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President Calls for Expanding Opportunities to Home Ownership

Remarks by the President on Homeownership
St. Paul AME Church
Atlanta, Georgia

Policy in Focus: Home-Ownership

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President's Remarks

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THE PRESIDENT: Thank you all very much for that wonderful Atlanta welcome. It's nice to be back in this incredibly important community.

You know, our nation faces a lot of huge challenges. Right now, we've got 60,000 troops fighting terrorism so that we can be free, all of us can be free. I appreciate so very much the resolve and unity and determination of this great land. I appreciate our military for their sacrifices. We're also doing everything we can to secure the homeland, to make sure that those who hate us won't take innocent life again.

And as we work for a more secure world, we've got to work for a better world, too. (Applause.) And that means as we work on our security from possible attacks by terrorists, we also work on economic security. The two securities go hand in hand. Anybody who wants a job who can't find one means we've got a problem. In Washington, they talk statistics all the time, and that's important -- people who count numbers need to make a living, too. (Laughter and applause.)

But my attitude is, if somebody can't find work and they want to work, we've got to continue to work on expanding the job base. And part of economic security is owning your own home. (Applause.) Part of being a secure America is to encourage homeownership. So somebody can say, this is my home, welcome to my home.

Now, we've got a problem here in America that we have to address. Too many American families, too many minorities do not own a home. There is a home ownership gap in America. The difference between Anglo America and African American and Hispanic home ownership is too big. (Applause.) And we've got to focus the attention on this nation to address this.

And it starts with setting a goal. And so by the year 2010, we must increase minority home owners by at least 5.5 million. In order to close the homeownership gap, we've got to set a big goal for America, and focus our attention and resources on that goal. (Applause.)

And I picked a good man to help realize that goal, in Mel Martinez. I don't know if you know Mel's story, but -- (applause) -- it's an interesting story. Mel was born in Cuba. (Applause.) Yes. Mel brought his cousins with him. (Laughter.) All two of them, anyway. (Laughter and applause.)

But Mel's mother and daddy -- Mel's mother and dad put him on an airplane to come to America when he was a young boy, because they didn't want his son growing up in a country that wasn't free. Think about that, think about the courage of a mom or a dad, and their love for freedom -- love freedom so much, they had put their child in the hands of loving Americans, and mom and dad eventually came. And here he now sits, as a member of the President's Cabinet. What a great country we have. (Applause.)

My point is, Mel understands what it means to dream, and then to work to realize the dreams. I've also picked a fine friend of mine from Texas, named Alphonso Jackson, to serve as the Deputy of HUD. And where are you, Alphonso? There he is; I appreciate you. (Applause.) These are can-do people. So when we set a goal, they

understand their job is to work toward that goal.

I also want to thank the Mayor of Atlanta, Georgia, Shirley Franklin, thank you for coming Madam Mayor. (Applause.) Much of the success of this program is going to depend -- depends upon the ability for the federal government to work with state and local governments. And I know the Mayor has got a strong commitment to housing for all people, and to end the ownership gap. Madam Mayor, thanks for coming.

I appreciate as well Johnny Isakson and John Linder, members of the Georgia congressional delegation for coming today. Thank you all for being here. (Applause.) I want to thank Franklin Raines, of Fannie Mae and Leland Brendsel of Freddie Mac. Thank you all for coming. (Applause.)

Today I had the pleasure of seeing an entrepreneur's work first-hand. An Atlanta citizen who also dreamt a dream, and that is to develop a piece of blighted property, so others could benefit from her vision and hard work. Masharn Wilson is here. (Applause.) She is a President and CEO -- Masharn is the President and CEO of her own company. Part of the economic security is not only owning a home, part of it is if you have the entrepreneurial instincts is to own your own business, as well. (Applause.) So I want to appreciate you, Masharn. I appreciate your hard work.

And one other person I want to announce is a fellow named Darryl Hicks. Where are you, Darryl?

MR. HICKS: Right here.

THE PRESIDENT: There you are. Darryl Hicks is here. I want to -- Darryl is -- one of the things I remind our fellow citizens, if you're interested in defeating evil, do some good. You see, we're going to fight with our military, but we can also fight with our hearts. And a country which has been under attack can respond by loving your neighbor like you'd like to be loved yourself.

And this man right here is a fellow -- Darryl Hicks -- who works for Habitat for Humanity programs. He's interested in lending his heart and his talents to helping a neighbor in need. America can be changed one heart, one soul, one conscience at a time, so long as we are willing to love a neighbor like we'd like to be loved ourselves. (Applause.)

I want to thank you, Darryl. I want to thank Darryl for being a soldier in the army of compassion. And I also want to thank Reverend Dr. Thomas Bess for opening up this beautiful church. You know, one of my passions is the faith-based initiative. It is important that Congress not fear faith-based programs, but welcome faith-based programs, so we can help change people's lives. (Applause.)

I find it most interesting that we would be talking about how we help people in a church. After all, that's why churches exist.

AUDIENCE: Mm-hmm.

THE PRESIDENT: And so I am -- I want to thank the church staff for opening up this beautiful facility to the army which follows me around. (Laughter.)

I do believe in the American Dream. I believe there is such a thing as the American Dream. And I believe those of us who have been given positions of responsibility must do everything we can to spotlight the dream and to make sure the dream shines in all neighborhoods, all throughout our country. Owning a home is a part of that dream, it just is. Right here in America if you own your own home, you're realizing the American Dream.

You know, today I went to the -- to some of the home -- met some of the homeowners in this newly built homes and all you've got to do is shake their hand and listen to their stories and watch the pride that they exhibit when they show you the kitchen and the stairs -- so people like Ken Beatty, who is an environmentalist; or Al Smith, a probation officer; or Geary Jefferson a data base administrator; or Darrin West, an Atlanta police officer, Tamika Henry -- Tomika Henry Cole.

These are all people that I've met; they've come over here today. They showed me their home. They didn't show

me somebody else's home, they showed me their home. And they are so proud to own their home and I want to thank them for their hospitality, because it helps the American people really understand what it means.

And what we've got to do is to figure out how to make sure these stories are repeated over and over and over again in America. Three-quarters of white America owns their homes. Less than 50 percent of African Americans are part of the homeownership in America. And less than 50 percent of the Hispanics who live here in this country own their home. And that has got to change for the good of the country. It just does. (Applause.)

And so here are some of the ways to address the issue. First, the single greatest barrier to first time homeownership is a high downpayment. It is really hard for many, many, low income families to make the high downpayment. And so that's why I propose and urge Congress to fully fund the American Dream Downpayment Fund. This will use money, taxpayers' money to help a qualified, low income buyer make a downpayment. And that's important.

One of the barriers to homeownership is the inability to make a downpayment. And if one of the goals is to increase homeownership, it makes sense to help people pay that downpayment. We believe that the amount of money in our budget, fully approved by Congress, will help 40,000 families every year realize the dream of owning a home. (Applause.) Part of the success of Park Place is that the city of Atlanta already does this. And we want to make the plan more robust. We want to make it more full all across America.

Secondly, there is a lack of affordable housing in certain neighborhoods. Too many neighborhoods, especially in inner city America, lack affordable housing units. How can you promote homeownership if people can't afford a home?

And so what I've done is propose what we call a Single Family Affordable Housing Tax Credit, to encourage the development of affordable housing in neighborhoods where housing is scarce. (Applause.) Over five years, the initiative amounts to \$2.4 billion in tax credits. And that will help. It will help a lot to build homes where people can -- where when fully implemented, people will be able to say, I own my home.

A third major barrier is the complexity and difficulty of the home buying process. There's a lot of fine print on these forms. And it bothers people, it makes them nervous. And so therefore, what Mel has agreed to do, and Alphonso Jackson has agreed to do is to streamline the process, make the rules simpler, so everybody understands what they are -- makes the closing much less complicated.

We certainly don't want there to be a fine print preventing people from owning their home. We can change the print, and we've got to. We've got to be wise about how we deal with the closing documents and all the regulations, but also wise about how we help people understand what it means to own their home and the obligations and the opportunities.

And so, therefore, education is a critical component of increasing ownership throughout America. Financial education, housing counseling, how to help people understand that there are unscrupulous lenders. And so one of the things we're going to do is we're going to promote education, the education of owning a home, the education of buying a home throughout our society. And we want to fully implement the Section 8 housing program, homeownership program. The program will provide vouchers that first-time home buyers can use to help pay their mortgage or apply to their downpayment.

Many of the partners today, many of the people here today, many of the business leaders here today are creating a market for the mortgages where Section 8 vouchers are a source of the payment. And that's good -- see, it's an underpinning of capital. It helps move capital to where we want capital to go.

And so these are important initiatives that we can do at the federal government. And the federal government, obviously, has to play an important role, and we will. We will. I mean, when I lay out a goal, I mean it. But we also have got to bring others into the process, most particularly the real estate industry. After all, the real estate industry benefits when people are encouraged to buy homes. It's in their self interest that we encourage people to buy homes. (Applause.)

And so one of the things that I'm going to talk about a little bit today is how to create a sustained commitment by the private sector that will have a powerful impact. First of all, we want to make sure that we help work to expand

capital available to buyers, and as I mentioned, overcome the barriers that I've delineated, as well as provide the education component. In other words, this is not just a federal responsibility.

That's why I've challenged the industry leaders all across the country to get after it for this goal, to stay focused, to make sure that we achieve a more secure America, by achieving the goal of 5.5 million new minority home owners. I call it America's home ownership challenge.

And let me talk about some of the progress which we have made to date, as an example for others to follow. First of all, government sponsored corporations that help create our mortgage system -- I introduced two of the leaders here today -- they call those people Fannie Mae and Freddie Mac, as well as the federal home loan banks, will increase their commitment to minority markets by more than \$440 billion. (Applause.) I want to thank Leland and Franklin for that commitment. It's a commitment that conforms to their charters, as well, and also conforms to their hearts.

This means they will purchase more loans made by banks after Americans, Hispanics and other minorities, which will encourage homeownership. Freddie Mac will launch 25 initiatives to eliminate homeownership barriers. Under one of these, consumers with poor credit will be able to get a mortgage with an interest rate that automatically goes down after a period of consistent payments. (Applause.)

Fannie Mae will establish 100 partnerships with faith-based organizations that will provide home buyer education and help increase homeownership for their congregations. I love the partnership. (Applause.)

The Enterprise Foundation and the local initiative support corporation will increase efforts to build and rehabilitate more homes in inner cities at affordable prices by working with local community development corporations.

In my home state of Texas, Enterprise helped turn the once decaying ideal neighborhood of Dallas into a vibrant community, by building homes that were sold to residents at affordable prices. The National Association of Home Builders will team up with local officials, home builder associations and community groups in 20 of our nation's largest housing markets, to focus on how to eliminate barriers, and encourage homeownership.

The Neighborhood Reinvestment Corporation will dramatically expand financial and home buyer education efforts to 380,000 minority families. The Neighborhood Housing Services of America will raise \$750 million to promote homeownership initiatives in many communities. We're beginning to use the Internet better, so that realtors all across the country will be able to call up programs all designed to help minority home buyers understand what's available, what's possible, and what to avoid. The National Realtors Association will create a central data bank of affordable housing programs, which will be made available to agents, real estate agents, to help people.

So these are some of the beginnings of a national effort. And I want to thank all those who are responsible for the organizations I just named for lending your talents to this important effort for America. You know, one of the things Presidents can do, is they can call the old conference. So I'm going to call one -- (laughter) -- just to make sure people understand, not only are we serious, but to let them check in. If they've signed up and said they're going to help, this will give everybody a chance to say, here's what I've done to help. It's what we call accountability. (Applause.)

And so this fall, we're going to have a White House conference. It is a White House conference specifically designed to address the homeownership gap. It is a White House conference that will not only say, what have you done to date, have you got any new ideas that we can share with others as well. I'm serious about this. This is a very important initiative for all of America. See, it is a chance for us to empower people. We're not going to talk about empowering government, we're talking about empowering people, so they have got choices over their lives. (Applause.)

I want to go back to where I started. I believe out of the evil done to America will come incredible good. I believe that as sure as I'm standing here. I believe we can achieve peace. I believe that we can address hopelessness and despair where hopelessness and despair exist. And listen, I understand that in this great country, there are too many people who say, this American Dream, what does that mean; my eyes are shut to the American Dream, I don't see the dream. And we'd better make sure, for the good of the country, that the dream is vibrant and alive.

It starts with having great education systems for every single child. (Applause.) It means that we unleash the faith-

based programs to help change people's hearts, which will help change their lives. (Applause.) It means we use the mighty muscle of the federal government in combination with state and local governments to encourage owning your own home. That's what that means. And it means -- it means that each of us, each of us, have a responsibility in the great country to put something greater than ourselves -- to promote something greater than ourselves.

And to me, that something greater than yourself is to love a neighbor like you'd like to be loved yourself. In order to change America and to make sure the great American Dream shines in every community, every community, we must unleash the compassion and kindness of the greatest nation on the face of the earth.

I'm honored to be here today. I want to thank you for your interest. God bless you all, and God bless America. (Applause.)

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