00:52:16 --> 00:52:20: but also a way of building strategy.

00:52:20 --> 00:52:23: And so you know that it it really is critical

00:52:24 --> 00:52:26: to take that holistic look and say,

00:52:26 --> 00:52:29: you know, we're we're going to try to get people

00:52:29 --> 00:52:30: into homeownership.

00:52:30 --> 00:52:32: We're going to try to to build,

00:52:32 --> 00:52:35: you know, homeownership opportunity and.

00:52:35 --> 00:52:38: Also, really invest in the neighborhood in ways that that

00:52:39 --> 00:52:41: make a difference in terms of you know,

00:52:41 --> 00:52:44: kind of like the holistic health of the neighborhood.

00:52:44 --> 00:52:46: So I, I just I did just want to sort

00:52:46 --> 00:52:48: of add that point in even though it was a

00:52:48 --> 00:52:50: little bit of a tangent,

00:52:50 --> 00:52:52: I think it it just kind of pulls us in

00:52:52 --> 00:52:53: here to talk about.

00:52:53 --> 00:52:55: You know what that? That kind of real value is

00:52:55 --> 00:52:57: of the house that we're trying to get people into.

00:52:58 --> 00:52:59: And I don't think it's a tangent.

00:52:59 --> 00:53:02: Actually I think that as we think about these issues,

00:53:02 --> 00:53:03: you know it's it's a.  
00:53:03 --> 00:53:05: It's an insight that's important to think about.  
00:53:05 --> 00:53:08: Now it is holistic in order to if we want  
00:53:08 --> 00:53:11: to think about black and Brown home ownership in a  
00:53:11 --> 00:53:11: place,  
00:53:11 --> 00:53:14: then the police matters and and and what that place  
00:53:14 --> 00:53:15: looks like matters.  
00:53:16 --> 00:53:18: And I will just say to your actual question.  
00:53:18 --> 00:53:20: The one thing that I just want to chime in  
00:53:20 --> 00:53:21: from our sort of,  
00:53:21 --> 00:53:25: you know, anecdotal experience, is that that what we are  
00:53:25 --> 00:53:25: seeing is,  
00:53:25 --> 00:53:28: you know, home prices really varying and of the clients  
00:53:28 --> 00:53:31: that that we see come in that you know the  
00:53:31 --> 00:53:33: income sort of very as well and so we feel  
00:53:33 --> 00:53:36: like, you know, we take sort of a targeted approach  
00:53:36 --> 00:53:36: to helping.  
00:53:36 --> 00:53:39: A prospective home buyer get into a home that that  
00:53:39 --> 00:53:40: works for them,  
00:53:40 --> 00:53:43: and we've seen people make sort of different.  
00:53:43 --> 00:53:45: You know, mathematical formulas work,  
00:53:45 --> 00:53:48: you know, sort of, just depending on what their their  
00:53:48 --> 00:53:49: real,  
00:53:49 --> 00:53:51: you know life situation is.  
00:53:51 --> 00:53:53: And so you know. I would just say it's it  
00:53:54 --> 00:53:54: for us.  
00:53:54 --> 00:53:56: It's more of a, you know,  
00:53:56 --> 00:53:58: targeted approach to say. Let's look at look at your  
00:53:58 --> 00:54:00: situation and you know what kind of debt you have  
00:54:00 --> 00:54:03: and what kind of history you have and what your  
00:54:03 --> 00:54:04: habits are and things like that.  
00:54:04 --> 00:54:07: And then you know, see you know what?  
00:54:07 --> 00:54:09: Some kind of range of home that we can get  
00:54:09 --> 00:54:09: you into,  
00:54:09 --> 00:54:10: so just  
00:54:10 --> 00:54:11: a very targeted approach.  
00:54:14 --> 00:54:16: Thanks, one thing that we haven't really talked about,  
00:54:16 --> 00:54:19: just kind of going back to one of your first  
00:54:19 --> 00:54:22: comments Dave in in the conversation was just about the  
00:54:22 --> 00:54:23: shrinking supply.  
00:54:23 --> 00:54:26: Lots of lots of reasons that the supply is and  
00:54:26 --> 00:54:27: could be shrinking,



00:54:27 --> 00:54:30: but one that comes to mind just in relation to  
00:54:30 --> 00:54:33: your work is you know the state of repair of  
00:54:33 --> 00:54:35: housing and I'd love for you to kind of talk  
00:54:35 --> 00:54:39: about the crosswalk between how properties are maintained  
and and  
00:54:39 --> 00:54:42: then who gets to who's who's at next buyer in  
00:54:42 --> 00:54:42: the cycle.  
00:54:42 --> 00:54:45: And also, if you could also chime in a little  
00:54:45 --> 00:54:45: bit.  
00:54:45 --> 00:54:49: Rob, you mentioned in your your comments about you know  
00:54:49 --> 00:54:52: what it means to be buying a home with FHA  
00:54:52 --> 00:54:56: and needing to get those additional inspection requirements.  
00:54:56 --> 00:54:59: So just kind of if there's a way to kind  
00:54:59 --> 00:55:02: of tie in how home repair ties in with people  
00:55:02 --> 00:55:04: being able to access the market.  
00:55:06 --> 00:55:07: Yeah, I didn't.  
00:55:08 --> 00:55:10: I haven't thought about it correlating that way,  
00:55:10 --> 00:55:14: but let me let me talk a couple things.  
00:55:14 --> 00:55:16: So when I talk about the the the supply being  
00:55:16 --> 00:55:19: low and this is based on conversations that I've had  
00:55:19 --> 00:55:23: with Realtors throughout Philadelphia in terms of  
conversations where you  
00:55:23 --> 00:55:26: have a lot of high end product and you have  
00:55:26 --> 00:55:29: a you have low end product you don't have middle,  
00:55:29 --> 00:55:32: you don't have the middle ground where 200.  
00:55:32 --> 00:55:35: To three objects taking as high as three,  
00:55:35 --> 00:55:38: maybe they can probably stretch it a little bit,  
00:55:38 --> 00:55:40: but you don't have it on the market very much  
00:55:40 --> 00:55:42: and you just don't have it.  
00:55:42 --> 00:55:45: And unfortunately, Philadelphia, you know at the end of the  
00:55:45 --> 00:55:45: day,  
00:55:45 --> 00:55:48: we. We have a lot of aging housing stock.  
00:55:48 --> 00:55:52: Let's keep it real where where we have housing that's  
00:55:52 --> 00:55:56: older than certainly older than me and probably 100 years  
00:55:56 --> 00:55:59: in many cases 100 years plus and many in many  
00:55:59 --> 00:56:04: neighborhoods, and unfortunately, deferred maintenance is a  
real thing and  
00:56:04 --> 00:56:09: that also hinders a person's ability to sell their property  
00:56:09 --> 00:56:10: just as much as it.  
00:56:10 --> 00:56:13: Creates challenges and maintaining your home.  
00:56:13 --> 00:56:16: So for instance, a lot of folks who have these  
00:56:16 --> 00:56:16: homes.  
00:56:16 --> 00:56:18: Even if they wanted to sell.

00:56:18 --> 00:56:22: They're they're getting. I would just say fine sitting on  
00:56:22 --> 00:56:25: getting 5 cent on the dollar so to speak.  
00:56:25 --> 00:56:27: In other words, they they they're not putting that roof  
00:56:27 --> 00:56:29: on because they don't have the resources to do that.  
00:56:29 --> 00:56:32: They're not upgrading that heating system because they  
don't have  
00:56:32 --> 00:56:33: the resources to do that,  
00:56:33 --> 00:56:37: and they have other things that home inspections will reveal  
00:56:37 --> 00:56:40: or or Realtors will show that need to be done  
00:56:40 --> 00:56:42: to make your value appreciated.  
00:56:42 --> 00:56:45: Or or make that property worth the sale.  
00:56:45 --> 00:56:49: But the cost of maintaining 100 year old house.  
00:56:49 --> 00:56:52: Let me just say based on my experiences on the.  
00:56:52 --> 00:56:57: Repair side astronomical. You have a lot of lead type  
00:56:57 --> 00:56:59: on lead plumbing.  
00:56:59 --> 00:57:03: We all know the debt Croods eventually that will all  
00:57:03 --> 00:57:05: need to be replaced.  
00:57:05 --> 00:57:08: A lot of homeowners do not have the resources to  
00:57:08 --> 00:57:09: do that.  
00:57:09 --> 00:57:10: 'cause we have the same challenge.  
00:57:10 --> 00:57:12: With rules. I mean I don't know about you all,  
00:57:12 --> 00:57:15: but I can probably and and I'll be real,  
00:57:15 --> 00:57:19: honest. Most of the folks on this car probably don't  
00:57:19 --> 00:57:23: do routine maintenance of roofs and and I'm guilty myself,  
00:57:23 --> 00:57:25: even though I'm in this world,  
00:57:25 --> 00:57:26: I I too am guilty.  
00:57:26 --> 00:57:28: But you know, instead of getting it every five to  
00:57:28 --> 00:57:29: 10 years,  
00:57:29 --> 00:57:32: I might be one of those 15 to 20 kind  
00:57:32 --> 00:57:33: of guys myself,  
00:57:33 --> 00:57:38: but everyone can't. Live that way so so the challenge  
00:57:38 --> 00:57:39: is just.  
00:57:39 --> 00:57:42: You have 100 year old housing stock.  
00:57:42 --> 00:57:45: You have a lot of vacancy land.  
00:57:45 --> 00:57:48: And then you have very little supply in terms of  
00:57:49 --> 00:57:49: middle market.  
00:57:49 --> 00:57:53: Very little, and even though we're about to open up  
00:57:53 --> 00:57:54: Philly first,  
00:57:54 --> 00:57:58: if the conversations I'm having with Realtors are real and  
00:57:58 --> 00:58:00: the stats that I have are are accurate.  
00:58:00 --> 00:58:04: I'm really concerned about how how this program will move  
00:58:04 --> 00:58:04: forward,

00:58:04 --> 00:58:08: because I think as I think it was robbed that  
00:58:08 --> 00:58:13: pointed out sellers are not waiting for FHA lenders.  
00:58:13 --> 00:58:17: Sellers are taking prices well above appraised value,  
00:58:17 --> 00:58:20: which obviously goes against FHA.  
00:58:20 --> 00:58:24: Sellers are selling properties without doing repairs,  
00:58:24 --> 00:58:27: as is no inspections. All those things are counted to  
00:58:28 --> 00:58:30: what we're trying to teach folks as home first time  
00:58:30 --> 00:58:31: home buyer,  
00:58:31 --> 00:58:34: but we don't want you buying a house without being  
00:58:34 --> 00:58:37: inspected because we don't want you going into some other  
00:58:37 --> 00:58:41: persons problem because your first time homebuyer your  
income is  
00:58:41 --> 00:58:45: probably limited. So obviously you don't want to walk into  
00:58:45 --> 00:58:45: a problem.  
00:58:45 --> 00:58:50: And in Philadelphia I know facts you can walk into  
00:58:50 --> 00:58:51: a major problem.  
00:58:51 --> 00:58:55: If you're not taking the proper steps to making sure  
00:58:55 --> 00:58:58: that that House has been inspected and and making sure  
00:58:58 --> 00:59:02: that you're not buying someone else's problem as you know  
00:59:02 --> 00:59:05: caveat emptor, buyer beware, so to speak,  
00:59:05 --> 00:59:06: and you know how that goes,  
00:59:06 --> 00:59:11: unfortunately, and it's the it's the least educated buyer that's  
00:59:11 --> 00:59:11: always left.  
00:59:11 --> 00:59:13: If you will hold in the bag.  
00:59:13 --> 00:59:15: I hate to say that but,  
00:59:15 --> 00:59:18: and that's where we have to focus our attention and  
00:59:18 --> 00:59:20: on on on the supply side I guess for us  
00:59:20 --> 00:59:22: on the supply side in Philadelphia.  
00:59:22 --> 00:59:24: As you can see, it's not a vacancy.  
00:59:24 --> 00:59:27: We're trying to figure that out by building new housing  
00:59:27 --> 00:59:28: in Philadelphia.  
00:59:28 --> 00:59:33: But again, I think someone else pointed out the cost  
00:59:33 --> 00:59:38: of construction so much higher even now after pandemic.  
00:59:38 --> 00:59:40: So how do you bridge that gap?  
00:59:40 --> 00:59:43: Meaning that if I'm going to build a house that's  
00:59:44 --> 00:59:46: going to cost \$250,000 to build.  
00:59:48 --> 00:59:51: \$280,000 bill. But we're saying that a person can only  
00:59:51 --> 00:59:53: afford \$170,000 on the mortgage.  
00:59:53 --> 00:59:55: We have to close that gap.  
00:59:55 --> 00:59:57: So how do you do that and how do you  
00:59:57 --> 01:00:01: entice a developer to recognize the value of building for  
01:00:01 --> 01:00:04: a little market when they can build?

01:00:04 --> 01:00:08: Unfortunately, and sell for 400,000.

01:00:08 --> 01:00:10: I mean, it's it's a hard game and it's a

01:00:10 --> 01:00:11: hard challenge,

01:00:11 --> 01:00:14: but I do believe that we have the opportunity to

01:00:15 --> 01:00:15: be very.

01:00:15 --> 01:00:19: I'll say transformative in Philadelphia because as I said earlier,

01:00:19 --> 01:00:22: our colleagues have provided us the resources to really think

01:00:22 --> 01:00:23: outside the box.

01:00:23 --> 01:00:24: We have the answers. We have the land,

01:00:24 --> 01:00:27: we have the resources. All we need is the will

01:00:27 --> 01:00:30: and the determination and I think will be very successful

01:00:30 --> 01:00:33: in meeting that challenge but but it is a very.

01:00:33 --> 01:00:36: It's a real challenge and we should not ignore it

01:00:36 --> 01:00:37: or or make light of it.

01:00:39 --> 01:00:42: Thanks Dave. I mean like so much there.

01:00:42 --> 01:00:43: I feel like this whole panel.

01:00:43 --> 01:00:46: We could probably talk to each of you for the

01:00:46 --> 01:00:49: amount of time that we allotted for this conversation,

01:00:49 --> 01:00:51: but we are at the time for or just about

01:00:51 --> 01:00:53: at time before we go into Q&A.

01:00:53 --> 01:00:56: I do want to ask you guys one final question.

01:00:56 --> 01:00:58: So if we could do it kind of lightning round,

01:00:58 --> 01:01:01: you know try to maybe a minute or two or

01:01:01 --> 01:01:02: a minute.

01:01:02 --> 01:01:04: To kind of answer this question,

01:01:04 --> 01:01:07: is there a single practice or policy change that you

01:01:07 --> 01:01:11: think would have the greatest impact on home home purchasing

01:01:11 --> 01:01:14: for black and brown residents in Philly,

01:01:14 --> 01:01:16: or places like it? What would it take to to

01:01:16 --> 01:01:19: move the needle that you think let that people need

01:01:19 --> 01:01:20: to know so just one minute?

01:01:20 --> 01:01:22: What do you think is the biggest thing that could

01:01:22 --> 01:01:22: be done?

01:01:23 --> 01:01:24: And I start, I don't.

01:01:24 --> 01:01:26: Yeah, I like maybe

01:01:26 --> 01:01:28: two or three and I'll try to make it quick.

01:01:28 --> 01:01:34: I think it could be again increasing that income limit,

01:01:34 --> 01:01:39: but also making it specifically for black individuals.

01:01:39 --> 01:01:43: Unfortunately, you know it it it has to be intentional.

01:01:43 --> 01:01:44: It can't just say it.

01:01:44 --> 01:01:46: Can't just be for low income,

01:01:46 --> 01:01:51: it has to be or black and brown individuals.  
01:01:51 --> 01:01:54: By increasing that, but then also the programs that that  
01:01:54 --> 01:01:56: are in place like right now.  
01:01:56 --> 01:01:59: I know there's some programs as far as like 10,005  
01:01:59 --> 01:02:00: thousand,  
01:02:00 --> 01:02:01: so on and so forth,  
01:02:01 --> 01:02:05: just continuing that education. Maybe the first course is 5000  
01:02:05 --> 01:02:09: for participating in lowering the articles in order to receive  
01:02:09 --> 01:02:10: that money.  
01:02:10 --> 01:02:13: And then the second course you get 7500.  
01:02:14 --> 01:02:16: So the 5000 goes towards down payment.  
01:02:16 --> 01:02:18: The 7500 goes towards closing costs and then if you  
01:02:18 --> 01:02:21: take another course maybe they pay the first two months.  
01:02:21 --> 01:02:22: Of  
01:02:22 --> 01:02:23: your mortgage or moving cost,  
01:02:24 --> 01:02:26: because with that if you look at the numbers,  
01:02:26 --> 01:02:29: I always tell my clients and it doesn't just start  
01:02:29 --> 01:02:29: with.  
01:02:29 --> 01:02:33: You know these agencies of of educating which we definitely  
01:02:33 --> 01:02:33: need.  
01:02:33 --> 01:02:36: Also starts with the agent being able to educate your  
01:02:36 --> 01:02:36: client.  
01:02:36 --> 01:02:38: Get them ready for for purchasing a home.  
01:02:38 --> 01:02:40: So if you look at it all and we always  
01:02:40 --> 01:02:42: say roughly about 10%  
01:02:42 --> 01:02:44: whether using FHA or 3%  
01:02:44 --> 01:02:45: down plus closing costs in Philly,  
01:02:45 --> 01:02:47: roughly 10%. So how do we get there?  
01:02:47 --> 01:02:51: Still not enough if you give them almost 13,000 and  
01:02:51 --> 01:02:53: they buy a home for 150.  
01:02:53 --> 01:02:56: Not sure exactly where they still need to come up  
01:02:56 --> 01:02:58: with the difference then.  
01:02:58 --> 01:03:01: It's also come into the school systems we need to  
01:03:01 --> 01:03:05: put more money just like Penn Alexander done all that  
01:03:05 --> 01:03:06: money in.  
01:03:06 --> 01:03:07: What is it Drexel, Penn,  
01:03:07 --> 01:03:10: Penn dumped all them into Penn Alexander,  
01:03:10 --> 01:03:14: therefore creating a better community for schools,  
01:03:14 --> 01:03:16: therefore creating a better atmosphere for people to want to  
01:03:16 --> 01:03:20: live with all those things combined will create better  
01:03:20 --> 01:03:21: communities  
01:03:20 --> 01:03:21: for black and brown people.

01:03:22 --> 01:03:25: Awesome, thanks Jerry's who wants to go next.  
01:03:28 --> 01:03:30: I'll go next. So I'm going to pick up on  
01:03:31 --> 01:03:33: what reset and and what Dave said.  
01:03:33 --> 01:03:35: Sorry, like Cherise, I might want to say one more  
01:03:35 --> 01:03:36: than one thing,  
01:03:36 --> 01:03:38: but I'll say it, but so I you know,  
01:03:38 --> 01:03:42: I want to pick up one with Dave said about  
01:03:42 --> 01:03:46: creating housing stock because I think this is really for  
01:03:46 --> 01:03:47: me.  
01:03:47 --> 01:03:49: Feels like this is the moment where we really can  
01:03:49 --> 01:03:52: move the needle on on housing stock and also build  
01:03:52 --> 01:03:56: our communities which you know something we talked about  
in  
01:03:56 --> 01:03:58: Baltimore a lot. We throw out the number there's 15,000  
01:03:59 --> 01:04:01: vacant properties like I don't think anybody really knows how  
01:04:01 --> 01:04:03: many vacant properties there are.  
01:04:03 --> 01:04:06: There are a lot of vacant properties and and if  
01:04:06 --> 01:04:08: we can you know what it takes exactly what Dave  
01:04:08 --> 01:04:09: said.  
01:04:09 --> 01:04:11: You know acquiring those properties,  
01:04:11 --> 01:04:14: but you know having the funds to to really renovate  
01:04:14 --> 01:04:17: them properly and then sell them at affordable price on  
01:04:17 --> 01:04:18: the market.  
01:04:18 --> 01:04:20: And so there's gap funding there.  
01:04:20 --> 01:04:22: And and what we need is you know what?  
01:04:22 --> 01:04:22: How can we fix that?  
01:04:22 --> 01:04:25: We need self funding to to to make that work  
01:04:25 --> 01:04:27: and you know you know the reason why I think  
01:04:27 --> 01:04:30: this is the moment for it is you know there's  
01:04:30 --> 01:04:32: ARPA funding. There are, I know,  
01:04:32 --> 01:04:33: in Maryland we have a state surplus.  
01:04:33 --> 01:04:36: As a result of, you know funding that came from  
01:04:36 --> 01:04:39: the federal government in pandemic response.  
01:04:39 --> 01:04:41: You know it's not a typical situation,  
01:04:41 --> 01:04:44: so there's a moment where there are sort of you  
01:04:44 --> 01:04:48: know real blocks of funding that could be dedicated to  
01:04:48 --> 01:04:50: doing exactly what we're talking about here.  
01:04:50 --> 01:04:54: Buying up those vacants, renovating them and and putting  
them  
01:04:54 --> 01:04:56: on sale on the market.  
01:04:56 --> 01:04:59: This creates homeownership, opportunity, it builds  
communities,  
01:04:59 --> 01:05:02: it builds value in the communities,

01:05:02 --> 01:05:04: and really can make a huge difference.  
01:05:04 --> 01:05:06: For generations to come and the one other thing that  
01:05:06 --> 01:05:07: I would say is,  
01:05:07 --> 01:05:09: well, that is a big idea and and who knows  
01:05:09 --> 01:05:12: if if you know there's lots of competing interests for  
01:05:12 --> 01:05:13: that,  
01:05:13 --> 01:05:16: all of that Arba and in cares funding.  
01:05:16 --> 01:05:19: But, but I do think that the sort of small  
01:05:20 --> 01:05:25: scale solutions are really accessible and and really our place  
01:05:25 --> 01:05:26: to invest,  
01:05:26 --> 01:05:29: so you know investing in in the housing,  
01:05:29 --> 01:05:31: counseling and in the various,  
01:05:31 --> 01:05:34: you know, kind of products that could be made available  
01:05:34 --> 01:05:34: to.  
01:05:34 --> 01:05:37: To make homeownership more accessible,  
01:05:37 --> 01:05:38: they may seem small, but they are.  
01:05:38 --> 01:05:41: They're accessible and they're doable and so and that that  
01:05:41 --> 01:05:42: makes them you know,  
01:05:42 --> 01:05:43: big impact ideas.  
01:05:47 --> 01:05:48: Robert, OK, Dave.  
01:05:52 --> 01:05:54: Again, I think there's a whole host of things I  
01:05:55 --> 01:05:57: can probably talk to you for hours.  
01:05:57 --> 01:05:59: I mean, one of the things that I think are  
01:05:59 --> 01:06:01: critical is obviously what we talked about earlier.  
01:06:01 --> 01:06:05: The appraisal side valuation of properties.  
01:06:05 --> 01:06:08: I mean, if you think about what has been a  
01:06:08 --> 01:06:12: pathway to generational wealth has been housing values in  
01:06:12 --> 01:06:15: in  
01:06:12 --> 01:06:15: the the ability to use your house to leverage other  
01:06:15 --> 01:06:19: opportunities, whether it be the college education for your  
01:06:19 --> 01:06:22: child  
01:06:19 --> 01:06:22: or whether it be that that vacation home that you  
01:06:22 --> 01:06:23: have down at the shore,  
01:06:23 --> 01:06:25: or whether it be that down payment for your child  
01:06:25 --> 01:06:27: home when they get married.  
01:06:27 --> 01:06:29: Whatever it is, then then,  
01:06:29 --> 01:06:32: then and house value has always been what's what what  
01:06:32 --> 01:06:34: most people have used.  
01:06:34 --> 01:06:36: Unfortunately for black and brown folks,  
01:06:36 --> 01:06:38: that has not been the case,  
01:06:38 --> 01:06:41: and again that has a lot to do with the  
01:06:41 --> 01:06:44: system and the structure that we live in more so  
01:06:44 --> 01:06:45: than anything.

01:06:45 --> 01:06:48: And and again, I don't know how you address that,  
01:06:48 --> 01:06:51: but the other piece that we also have to address  
01:06:51 --> 01:06:51: too,  
01:06:51 --> 01:06:56: as as Lisa. Just pointing out and what I tried  
01:06:56 --> 01:06:58: to point out earlier is.  
01:06:58 --> 01:07:02: Increasing supply, I mean you have an opportunity but we  
01:07:02 --> 01:07:05: have to be very intentional and thoughtful about how we  
01:07:05 --> 01:07:06: use that.  
01:07:06 --> 01:07:09: That land you don't want to be in a situation  
01:07:09 --> 01:07:11: that I don't like to throw out other places,  
01:07:11 --> 01:07:14: but you don't want to be like San Francisco,  
01:07:14 --> 01:07:19: for instance, where unfortunately the market has taken  
control of  
01:07:19 --> 01:07:23: everything and the valuation and the pricing has put people  
01:07:23 --> 01:07:26: unfortunately out of the market.  
01:07:26 --> 01:07:29: We don't want that in Philadelphia and I'm only speaking  
01:07:29 --> 01:07:30: to Philadelphia right now,  
01:07:30 --> 01:07:33: 'cause that's where my heart and my head is.  
01:07:33 --> 01:07:34: So at the end of the day,  
01:07:34 --> 01:07:37: we we have to think about what's in our best  
01:07:37 --> 01:07:38: interest,  
01:07:38 --> 01:07:39: but we have to be very thoughtful.  
01:07:39 --> 01:07:43: And again, thanks Marissa, you don't want to build a  
01:07:43 --> 01:07:46: community of of low income folks,  
01:07:46 --> 01:07:49: you gotta have a neighborhood that that that looks like  
01:07:49 --> 01:07:50: Philadelphia.  
01:07:50 --> 01:07:52: I mean, we have to have a mix so you  
01:07:52 --> 01:07:54: have to be able to put a mix of folks  
01:07:54 --> 01:07:56: in the neighborhood to make it.  
01:07:56 --> 01:07:59: Fry's, otherwise you're going to have a repeat cycle where  
01:07:59 --> 01:08:03: you have nothing but deterioration and dilapidation and  
things of  
01:08:03 --> 01:08:06: that nature because you're not getting giving people the right  
01:08:06 --> 01:08:08: setup and and more importantly,  
01:08:08 --> 01:08:12: when you put people in a community that.  
01:08:12 --> 01:08:15: I'm sitting next to someone that is doing better,  
01:08:15 --> 01:08:19: that is. It gives you inspiration to some degree to  
01:08:19 --> 01:08:21: to aspire for more money,  
01:08:21 --> 01:08:23: but when you when you are.  
01:08:23 --> 01:08:26: Unfortunately, living as well written,  
01:08:26 --> 01:08:29: maybe in some cases better than than what you see  
01:08:29 --> 01:08:30: next to you.



01:08:30 --> 01:08:34: The aspiration and inspirations do more is somewhat lessened because

01:08:34 --> 01:08:38: you think you've already done more than than what you're

01:08:38 --> 01:08:41: capable of doing something to some degree,

01:08:41 --> 01:08:44: so I mean, so I think those two things for

01:08:44 --> 01:08:46: me without speaking for another hour,

01:08:46 --> 01:08:49: or are critical. So valuation and supply are the two

01:08:49 --> 01:08:51: things that we need to really think about.

01:08:52 --> 01:08:55: Thank you. Hi rob.

01:08:57 --> 01:08:59: Yeah, thank you. So again,

01:08:59 --> 01:09:03: I think everyone at the point that they have made

01:09:03 --> 01:09:07: are spot on and I'm going to reel this back

01:09:07 --> 01:09:12: to helping individuals become prepared for their journey in home

01:09:12 --> 01:09:18: ownership and partnerships. Exactly what we talked about today I.

01:09:18 --> 01:09:22: I think that if people can come together,

01:09:22 --> 01:09:27: understand the the individual scenarios of the families.

01:09:27 --> 01:09:30: 'cause that's really what it comes down to is every

01:09:30 --> 01:09:32: transaction is like a puzzle.

01:09:32 --> 01:09:34: There's different components. There's different moving,

01:09:34 --> 01:09:38: moving parts, everything from their financial situation to the property

01:09:38 --> 01:09:39: type to,

01:09:39 --> 01:09:41: you know, 1000 different factors.

01:09:41 --> 01:09:44: So you really have to have that partnership in that

01:09:44 --> 01:09:49: open communication and have those exploratory conversations to try to

01:09:49 --> 01:09:51: uncover things that could help.

01:09:51 --> 01:09:54: And I would also say that as we recognize certain

01:09:54 --> 01:09:56: things or certain deficiencies,

01:09:56 --> 01:09:57: we need to bubble that up.

01:09:57 --> 01:10:00: To individuals that that can make the change.

01:10:00 --> 01:10:03: I know that's what I do with Fannie Mae,

01:10:03 --> 01:10:06: Freddie Mac, you know there was there was talk here

01:10:06 --> 01:10:10: about certain geographies and and areas you know,

01:10:10 --> 01:10:13: Fannie Mae, Freddie Mac. They had a guideline in place

01:10:13 --> 01:10:16: where I believe it was trees that had mentioned things

01:10:16 --> 01:10:17: about income limits.

01:10:17 --> 01:10:20: Well, you know they had a program before where there

01:10:20 --> 01:10:24: was no income limits in specific markets and then that

01:10:24 --> 01:10:24: was removed.

01:10:24 --> 01:10:27: I know why they they did it.

01:10:27 --> 01:10:29: You know, and even some of the grants that are  
01:10:29 --> 01:10:30: out there.  
01:10:30 --> 01:10:31: They always cap it at 80%  
01:10:31 --> 01:10:33: of the AM I, you know,  
01:10:33 --> 01:10:36: should that be expanded? Can we expand that?  
01:10:36 --> 01:10:39: Maybe instead of 80 we go to 100%?  
01:10:39 --> 01:10:41: Maybe we go to 120%  
01:10:41 --> 01:10:44: of those markets and you could do that,  
01:10:44 --> 01:10:46: by the way, and in the eyes of of CRA  
01:10:46 --> 01:10:47: and fair lending,  
01:10:47 --> 01:10:52: you can target low to moderate income census tracts you  
01:10:52 --> 01:10:58: can target low to moderate income individuals you can  
specifically.  
01:10:58 --> 01:11:02: Target majority minority communities. However,  
01:11:02 --> 01:11:05: the way that the rules are written today and you  
01:11:06 --> 01:11:08: cannot specifically target minorities.  
01:11:08 --> 01:11:11: So we we, there can't be a program and I'm  
01:11:11 --> 01:11:14: talking speaking from the lender side here.  
01:11:14 --> 01:11:17: There can't be a program for African Americans or Hispanics  
01:11:17 --> 01:11:18: for Asians,  
01:11:18 --> 01:11:21: which you can as a lender.  
01:11:21 --> 01:11:26: Become a participating partner with organizations that  
support these initiatives.  
01:11:26 --> 01:11:29: Support those people in the communities so I I think  
01:11:29 --> 01:11:33: that as others hear these things and they gain these  
01:11:33 --> 01:11:34: pieces of information,  
01:11:34 --> 01:11:38: it's somewhat eye opening. And then as a team,  
01:11:38 --> 01:11:39: we have to figure out.  
01:11:39 --> 01:11:41: OK, these are the rules of the game.  
01:11:41 --> 01:11:44: This is the game and I use that word specifically  
01:11:44 --> 01:11:45: because that's what it is.  
01:11:45 --> 01:11:48: Sometimes. You know how we're going to accomplish this?  
01:11:48 --> 01:11:51: How are we going to get to where we need  
01:11:51 --> 01:11:52: to be so?  
01:11:52 --> 01:11:54: That's kind of my final comment,  
01:11:54 --> 01:11:56: and I'll put that out there and again,  
01:11:56 --> 01:11:58: open up to any questions.  
01:11:58 --> 01:11:58: Thank you.  
01:11:59 --> 01:12:03: Thanks Rob, I'm going to go ahead and actually invite  
01:12:03 --> 01:12:06: David to kind of give us a question from the  
01:12:06 --> 01:12:07: audience we have.  
01:12:07 --> 01:12:09: Little bit 10 minutes or so to kind of go

01:12:09 --> 01:12:12: through we we we even see your Question Time a  
01:12:12 --> 01:12:12: bit.  
01:12:12 --> 01:12:14: I'm sorry guys, but what's the first one out there?  
01:12:15 --> 01:12:17: Right, and I'm just like give you the question,  
01:12:17 --> 01:12:20: I just want to encourage people to follow the chat.  
01:12:20 --> 01:12:23: There's been a lot of good discussion and several people  
01:12:23 --> 01:12:26: have put resources up there and links out encourage people  
01:12:26 --> 01:12:29: to open the chat while we're still on the session  
01:12:29 --> 01:12:31: and and look at that.  
01:12:31 --> 01:12:35: There were several questions about.  
01:12:35 --> 01:12:39: Both the combination of credit scores and traditional loan  
products  
01:12:39 --> 01:12:40: you've touched on some of that.  
01:12:40 --> 01:12:44: But maybe if the speakers could expand on some of  
01:12:44 --> 01:12:49: the products that aren't necessarily being sold in the  
secondary  
01:12:49 --> 01:12:50: market,  
01:12:50 --> 01:12:53: portfolio loans and other types of things that could look  
01:12:53 --> 01:12:54: in on traditional credit,  
01:12:54 --> 01:12:57: what are some of the products that are out there  
01:12:57 --> 01:13:00: and how do you connect first time homebuyers with those?  
01:13:02 --> 01:13:03: It's a question for  
01:13:03 --> 01:13:06: you. Yeah, I was from that.  
01:13:06 --> 01:13:07: One is directed at me.  
01:13:07 --> 01:13:10: No, it's it's a it's a fantastic question and one  
01:13:10 --> 01:13:13: that we're up against every day.  
01:13:13 --> 01:13:17: And you know, I, I think what is is happening  
01:13:17 --> 01:13:21: is there's a lot of talk out there about hey,  
01:13:21 --> 01:13:25: this mortgage program goes down to a 620 or this  
01:13:25 --> 01:13:28: mortgage program goes down to a 580 and at the  
01:13:29 --> 01:13:32: end of the day I could tell you that if  
01:13:32 --> 01:13:35: all you're coming in with is a 620 score and  
01:13:35 --> 01:13:37: no other compensating factors.  
01:13:37 --> 01:13:40: That loan will not be approved and what do I  
01:13:40 --> 01:13:42: mean by compensating factors?  
01:13:42 --> 01:13:46: Because it's really the entire scenario of the customer.  
01:13:46 --> 01:13:49: You know, if you have somebody with a 620 score,  
01:13:49 --> 01:13:51: but maybe their credit is thin,  
01:13:51 --> 01:13:54: right? They don't have a lot of straight lines on  
01:13:54 --> 01:13:55: their credit report.  
01:13:55 --> 01:13:59: You know that's where you start looking at other  
nontraditional  
01:13:59 --> 01:14:00: tradelines.

01:14:00 --> 01:14:04: However, if there's 624 is because they have 8 collections  
01:14:04 --> 01:14:05: tax liens,  
01:14:05 --> 01:14:07: you know multiple late. Pays slow,  
01:14:07 --> 01:14:11: pays things like that is it's a combination of just  
01:14:12 --> 01:14:13: not a good history.  
01:14:13 --> 01:14:16: That's when the referral is made over to,  
01:14:16 --> 01:14:19: you know, a nonprofit to get some counseling to get  
01:14:19 --> 01:14:22: things back on track and it's timing on that.  
01:14:22 --> 01:14:24: We've seen some people at turn around in a few  
01:14:24 --> 01:14:24: months.  
01:14:24 --> 01:14:27: Some individuals, it's it's 12 months,  
01:14:27 --> 01:14:29: 18 months and and as I had just had stated  
01:14:29 --> 01:14:30: a lot of times,  
01:14:30 --> 01:14:32: it's just playing the game right.  
01:14:32 --> 01:14:36: Knowing what it takes to get that lender approval.  
01:14:36 --> 01:14:38: On the flip side for individuals.  
01:14:38 --> 01:14:40: That maybe have that thing credit.  
01:14:40 --> 01:14:43: That's where we've designed our portfolio program,  
01:14:43 --> 01:14:46: and we're not the only ones that have it.  
01:14:46 --> 01:14:48: But you know where we can look at non personal  
01:14:48 --> 01:14:50: tradelines and those things.  
01:14:50 --> 01:14:53: We look for three with a 12 month history that  
01:14:54 --> 01:14:55: we could put down.  
01:14:55 --> 01:14:57: What is that payment? We build the case off of  
01:14:57 --> 01:15:00: that so hopefully that that helps to answer the question.  
01:15:01 --> 01:15:04: Did you ask a follow up question to that?  
01:15:04 --> 01:15:06: And can you talk a little bit about when you  
01:15:06 --> 01:15:07: have those?  
01:15:07 --> 01:15:10: You know, products that are really specific to your bank?  
01:15:10 --> 01:15:12: You know what does it mean in terms of being  
01:15:12 --> 01:15:13: able to sell them in the secondary market?  
01:15:13 --> 01:15:16: Or those products that you're keeping at your bank?  
01:15:16 --> 01:15:20: And how does that impact your ability to to issue  
01:15:20 --> 01:15:20: more loans?  
01:15:22 --> 01:15:24: So so and I'll try not to go off on  
01:15:24 --> 01:15:25: a tangent.  
01:15:25 --> 01:15:26: I'll try to keep the comments short,  
01:15:26 --> 01:15:30: so we've committed to this so it is our banks  
01:15:30 --> 01:15:34: money and we hold them on the portfolio.  
01:15:34 --> 01:15:39: Now. Our situation that product actually sparked interest with  
01:15:39 --> 01:15:43: Fannie Mae and Freddie Mac because they're trying to acquire loans

01:15:43 --> 01:15:44: too,  
01:15:44 --> 01:15:46: so they will come to us from time to time  
01:15:46 --> 01:15:46: and they'll say,  
01:15:46 --> 01:15:49: hey, give us the ones that are performing right and  
01:15:49 --> 01:15:51: then they'll offer to buy them.  
01:15:51 --> 01:15:53: But as of today we have not.  
01:15:53 --> 01:15:57: Sold any of those those loans off.  
01:15:57 --> 01:16:01: They are performing well. I could tell you just again.  
01:16:01 --> 01:16:04: This is where I kind of hang my hat.  
01:16:04 --> 01:16:07: We're a little bit of a tighter debt to income  
01:16:07 --> 01:16:07: ratio,  
01:16:07 --> 01:16:09: so we have a front end ratio test which is  
01:16:09 --> 01:16:10: their principle interest.  
01:16:10 --> 01:16:14: Taxes and insurance payment cannot exceed 36%  
01:16:14 --> 01:16:17: of their income and on the back end it cannot  
01:16:17 --> 01:16:18: exceed 43%  
01:16:18 --> 01:16:21: of their income. So the debt to income ratio is  
01:16:21 --> 01:16:22: a little bit tighter.  
01:16:22 --> 01:16:24: But again, we view this.  
01:16:24 --> 01:16:27: All, as in the eyes of Fair and responsible banking,  
01:16:27 --> 01:16:28: and at the end of the day,  
01:16:28 --> 01:16:31: Ken that homeowner afford their payment.  
01:16:31 --> 01:16:33: Or are they overextending themselves?  
01:16:33 --> 01:16:34: And if you remember earlier,  
01:16:34 --> 01:16:36: I had mentioned about compensating factors.  
01:16:36 --> 01:16:38: Some of the Fannie Mae and Freddie Mac products,  
01:16:38 --> 01:16:41: they'll go. They'll go up 50%  
01:16:42 --> 01:16:45: DTI. You know, and that's pretty tight,  
01:16:45 --> 01:16:47: and that I think is once you get over in  
01:16:47 --> 01:16:48: that space,  
01:16:48 --> 01:16:50: that's where you start seeing default.  
01:16:50 --> 01:16:53: You start seeing individuals that that are struggling to make  
01:16:53 --> 01:16:56: their payment and that's just not a good place for  
01:16:56 --> 01:16:57: anybody to be.  
01:17:01 --> 01:17:02: You just mute it Dave.  
01:17:05 --> 01:17:05: If  
01:17:05 --> 01:17:09: Lisa and Dave just talk about other nontraditional products  
that  
01:17:09 --> 01:17:13: they have found and been able to send their clients  
01:17:13 --> 01:17:13: to,  
01:17:13 --> 01:17:15: and Dave, possibly through your housing,  
01:17:15 --> 01:17:16: count, a housing counseling in the city.

01:17:22 --> 01:17:22: Question

01:17:23 --> 01:17:27: I I could just make a super quick comment and

01:17:27 --> 01:17:30: and you know when Dave can kind of talk in

01:17:30 --> 01:17:31: more detail,

01:17:31 --> 01:17:33: but you know I I really.

01:17:35 --> 01:17:35: As I was listening

01:17:35 --> 01:17:39: to rob talk, kind of really A tag into that.

01:17:39 --> 01:17:42: The sort of later point that he was making in

01:17:43 --> 01:17:46: that it it all kind of hangs on the the

01:17:46 --> 01:17:51: real kind of affordability and sustainability of the home purchase.

01:17:51 --> 01:17:55: And actually the the debt to income ratios that we

01:17:55 --> 01:17:58: use are a little bit even more conservative and and

01:17:58 --> 01:18:02: actually the reason why we tend to go a little

01:18:02 --> 01:18:06: bit more conservative is because we see just in practice.

01:18:06 --> 01:18:08: That you know people will,

01:18:08 --> 01:18:11: often, you know, incur some more debt after the mortgage

01:18:12 --> 01:18:12: purchase.

01:18:12 --> 01:18:15: So we just kind of want to account for that,

01:18:15 --> 01:18:18: you know, kind of common scenario that we see and

01:18:18 --> 01:18:20: and the other thing is,

01:18:20 --> 01:18:22: is that we we talk a lot in the upfront

01:18:22 --> 01:18:25: counseling about what it takes to sustain a house so

01:18:25 --> 01:18:25: you know,

01:18:25 --> 01:18:28: kind of budgeting for home repairs and budgeting for you

01:18:28 --> 01:18:28: know,

01:18:28 --> 01:18:30: seasonal maintenance and things like that,

01:18:30 --> 01:18:32: because at the end of the day you know it's

01:18:32 --> 01:18:35: what's critical is getting someone into a house that they're

01:18:35 --> 01:18:37: going to be able to stay in.

01:18:37 --> 01:18:37: And maintain.

01:18:43 --> 01:18:48: There were a couple questions about the education piece and

01:18:48 --> 01:18:52: and that link and a sort of related segue is

01:18:52 --> 01:18:57: awareness of predatory loan products and how often black homeowners

01:18:57 --> 01:19:02: applicants are offered products that are not not traditional or

01:19:02 --> 01:19:03: not as advantageous,

01:19:03 --> 01:19:05: so that whole. How do you?

01:19:05 --> 01:19:09: How do you educate folks that first generation?

01:19:09 --> 01:19:12: Especially the analogy is maybe someone to 1st generation college

01:19:12 --> 01:19:15: students that first generation of homebuyers maybe haven't

seen it  
01:19:15 --> 01:19:16: in their family.  
01:19:16 --> 01:19:19: They don't have that first hand experience of people in  
01:19:19 --> 01:19:22: their family owning homes and buying homes and how you  
01:19:22 --> 01:19:23: connect with them.  
01:19:23 --> 01:19:25: How you reach out to find the folks who are  
01:19:25 --> 01:19:29: might be ready and might not be aware they're ready.  
01:19:34 --> 01:19:36: That to anyone person.  
01:19:36 --> 01:19:40: Yeah, I wasn't sure. I'll  
01:19:40 --> 01:19:43: let you start. I think probably Cherise,  
01:19:43 --> 01:19:45: and you know, possibly Lisa upfront,  
01:19:45 --> 01:19:49: but Dave more general and and maybe the follow up  
01:19:49 --> 01:19:52: on Dave how the programs that the city has,  
01:19:52 --> 01:19:55: how they connect with residents of the city to be  
01:19:55 --> 01:19:57: aware that those programs exist I guess.  
01:19:57 --> 01:19:59: So first recently and then Dave to stop by the  
01:19:59 --> 01:20:01: city specifically does that.  
01:20:02 --> 01:20:06: Sure, so I partner with Black and brown organizations and  
01:20:06 --> 01:20:12: provide home buying workshops to those organisations  
01:20:12 --> 01:20:13: which obviously provide  
01:20:12 --> 01:20:13: education.  
01:20:13 --> 01:20:18: Just like. Lisa's company does,  
01:20:18 --> 01:20:20: but I guess just. I do it on the larger  
01:20:20 --> 01:20:22: scale just as they do,  
01:20:22 --> 01:20:25: and then obviously on the individual scale when it comes  
01:20:25 --> 01:20:27: to obviously providing that one on one counseling,  
01:20:27 --> 01:20:30: getting them ready for homeownership.  
01:20:30 --> 01:20:32: And again it just ties to the piece of education  
01:20:32 --> 01:20:35: and not being the agent that just shows up at  
01:20:35 --> 01:20:37: a house saying do you want to buy this one?  
01:20:37 --> 01:20:41: It's really helping your client like prepare like does this  
01:20:41 --> 01:20:42: make sense?  
01:20:42 --> 01:20:44: And just because the bank approves you for,  
01:20:44 --> 01:20:48: let's just say 300 but your budget really is 200,000.  
01:20:48 --> 01:20:50: Let's stick to the budget at hand.  
01:20:50 --> 01:20:53: 'cause a lot of times you'll get pre-approved for way  
01:20:53 --> 01:20:55: more than you're technically able to afford.  
01:20:55 --> 01:20:58: If you actually sat down and wrote out a budget.  
01:20:58 --> 01:21:00: So just educating them on that space and trying to  
01:21:00 --> 01:21:01: bring them back down.  
01:21:01 --> 01:21:04: Sometimes you know you want.  
01:21:04 --> 01:21:07: You want all this, but you really couldn't afford this.

01:21:07 --> 01:21:10: And just making them realize like this is the the  
01:21:10 --> 01:21:13: first step and this is not your forever home.  
01:21:13 --> 01:21:15: We're not. We're not staying at home like we used  
01:21:15 --> 01:21:17: to like when my parents bought.  
01:21:17 --> 01:21:18: They're still in the same house.  
01:21:18 --> 01:21:20: I'm 41 years old and I'm not afraid to say  
01:21:20 --> 01:21:20: yes,  
01:21:20 --> 01:21:23: I'm 41. So yeah, they're still in the same house  
01:21:23 --> 01:21:24: back in Elkins Park.  
01:21:24 --> 01:21:26: And we're not doing that nowadays.  
01:21:26 --> 01:21:30: I have clients moving after three years after five years,  
01:21:30 --> 01:21:33: seven years, maybe the longest I've been seeing my clients  
01:21:33 --> 01:21:34: stay in homes.  
01:21:34 --> 01:21:35: Might be about 10 years,  
01:21:35 --> 01:21:37: but a court. Of course I've only been in the  
01:21:37 --> 01:21:38: business 10 years,  
01:21:38 --> 01:21:41: so. Yeah, but people are are moving just they're not  
01:21:41 --> 01:21:44: staying as long so just getting them ready to be  
01:21:44 --> 01:21:46: able to prepare for the next home.  
01:21:46 --> 01:21:48: This is not here forever will get you to your  
01:21:48 --> 01:21:49: dream home,  
01:21:49 --> 01:21:51: but let's try to at least get 80%  
01:21:51 --> 01:21:52: of what you're looking for.  
01:21:55 --> 01:21:57: And and I guess a couple of comments I would  
01:21:57 --> 01:22:00: make is we we actually did just add rental housing  
01:22:00 --> 01:22:03: counseling to our work over the pandemic because we saw  
01:22:03 --> 01:22:06: a need. We had been just totally focused on on  
01:22:06 --> 01:22:10: home ownership and that sort of gives it allows us  
01:22:10 --> 01:22:13: to have that kind of broader perspective and we do  
01:22:13 --> 01:22:16: talk to some of the rental housing clients about.  
01:22:16 --> 01:22:19: Sort of, you know, comparing you know what what they  
01:22:19 --> 01:22:21: pay in rent versus what a mortgage might be.  
01:22:21 --> 01:22:24: So sort of to begin to have that conversation to  
01:22:24 --> 01:22:25: your point about.  
01:22:25 --> 01:22:28: You know people who who may not realize that that  
01:22:28 --> 01:22:30: there could be ready for homeownership.  
01:22:30 --> 01:22:33: And the other thing that we are this sort of  
01:22:33 --> 01:22:34: new to us is,  
01:22:34 --> 01:22:36: you know, we've just always been kind of out there.  
01:22:36 --> 01:22:38: You know on websites people find us,  
01:22:38 --> 01:22:41: you know, a HUD website and you know the state  
01:22:41 --> 01:22:44: of Maryland and we really kind of from a mission



01:22:45 --> 01:22:46: based perspective.

01:22:46 --> 01:22:51: Want to target you? Know our our outreach to black

01:22:51 --> 01:22:53: and brown residents.

01:22:53 --> 01:22:56: And so we actually are are just kind of.

01:22:56 --> 01:22:59: Purchased a product that will allow us to do kind

01:22:59 --> 01:23:02: of targeted outreach so that we can,

01:23:02 --> 01:23:04: you know, just kind of get out there a little

01:23:04 --> 01:23:06: bit more to get the word out and begin these

01:23:06 --> 01:23:07: conversations.

01:23:11 --> 01:23:13: Yeah, and then I don't really want to step too

01:23:14 --> 01:23:17: far into housing counseling because I don't oversee that with

01:23:17 --> 01:23:18: the city,

01:23:18 --> 01:23:20: but I can speak a little bit to it.

01:23:20 --> 01:23:22: I mean, obviously with housing counseling we have.

01:23:22 --> 01:23:25: I think we have over 20 counseling agencies throughout the

01:23:25 --> 01:23:26: city of Philadelphia,

01:23:26 --> 01:23:32: so they're very. This located throughout Philadelphia,

01:23:32 --> 01:23:34: so how they do their outreach?

01:23:34 --> 01:23:35: I can't really speak to.

01:23:35 --> 01:23:38: I can tell you that the education component is very

01:23:38 --> 01:23:40: critical because as Lisa pointed out,

01:23:40 --> 01:23:44: you want to make sure that people understand what the

01:23:44 --> 01:23:47: value of a mortgage is versus the value of rent.

01:23:47 --> 01:23:51: But more importantly, before you make that jump into

01:23:51 --> 01:23:52: mortgage

01:23:52 --> 01:23:55: and two to homeownership,

01:23:55 --> 01:23:59: we'd like to make sure that we educate the consumer,

01:23:59 --> 01:24:01: because once you move into homeownership or not.

01:24:01 --> 01:24:03: Necessarily in the same position,

01:24:03 --> 01:24:05: even though the the cost may be less,

01:24:05 --> 01:24:08: you have expenses that you did not have as a

01:24:08 --> 01:24:08: renter and you will have expenses that you do not

01:24:08 --> 01:24:11: have.

01:24:11 --> 01:24:14: As a renter. I mean there's maintenance and a lot

01:24:15 --> 01:24:15: of utilities that come with rent don't come with home

01:24:15 --> 01:24:17: ownership,

01:24:17 --> 01:24:20: and there's taxes, so there are little things.

01:24:20 --> 01:24:23: But you also have a benefit in the value associated

01:24:23 --> 01:24:27: with ownership that people need to be educated on on.

01:24:28 --> 01:24:30: The biggest challenge that you see in in counseling is

01:24:30 --> 01:24:32: that debt to income ratio.

01:24:30 --> 01:24:32: Where and I think what we've just done in Philadelphia.

01:24:32 --> 01:24:34: I think I've got the income ratio.  
01:24:34 --> 01:24:39: Uhm, was interestingly high if you asked me,  
01:24:39 --> 01:24:44: so we were going front end of 38.  
01:24:44 --> 01:24:47: Which is not on the hand and I back him  
01:24:47 --> 01:24:48: up 45 at one time,  
01:24:48 --> 01:24:52: but I think we reduced our backing down to 43  
01:24:52 --> 01:24:56: just to make sure that we're not setting folks up  
01:24:56 --> 01:24:56: for.  
01:24:56 --> 01:25:01: One going to lending institutions and being rejected and two  
01:25:01 --> 01:25:05: making sure that people are are a little bit more.  
01:25:05 --> 01:25:08: State responsible when it comes to debt and and and  
01:25:08 --> 01:25:12: and ensuring that folks recognize how that plays a role  
01:25:12 --> 01:25:16: in getting that mortgage and getting that interest rate that  
01:25:16 --> 01:25:19: is so critical to maintaining that property and staying in  
01:25:19 --> 01:25:20: that home.  
01:25:20 --> 01:25:23: So again, I don't know how the outreach has done.  
01:25:23 --> 01:25:26: Dave, that's done with my partners at the city and  
01:25:26 --> 01:25:29: and their relationships with those counseling agencies,  
01:25:29 --> 01:25:32: but I do know that it's very critical to the  
01:25:32 --> 01:25:35: homeownership component and what what we're trying to do  
matter  
01:25:35 --> 01:25:36: of fact.  
01:25:36 --> 01:25:37: I was very much a part of that 30 years  
01:25:37 --> 01:25:39: ago when we started out with comfort.  
01:25:43 --> 01:25:46: So I have one final question.  
01:25:46 --> 01:25:49: And a few people have asked about NPI.  
01:25:49 --> 01:25:53: The Neighborhood preservation initiative. We have a new  
block of  
01:25:53 --> 01:25:53: funding,  
01:25:53 --> 01:25:55: so be the first year in the city's budget,  
01:25:55 --> 01:25:57: which is coming up soon.  
01:25:57 --> 01:25:58: So if each of you,  
01:25:58 --> 01:26:01: each of the four, if you had sort of three  
01:26:01 --> 01:26:04: things you would like to see more funding dedicated to  
01:26:04 --> 01:26:07: that at the city level could happen.  
01:26:07 --> 01:26:10: And we have several members of Council and city  
departments  
01:26:10 --> 01:26:11: here.  
01:26:11 --> 01:26:14: What would be sort of three things you would either  
01:26:14 --> 01:26:16: like to see funded that aren't.  
01:26:16 --> 01:26:19: For additional funding concentrated too,  
01:26:19 --> 01:26:23: and there's especially some requests about focusing on  
middle neighborhoods,

01:26:23 --> 01:26:26: which a few of you have mentioned today already.  
01:26:28 --> 01:26:31: Hey you gonna put me on the spot and I  
01:26:31 --> 01:26:35: don't answer your question because I think in all honesty  
01:26:35 --> 01:26:38: MPI is covering a lot of buckets and and.  
01:26:38 --> 01:26:40: And honestly I have to be real honest when I  
01:26:40 --> 01:26:43: say this I I think that I'm going to very  
01:26:43 --> 01:26:46: precarious situation and said that I want more in one  
01:26:46 --> 01:26:48: area than the other. But I will say that at  
01:26:48 --> 01:26:51: the end of the day I think 1 area that  
01:26:51 --> 01:26:54: we probably need to think about and we aren't thinking  
01:26:54 --> 01:27:00: about anyway is that. That rent burdened individuals.  
01:27:00 --> 01:27:04: So for instance, we we recognize through the last few  
01:27:04 --> 01:27:04: years,  
01:27:04 --> 01:27:07: certainly with rental assistance, that there are a lot of  
01:27:07 --> 01:27:10: folks who are burdened and there and it cost burden  
01:27:10 --> 01:27:11: when it comes to renting.  
01:27:11 --> 01:27:14: So we need to figure out how to maintain that,  
01:27:14 --> 01:27:16: because at the end of the day,  
01:27:16 --> 01:27:18: even before you become that homeowner,  
01:27:18 --> 01:27:20: you got to be able to maintain some steadiness and  
01:27:21 --> 01:27:22: stability as a richer so.  
01:27:22 --> 01:27:24: And we see a big challenge right now.  
01:27:24 --> 01:27:28: But not only directors, but the landlords who.  
01:27:28 --> 01:27:31: Chords only are suffering with.  
01:27:31 --> 01:27:35: Being incapable of paying their mortgage to maintain that  
affordable  
01:27:35 --> 01:27:39: rental unit for that individual to continue to stay renting.  
01:27:39 --> 01:27:41: So we had to fill some voids there that I  
01:27:41 --> 01:27:41: don't know.  
01:27:41 --> 01:27:44: That NP I was. When we put our NP out,  
01:27:44 --> 01:27:47: we thought about the rental side as much as we  
01:27:47 --> 01:27:49: thought about a lot of the other things.  
01:27:49 --> 01:27:51: So I think we are going to be looking at  
01:27:51 --> 01:27:53: how we address that.  
01:27:53 --> 01:27:55: We probably at a higher level,  
01:27:55 --> 01:27:58: but other than that I I don't really want to  
01:27:58 --> 01:28:02: speak too much because I'm I'm very appreciative for what  
01:28:02 --> 01:28:04: City Council has done for us and.  
01:28:04 --> 01:28:05: If there's anything I wanna do,  
01:28:05 --> 01:28:07: I wanna sit down with my Council colleagues and figure  
01:28:07 --> 01:28:09: out collectively what we can do.  
01:28:13 --> 01:28:13: No.

01:28:14 --> 01:28:16: Just to jump in really quickly.

01:28:16 --> 01:28:18: I know we are very close to time and so

01:28:18 --> 01:28:20: I'm sure we all would have like a a very

01:28:20 --> 01:28:22: long list of things that we would like to wish

01:28:22 --> 01:28:25: to see. Lisa and Cherise,

01:28:25 --> 01:28:28: maybe if you had sort of your magic wand and

01:28:28 --> 01:28:30: there is one thing you be able to do,

01:28:30 --> 01:28:33: well, we'll start to wrap up with with final comments

01:28:33 --> 01:28:35: so we can keep everyone on time,

01:28:35 --> 01:28:38: but we can obviously pick up this conversation on Friday

01:28:38 --> 01:28:38: as well.

01:28:38 --> 01:28:41: And unfortunately, I think Rob might have had to jump

01:28:41 --> 01:28:42: right at 10:30,

01:28:42 --> 01:28:45: so Lisa and Terry's I'll give you sort of the

01:28:45 --> 01:28:45: final word.

01:28:49 --> 01:28:50: I want Lisa. Do you wanna go first?

01:28:53 --> 01:28:55: Sure, I'll go. So you can have the real final

01:28:55 --> 01:28:56: word.

01:28:56 --> 01:28:58: I would say with my magic wand,

01:28:58 --> 01:29:03: I would absolutely fund housing counseling agencies so that

01:29:03 --> 01:29:08: somebody

01:29:08 --> 01:29:08: posted in the comment about retaining those all important

01:29:08 --> 01:29:13: counselors.

01:29:08 --> 01:29:13: Couldn't agree more with that and and I would allot

01:29:13 --> 01:29:15: funding too.

01:29:15 --> 01:29:19: To close the gap on redeveloping vacant properties.

01:29:21 --> 01:29:23: I don't know if I was prepared for this question.

01:29:23 --> 01:29:24: I'm like there's so many things you know,

01:29:24 --> 01:29:30: like magic wand. I guess if I wouldn't this is

01:29:31 --> 01:29:32: a magic wand,

01:29:32 --> 01:29:35: so it doesn't have to necessarily be real,

01:29:35 --> 01:29:40: right? Just dumping enough money back into the black and

01:29:40 --> 01:29:44: brown communities to be able to pull ourselves self up

01:29:44 --> 01:29:48: from our bootstraps by being able to purchase in the

01:29:48 --> 01:29:51: neighborhoods that we want to live in.

01:29:51 --> 01:29:54: And being able to do that will help catapult us

01:29:54 --> 01:29:56: be like David said,

01:29:56 --> 01:29:59: by being able to use the the equity that we

01:29:59 --> 01:30:02: take from our homes for education.

01:30:02 --> 01:30:04: For you know, maybe weddings,

01:30:04 --> 01:30:07: or for that next property that you're looking to invest

01:30:07 --> 01:30:07: in,

01:30:07 --> 01:30:09: there's a lot of times people will pull from that

01:30:09 --> 01:30:09: property,  
01:30:09 --> 01:30:12: so just dumping in a tour to build that business,  
01:30:12 --> 01:30:14: I think I saw that in the in the chat,  
01:30:14 --> 01:30:18: just being able to have enough money to be able  
01:30:18 --> 01:30:21: to circulate in our communities to provide.  
01:30:21 --> 01:30:25: That that structure that we that we're missing.  
01:30:25 --> 01:30:27: Just being able to circulate the dollar in our own  
01:30:27 --> 01:30:30: communities to be able to build them and and not  
01:30:30 --> 01:30:32: necessarily need as much support,  
01:30:32 --> 01:30:34: but we're going to need help to get there.  
01:30:34 --> 01:30:36: So if I can make wave a magic wand,  
01:30:36 --> 01:30:39: let's dump some money into into our communities and I  
01:30:39 --> 01:30:40: don't have one specific way,  
01:30:40 --> 01:30:43: it's just it's. It's too many,  
01:30:43 --> 01:30:44: too many things so.  
01:30:50 --> 01:30:53: That's great, thank you so much and I I should  
01:30:53 --> 01:30:55: actually offer sort of final final word to Octavia if  
01:30:56 --> 01:30:58: you if you have anything to sort of,  
01:30:58 --> 01:30:59: wrap us up with today.  
01:30:59 --> 01:31:01: No, I mean, it's a great conversation.  
01:31:01 --> 01:31:05: Thanks for giving me these last couple of words but  
01:31:05 --> 01:31:06: wonderful engagement.  
01:31:06 --> 01:31:09: I I see that the chat was really on fire  
01:31:09 --> 01:31:12: and so I'm hopeful that you guys share out some  
01:31:12 --> 01:31:13: of these notes.  
01:31:13 --> 01:31:16: Thanks for your participation to the panel and I'm hopefully  
01:31:16 --> 01:31:18: with a lot of things we discussed here.  
01:31:18 --> 01:31:22: We can. We can continue our March forward to increase  
01:31:22 --> 01:31:25: black and Brown home ownership in Philadelphia.  
01:31:25 --> 01:31:25: That's  
01:31:25 --> 01:31:28: great. Well thank you so much Octavia and thank you  
01:31:28 --> 01:31:30: to all of our panelists for joining us today.  
01:31:30 --> 01:31:34: Lisa, Rob, Dave and Teresa was really great to explore  
01:31:35 --> 01:31:36: this really complicated,  
01:31:36 --> 01:31:39: but such an important issue with you,  
01:31:39 --> 01:31:41: and I know it feels like we might have only  
01:31:41 --> 01:31:42: scratched the surface.  
01:31:42 --> 01:31:46: And certainly we did, but I'm looking forward to picking  
01:31:46 --> 01:31:49: up this conversation on Friday as well.  
01:31:49 --> 01:31:51: And and I know this isn't the last of the  
01:31:51 --> 01:31:53: conversation that's happening within the city either,  
01:31:53 --> 01:31:56: and so I know some other organizations are having similar

**01:31:56 --> 01:31:57:** conversations,  
**01:31:57 --> 01:31:59:** and we'll share some resources about that.  
**01:31:59 --> 01:32:02:** I'm at the end of this program too.  
**01:32:02 --> 01:32:04:** I also wanted to just take a quick second to  
**01:32:04 --> 01:32:04:** again.  
**01:32:04 --> 01:32:09:** Thank our sponsors for making today's conversation possible  
and and  
**01:32:09 --> 01:32:12:** in particular shift capital and Councilmember Alan Dong.  
**01:32:12 --> 01:32:15:** And then lastly, I wanted to thank our Co host  
**01:32:15 --> 01:32:18:** the Development Workshop for for really helping us put this,  
**01:32:18 --> 01:32:20:** put this conversation together.

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