



Beyond Home Ownership:

Sustaining Owners' Investments

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Beyond Home Ownership: Sustaining Owners' Investments

Dear Colleague:

By now, most policymakers and practitioners in the community development field agree that helping families and individuals achieve home ownership produces positive effects not only for individual families, but also for neighborhoods and society. But helping families achieve home ownership is not enough. Lower-income and minority households, in particular, also need help sustaining their investment, as well as access to products and services that will enhance their investment and help them meet long-term financial success.

This issue of *bright ideas* focuses on the role of community development practitioners, in partnership with the private sector and local government, in making home ownership more sustainable. Clearly, providing financial services to underserved communities and helping Americans build personal assets require more than just making loans.

In this regard, Neighborhood Reinvestment, the Ford Foundation, and Freddie Mac supported the Joint Center for Housing Studies of Harvard University in gathering the nation's leading researchers and practitioners for a November 2003 symposium, "Building Assets; Building Credit."

The symposium explored financial services and their role in asset building among low-income individuals and low-income communities. The focus was on the role of financial services, including short-term credit and savings services, to support sustainable home ownership. Housing and housing finance received special attention, because housing is the primary source of wealth for most households, especially those with low incomes.

At the symposium, a series of panels examined topics to include the reasons that low-income borrowers select the financial services they do, the implications of these choices, how financial services are currently provided to low-income markets, and how providers reach out to low-income communities.

Panels examined how the provision of financial services has changed since the 1970s, how credit information is captured, and the implications of credit-access decisions being made according to this system. Panels also examined policies, programs and innovations that may help prevent credit problems. They also explored laws and regulations, their purpose, and how well they have kept pace with changes in the financial services sector. The final panel discussed the implications of the research presented for business, government and community leaders from the public, private for-profit, and private nonprofit sectors.

As we walked away from this gathering, the overall outlook was clear: We are all concerned and committed to helping all Americans achieve financial health and independence. We recognize the benefits of helping families build, maintain and preserve their assets, and the importance of providing reliable products and services. We also recognize the vital role that partnerships among the public sector, community development organizations, and the financial services industry can play in making this happen.

We hope you enjoy this issue, and look forward to further dialog on supporting asset building *and preservation* in low-income and minority communities. ■

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This quarterly publication of the Neighborhood Reinvestment Corporation assists NeighborWorks® network organizations in their mission to rebuild and revitalize communities. Our intent is to publish success stories and innovative strategies from network organizations and provide information to help community development organizations better serve their communities.

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NEW HOMEOWNERS LEARN HOW TO CUT CERAMIC TILE AND THEN INSTALL IT, AMONG MANY OTHER USEFUL HOME MAINTENANCE SKILLS, AT THE CDC OF LONG ISLAND HOME MAINTENANCE TRAINING FACILITY.

PHOTO COURTESY CDC OF LONG ISLAND