

BLACK HOMEOWNERSHIP MATTERS



EXPANDING ACCESS TO HOUSING
WEALTH FOR BLACK NEW JERSEYANS

A REPORT BY THE NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE



NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE

Established in 1999 by Alan V. and Amy Lowenstein, the Institute's cutting-edge racial and social justice advocacy seeks to empower people of color by building reparative systems that create wealth, transform justice and harness democratic power – from the ground up – in New Jersey. Known for our dynamic and independent advocacy aimed at toppling load-bearing walls of structural inequality to create just, vibrant and healthy communities, we are committed to exposing and repairing the cracks of structural racism in our foundation that erupt into earthquakes in communities of color. The Institute advocates for systemic reform that is at once transformative, achievable in the state and replicable in communities across the nation.

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ACKNOWLEDGEMENTS

The Institute gratefully acknowledges the generous support of the Prudential Foundation, the Community Foundation of New Jersey, FirstEnergy Foundation, the Fund for New Jersey, the Sozosei Foundation and the Victoria Foundation for supporting this work. We are grateful to our colleague Laurie Beacham for her invaluable substantive and editorial feedback, as well as Jake Girard for cover design and layout. We also express gratitude to Sarah Wisniewski and Jean-Pierre Brutus for Bluebooking and cite checking assistance. The Institute would also like to thank the external reviewers of earlier drafts of this report for their thoughtful input and insights: Staci Berger, Laurie Brenner, Rev. Eric Dobson, Adam Gordon, Matthew Hersh, Stephen Madsen, Bruce Mitchell, Michael Neal, Jason Richardson, Alex Staropoli, Jonathan Sternesky and James Williams. We would also like to give a special thanks to Caitlin Young of the Urban Institute for calculating the amount of wealth through homeownership that exists in New Jersey by race.

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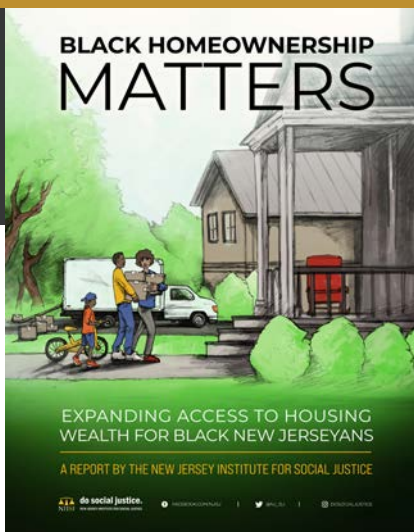
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MAY 2022



EXECUTIVE SUMMARY

Black homeownership matters. Homeownership inequity is a primary driver of the racial wealth gap in New Jersey – one of the highest in the nation. Unfortunately, Black New Jerseyans lack the same access to homeownership and wealth gains from homeownership afforded to white people in the state. Today, just 38.4% of Black New Jersey households own homes compared to 75.9% of white New Jersey households. In addition, the typical white family in New Jersey has \$132,000 in home equity, while the typical Black family rents so they have \$0 in

housing wealth. Black households that do own homes face substantial barriers to wealth-building through homeownership and thus enjoy significantly fewer financial benefits from their investment than their white peers do.

Our report *Black Homeownership Matters: Expanding Access to Housing Wealth for Black New Jerseyans* examines the present-day barriers that limit Black New Jerseyans' access to and financial rewards from homeownership. These barriers include the racial wealth gap itself, which limits access to homeownership; high housing costs; higher home lending costs, including a lack of access to fair credit; and credit scoring systems. Even when Black New Jerseyans are able to overcome these obstacles and purchase homes, Black families' homes are often undervalued due to ongoing segregation and are more vulnerable to foreclosure.

While the state and federal governments have taken swift and meaningful action to address urgent housing needs for renters and homeowners during the pandemic, more must be done to address racial disparities in homeownership in New Jersey. Existing state homeownership programs do not sufficiently meet Black New Jerseyans' needs and should be better targeted to address the specific barriers to homeownership faced by Black families.

Our report presents the following policy proposals that offer solutions for addressing current barriers to homeownership for Black families in New Jersey:

1. New Jersey must ensure that state homeownership programs meet Black New Jerseyans' needs by taking the following actions:
 - a. Create first-generation homebuyers' programs
 - b. Provide greater levels of down-payment assistance
 - c. Form stronger connections with real estate industry partners who serve Black communities
 - d. Improve collection of demographic data for existing program participants
2. The state must commit to combatting home appraisal discrimination by passing A1519/S777.
3. New Jersey must help Black homeowners avoid foreclosure.
4. New Jersey must increase and protect successful programs to expand affordable housing.
5. Lenders should develop targeted assistance programs for Black homebuyers.
6. New Jersey must establish the New Jersey Reparations Task Force.

Introduction

Black homeownership matters.

Owning a home is the primary way that most families build wealth. But from its founding as a colony, New Jersey designed a racialized system that incentivized land ownership by white people for white people while simultaneously separating Black people from homeownership, and by extension, wealth.¹ Today, just 38.4% of Black New Jersey households own homes compared to 75.9% of white New Jersey households.² In addition, Black families that do own homes enjoy significantly fewer financial benefits from their investment than their white peers do.

This homeownership divide has contributed substantially to New Jersey having one of the starkest racial wealth gaps in the nation, with its white families holding \$322,500 at the median compared to only \$17,700 for the state's Black families.³

As examined in the Institute's report *Making the Two New Jerseys One: Closing the \$300,000 Racial Wealth Gap in the Garden State*, today's racial gaps in wealth and homeownership started with slavery and continued with generations of policies that prevented Black New Jerseyans from full social, political and economic participation in the state.⁴ Early racial restrictions on building wealth through property ownership were exacerbated over generations for Black New Jerseyans through racially restrictive covenants, redlining, exclusion from the GI Bill and predatory lending during the Great Recession.⁵ Thus, for generations, policies and practices, by design, have resulted in today's stark racial disparities in homeownership and wealth.

The COVID-19 pandemic has further intensified the racial and economic disparities that have been built into New Jersey's foundation; thus, it created an urgent need to design a new system of policy reforms that repair both past and ongoing harm from racial discrimination and promote racial equity in housing and equitable access to homeownership.⁶ As underscored in our report *Repairing the Cracks: How New Jersey Can Restore Black & Brown Communities Ravaged by COVID-19 and Systemic Racism*, Black Americans have faced disproportionate economic setbacks during the pandemic, and a lack of stable and affordable housing has been a major contributor to their financial insecurity during this period.⁷ Much more likely to be renters, Black families have endured particularly great financial difficulties relating to housing during the pandemic, which have especially impacted renters.

Nationally, one-third of renters experienced housing insecurity in 2020 after the start of the pandemic compared to only one-sixth of homeowners.⁸ By December 2021, the percentage of U.S. renters not caught up on their rent payments was 16.1%,⁹ while the proportion of Black renters nationally not caught up on their rent payments was an alarming 30.5%.¹⁰ Thus, almost one in three Black renters were behind on their rent payments almost two years into the pandemic. By comparison, 6.9% of all homeowners were behind on their mortgage payments during this same time period.¹¹ Expanded homeownership for Black families could help provide the greater housing stability that comes with homeownership, but we must also change policies to ensure that Black homeowners do not face greater housing instability than white homeowners; more than one in seven (15.5%) of Black homeowners were behind on their mortgage payments in the final month of 2021.¹²

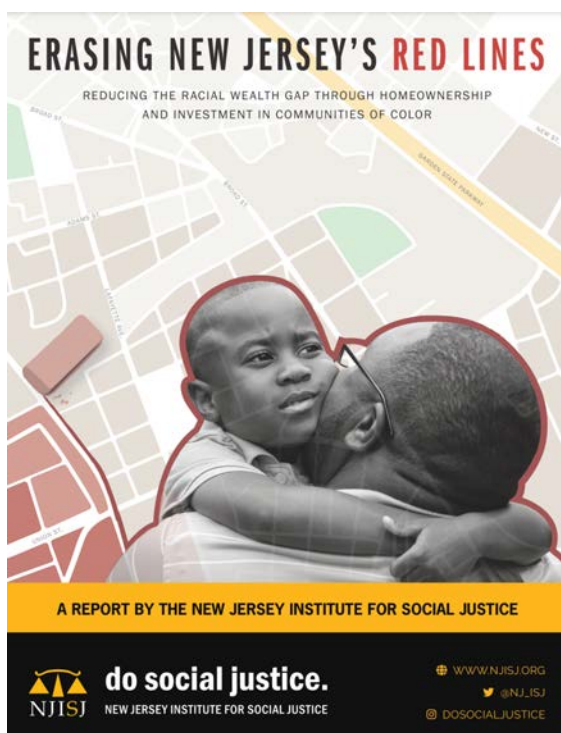
To be sure, state and local governments and community-based organizations have been able to provide extraordinary short-term housing assistance to New Jerseyans in this time of crisis.¹³ Yet, given the long history of policies which created barriers to homeownership for Black people, much more must be done to combat long-term racial inequities in housing to help Black New Jersey families access affordable, safe and stable housing that serves as a wealth-building vehicle as it has for generations of white families. Furthermore, we must ensure that Black New Jerseyans have equal access to loans, equal costs of homeownership compared to white New Jerseyans and access to foreclosure mediation to ensure that increasing Black New Jerseyans' homeownership rate does not plunge them into default or foreclosure.¹⁴



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Expanding homeownership and making the financial benefits of homeownership more racially equitable are both critical in order to close long-term racial gaps in economic security and wealth. Both past and present barriers to homeownership and housing wealth for Black families have contributed to the racial disparities in homeownership that we see today. While rental housing is vital to meet the housing needs of many New Jerseyans, particularly the most economically vulnerable, a focus on homeownership is also crucial because it provides greater financial stability and can open avenues for building wealth. However, for Black families to truly benefit from housing wealth, systems must be in place to support equitable asset-building opportunities for Black people. Reforms and policies must address the ongoing systemic barriers to wealth-building through homeownership for Black families.

This report builds on the Institute's *Erasing New Jersey's Red Lines* report, which examined historical and enduring barriers to Black New Jerseyans' ability to purchase homes:

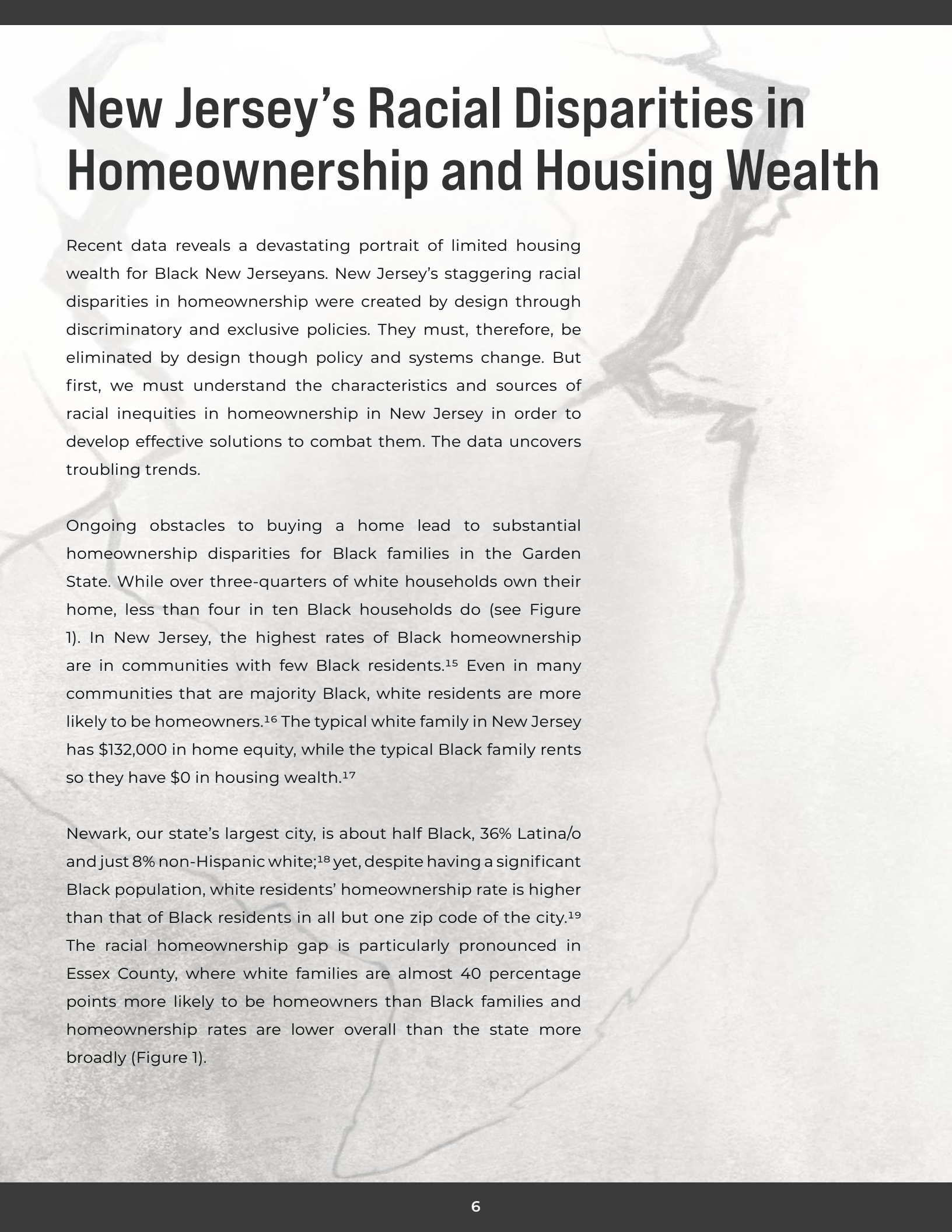


- First, it examines current disparities in homeownership for Black New Jerseyans and several ongoing barriers that contribute to present-day inequities.
- Then, the analysis examines how existing homeownership programs and current efforts to expand homeownership opportunities fail to meet Black New Jerseyans' needs and do not adequately address racial disparities in the financial benefits of homeownership.
- Lastly, this report recommends policies to combat inequities in homeownership access and wealth returns for Black families in New Jersey.

As housing and economic disparities have come into greater focus during the pandemic, New Jersey has an opportunity to create new avenues for secure homeownership for Black New Jersey families that help build wealth. Action is urgently needed to ensure

that Black families in the Garden State have equitable access to the safety, stability and asset-building opportunities that come with homeownership that are already available to the majority of white New Jersey families.

The recommendations in this report chart that path forward.



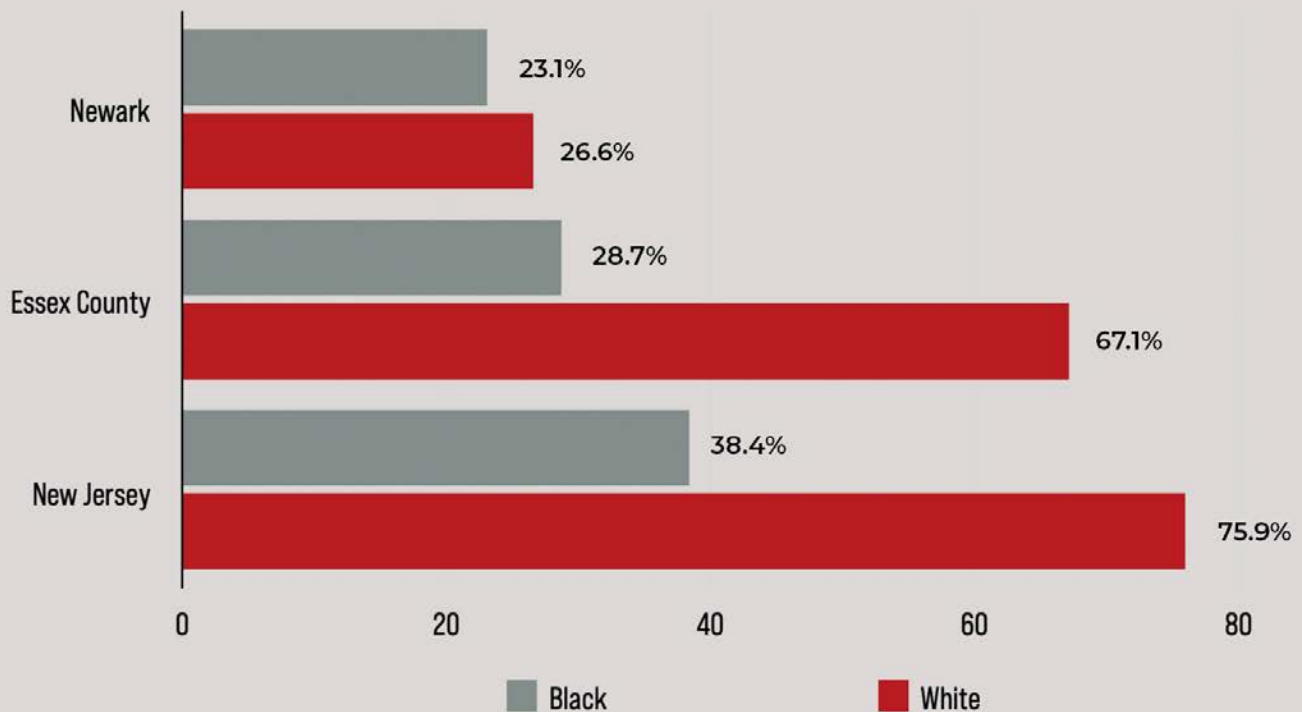
New Jersey's Racial Disparities in Homeownership and Housing Wealth

Recent data reveals a devastating portrait of limited housing wealth for Black New Jerseyans. New Jersey's staggering racial disparities in homeownership were created by design through discriminatory and exclusive policies. They must, therefore, be eliminated by design through policy and systems change. But first, we must understand the characteristics and sources of racial inequities in homeownership in New Jersey in order to develop effective solutions to combat them. The data uncovers troubling trends.

Ongoing obstacles to buying a home lead to substantial homeownership disparities for Black families in the Garden State. While over three-quarters of white households own their home, less than four in ten Black households do (see Figure 1). In New Jersey, the highest rates of Black homeownership are in communities with few Black residents.¹⁵ Even in many communities that are majority Black, white residents are more likely to be homeowners.¹⁶ The typical white family in New Jersey has \$132,000 in home equity, while the typical Black family rents so they have \$0 in housing wealth.¹⁷

Newark, our state's largest city, is about half Black, 36% Latina/o and just 8% non-Hispanic white;¹⁸ yet, despite having a significant Black population, white residents' homeownership rate is higher than that of Black residents in all but one zip code of the city.¹⁹ The racial homeownership gap is particularly pronounced in Essex County, where white families are almost 40 percentage points more likely to be homeowners than Black families and homeownership rates are lower overall than the state more broadly (Figure 1).

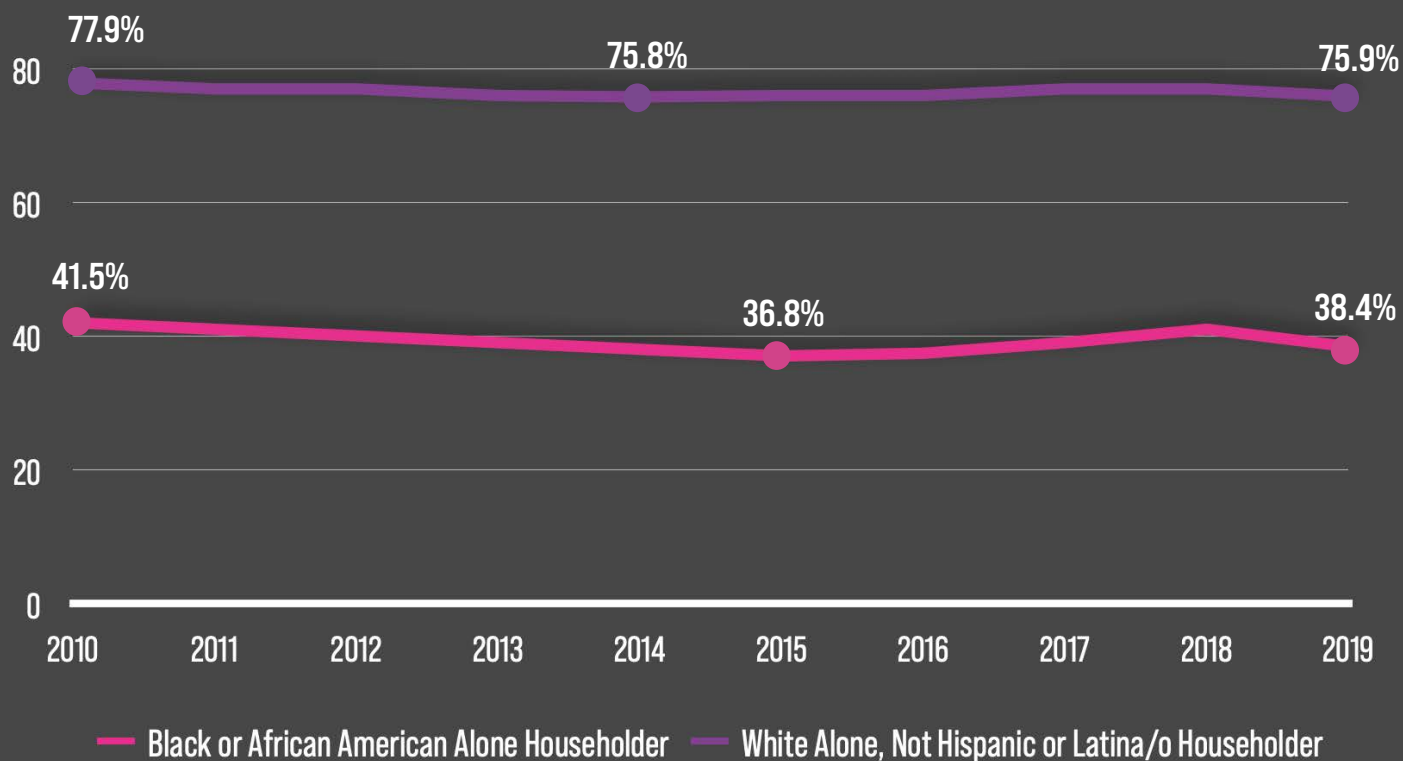
Figure 1: Racial Disparities in Homeownership Rates in Newark, Essex County and New Jersey



Source: 2019 American Community Survey 1-Year Estimates.²⁰

Nationally, the Black-white homeownership gap has persisted for decades²¹ and it is greater now than it was in 1960 when refusing to sell to a buyer based on their race was legal.²² While the national Black-white homeownership gap is troubling at 30 percentage points, with the white rate at 72.1% compared to the Black rate of 42.0%,²³ in New Jersey, the gap is even wider at 37.5 percentage points (see Figure 1). In addition, data from the past decade underscores a striking persistence in the statewide Black-white homeownership gap, even as Black and white families faced the impacts of the Great Recession and the bursting of the housing bubble; in fact, as in the rest of the country,²⁴ Black families were more harmed by the after-effects of the Great Recession, seeing greater declines in homeownership compared to white families during the Great Recession (see Figure 2). Specifically, in the first half of the 2010s, Black homeownership in New Jersey fell from 41.5% to a low of 36.8% in 2015, an almost five percentage point decline (4.7), compared to a decline of about two percentage points for white families at the lowest point in 2014.

Figure 2. Persistence of the Black-White Homeownership Gap in New Jersey



Source: American Community Survey 1-Year Estimates, 2010-2019 ²⁵

These disparities in the Black-white homeownership rate are glaring. In addition, as the next section demonstrates, even when Black families in New Jersey are homeowners they tend to benefit less financially than their white peers. The analysis uncovers how present-day barriers to homeownership and housing wealth for Black families remain unaddressed and are compounded by historical barriers that have impeded Black homeownership for generations.

Ongoing Barriers to Black Homeownership and Housing Wealth in New Jersey

In New Jersey, high costs, racial disparities in home values, barriers to accessing loans, credit scoring systems and the existing racial wealth gap – which itself is a manifestation of generations of structural inequalities²⁶ – make owning a home, sustaining homeownership and building wealth through homeownership more difficult for Black families compared to white families. In turn, homeownership disparities lead to substantially lower wealth for Black New Jersey families who, as seen above, are less likely to be homeowners and are less likely to see substantial home equity gains when they do own a home.²⁷ Further, Black New Jersey homeowners are more likely to face foreclosure because of structural barriers in the labor market that lead to greater income volatility,²⁸ a lack of home equity and net worth²⁹ and inequities in lending.

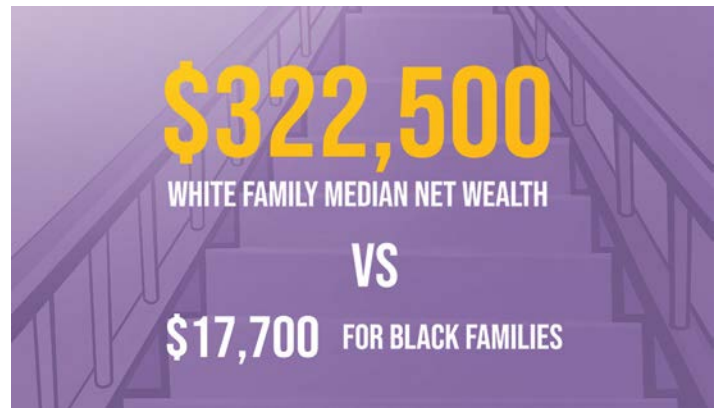
We must understand these modern barriers to homeownership for Black families to address them. The following section identifies key ongoing barriers to homeownership and wealth-building through homeownership for Black New Jersey families, so that policymakers, advocates and community members in the state can work together to topple them through structural and policy reforms.



The Racial Wealth Gap Itself Hinders Homeownership for Black Homebuyers

New Jersey's staggering racial wealth gap was created on a foundation of policies that supported wealth-building for white families while excluding Black families;³⁰ it often gives white homebuyers a head start in accessing homeownership, while Black families simultaneously face more tenuous financial footing. With a median household wealth of \$322,500, white New Jersey families have substantially more wealth to invest in buying a home than Black families, whose median household wealth is just \$17,700³¹. White people are more likely to have access to family wealth that has been passed across generations from periods

in which discrimination and racial exclusion were explicit.³² Intergenerational wealth makes it easier for many white families to pass on a financial head start from parents to adult children.³³ For example, white homebuyers are more likely to be able to rely on their parents to provide them with financial assistance to cover closing costs and the cost of a down payment.³⁴ Unfortunately, our long history of systemic racism – which includes slavery, redlining, disparities in implementation of the GI bill and other forms of discrimination and barriers to homeownership over generations – has made it difficult for many Black parents today to do the same.³⁵ Only 8% of Black families receive an inheritance compared to 26% of white families.³⁶ When Black families do receive inheritances and large gifts, they receive \$5,013 less than white families.³⁷ By contrast, Black college-educated people are much more likely than their white peers to send financial support to their parents.³⁸



In New Jersey, white families have substantially more wealth than Black families with a staggering racial wealth gap of over \$300,000.

Housing Costs in New Jersey Are Too High for Many Black Families

There is a dire need for more affordable homeownership options for Black families in New Jersey. A recent poll found that 87% of New Jerseyans believe that housing costs are a very or somewhat serious problem.³⁹ Approximately 28.8% of New Jerseyans who live in owner-occupied housing spend 30% or more of their incomes on housing,⁴⁰ while roughly 11.7% of New Jerseyans who own their homes spend at least 50% of their incomes on housing costs.⁴¹ This trend is even more dire in Newark, where 51.2% of homeowners spend 30% or more of their incomes on housing,⁴² while over a quarter (27.3%) of homeowners spend at least 50% of their incomes on housing costs.⁴³ Housing is considered affordable when residents do not pay more than 30% of their income on housing costs, including utilities.⁴⁴ Thus, a substantial portion of homeownership New Jerseyans and Newarkers, in particular, struggle to afford housing.

Despite a decline after the Great Recession, home prices in New Jersey have risen dramatically to levels that are unaffordable for many, particularly in the last two years since the start of the pandemic.⁴⁵ Housing prices increased substantially in late 2020 as the COVID-19 pandemic ravaged the country and the state⁴⁶ and people in New York City and other large cities relocated to other areas for more space, including New Jersey.⁴⁷ In 2020, the median sales price of a home nationally was \$336,950.⁴⁸ By 2021, the median price had increased to \$396,800.⁴⁹ By comparison, in New Jersey, the median price of a single-family home at \$325,000 in 2020⁵⁰ jumped up 23.1 percent to \$400,000 in 2021.⁵¹



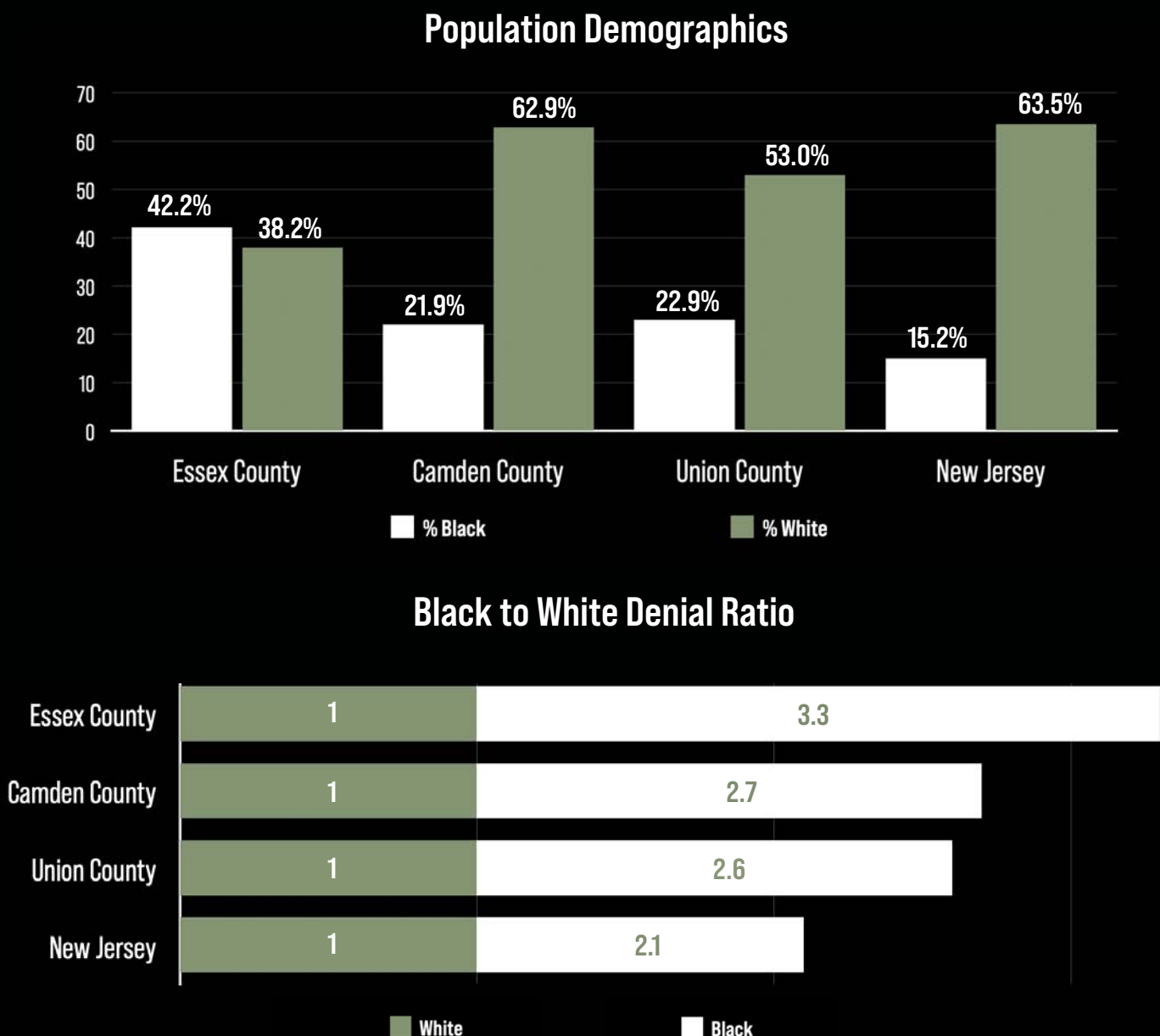
Even though the pandemic dramatically shifted the home buying landscape in New Jersey⁵² and prices have been on the rise in our state, nationwide, homeownership can still be more affordable than renting. Homeownership remains a vital component of affordable housing⁵³ and is a crucial asset-building opportunity, with home equity making up the greatest portion of household net worth in the United States.⁵⁴ In fact, in more than half of U.S. counties (58%), homeownership is more affordable than renting,⁵⁵ but trends suggest affordability is on the decline.⁵⁶ The average American homeowner pays 16% of their income towards their mortgage, which is significantly less than the 30% considered affordable.⁵⁷ Homeownership can be affordable because owners have much more predictability in monthly payments;⁵⁸ these monthly payments only increase if, for example, property taxes and property insurance increase.⁵⁹

Black Owners Face Higher Home Lending Costs

Fair access to affordable credit and home loans remains a substantial barrier to homeownership and the wealth-building benefits of owning a home for Black New Jersey families. Nationally, higher mortgage rates, a lack of refinance opportunities, greater insurance premiums and higher property taxes lead Black homeowners to experience greater costs associated with owning a home compared to white families⁶¹ – limiting financial gains of homeownership for Black families.⁶² On average, Black homeowners pay approximately \$250 more per year than white homeowners in interest on home loans.⁶³ Evidence has shown higher median interest rates (4.215%) among Black homeowners with incomes between \$75,000-\$100,000 than those for white borrowers with incomes less than \$30,000 (4.16% at the median).⁶⁴ Black homeowners also pay higher mortgage insurance costs of about \$550 more per year than white homeowners.⁶⁵ In addition, systemic inequities in property assessments lead to higher tax rates for lower-income communities of color than affluent predominately white communities, leading Black families to pay higher property tax rates.⁶⁶ In combination, these systemic factors strip wealth from Black homeowners and require urgent remedies in order for Black families to enjoy the financial benefits of wealth enjoyed by many of their white peers.

Widespread inequities in lending practices make home loans both more expensive and less accessible for Black borrowers. In New Jersey, Black applicants have consistently been the most likely to be denied single-family loans in recent years compared to other groups.⁶⁷ Disturbingly, in 2017, high-income Black New Jerseyans were more likely to be denied for a single-family home loan than low-income white people (12% versus 10%).⁶⁸ In Essex County, Black applicants were over three times more likely than white applicants to have lenders deny their home loan applications for the purchase of a home – the worst ratio in the state.⁶⁹ Relative to other counties, Black applicants had the greatest inequities in rates of denial for home purchase loans compared to white applicants in Essex, Camden and Union counties (see Figure 3).⁷⁰ Statewide, Black applicants were more than two times as likely as white applicants to be denied home purchase loans.⁷¹

Figure 3. These 3 New Jersey Counties Have the Highest Black-White Denial Ratios for Home Purchase Loans



Source: National Community Reinvestment Coalition Fair Lending Tool and 2020 U.S. Census.⁷² Denial ratios calculated among home purchase loans only.



In 2017, Black loan recipients in New Jersey were more than **three times as likely as white loan recipients to have a subprime mortgage loan.**

In addition, Black families are more likely to get predatory, subprime loans than their white peers, which strip the wealth of homeownership families. It is well-documented that Black families nationwide were targeted for expensive, subprime home loans during the housing boom prior to the Great Recession⁷³ – a pattern which unfortunately continues today. While subprime loans have higher interest rates than standard loans – in theory, to compensate lenders for accepting the risk associated with lending to higher-risk borrowers,⁷⁴ Black and Latina/o borrowers were more than twice as likely as comparable white applicants to receive such loans during the housing boom of the 2000s.⁷⁵ In fact, during this period, Black families earning more than \$200,000 per year were more likely to get a subprime loan than a low-income white family making under \$30,000 annually.⁷⁶ Today, Black households remain the most likely group to receive subprime loans in the Garden State,⁷⁷ a worrisome reality given the documented history of racial targeting of subprime loans. In fact, in 2017, Black loan recipients in New Jersey were more than three times as likely as white loan recipients to have a subprime mortgage loan.⁷⁸ Overall, higher lending costs mean that Black families do not benefit equitably from homeownership relative to their white peers.

Credit Scoring Systems Limit Black New Jerseyans' Access to Homeownership

Structural racism is embedded in credit scoring systems⁷⁹ and thus inequities in the design of credit scores are another barrier to opportunities for wealth-building through homeownership for Black families in New Jersey and nationally. Current scoring systems lead to lower credit scores for Black people than white people for a number of reasons.⁸⁰ One reason is credit scoring systems' exclusion of particular bills from consideration, such as rental and utility payments.⁸¹ Excluding these bills from credit scoring systems' evaluations prevents Black people from maximizing their scores since they are more likely to be renters than homeowners.⁸²

Additionally, Black people's financial health is often more precarious due to broader inequities in our financial and labor market systems, which in turn impacts credit scores.⁸³ Given existing wealth disparities, Black Americans typically have fewer financial reserves to rely on and are also more likely to be behind financially due to systematic obstacles and racism in the labor market.⁸⁴ During financial downturns, such as the economic crisis recently caused by the pandemic, limited savings among Black people may lead to greater difficulty paying bills and debts, which in turn, can lower credit scores.⁸⁵ Creditors are also more inclined to sue Black borrowers, and debt collection lawsuits that end in default judgments can further damage credit.⁸⁶ Thus, preexisting racial wealth and homeownership disparities reinforce credit score disparities, which in turn create another barrier to Black homeownership. Across over 100 metro areas with more than 40,000 Black residents, credit score differences between white and Black people explain 22% of the Black/white homeownership gap.⁸⁷ More equitable formulas for credit scoring in the U.S. would serve to increase access to and the financial benefits of homeownership for Black families.

Racial Inequities in Home Values Are a Symptom of Segregation and Racial Bias

Among Black families who are able to purchase a home in the Garden State, disparities in home values between communities of color and predominately white communities in New Jersey limit the financial benefits of homeownership for Black families. Generations of public policies, such as redlining and racially restrictive covenants,⁸⁸ have led to severe residential and school segregation.⁸⁹ Since property taxes are a vital component of public school funding, and, on average, Black people live in neighborhoods with higher poverty and lower levels of wealth, the average Black student's school district has less local revenue than the average white student's school district.⁹⁰ Therefore, residential segregation and school segregation are inextricably linked – and New Jersey is one of the most segregated states in the country.⁹¹ It is promising that the Biden Administration restored a vital tool to combat racial residential segregation – the federal Fair Housing Act's Affirmatively Furthering Fair Housing requirement;⁹² however, our state remains highly segregated, and across the country, homes located in majority-Black neighborhoods receive lower appraisals than homes of similar quality and amenities in neighborhoods with few Black residents, reflecting ongoing racial bias in the housing market.⁹³

Substantially lower home values in Black neighborhoods mean less housing wealth among Black homeowners. In New Jersey, communities with more Black residents are associated with both lower Black homeownership rates and lower home values.⁹⁴ In fact, homes in Black-majority municipalities have less than half the median value compared to the state overall (see Figure 4). Specifically, recent analysis suggests that, in the Trenton area, homes in Black-majority neighborhoods are valued at 30.7% (\$36,353) less than in neighborhoods where less than 1% of residents are Black.⁹⁵ Similarly, in the Atlantic City-Hammonton area, home values in Black-majority neighborhoods are 13.9%, or \$23,349, lower and in the Newark-New York area they are 9.8% lower (\$47,888).⁹⁶ These lower home values in predominately Black communities in our highly segregated state⁹⁷ translate into lower wealth gains for Black families who are homeowners.

Figure 4: Lower Home Values in New Jersey's Black Communities in 2018



Source: New Jersey Future. 2020.⁹⁹ The home values in this graphic represent the average home value in the median municipality in each of the three groups in this figure.

The disparities in home values between Black and white New Jerseyans reflect disturbing national trends. Nationally, the total value of U.S. household wealth obtained through primary residences is about \$26.3 trillion;¹⁰⁰ Black people only have a fraction of that wealth¹⁰¹ – about \$1.53 trillion or just 6.0% of the nation's total wealth through homeownership.¹⁰² Aligning with national trends, Black New Jerseyans' total wealth through homeownership is only 5.9% of the state's total \$860 billion in wealth through homeownership in primary residences, or about \$50.9 billion.¹⁰³

Ongoing discrimination and the impacts of decades of government and real estate agents' policies and practices that linked the presence of Black people in a neighborhood with lower property values persist and continue to affect property values in Black neighborhoods.¹⁰⁴ Discrimination in home appraisals also limits the value of Black-owned homes in racially diverse and predominately white neighborhoods.¹⁰⁵ Overall, lower home values for Black homeowners result in less accumulated wealth through homeownership than white owners' experience.¹⁰⁶ In addition to racial bias in home appraisals, the use of zoning to direct industrial activity and thus, toxic exposure towards Black neighborhoods, commonly deflates land values.¹⁰⁷ In combination, these market factors – which reflect past and ongoing racism in the housing market and society more broadly – severely lessen the wealth of the New Jersey Black families who are able to become homeowners by limiting the value of their homes over time.



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Black New Jersey Homeowners Are More Vulnerable to Foreclosure

Vulnerability to foreclosure is a key barrier to asset-building through homeownership for Black families in the Garden State. With lower wealth levels and fewer resources in their extended family networks to turn to during economic shocks, Black homeowners are more likely than white families to face foreclosure.¹⁰⁸ Again, as with access to homeownership, the racial wealth gap, as well as disparities in income, leave Black families especially vulnerable to foreclosure. During the foreclosure crisis that led to the Great Recession,¹⁰⁹ about 8% of Black homeowners lost their homes to foreclosures compared to 4.5% of white homeowners.¹¹⁰

As we emerge from the pandemic, the loss of wealth through foreclosure is a very real concern for Black homeownership families. Both new homeownership families and long-term owners should have access to the supports they need to avoid foreclosure during this time of widespread economic instability. As discussed in more detail below, the state and federal governments have launched important initiatives to help families facing foreclosure. However, New Jersey is particularly vulnerable to foreclosures. Before the pandemic, New Jersey had the highest foreclosure rate in the nation for five years running, from 2015 to 2019; in 2022, after the end of the state's pandemic moratorium on foreclosures, New Jersey has the second highest foreclosure rate in the nation.¹¹¹ In addition, in 2019, Atlantic City and Trenton – two majority people of color cities with large Black populations¹¹² – had the highest foreclosure rates among major metropolitan areas in the country.¹¹³ Thus, to address barriers to asset-building through homeownership, both initial access and avenues for long-term stability for homeowners after purchase are crucial. The greater risk of foreclosure among Black families is due to systemic inequities that must be addressed with systemic solutions.

Each of the barriers highlighted above make access to homeownership and the financial benefits of homeownership inequitable. Several existing programs in New Jersey aim to help expand homeownership opportunities for families but more must be done.

Gaps in Existing Homeownership Opportunities and Programs for Black New Jerseyans

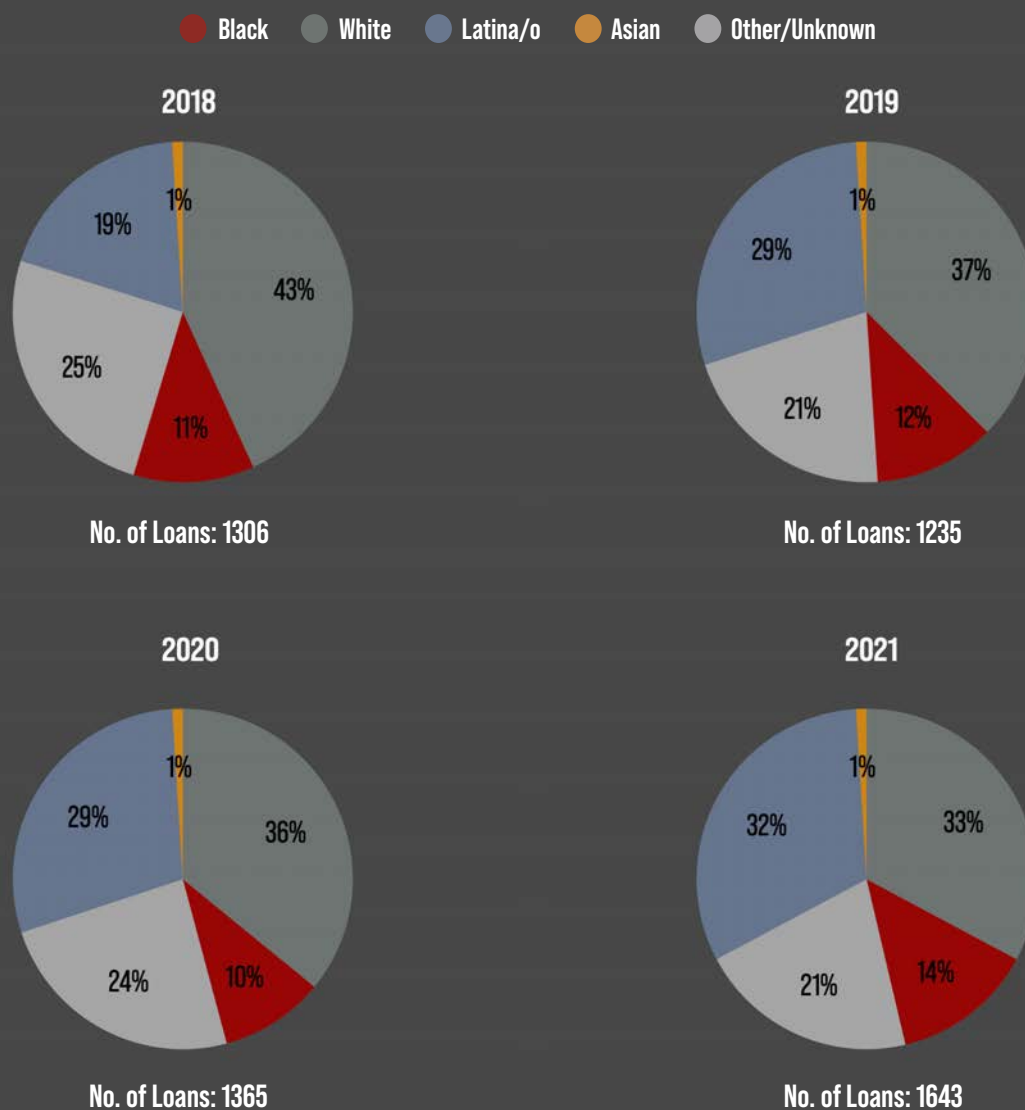
Given ongoing racial disparities in homeownership and housing wealth as well as the numerous and continuing barriers to homeownership and the financial benefits of homeownership for Black families described above, there is much more that needs to be done to create equitable access to housing wealth in New Jersey. Policymakers and program administrators in the state can do more to increase access to homeownership, to mitigate persistent obstacles and to facilitate equitable home equity growth for Black families.

The need for new pathways to close racial disparities in homeownership and housing wealth in New Jersey is great; yet, with the enormous racial gaps today, it is clear that current programs in New Jersey and the country more broadly are not doing enough to meet Black families' needs. This section highlights several major programs and remaining gaps in opportunities. It does so in order to inform the design and implementation of more effective policies and programs that will close the stark racial disparities in homeownership and housing wealth in the Garden State.

Current Down Payment Assistance Programs Inadequately Tackle the Racial Homeownership Gap

Program data indicates that current state homeownership programs do not provide enough Black New Jerseyans with support to close the substantial homeownership disparities in our state. The New Jersey Housing and Mortgage Finance Agency (NJHMFA) provides mortgage loans as well as down payment and closing cost assistance to help New Jerseyans become homeowners.¹¹⁴ Since 2018, the NJHMFA has offered a Down Payment Assistance (DPA) Program, which provides \$10,000 in down payment and closing cost assistance for eligible, first-time homebuyers.¹¹⁵ Existing evidence suggests that Black New Jerseyans are currently underserved by this program, while white families are the largest beneficiaries. According to available data, since 2018, Black New Jerseyans' representation in the DPA program has lagged behind their 15.2% of the state population (see Figure 5).¹¹⁶ Available 2021 DPA data indicates that more Black New Jerseyans received home loans that year than in prior years; however, given incomplete information on the race/ethnicity of participants, the data also suggests room for improvement both in serving Black families and collecting racial data on participants.¹¹⁷

Figure 5. Black Families Underserved by Down Payment Assistance Program



Source: NJHMFA Down Payment Assistance Program Data, 2018-2021. Percents in figure rounded to nearest whole percent.

Down payment assistance programs need provisions to specifically help to close the racial wealth gap or they will fail to consider the structural barriers to Black homeownership.¹¹⁸ A 2021 report from the National Fair Housing Alliance and the Center for Responsible Lending cautions the Biden Administration against creating a national Down Payment Assistance program without more specific criteria to aid Black homebuyers.¹¹⁹ The report recommends that the prospective program's eligibility be limited to first-generation homebuyers (those homebuyers whose parents endured exclusionary housing policies or otherwise were not homeowners) and whose income is at or below 120% of the Area Median Income (AMI).¹²⁰ Nationally, 43% of this income-eligible population of first-generation homebuyers is comprised of Black people.¹²¹ By contrast, if a down payment assistance program fails to consider first-generation homebuyer status and instead, allows all first-time homebuyers with incomes up to 80% of the AMI to apply, only 23% of eligible households would be Black.¹²² Therefore, this analysis suggests that down payment assistance programs without more specific targeting for first-generation status do not as effectively address the Black/white homeownership gap.¹²³

Employment-Based Housing Programs Can Exacerbate Racial Inequities

When developing programs that benefit particular groups based on employment status or public service positions, legislators must consider racial equity implications. Existing administrative data reveals that white participants are the overwhelming majority of beneficiaries of the Police and Firemen's Retirement System Mortgage Program.¹²⁴ In 2020, 66.4% of loans were made to white people and just 1.5% to Black people, while 24.8% of loans went to a person whose race/ethnicity is not known.¹²⁵ These substantial disparities suggest that intentional action, including assessment of how programs will affect different racial and ethnic subgroups in the state before and after policies are passed and implemented, is needed to ensure programs close homeownership disparities, rather than exacerbate them.

The Community Reinvestment Act Should Be Strengthened

The Community Reinvestment Act (CRA) creates a national framework for ensuring that banks meet the credit needs of low- and moderate-income (LMI) individuals and neighborhoods.¹²⁶ The CRA was enacted in 1977 in response to the nation's long history of lending discrimination against people of color at the individual level and, more broadly, against entire communities of color.¹²⁷ It compels financial institutions



to ensure that they meet the credit needs of the communities where they conduct business.¹²⁸ Although the CRA was designed to counter redlining and racial discrimination in lending, the law requires federal regulatory agencies to evaluate banks' performance based on how well they meet the credit needs of entire communities, primarily based on income.¹²⁹ Thus, regulators failed to include race when developing the CRA regulations, and instead, focused on how well banks met the needs of LMI people and communities.¹³⁰

If race were included explicitly in CRA evaluations, as advocated for by the National Community Reinvestment Coalition,¹³¹ the Center for Responsible Lending¹³² and others,¹³³ then the CRA would work better to counteract the impacts of past and present lending discrimination and the resulting financial disparities by race in the U.S.¹³⁴ While this important law has done much to expand banking activities in underserved areas, its impacts would be even stronger if race-conscious design were incorporated into the CRA.¹³⁵

Crucial Existing Support for Homeowners in the Wake of the Pandemic

New Jersey has provided invaluable housing support during the pandemic for renters and homeowners. Last August, Governor Murphy signed into law \$500 million for the COVID-19 Emergency Rental Assistance Program (CVERAP) and \$250 million towards utility assistance; New Jersey's Department of Community Affairs oversees the administration of both programs.¹³⁶ The state's foreclosure moratorium protected many New Jerseyans from foreclosure due to delinquent mortgage payments until it ended on November 15, 2021.¹³⁷ After the foreclosure moratorium ended, the state stepped up again to provide homeowners with additional assistance. In February 2022, New Jersey announced that it would allocate \$10 million from the federal American Rescue Plan (ARP) towards the New Jersey Foreclosure Prevention Act program, which was launched in 2021 and allows the state to prevent foreclosure proceedings and help distressed homeowners.¹³⁸ The Homeowners' Assistance Fund (HAF) – a component of the federal American Rescue Plan (ARP) – has set aside funding to help homeowners impacted by the COVID-19 pandemic by providing financial assistance to prevent mortgage delinquencies, defaults, foreclosures, displacement and loss of utilities or home energy services.¹³⁹ The NJHMFA administers New Jersey's HAF – the Emergency Rescue Mortgage Assistance (ERMA) program – which launched in February 2022.¹⁴⁰ The ERMA provides up to \$35,000 to each New Jersey household to help pay for mortgage payments, property taxes, municipal or tax liens and other costs.¹⁴¹ Racially equitable administration of these important funds will be crucial for ensuring that the pandemic does not further exacerbate racial homeownership disparities in the state.

A photograph of Governor Phil Murphy signing a document at a podium. He is surrounded by several people, some of whom are clapping. The image is overlaid with a blue tint.

Governor Phil Murphy signs the CVERAP into law. (2021) Image Credit: Hudsoncountyview.com

Policy Recommendations

While wealth from homeownership is the greatest asset for most families and a means to build intergenerational wealth, Black families simply do not have the same opportunities to build wealth through homeownership that white families do. New Jersey must rebuild the foundation of the housing landscape in the state to ensure that Black families can enjoy the same opportunities to build wealth through homeownership that have been available to white families for generations.

The analysis in this report makes clear that the racial homeownership disparities that we see today in New Jersey are a significant source of our state's racial wealth gap and must be addressed immediately. Despite current homeownership initiatives, the persistence of stark Black-white disparities in homeownership rates and racial inequities in the financial benefits of homeownership in New Jersey must be addressed head-on through bold, impactful policy reforms. The following proposals will help lead the way.

1. New Jersey Must Ensure That State Homeownership Programs Meet Black New Jerseyans' Needs

We must promote a rigorous evaluation of existing state homeownership programs to ensure that they effectively expand homeownership for Black New Jerseyans. Existing data suggests that the NJHMFA's homeownership programs need more targeted criteria to better aid Black homebuyers. Several opportunities exist for the NJHMFA to strengthen their programs to ensure they are helping to close racial disparities in homeownership in our state.

- First-generation homebuyers' programs are a promising alternative to first-time homebuyers' programs to target homebuyers of color. The NJHMFA should create a first-generation homebuyers' program that can spur greater Black homeownership in the state. Boston's first-generation homebuyers' program is a potential model for New Jersey's own first-generation homeownership efforts. In 2021, the City of Boston partnered with the Massachusetts Affordable Housing Alliance (MAHA) to provide first-generation Boston homebuyers who saved \$2,500 with matching funds of \$5,000 for a total of \$7,500.¹⁴² Black people are the largest beneficiaries of MAHA's program, making up 73% of program participants.¹⁴³ With a more targeted approach than the current NJHMFA DPA program, Black homebuyers would disproportionately benefit from a first-generation homebuyers' program.
- New Jersey should follow New York City's example as another high-cost housing market and provide a greater amount of down payment assistance. In October 2021, New York City's Department of Housing Preservation and Development announced that it would offer up to \$100,000 for low-income, first-time homebuyers to purchase a home in New York City.¹⁴⁴ First-time homebuyers who earn up to 80% of the AMI can use the financial assistance towards down payment assistance or closing costs.¹⁴⁵ The Neighborhood Housing Services of New York City (NHS) administers the program and more than 80% of its clients are people of color.¹⁴⁶ Given the enormous racial wealth gap in New Jersey and the high cost of housing, modest amounts of down payment assistance are not sufficient to close homeownership disparities. In addition to better targeting, greater resources should be allocated for down payment support.
- The NJHMFA should form stronger connections with real estate industry partners who serve Black communities. The NJHMFA underserves areas where there are significant Black populations. In 2020, the NJHMFA only made seven Down Payment Assistance (DPA) loans in Newark, only 18 in Camden, and zero in Asbury Park.¹⁴⁷ People of color comprise the majority of residents in each of these cities, which are predominately Black and Latina/o.¹⁴⁸ By forming closer partnerships with real estate and lending partners that serve Black residents of the state, the NJHMFA could make Black homebuyers more aware of their products and ensure that more Black families are able to benefit from their programs.
- The NJHMFA should work with lenders to improve data collection of racial demographics of program participants. The agency can improve its programs' effectiveness for Black New Jerseyans and other people of color by encouraging its lending partners to collect more accurate racial demographic data. More accurate data collection would improve our understanding of the extent to which Black New Jerseyans and other people of color do or do not benefit from the NJHMFA's homeownership programs. It would also allow for additional remedies to program inequities.



2. The State Must Commit to Combatting Home Appraisal Discrimination by Passing A1519/S777

New Jersey must root out biased appraisals to help Black homeowners equitably accumulate wealth through homeownership. Under pending legislation, A1519/S777,¹⁴⁹ appraisers who commit discrimination will be fined or have their licenses suspended or revoked.¹⁵⁰ In addition, appraisers and real estate agents will be required to provide homebuyers and owners with more information about their rights and opportunities to report appraisal discrimination.¹⁵¹ Recently, California adopted similar legislation to combat discrimination in home appraisals when it passed the Fair Appraisal Act.¹⁵² The Biden Administration has also identified inequities in home appraisals as a priority and recently released an action plan to address this issue.¹⁵³ New Jersey should make combatting discrimination in home appraisals a priority and pass this important legislation in the strongest form possible. It is a key step towards making the housing market more equitable for Black families.

3. New Jersey Must Help Black Homeowners Avoid Foreclosure

Although there are resources to help New Jersey families stay in their homes during the pandemic, more must be done to help Black families avoid foreclosure. As noted above, there are several programs to help families facing foreclosure in New Jersey in the wake of the pandemic, but even more must be done. Existing non-profit-based foreclosure mediation programs,¹⁵⁴ the ERMA program and the foreclosure prevention program¹⁵⁵ created by the New Jersey Foreclosure Prevention Act (A5130/S3244)¹⁵⁶ described above are all important resources for families to avoid foreclosure. However, Black New Jerseyans need more support to avoid foreclosure as we emerge from the pandemic, which has disproportionately impacted Black families. A pending bill (A1167) could further alleviate the weight of foreclosure on Black New Jerseyans by providing resources to those in need. If enacted, it would create the New Jersey Foreclosure Prevention Fund,¹⁵⁷ make homeowners aware of foreclosure prevention assistance¹⁵⁸ and give homeowners the option of mediation before foreclosures occur.¹⁵⁹ With so many New Jersey Black families behind on payments due to the pandemic and the state facing one of the highest foreclosure rates in the nation,¹⁶⁰



A1167 could provide important additional protections against foreclosure. Implementation and evaluation of this new program and existing programs should include a racial equity lens to ensure that existing and new foreclosure protection programs are meeting the needs of Black homeowners, who – as our analysis has shown – are particularly vulnerable to foreclosure.

Black homeowners in NJ are particularly vulnerable to foreclosure.

4. New Jersey Must Increase and Protect Successful Programs to Expand Affordable Housing

Many local community developers are doing important work by building affordable housing, but more investments are needed to increase Black New Jerseyans' access to affordable homeownership. To increase the affordable housing supply, particularly for homeownership opportunities, the state must ensure that affordable housing development is and remains a priority. Importantly, developers now have more support to produce affordable homes, since the state has preserved the Affordable Housing Trust Fund (AHTF) in the FY 2022 state budget¹⁶¹ after years of diverting funds.¹⁶² It is encouraging that Governor Murphy is not only continuing to protect the AHTF in his FY 2023 budget but is also dedicating \$300 million in American Rescue Plan funds towards the construction of 3,300 new affordable housing units.¹⁶³ However, more investments are needed to increase the production of affordable homes to meet the great need in our state. The pandemic has only exacerbated the need for more affordable housing and greater supply to stop home prices from continuing to climb is urgently needed. New Jersey must ensure that the AHTF remains fully funded and the state budget continues to prioritize funding for affordable housing development designed to create homeownership options for years to come.¹⁶⁴

5. Lenders Should Develop Targeted Assistance Programs for Black Homebuyers

While many programs aimed at low- and moderate-income people can help mitigate the effects of discriminatory policies, they cannot wholly undo the harm that Black New Jerseyans have suffered. Since policies have had negative effects on Black New Jerseyans due to race, race-conscious housing policies are essential to reversing their effects.

Special Purpose Credit Programs (SPCPs) are targeted credit programs that lenders can create to benefit “economically disadvantaged” groups who share a common identity such as race, national origin or sex.¹⁶⁵ SPCPs can also take other forms, including but not limited to loans for businesses owned by people of color, women and veterans.¹⁶⁶ While many credit programs are targeted at low- and moderate-income people, they do not always help close racial credit and homeownership gaps.¹⁶⁷ However, the benefit of SPCPs is that they can explicitly consider race. Lenders may have overlooked the possibility of race-conscious SPCPs because they are concerned about violating the Fair Housing Act of 1968 since it prohibits racial preferences in the housing market.¹⁶⁸ However, a provision of the Equal Credit Opportunity Act (ECOA) of 1974 allows lenders to favorably consider factors like race to provide more targeted lending opportunities for groups who have historically faced discrimination.¹⁶⁹ The Consumer Financial Protection Bureau (CFPB) is available and willing to be a resource on plans to develop SPCPs.¹⁷⁰ Therefore, private lenders – both non-profit and for-profit¹⁷¹ – have an important opportunity to create down payment assistance and lending programs that target Black New Jerseyans and other families of color to help increase their homeownership rates and eliminate unequal access to fair loans.

6. New Jersey Must Establish the New Jersey Reparations Task Force

It is time for New Jersey to address the centuries of harm inflicted on its Black residents starting with slavery and persisting for generations which have led the state to present-day disparities in education, wealth and the criminal justice system – some of the worst in the nation.¹⁷² New Jersey can and must do so by Saying the Word: Reparations.¹⁷³ Slavery provided the foundation for the cracks of structural racism in the Garden State, which have erupted into earthquakes in New Jersey's Black communities.¹⁷⁴ New Jersey has been called the “slave state of the North,” and by 1830, more than two-thirds of all enslaved people in the North lived in New Jersey.¹⁷⁵ A crucial step in advancing Black families' wealth, security and homeownership opportunities must be the creation of a New Jersey Reparations Task Force (A938/S386). The task force can be a significant step in repairing the harms of slavery in our state and expanding opportunity for Black New Jerseyans by creating a plan for addressing the racial inequities built into our state's foundation – including those that manifest in homeownership disparities.



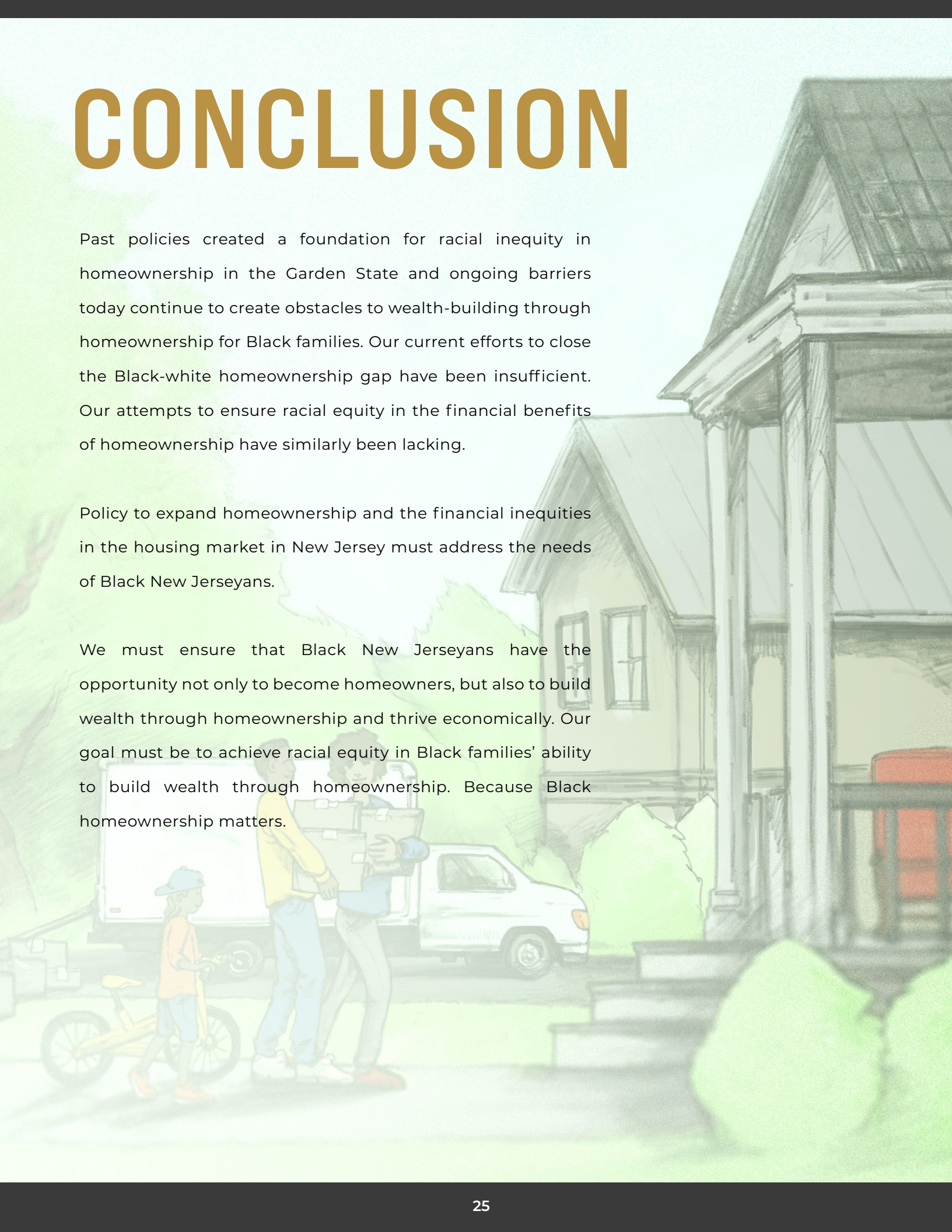
The Institute's Andrea McChristian speaks at a Juneteenth rally to Say the Word: Reparations (2021).

CONCLUSION

Past policies created a foundation for racial inequity in homeownership in the Garden State and ongoing barriers today continue to create obstacles to wealth-building through homeownership for Black families. Our current efforts to close the Black-white homeownership gap have been insufficient. Our attempts to ensure racial equity in the financial benefits of homeownership have similarly been lacking.

Policy to expand homeownership and the financial inequities in the housing market in New Jersey must address the needs of Black New Jerseyans.

We must ensure that Black New Jerseyans have the opportunity not only to become homeowners, but also to build wealth through homeownership and thrive economically. Our goal must be to achieve racial equity in Black families' ability to build wealth through homeownership. Because Black homeownership matters.



Endnotes

¹ JAYNE JOHNSON ET AL., N.J. INST. FOR SOC. JUST., ERASING N.J.'S RED LINES: REDUCING THE RACIAL WEALTH GAP THROUGH HOMEOWNERSHIP AND REINVESTMENT IN CMTY. OF COLOR 6-8 (2020), https://d3n8a8pro7vhmx.cloudfront.net/njisj/pages/689/attachments/original/1588358478/Erasing_New_Jersey's_Red_Lines_Final.pdf?1588358478.

² U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?text=B25003H%3A%20TENURE%20%28WHITE%20ALONE%20NOT%20HISPANIC%20OR%20LATINO%20HOUSEHOLDER%29&g=0400000US34&tid=ACSDT1Y2019.B25003H&hidePreview=true> (last visited March 18, 2022); U.S. Census Bureau. *Table B25003B: Tenure (Black or African American Alone Householder), 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?q=ACSDT1Y2019.B25003B&g=0400000US34&tid=ACSDT1Y2019.B25003B&hidePreview=true> (last visited March 18, 2021). The Census reports that 1,485,028 households out of 1,969,897 households with a white, not Hispanic or Latino householder are owner occupied. This is 75.9%. The Census reports that 171,255 households out of 446,487 households with a Black householder are owner occupied. This is 38.4%.

³ LAURA SULLIVAN ET AL., N.J. INST. FOR SOC. JUST., MAKING THE TWO N.J.'S ONE: CLOSING THE \$300,000 RACIAL WEALTH GAP IN THE GARDEN STATE 8 (2022), https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1645217098/Making_the_Two_New_Jerseys_One_2.15.22-compressed.pdf?1645217098.

⁴ *Id.* at 3, 11, 23-24.

⁵ *Id.* at 11; JOHNSON ET AL., *supra* note 1, at 2,4,7,11.

⁶ TIARA R. MOULTRIE ET AL., N.J. INST. FOR SOC. JUST., REPAIRING THE CRACKS: HOW N.J. CAN RESTORE BLACK & BROWN COMMUNITIES RAVAGED BY COVID-19 AND SYSTEMIC RACISM 1,8-10, 15 (2021), https://d3n8a8pro7vhmx.cloudfront.net/njisj/pages/689/attachments/original/1632787427/repairing_the_cracks_report_small_for_website.pdf?1632787427.

⁷ *Id.* at 8-10; JULIE YIXIA CAI ET AL., CTR. FOR ECON. AND POL'Y RSCH., HOUSING AFFORDABILITY AND INSECURITY BY RACE AND PLACE DURING THE PANDEMIC 3, 16 (2021), <https://cepr.net/wp-content/uploads/2021/03/Race-and-Place-Cai-Fremstad-Kalkat.pdf>.

⁸ CAI ET AL., *supra* note 7, at 3-4.

⁹ U.S. Census Bureau. *Table 1b: Last Month's Payment Status for Renter-Occupied Housing Units, by Select Characteristics: United States, Week 40 Household Pulse Survey: December 1-13* (Dec. 22, 2021), <https://www.census.gov/data/tables/2021/demo/hhp/hhp40.html>. Scroll down to the section labeled, "Housing Tables." Select the table titled, "Table 1b. Last Month's Payment Status for Renter-Occupied Housing Units, by Select Characteristics: United States." Download that data. Once that Microsoft Excel file is downloaded, click the worksheet labeled "US." Under the category "Total," scroll to the right to the category, "Household currently caught up on rent payments." Under the category, "Household currently caught up on rent payments," subtract from the "total" respondents (62,514,289) the number of respondents who are "Occupied without rent" (3,430,054) to obtain the "Households with rents" (59,084,235). From there, subtract from the "Households with rents" (59,084,235) the households that "Did not report" (209,990). That will provide the number of "Households with rents who reported" (58,874,245). Last, divide the respondents who answered "No" to "Household currently caught up on rent payments," (9,488,470) by the "Households with rents who reported" (58,874,245) This is 16.1%.

¹⁰ *Id.* Scroll down to the section labeled, “Housing Tables.” Select the table titled, “Table 1b. Last Month’s Payment Status for Renter-Occupied Housing Units, by Select Characteristics: United States.” Download that data. Once that Microsoft Excel file is downloaded, click the worksheet labeled “US.” Under the category “Hispanic origin and Race,” scroll down to the category, “Black Alone, not Hispanic.” Then, look for the category, “Household currently caught up on rent payments.” Under the category, “Household currently caught up on rent payments,” subtract from the “total” respondents (10,216,282) the number of respondents who are “Occupied without rent” (574,651), to obtain the “Households with rents” (9,641,631). From there, subtract from the “Households with rents” (9,641,631) the households that “Did not report” (50,421). That will provide the number of “Households with rents who reported” (9,591,210) Last, divide the respondents who answered “No” to “Household currently caught up on rent payments,” (2,921,485) by the “Households with rents who reported” (9,591,210). This is 30.5%.

¹¹ U.S. Census Bureau. *Table 1a: Last Month’s Payment Status for Owner-Occupied Housing Units, by Select Characteristics: United States, Week 40 Household Pulse Survey: December 1-13* (Dec. 22, 2021), <https://www.census.gov/data/tables/2021/demo/hhp/hhp40.html>. Scroll down to the section labeled, “Housing Tables.” Select the table titled, “Table 1a. Last Month’s Payment Status for Owner-Occupied Housing Units, by Select Characteristics: United States.” Download that data. Once that Microsoft Excel file is downloaded, click the worksheet labeled “US.” Under the category “Total,” scroll to the right to the category, “Household currently caught up on mortgage payments.” Under the category, “Household currently caught up on mortgage payments,” subtract from the “total” respondents (136,717,266) the number of respondents who are “Owned free and clear” (50,117,925) to obtain the “Homes with mortgages” (86,599,341). From there, subtract from the “Homes with mortgages” (86,599,341) the households that “Did not report” (327,869). That will provide the number of “Homes with mortgages who reported” (86,271,472). Last, divide the respondents who answered “No” to “Household currently caught up on mortgage payments,” (5,911,754) by the “Households with mortgages who reported” (86,271,472). This is 6.9%.

¹² *Id.* Scroll down to the section labeled, “Housing Tables.” Select the table titled, “Table 1a. Last Month’s Payment Status for Owner-Occupied Housing Units, by Select Characteristics: United States.” Download that data. Once that Microsoft Excel file is downloaded, click the worksheet labeled “US.” Under the category “Hispanic Origin and Race,” scroll down to the category, “Black Alone, not Hispanic.” Then, look for the category, “Household Currently Caught up on Mortgage Payments.” Under the category, “Household currently caught up on mortgage payments,” subtract from the “total” respondents (10,243,922) the number of respondents who are “Owned free and clear” (3,430,103) to obtain the “Homes with Mortgages” (6,813,819). From there, subtract from the “Homes with Mortgages” (6,813,819) the households that “Did Not Report” (24,967). That will provide the number of “Homes with Mortgages Who Reported” (6,788,852). Last, divide the respondents who answered “No” to “Household Currently Caught up on Mortgage Payments,” (1,049,521) by the “Households with Mortgages Who Reported” (6,788,852). This is 15.5%.

¹³ New Jersey used a portion of its funding from the American Rescue Plan – the federal plan to provide COVID-19 relief to millions of Americans – to provide New Jerseyans with \$500 million in rental assistance and \$250 million in utility assistance. The City of Newark also created its own emergency rental assistance program called the Emergency Rental Assistance Program (ERAP). Community-based organizations have helped New Jerseyans understand the steps that they need to take to access rental assistance and to prevent foreclosure to remain in their homes. According to La Casa’s “La Casa vs. COVID” website, “La Casa de Don Pedro offers a COVID-19 Rental Relief program for households who owe back rent due to job loss or other challenges caused by the pandemic. Renters who can demonstrate that they can afford their rent once their arrears are paid may qualify.” Grace Segers, *Biden Signs \$1.9 Trillion American Rescue Plan into Law*, CBS NEWS (March 12, 2021), <https://www.cbsnews.com/news/biden-signs-covid-relief-bill-american-rescue-plan-into-law/>; *Murphy Signs Sweeping NJ Housing Eviction Prevention and Utility Assistance Bill*, NBC NEW YORK (Aug. 4, 2021), <https://www.nbcnewyork.com/news/local/murphy-signs-sweeping-housing-eviction-prevention-and-utility-assistance-bill/3200513/>; *NJ Enacts Landmark Pandemic Eviction Protection Measures*, INSIDER NJ (Aug. 4, 2021), <https://www.insidernj.com/press-release/nj-enacts-landmark-pandemic-eviction-protection-measures/>; CITY OF NEWARK: MAYOR

RAS J. BARAKA, MAYOR BARAKA'S EMERGENCY RENTAL ASSISTANCE PROGRAM, <https://newarkcovid19.com/programs/emergency-rent-grants> (last visited March 14, 2022); Beverly Brown Ruggia, *12th Annual NJCA Financial Summit*, FACEBOOK, at 46:35 (Oct. 5, 2021), <https://www.facebook.com/beverly.brownruggia/videos/622064265619637/>; La Casa de Don Pedro, "La Casa vs. COVID," <https://www.lacasanwk.org/la-casa-vs-covid> (last visited January 27, 2022); La Casa de Don Pedro, "Housing Counseling & Homeownership," <https://www.lacasanwk.org/housing-counseling-homeownership> (last visited March 4, 2022); *First-Time Homebuyer, Rental & Foreclosure Counseling*, N.J. CITIZEN ACTION, <https://njcitizenaction.org/housing-counseling/> (last visited March 14, 2022); HOUSING AND COMMUNITY DEVELOPMENT NETWORK OF NEW JERSEY, <https://www.housinghelpnj.org/> (last visited March 30, 2022).

¹⁴ KEEANGA-YAHMATT TAYLOR, *RACE FOR PROFIT: HOW BANKS AND THE REAL ESTATE INDUS. UNDERMINED BLACK HOMEOWNERSHIP*, 5–7, 18, 19, 142 (The Univ. of N.C. Press, 2019).

¹⁵ TIM EVANS, N.J. FUTURE, *THE BLACK-WHITE HOMEOWNERSHIP GAP IN N.J.* (2020), <https://www.njfuture.org/research-reports/the-black-white-homeownership-gap-in-new-jersey/>.

¹⁶ *Id.*

¹⁷ SULLIVAN ET AL., *supra* note 3, at 12.

¹⁸ U.S. Census Bureau. *Table P1: Race, 2020: DEC Redistricting Data (PL 94-171), Newark City, New Jersey*, <https://data.census.gov/cedsci/table?q=2020%20redistricting&g=1600000US3451000&tid=DECENNIALPL2020.P1> (last visited March 18, 2022); U.S. Census Bureau. *Table P2: Hispanic or Latino, and Not Hispanic or Latino by Race, 2020: DEC Redistricting Data (PL 94-171), Newark City, New Jersey*, <https://data.census.gov/cedsci/table?q=redistricting&g=1600000US3451000&tid=DECENNIALPL2020.P2&hidePreview=true> (last visited March 18, 2022). The Census reports 24,916 households with a white, alone householder out of a total population of 311,549. The Census reports 165,802 households with a Black or African American householder out of a total population of 311,549. The Census reports 113,374 households with a Hispanic or Latino householder out of a total population of 311,549. These are about 8%, 53%, and 36%, respectively.

¹⁹ MICHAEL NEAL ET AL., URBAN INST., *NEWARK HOUSING PULSE 2, 3* (2020), https://www.urban.org/sites/default/files/publication/102850/newark-housing-pulse_0.pdf. The only zip code in Newark where the Black homeownership rate exceeds the white homeownership rate is 07106.

²⁰ U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, Newark City, New Jersey*, <https://data.census.gov/cedsci/table?q=&text=B25003H&g=1600000US3451000&tid=ACSDT1Y2019.B25003H> (last visited March 18, 2022). The Census reports 3,783 owner-occupied households with a white, alone householder out of a total population of 14,199 white, alone householders. This is 26.6%. U.S. Census Bureau. *Table B25003B: "Tenure (Black or African American Alone Householder)," 2019: ACS 1-Year Estimates Detailed Tables, Newark City, New Jersey*, <https://data.census.gov/cedsci/table?q=B25003B%3A%20TENURE%20BLACK%20OR%20AFRICAN%20AMERICAN%20ALONE%20HOUSEHOLDER%29&g=1600000US3451000&tid=ACSDT1Y2019.B25003B&hidePreview=true> (last visited March 18, 2022). The Census reports 12,247 owner-occupied households with a Black, alone householder out of a total of 52,920 Black, alone householders. This is 23.1%. U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, Essex County, New Jersey*, <https://data.census.gov/cedsci/table?q=&text=B25003H&g=0500000US34013&tid=ACSDT1Y2019.B25003H>, (last visited March 18, 2022). The Census reports 66,091 owner-occupied units with a white, alone householder out of a total of 98,488 white, alone householders. This is 67.1%. U.S. Census Bureau. *Table B25003B: Tenure (Black or African American Alone Householder), 2019: ACS 1-Year Estimates Detailed Tables, Essex County, New Jersey*, <https://data.census.gov/cedsci/table?q=&text=B25003B&g=0500000US34013&tid=ACSDT1Y2019.B25003B> (last visited March 18, 2022). The Census reports 34,738 owner-occupied units with a Black, alone householder out of a total of 121,013 total units. This is 28.7%. U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?text=B25003H%3A%20TENURE%20WHITE%20ALONE%20NOT%20HISPANIC%20OR%20LATINO>

HOUSEHOLDER%29&g=0400000US34&tid=ACSDT1Y2019.B25003H&hidePreview=true (last visited March 18, 2022).

The Census reports 1,495,028 owner-occupied units with a white, alone householder out of a total of 1,969,897 total units. This is 75.9%. U.S. Census Bureau. *Table B25003B: Tenure (Black or African American Alone Householder), 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?q=ACSDT1Y2019.B25003B&g=0400000US34&tid=ACSDT1Y2019.B25003B&hidePreview=true> (last visited March 18, 2022). The Census reports 171,255 owner-occupied units with a Black, alone householder out of a total of 446,487 total units. This is 38.4%.

²¹ THE URBAN INST., REDUCING THE RACIAL HOMEOWNERSHIP GAP, <https://www.urban.org/policy-centers/housing-finance-policy-center/projects/reducing-racial-homeownership-gap> (last visited March 18, 2022).

²² *Id.*

²³ U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, United States*, <https://data.census.gov/cedsci/table?q=B25003H%3A%20TENURE%20%28WHITE%20ALONE,%20NOT%20HISPANIC%20OR%20LATINO%20HOUSEHOLDER%29&tid=ACSDT1Y2019.B25003H> (last visited March 18, 2022); U.S. Census Bureau. *Table B25003B: Tenure (Black or African American Alone Householder), 2019: ACS 1-Year Estimates Detailed Tables, United States*, <https://data.census.gov/cedsci/table?q=B25003B%3A%20TENURE%20%28BLACK%20OR%20AFRICAN%20AMERICAN%20ALONE%20HOUSEHOLDER%29&tid=ACSDT1Y2019.B25003B> (last visited March 18, 2022). The Census reports that 59,102,566 households out of 81,930,212 households with a white, not Hispanic or Latino householder are owner occupied. This is 72.1%. The Census reports that 6,456,629 households out of 15,382,489 households with a Black householder are owner occupied. This is 42%.

²⁴ JAMES C. CARR ET AL., NAT'L ASSOC. OF REAL ESTATE BROKERS, THE STATE OF HOUSING IN BLACK AMERICA VI, VIII, 1 (2013), <https://www.nareb.com/site-files/uploads/2020/10/2013-SHIBA-REPORT-Small.pdf>.

²⁵ *Supra* note 2; U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?text=B25003H%3A%20TENURE%20%28WHITE%20ALONE%20NOT%20HISPANIC%20OR%20LATINO%20HOUSEHOLDER%29&g=0400000US34&tid=ACSDT1Y2019.B25003H&hidePreview=true> (last visited March 18, 2022). The Census reports 1,495,028 owner-occupied units with a white, alone householder out of a total of 1,969,897 total units. This is 75.9%. U.S. Census Bureau. *Table B25003B: Tenure (Black or African American Alone Householder), 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?q=ACSDT1Y2019.B25003B&g=0400000US34&tid=ACSDT1Y2019.B25003B&hidePreview=true> (last visited March 18, 2022). The Census reports 171,255 owner-occupied units with a Black, alone householder out of a total of 446,487 total units. This is 38.4%. Similar calculations for the years 2010-2018 referenced in Figure 2 are on file with the authors.

²⁶ JOHNSON ET AL., *supra* note 1, at 2, 12.

²⁷ LAURA SULLIVAN ET AL., INST. FOR ASSETS & SOC. POL'Y, THE RACIAL WEALTH GAP WHY POLICY MATTERS 1-2 (2015), <https://heller.brandeis.edu/iere/pdfs/racial-wealth-equity/racial-wealth-gap/racial-wealth-gap-why-policy-matters.pdf>; MICHAEL NEAL ET AL., URBAN INST., BEFORE THE PANDEMIC, HOMEOWNERS OF COLOR FACE STRUCTURAL BARRIERS TO THE BENEFITS OF HOMEOWNERSHIP 2 (2020), <https://www.urban.org/research/publication/pandemic-homeowners-color-faced-structural-barriers-benefits-homeownership>.

²⁸ KYLE MOORE, ECON. POL'Y INST., STATE UNEMPLOYMENT BY RACE AND ETHNICITY, <https://www.epi.org/indicators/state-unemployment-race-ethnicity-2020q3q4/> (last updated March 2021). In the 4th quarter of 2020, Black New Jerseyans had an unemployment rate of 15.4% while New Jersey's overall unemployment rate during this period was only 8.6%. Black Americans have the lowest home equity, net worth and income, compared to white and Latina/o Americans. Black Americans have the second lowest liquid assets compared to white Americans, while Latina/o Americans have the lowest liquid assets compared to white and Black Americans.

²⁹ MICHAEL NEAL AND ALANNA MCCARGO, THE URBAN INST., HOW ECONOMIC CRISES AND SUDDEN DISASTERS INCREASE RACIAL DISPARITIES IN HOMEOWNERSHIP 4 fig. 1 (2020), <https://www.urban.org/sites/default/files/publication/102320/how-economic-crisis-and-sudden-disasters-increase-racial-disparities-in-homeownership.pdf>.

³⁰ JOHNSON ET AL., *supra* note 1, at 2.

³¹ SULLIVAN, *supra* note 3, at 8.

³² JOHNSON ET AL., *supra* note 1, at 4, 6, 12, 13.

³³ THOMAS SHAPIRO, HIDDEN COST OF BEING AFRICAN AMERICAN: HOW WEALTH PERPETUATES INEQUALITY (Oxford Univ. Press, 2004).

³⁴ Emily Badger, *How Your Parents Affect Your Chances of Buying a Home*, THE WASH. POST: Econ. Pol'y. (May 4, 2016), <https://www.washingtonpost.com/news/wonk/wp/2016/05/04/how-your-parents-affect-your-chances-of-buying-a-home/>.

³⁵ JOHNSON ET AL., *supra* note 1, at 2.

³⁶ NICK NOEL ET AL., MCKINSEY & COMPANY, THE ECON. IMPACT OF CLOSING THE RACIAL WEALTH GAP (Aug. 13, 2019), <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-economic-impact-of-closing-the-racial-wealth-gap>.

³⁷ SIGNE-MARY MCKERNAN ET AL., URBAN INST., DO FINANCIAL SUPPORT AND INHERITANCE CONTRIBUTE TO THE RACIAL WEALTH GAP? 1, 26 (2012), <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/412644-Do-Financial-Support-and-Inheritance-Contribute-to-the-Racial-Wealth-Gap-.PDF>.

³⁸ NOEL ET AL., *supra* note 36; Tatjana Meschede et al., 'Family Achievements?': How a College Degree Accumulates Wealth for Whites and Not for Blacks, FED. RSRV. BANK OF ST. LOUIS REV., First Quarter 2017, at 121–37, <https://files.stlouisfed.org/files/htdocs/publications/review/2017-02-15/family-achievements-how-a-college-degree-accumulates-wealth-for-whites-and-not-for-blacks.pdf>.

³⁹ *Most New Jerseyans Say Housing Costs Are a Serious Problem, Finding a Place to Rent is Difficult; Racial and Ethnic Disparities in Housing Access*, RUTGERS EAGLETON CTR. FOR PUBLIC INTEREST POLLING 1 (June 16, 2021), <https://eagletonpoll.rutgers.edu/wp-content/uploads/2021/06/Rutgers-Eagleton-Poll-HCDNNJ-Housing-June-16-2021.pdf>.

⁴⁰ U.S. Census Bureau. *Table B25091, Mortgage Status by Selected Monthly Owner Costs as a Percentage of Household Income in the Past 12 Months, 2019: ACS 1-Year Estimates Detailed Tables, New Jersey*, <https://data.census.gov/cedsci/table?q=monthly%20owner%20costs%20percentage&g=0400000US34&tid=ACSDT1Y2019.B25091&hidePreview=true> (last visited March 18, 2022). The percentage of New Jersey residents who spend at least 30% of their incomes on housing costs is calculated by adding all of the housing units with a mortgage whose owners spend at least 30% of their incomes on housing (444,074) and all of the housing units without a mortgage whose owners spend at least 30% of their incomes on housing (155,401) and dividing by the total number of housing units (2,081,798). This is 28.8%.

⁴¹ *Id.* The percentage of New Jersey residents who spend at least 50% of their incomes on housing costs is calculated by adding all of the housing units with a mortgage whose owners spend at least 50% of their incomes on housing (173,497) and all of the housing units without a mortgage whose owners spend at least 50% of their incomes on housing (70,995) and dividing by the total number of housing units (2,081,798). This is 11.7%.

⁴² U.S. Census Bureau. *Table B25091: Mortgage Status by Selected Monthly Owner Costs as a Percentage of Household Income in the Past 12 Months, 2019: ACS 1-Year Estimates Detailed Tables, Newark City, New Jersey*, <https://data.census.gov/cedsci/table?q=ACSDT1Y2019.B25091&g=1600000US3451000&tid=ACSDT1Y2019.B25091&hidePreview=true> (last visited March 18, 2022). The percentage of Newark homeowners who spend at least 30% of their incomes on housing costs is calculated by adding all of the housing units with a mortgage whose owners spend at least 30% of their incomes on housing (9,731) and all of the housing units without a mortgage whose owners spend at least 30% of their incomes on housing (2,889) and dividing by the total number of housing units (24,634). This is 51.2%.

⁴³ *Id.* The percentage of Newark homeowners who spend at least 50% of their incomes on housing costs is calculated by adding all of the housing units with a mortgage whose owners spend at least 50% of their incomes on housing (4,955) and all of the housing units without a mortgage whose owners spend at least 50% of their incomes (1,760) and dividing by the total number of housing units (24,634). This is 27.3%.

⁴⁴ U.S. DEP'T OF HOUSING AND URBAN DEV., GLOSSARY OF TERMS TO AFFORDABLE HOUSING (Aug. 18, 2011), <https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm>.

⁴⁵ Allison Pries, *Has the Residential Real Estate Market in N.J. Peaked? Here's What Industry Experts Say*, NJ.COM, <https://www.nj.com/news/2021/12/has-the-residential-real-estate-market-in-nj-peaked-heres-what-industry-experts-say.html> (updated Dec. 29, 2021, 07:51 AM).

⁴⁶ MICHAEL L. LAHR, RUTGERS N.J. STATE POL'Y LAB, HAS NEW JERSEY'S HOUSING MARKET PEAKED? A NEW YEAR'S ASSESSMENT, <https://policylab.rutgers.edu/has-new-jerseys-housing-market-peaked-a-new-years-assessment/> (last visited March 18, 2022). "Existing home prices, however, started rising in April 2020 and never really tailed off substantially; although they did wane somewhat toward the end of 2021. Indeed, over the first year of the pandemic the average price of existing homes in New Jersey rose more than 20%. Since then, the growth of existing home prices subdued according to New Jersey Association of Realtors, reaching an average near \$497,000 in November 2021, just 6.3% higher than that which was recorded twelve months earlier. Zillow, which tracks prices only for the middle tier of homes, suggests they rose 16.4% in the year ending December 2021 when the average price in the state indexed at something close to \$432,000, which is very close to the state's median home sales price of \$440,000."

⁴⁷ Yan Wu and Luis Melgar, *Americans Up and Moved During the Pandemic. Here's Where They Went*, WALL ST. J., <https://www.wsj.com/articles/americans-up-and-moved-during-the-pandemic-heres-where-they-went-11620734566> (updated May 11, 2021, 9:16 AM ET).

⁴⁸ *Median Sales Price of Houses Sold for the United States [MSPUS]*, FRED ECON. DATA, <https://fred.stlouisfed.org/series/MSPUS> (Updated Apr. 26, 2022). Click "Edit Graph." Select the window under "Modify Frequency," and select "Annual." Then, allow the mouse to hover over the line on the graph where it intersects with the year 2020. This provides a median sales price of \$336,950.

⁴⁹ *Id.* Click "Edit Graph." Select the window under "Modify Frequency," and select "Annual." Then, allow the mouse to hover over the line on the graph where it intersects with the year 2021. This provides a median sales price of \$396,800.

⁵⁰ N.J. REALTORS, MONTHLY INDICATORS: FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE STATE OF N.J. 8 (2021) <https://njar-public.stats.10kresearch.com/docs/lmu/x/EntireState?src=page>.

⁵¹ *Id.*

⁵² Pries, *supra* note 45.

⁵³ MIKE LOFTIN, THE URBAN INST., HOMEOWNERSHIP IS AFFORDABLE HOUSING 1 (2021), https://www.urban.org/sites/default/files/publication/104214/homeownership-is-affordable-housing_0_0.pdf.

⁵⁴ JONATHAN EGGLESTON AND ROBERT MUNK, U.S. CENSUS BUREAU, NET WORTH OF HOUSEHOLDS: 2015 3 (2019), <https://www.census.gov/content/dam/Census/library/publications/2019/demo/P70BR-164.pdf>. Figure 1 shows that home equity comprised the highest component of net worth in 2014 and 2015 at 34.5% and 34.1%, respectively.

⁵⁵ ATTOM DATA SOLUTIONS, HOME OWNERSHIP MORE AFFORDABLE THAN RENTING IN MAJORITY OF U.S. HOUSING MARKETS (2022) <https://www.attomdata.com/news/market-trends/home-sales-prices/attom-2022-rental-affordability-report/#:~:text=The%20data%20shows%20that%20home,in%20most%20of%20the%20country> [hereinafter HOME OWNERSHIP MORE AFFORDABLE THAN RENTING IN MAJORITY OF U.S. HOUSING MARKETS].

⁵⁶ *Id.*

⁵⁷ LOFTIN, *supra* note 53, at 15.

⁵⁸ *Id.* at 8.

⁵⁹ *Id.*

⁶⁰ HOME OWNERSHIP MORE AFFORDABLE THAN RENTING IN MAJORITY OF U.S. HOUSING MARKETS, *supra* note 55.

⁶¹ MICHELLE ARONOWITZ ET AL., THE UNEQUAL COSTS OF BLACK HOMEOWNERSHIP 2 (2020), <https://gcfp.mit.edu/wp-content/uploads/2020/10/Mortgage-Cost-for-Black-Homeowners-10.1.pdf>.

⁶² *Id.* at 1.

⁶³ *Id.* at 2.

⁶⁴ RAHEEM HANIFA, JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIV., HIGH-INCOME BLACK HOMEOWNERS RECEIVE HIGHER INTEREST RATES THAN LOW-INCOME WHITE HOMEOWNERS (2021), <https://www.jchs.harvard.edu/blog/high-income-black-homeowners-receive-higher-interest-rates-low-income-white-homeowners>.

⁶⁵ ARONOWITZ ET AL., *supra* note 61, at 1, 2, 4.

⁶⁶ TERESA WILTZ, PEW CHARITABLE TRUSTS, BLACK HOMEOWNERS PAY MORE THAN ‘FAIR SHARE’ IN PROPERTY TAXES (2020), <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2020/06/25/black-homeowners-pay-more-than-fair-share-in-property-taxes>.

⁶⁷ N.J. DEP’T OF CMTY. AFFS., STATE OF N.J. 2020-2024 IMPEDIMENTS TO FAIR HOUSING 52 (2020), <https://www.nj.gov/dca/divisions/dhcr/publications/docs/New%20Jersey%20Analysis%20of%20Impediments%202020%20-%20FINAL.pdf> [hereinafter ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING].

⁶⁸ *Id.* at 45.

⁶⁹ NAT’L CMTY. REINVESTMENT COALITION, <https://ncrc.org/2021-fair-lending-report/> (last visited March 18, 2022). Original data source is the Home Mortgage Disclosure Act (HMDA) data reported by lenders and made available to the public by the Consumer Finance Protection Bureau (CFPB). HMDA data analyzed by the National Community Reinvestment Coalition (NCRC) is available to NCRC members at the website cited here. Go to <https://ncrc.org/2021-fair-lending-report/>. Type into the “State” category “New Jersey.” Then under the “County” category, select “Essex” only. Then, click the arrow labeled, “Next Page.” Then, from the menu of 16 pages that appear, select “Denial Rates and Reasons.” Once you access the “Denial Rates and Reasons,” page, look for the tab labeled, “Loan Purpose.” Under that tab, select “Home Purchase.” Then, the “Denial Rates and Reasons” for Home Purchase loans should be available to view. Last visited March 4, 2022.

⁷⁰ *Id.* Original data source is the Home Mortgage Disclosure Act (HMDA) data reported by lenders and made available to the public by the Consumer Finance Protection Bureau (CFPB). HMDA data analyzed by the National Community Reinvestment Coalition (NCRC) is available to NCRC members at the website cited here. Go to <https://ncrc.org/2021-fair-lending-report/>. Type into the “State” category “New Jersey.” Then, under the “County” category, select “Camden” only. Then, click the arrow labeled, “Next Page.” Then, from the menu of 16 pages that appear, select “Denial Rates and Reasons.” Once you access the “Denial Rates and Reasons,” page, look for the tab labeled, “Loan Purpose.” Under that tab, select “Home Purchase.” Then, the “Denial Rates and Reasons” for Home Purchase loans should be available to view. National Community Reinvestment Coalition Fair Lending Tool, “Denial Rates and Reasons,” Union County, New Jersey. Go to <https://ncrc.org/2021-fair-lending-report/>. Type into the “State” category “New Jersey.” Then, under the “County” category, select “Union” only. Then, click the arrow labeled, “Next Page.” Then, from the menu of 16 pages that appear, select “Denial Rates and Reasons.” Once you access the “Denial Rates and Reasons,” page, look for the tab labeled, “Loan Purpose.” Under that tab, select “Home Purchase.” Then, the “Denial Rates and Reasons” for Home Purchase loans should be available to view.

⁷¹ *Id.* Original data source is the Home Mortgage Disclosure Act (HMDA) data reported by lenders and made available to the public by the Consumer Finance Protection Bureau (CFPB). HMDA data analyzed by the National Community Reinvestment Coalition (NCRC) is available to NCRC members at the website cited here. Go to <https://ncrc.org/2021-fair-lending-report/>. Type into the “State” category “New Jersey.” Then, click the arrow labeled “Next Page.” Then, from the menu of 16 pages that appear, select “Denial Rates and Reasons.” Once you access the “Denial Rates and Reasons” page, look for the tab labeled, “Loan Purpose.” Under that tab, select “Home Purchase.” Then, the “Denial Rates and Reasons” for Home Purchase loans should be available to view. Last visited March 4, 2022.

⁷² *Id.*; N.J. *Population Topped 9 Million in Last Decade*, U.S. CENSUS BUREAU (2021), <https://www.census.gov/library/stories/state-by-state/new-jersey-population-change-between-census-decade.html>. Under “Race and Ethnicity in the United States: 2010 Census and 2020 Census,” select “Race by Ethnicity.” Then, select “What Percentage was Each Group in 2020?” Then, select Black or African American Alone or in Combination.” 15.2% of New Jerseyans are Black. National Community Reinvestment Coalition Fair Lending Tool, “Denial Rates and Reasons,” Essex County, New Jersey. Under “Race and Ethnicity in the United States: 2010 Census and 2020 Census,” select “Race by Ethnicity.” Then, select “What Percentage was Each Group in 2020?” Then, select “White Alone or in Combination.” 63.5% of New Jerseyans are white.

⁷³ Emily Badger, *The Dramatic Racial Bias of Subprime Lending During the Housing Boom*, BLOOMBERG CITY LAB: GOVERNMENT, (Aug. 16, 2013), <https://www.bloomberg.com/news/articles/2013-08-16/the-dramatic-racial-bias-of-subprime-lending-during-the-housing-boom>.

⁷⁴ *What is a Subprime Mortgage?*, CONSUMER FIN. PROTECTION BUREAU, <https://www.consumerfinance.gov/ask-cfpb/what-is-a-subprime-mortgage-en-110/> (last updated Feb. 24, 2017).

⁷⁵ Badger, *supra* note 73.

⁷⁶ *Id.*

⁷⁷ ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING, *supra* note 67, at 56.

⁷⁸ Between 2007 and 2017, Black and Latina/o loan recipients had the highest share of subprime mortgage originations compared to other racial and ethnic groups. *Id.*

⁷⁹ Michelle Singletary, *Credit Scores are Supposed to be Race-Neutral. That's Impossible*, THE WASH. POST, Oct. 16, 2020, <https://www.washingtonpost.com/business/2020/10/16/how-race-affects-your-credit-score/?arc404=true>; Adam Gordon, Note, *Making Exclusionary Zoning Remedies Work: How Courts Applying Title VII Standards to Fair housing Cases Have Misunderstood the Housing Market*, 24 Yale L. & Pol'y Rev. 437, 449 (2006).

⁸⁰ Singletary, *supra* note 79.

⁸¹ *Id.*

⁸² *Id.*; U.S. Census Bureau. *Table B25003B: Tenure (Black or African American Alone Householder), 2019: ACS 1-Year Estimates Detailed Tables, United States*, <https://data.census.gov/cedsci/table?q=&text=B25003B&g=0100000US&y=2019&tid=ACSDT1Y2019.B25003B> (last visited March 18, 2022); U.S. Census Bureau. *Table B25003H: Tenure (White Alone, Not Hispanic or Latino Householder), 2019: ACS 1-Year Estimates Detailed Tables, United States*, <https://data.census.gov/cedsci/table?q=B25003H&tid=ACSDT1Y2019.B25003H> (last visited March 18, 2022). The Census reports 8,925,860 Black or African American alone, renter-occupied units out of a total of 15,382,489 housing units. This is 58%. The Census reports 22,827,646 white alone, renter-occupied out of a total of 81,930,212 housing units. This is 27.9%.

⁸³ Singletary, *supra* note 79.

⁸⁴ Christian E. Weller, *African Americans Face Systemic Obstacles to Getting Good Jobs*, CENTER FOR AMERICAN PROGRESS, (Dec. 5, 2019), <https://www.americanprogress.org/article/african-americans-face-systematic-obstacles-getting-good-jobs/>.

⁸⁵ Singletary, *supra* note 79.

⁸⁶ *Id.*; RACIAL JUSTICE & EQUAL ECONOMIC OPPORTUNITY PROJECT, NATIONAL CONSUMER LAW CENTER, PAST IMPERFECT: HOW CREDIT SCORES AND OTHER ANALYTICS “BAKE IN” AND PERPETUATE PAST DISCRIMINATION 1-2 (2016), https://www.nclc.org/images/pdf/credit_discrimination/Past_Impperfect050616.pdf.

⁸⁷ HYUN CHOI, URBAN WIRE: HOUSING AND HOUSING FINANCE, BREAKING DOWN THE BLACK-WHITE HOMEOWNERSHIP GAP (2020), <https://www.urban.org/urban-wire/breaking-down-black-white-homeownership-gap>.

⁸⁸ JOHNSON ET AL., *supra* note 1, at 2, 4, 8, 10.

⁸⁹ EMILY BRAMHALL, HOUSING MATTERS: AN URBAN INSTITUTE INITIATIVE, WHY DOES SEGREGATION BETWEEN SCHOOL DISTRICTS MATTER FOR EDUCATIONAL EQUITY (2021), <https://housingmatters.urban.org/articles/why-does-segregation-between-school-districts-matter-educational-equity>.

⁹⁰ *Id.*

⁹¹ Colleen O'Dea, *Interactive Map: Segregation Continues to be NJ's State of the State*, NJ SPOTLIGHT NEWS, (Dec. 2, 2016), <https://www.njspotlightnews.org/2016/12/16-12-01-interactive-map-segregation-continues-to-be-nj-s-state-of-the-state/>.

⁹² Press Release, U.S. Dept. of Housing and Urban Dev., HUD Restores Affirmatively Furthering Fair Housing Requirement (June 10, 2021), https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_098. “In addition to barring housing discrimination, the Fair Housing Act requires HUD and its funding recipients, such as local communities, to also take affirmative steps to remedy fair housing issues such as racially segregated neighborhoods, lack of housing choice, and unequal access to housing-related opportunities. To fulfill this requirement, in 2015, HUD promulgated a rule that compelled each covered funding recipient to undertake a defined fair housing planning process. Funding recipients were required to complete an assessment of fair housing issues, identify fair housing priorities and goals, and then commit to meaningful actions to meet those goals and remedy identified issues, with HUD reviewing each assessment. The last administration suspended implementation of this rule and eliminated the 2015 rule’s procedural requirements, redefining the regulatory AFFH requirement so it was no longer consistent with the actual requirements of the Fair Housing Act.”

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- ⁹⁸ EVANS, *supra* 15. Note: According to Evans' analysis of 2018 ACS data, these communities reported no Black-headed households in the ACS survey; though, there may be some Black heads of household as well as Black residents who are not heads of household, these communities have very few Black residents.
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