



Labor Council for Latin American Advancement

“Un Pueblo Unido: Be Powerful! Be Heard!”

Home to the Latino Labor Movement

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March 5, 2009

The Honorable Christopher J. Dodd
Chairman
Senate Committee on Banking, Housing & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Honorable Chairman Dodd:

On behalf of the Labor Council for Latin American Advancement (LCLAA) and the 1.7 million Latino workers that make up our constituency, we want to express our strong support for H.R. 600, bipartisan legislation to reauthorize and reform downpayment assistance programs funded in part by sellers (DPA). H.R. 600 will improve standards for participants in DPA programs, help stabilize the U.S. housing market at an historic time, and provide responsible homeownership opportunities for Latino families.

As a national organization committed to the social and economic empowerment of Latino working families, we are disappointed that DPA programs expired under federal law in October 2008. Without DPA, roughly 300,000 families and individuals who qualify for Federal Housing Administration loans have been eliminated from the housing market annually. This exodus of homebuyers, many of whom are low to middle-income Latinos, creates a ripple effect in our communities, hurting home values, housing industry jobs, and local governments, while accelerating foreclosure rates.

H.R. 600 would reinstate qualified DPA programs and implement safeguards designed to encourage long-term, successful homeownership. It will authorize DPA for homebuyers who are qualified for FHA loans, toughen credit requirements for DPA recipients, and institute safeguards to ensure the fair appraisal of homes. Additionally, a recent report from the Congressional Budget Office indicates that H.R. 600 will not cost the taxpayer a dime.

As you know, thousands of homebuyers annually are deemed FHA-qualified, but lack access to the required 3.5 percent downpayment. For low and middle-income families, one of the greatest challenges to homeownership is the downpayment.

If Congress fails to reinstate qualified DPA programs, thousands of credit-ready Latino working families may never become homeowners. Without homeownership, many Latino families are forced to rent or resort to predatory financing that can be devastating for minority borrowers. Homeownership for Latinos is close to 30 percent below that of Whites. The absence of DPA exacerbates this economic disparity.

In view of the reforms outlined in H.R. 600, combined with DPA’s proven ability to cultivate responsible homeownership among working families, this legislation should be considered a key component to the housing market’s recovery. That is why LCLAA urges you to adopt H.R. 600.

In Solidarity,

Milton Rosado
National President

Dr. Gabriela D. Lemus
Executive Director