

# Good News Department

## Bringing The Housing Boom To Under-served Communities

(NAPS)—At a time when the U.S. is enjoying record-high homeownership rates, some in the mortgage finance industry have demonstrated a commitment to bring the housing boom to more “emerging markets” of historically underserved families and communities.

In March 2000, Fannie Mae, the nation’s largest source of financing for home mortgages, announced the American Dream Commitment, a \$2 trillion commitment to serve the affordable housing needs of 18 million families before this decade is out.

In March 2003, just three years into the initiative, Fannie Mae reported that the effort had already topped \$1.3 trillion and that nearly 12 million families had already been served. This is thanks, in large part, to vigorous, committed partnerships with lenders nationwide.

“We work with our lenders to create new loan products that fit their markets and increase the service to under-served groups and to under-served communities. And the progress is a direct result of the commitment that they’ve made to serving these communities in imaginative ways,” said Franklin D. Raines, Fannie Mae’s chairman and CEO.

In 2002, Fannie Mae and its lender partners helped more than 5.5 million homeowners by providing \$670 billion in mortgage financing. Nearly one million minority households were served. The figure included:

- \$24 billion for 213,000 African-American families;
- \$51 billion for 394,000 Hispanic families; and
- \$61 billion for 375,000 Asian-American families and other minorities.

While gratified at the results of the American Dream Commitment to date, Raines noted there



**The American dream of home ownership is increasingly possible for many families.**

was much more to be done. “Over the next decade, minorities and immigrants are expected to fuel the growth in the mortgage market, making up more than 60 percent of first-time buyers,” Raines said.

Fannie Mae, which along with its partners leads the market in serving Americans of color and modest means, is also engaged in a National Minority Homeownership Initiative in support of President Bush’s challenge to the private sector to help meet affordable housing needs. As part of this initiative, Fannie has pledged to invest \$700 billion through 2009 to make home financing available to 4.6 million minority households.

As part of the overall effort to expand affordable housing, Fannie Mae is also working to address the problem of predatory lending. According to Raines, the aim is “to use good money to drive out bad money,” or loans which impose lending requirements that can’t be met by the borrower.

For more information on the American Dream Commitment, or for a list of lenders, contact Fannie Mae’s Consumer Resource Center at 1-800-7FANNIE (1-800-732-6643), Monday through Friday, 9 a.m. to 5 p.m. EDT.