



CRISIS TO IMPACT:

REFLECTING ON A DECADE OF HOUSING
COUNSELING SERVICES IN ASIAN AMERICAN
AND PACIFIC ISLANDER COMMUNITIES



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EXECUTIVE SUMMARY

In the aftermath of the Great Recession and housing crisis, the National Coalition for Asian Pacific American Community Development (National CAPACD) established the nation's first Asian American and Pacific Islander (AAPI)-serving U.S. Department of Housing and Urban Development (HUD) Housing Counseling Intermediary in 2010. Today in 2020, National CAPACD represents approximately 100 member organizations in more than 21 states, with 16 member organizations that run HUD-approved housing counseling programs providing culturally and linguistically relevant counseling and education in more than 30 languages, particularly focused on low and moderate-income AAPI homeowners and renters. This report documents the valuable lessons learned and best practices developed by National CAPACD staff and member organizations of their housing counseling network over the past decade. It analyzes housing and demographic data prior to the COVID-19 pandemic that may be useful to practitioners, financial institutions, governmental institutions, and policy makers in their efforts to understand the needs and challenges of vulnerable AAPI populations so that they can better serve and inform policies that promote the inclusion and success of all low-income communities.

The number of Asian Americans is estimated to increase 74 percent from 20.5 million in 2015 to 35.7 million in 2040 (Ong et al. 2016). The Native Hawaiian and Other Pacific Islander population is projected to increase 63% from 1.5 million in 2015 to nearly 2.3 million in 2040, about three times greater than the increase for the total U.S. population (Ong et al. 2016). There is tremendous diversity among AAPIs, with Asia and the Pacific region having more than 50 countries and ethnic groups ranging from Southeast Asians (e.g., Cambodians, Hmong, Laotians, Vietnamese) to East Asians (e.g., Chinese, Japanese, Koreans), to South Asians (e.g., Asian Indian, Bangladeshi, Nepalese, Sri Lankan), to Filipinos, Native Hawaiians, and Pacific Islanders (Tongan, Samoan, Chamorro) and much more. As the AAPI population continues to be the fastest-growing racial group in the United States, there is an increasing need to provide in-language and culturally competent services and resources to AAPIs living in poverty and who are at risk of displacement.

Similar to the foreclosure crisis, the COVID-19 pandemic has sent the economy spiraling downward resulting in devastating and massive job losses, small business closures, the inability for vulnerable persons to make rent and mortgage payments, in addition to causing high death rates in communities of color. The pandemic will most likely compound the longstanding housing crisis and underscores the importance of housing counseling in addressing growing protections and relief for homeowners and renters in the coming years.

Moreover, the murder of George Floyd by police led to uprisings, calls for justice, and standing up for long-lasting transformative change. These moments of crisis present an opportunity for housing justice advocates to collaborate more and work collectively to bring about real change. How do we use the present moment as an opportunity to reset and think differently about how we serve vulnerable communities? Often times, we focus primarily on aggregate populations. Future efforts should focus on disaggregated populations to reach those who are living in deep economic and housing insecurity. The growing and worsening racial wealth gap demonstrates how critical it is to invest in housing counseling agencies that are community-based organizations led by people of color in rebuilding towards a more just and equitable society.

During this period of uncertainty, the housing counseling network (HCN) infrastructure that National CAPACD built is needed now more than ever to assist underserved AAPI renters and homeowners and to help shape the transformational change work alongside other housing justice advocates.

METHODOLOGY AND KEY FINDINGS

The following section provides a summary of findings from demographic, mortgage, and HUD-9902 housing counseling agency (HCA) data to better understand the challenges faced by AAPI homeowners and renters in seven metropolitan statistical areas (MSAs). The MSAs include Boston, Chicago, Los Angeles, Minneapolis–St. Paul, New York, Philadelphia, and Honolulu. These areas represent a diverse set of AAPI ethnic subpopulations and a mix of high-cost and low-cost housing markets. By comparing data between 2006 and 2016, the period when National CAPACD’s HCN grew extensively, we are able to see how the economic well-being and access to housing for AAPIs has improved or not improved in certain geographic areas.

The findings also draw on focus group, survey, and interview data from National CAPACD staff and its member organizations, to examine best practices, strategies, and solutions employed by the National CAPACD HCN over the past decade that are relevant for addressing housing challenges in the time of COVID-19 and beyond. These findings reveal the nuances in serving AAPI communities and highlight the successes and barriers in providing culturally and linguistically responsive services.

1. Challenges Faced by AAPI Homeowners and Renters

- A significant share of severely cost-burdened households are Limited English Proficient households. For perspective, 54 percent of severely cost-burdened Asian households are Limited English Proficient compared to 9 percent of white households that are severely cost-burdened.
- One in four AAPIs pay more than half of their income toward housing costs compared to whites (16 percent), putting many on the edge of financial vulnerability. This segment of the population is considered severely cost-burdened.
- Disparities in homeownership also persist by income group. The findings show that low-to-moderate income AAPIs (37 percent) are far less likely to own a home compared to whites (53 percent) of the same income group.
- AAPIs (54 percent) have lower homeownership rates than whites (66 percent), with the greatest disparity occurring between Native Hawaiians and other Pacific Islanders (38 percent) and whites.
- AAPIs are more likely than whites to live in a multigenerational household. Asians are four times and NHOPIs are seven times more likely than whites to live in multigenerational households. Although residing in a multigenerational household may sometimes be a cultural choice, or out of economic necessity, or both, many AAPIs in multigenerational households face severe housing cost-burdens and overcrowding concerns when compared to white households.

2. National CAPACD Housing Counseling Agencies are Best Positioned to Help AAPIs

Culturally responsive and linguistically competent housing counseling programs are crucial in serving vulnerable AAPI populations and addressing their housing challenges.

- National CAPACD HCAs are over six times more likely to serve AAPIs compared to non-National CAPACD HCAs. In some of the MSAs, National CAPACD’s HCA

may be the only organization serving AAPIs and their housing needs because they have built trust with community members, have a shared cultural understanding, and offer in-language counseling and materials.

- National CAPACD HCAs are community-based organizations, with strong ties to ethnic enclaves, ethnoburbs, and neighborhoods versus HCAs that utilize online-based automated translation services.
- National CAPACD HCA clients have lower household income and are more likely to be Limited English proficient.
- National CAPACD HCA clients were more likely than clients of non-National CAPACD HCAs to seek housing counseling for homeless assistance counseling.

3. Barriers Facing AAPI-Serving Agencies and Counselors in the Housing Counseling Industry

As service providers, National CAPACD HCAs face unique barriers and circumstances that differ from other HCAs.

- The leadership and talent pipeline needs to be strengthened in order to expand the base of housing counselors who can serve the needs of disadvantaged AAPI communities. The majority of National CAPACD HCAs have bilingual and culturally competent staff, but only a limited number have HUD housing counseling training and certification. Organizations need to invest more time and resources in onboarding and training their staff or recruit potential hires from other community economic development, housing, or financial sectors.
- While National CAPACD HCAs have language, housing, and cultural expertise, they have limited access to local and regional funding opportunities. The housing counseling-oriented contracts or grants often go to larger and longtime HCAs that rarely have AAPI language interpreters on staff or offer translated materials. The Department of Housing and Urban Development (HUD) and private funders tend to fund programs by measuring the productivity of the number of clients served and scalability of services for various populations, which reduces the ability to have a significant impact on many of the most vulnerable populations, such as LEP speakers who are often elders, immigrants, and women. The additional costs in translating curriculum or technical financial language and producing materials are rarely considering in funding opportunities.
- The funding gap in the housing and financial industry is unknown, in particular what challenges and what type of access HCAs have to funding opportunities. The lack of racial- and ethnic-based research and data collection, inclusive of AAPIs, makes it difficult to justify and demonstrate serving the needs of National CAPACD HCN's clients.

4. Resources for the Housing Counseling Field

The National CAPACD HCN plays a significant role and is uniquely positioned to serve a growing and increasingly diverse AAPI population. It is the first, longest-running, and only intermediary serving AAPIs. The expertise within the network provides substantial insights and knowledge that has and can continue to advance the housing counseling industry.

- National CAPACD's *AAPI Communities Taking Initiative in Our Neighborhoods Technical Assistance* (ACTION TA) capacity building approach has been critical to growing the network because it involves peer learning, knowledge sharing, and collaborations with member organizations across the nation.

- The National CAPACD HCN has developed reliable in-language materials, curriculum, and outreach strategies for how to best serve AAPI communities. Non-National CAPACD HCAs and intermediaries can learn and are highly encouraged to use and adapt these items for their use.
- National CAPACD, as an intermediary, has convening power to unite AAPI community development corporations and service providers across the nation, especially those who serve communities that have limited access to culturally responsive and linguistically competent services. National CAPACD is a progressive coalition of local organizations that advocate for and organize in low-income AAPI communities and neighborhoods.
- As a HUD-approved housing counseling intermediary, National CAPACD has received resources to expand its organizational capacity and sustain its HCN through advocacy and research. Since the establishment of the HCN, National CAPACD has released multiple reports and research grounded in the experiences and data collection of its constituents. Such reports and conversations are essential in ensuring the representation and inclusion of AAPI experiences in policy making.

RECOMMENDATIONS

As the AAPI population continues to rapidly grow in the United States against the backdrop of increasing racial income and wealth inequality, government agencies and foundations need to shift their work in the next decade to address these gaps and be more inclusive. The following recommendations are meant to inform, provide insights, and engage funders and the larger housing and financial fields on how to improve access for AAPI homeowners and renters by making their experiences more visible in the housing counseling industry.

THE HOUSING COUNSELING INDUSTRY MUST INCREASE ACCESS AND IMPROVE SERVICES FOR THE GROWING AAPI POPULATION

As the AAPI population continues to grow exponentially in the United States, the housing counseling industry must improve access to its resources and its response to fill gaps in services for underserved AAPI populations. It can do so through:

- **Partnerships:** Other larger and more established intermediaries should partner with networks like National CAPACD at the local level to better serve and understand the experiences of low-income AAPI populations.
- **Increased Funding for Linguistic and Culturally Competent Services:** Given the unique and complex AAPI population National CAPACD HCAs are servicing, a dollar for dollar doesn't go as far. It is important for government agencies and funders in the housing industry to equitably provide resources to adequately address the needs of marginalized AAPI communities along with other communities of color. HUD and municipalities should set aside funding to train and increase the number of housing counselors with professional cultural competency and language capacity.
- **Language Access Policy:** Language access should be a priority for municipalities with AAPI populations to ensure that Limited English Proficient (LEP) persons have quality access to housing counseling, financial well-being, and other related services.

- **Disaggregating Data to Understand Wealth, Housing, and Financial Disparities:** Many studies on the racial wealth divide either exclude AAPIs (often rendering them invisible) or lump more than 40 ethnic groups into an aggregate category of AAPIs, framing them as doing as well as or better than whites or the general population.
- **Funders Cannot Use a One-Size Fits All Approach:** The cost per client for high needs populations is very different when they have specific language needs. Funders tend to place value on volume of clients served versus the quality of services provided in a culturally competent and meaningful way. The work done by housing counselors is resource intensive, but is not valued or documented in the data. It is important to understand best practices for reaching underserved communities through language, culture, and community outreach strategies and activities.
- **Responding to Growing Immigrant and Renter Populations:** Financial capability programs should be developed and funded to address the growth of immigrant and renter populations—in particular, how they might create new demands for affordable and accessible housing. The financial and housing fields largely focus on homeownership. Thus, services for renters is often underfunded.

STRENGTHENING THE NETWORK THROUGH INNOVATION, COMMUNICATION, AND COLLABORATION

Findings from this report highlight the importance of innovative networks such as National CAPACD's HCN. The following priority areas were raised by practitioners as suggestions for sustaining, improving, and growing the network:

- **Curriculum Development:** Develop a resource hub of standardized in-language AAPI curriculum and other culturally relevant materials that can be shared and used by National CAPACD HCAs across the nation.
- **ACTION TA:** Provide further financial and technical support to the many National CAPACD HCAs that implement financial capability programs as a strategy to engage their clients to build their financial knowledge and capacity.
- **Leadership Development:** Cultivate leaders to better engage with national, state, and local policy advocacy.
- **Building Relationships:** Provide space and opportunities for relationship building between HCAs, National CAPACD staff, and other practitioners.
- **Improve Communication through Technology:** Use new and emerging technology to build an infrastructure to better coordinate client services and streamline reporting processes that are required of counselors (e.g., Zoom video conferencing with clients, Microsoft Teams, Slack), as well as build the capacity of organizations by connecting members to each other (e.g., WeChat, LINE, WhatsApp).
- **Restructuring for Sustainability:** Revisit the vetting process for National CAPACD HCAs and the grants they qualify for in the housing and financial fields. Consider developing an admittance process to the network that will either (a) allow new groups admittance into the network, but not necessarily receive performance-based grants, such as HUD or (b) allow new groups admittance into the network only if they qualify to receive all grants.

INTRODUCTION

In the aftermath of the Great Recession and housing crisis, the National CAPACD established the nation's first AAPI-serving HUD Housing Counseling Intermediary in 2010. The Great Recession was the most severe economic recession in the United States since the Great Depression of the 1930s. Close to four and a half million homeowners lost their homes between September 2008 and May 2013 alone (CoreLogic 2013). Many households of color experienced major losses because of their greater dependence on home equity as a source of wealth. Foreclosure rates experienced by some Asian American ethnic groups, such as Filipinos, Koreans, and Cambodians, approached those experienced by African Americans and Latinos (Ong et al. 2014).¹

Similar to the foreclosure crisis, the COVID-19 pandemic has sent the economy spiraling downward resulting in devastating and massive job loss, small business closures, the inability for vulnerable persons to make rent and mortgage payments, in addition to causing high death rates in communities of color. Moreover, the murder of George Floyd by police led to uprisings, calls for justice, and standing up for long-lasting transformative change. These moments of crisis present an opportunity for housing justice advocates to collaborate more and work collectively to bring about real change. How do we use the present moment as an opportunity to reset and think differently about how we serve vulnerable communities? Often times, we focus primarily on aggregate populations. Future efforts should focus on disaggregated populations to reach those who are living in deep economic and housing insecurity. As the AAPI population continues to be the fastest-growing racial group in the United States, coupled with the current economic uncertainty, the HCN infrastructure that National CAPACD built is needed now more than ever to assist underserved AAPI renters and homeowners and to help shape the transformational change work alongside other housing justice advocates.

Citi Community Development supported the beginnings of National CAPACD's housing counseling intermediary work in 2005. National CAPACD was able to provide technical and capacity building support to member organizations working in underserved communities and serving emerging populations through its technical assistance approach called *AAPI Communities Taking Initiative in Our Neighborhoods Technical Assistance* (ACTION TA). ACTION TA started as a one-on-one, peer-to-peer, more open-ended mentor/mentee relationship within a specified geographic area with a primary emphasis on traditional Community Development Corporation (CDC) programming (e.g., affordable housing development), but with subject matter largely driven by the philosophy of replicating a CDC in every AAPI neighborhood (Ishimatsu, 2013a). While still relying upon the expertise and knowledge of the most successful organizations within the network, the ACTION TA initiative is now more explicitly and consciously about programmatic network building. For example, ACTION TA coordinates the members' programmatic efforts on a larger scale, raising resources, and building the capacity of members to serve their communities in a way that is strategic, efficient, and not necessarily tied only to traditional CDC activities. ACTION TA, in part, helped seed and incubate the cluster of activities and organizations that became National CAPACD's successful HCN.

A grant from NeighborWorks America in 2009 strengthened National CAPACD's housing counseling work focused on providing culturally and linguistically appropriate services to low-income AAPIs. In 2010, HUD awarded National CAPACD a grant to administer a national housing counseling program targeting AAPIs in 10 states. The grant was part of the

\$73 million program that supports HUD-approved HCAs throughout the country in an effort to expand and preserve homeownership opportunities, as well as provide assistance to lower income renters and tenants. Of the 28 HUD-approved national housing counseling intermediaries, National CAPACD was the only organization focused on serving low-income AAPI communities.

Founded in 1999, National CAPACD was seen as a younger housing counseling intermediary in the field, compared with the many service providers that were created following the passage of the 1968 Fair Housing Act and Housing and Urban Development Act. However, the member organizations that co-founded National CAPACD have roots in the Asian American social justice and self-help movements of the 1960s and 1970s. This speaks to the uniqueness of National CAPACD's housing counseling program, composed of AAPI service organizations and community development corporations on the ground that would foster intergenerational and cross-geographical learning and the development of best practices targeted to meet the needs of low-income AAPIs. Today in 2020, National CAPACD represents approximately 100 member organizations in more than 21 states, with 16 member organizations that run HUD-approved housing counseling programs.

During the housing mortgage crisis of 2008, National CAPACD quickly became the leading national organization addressing the needs of low-income and moderate-income AAPIs facing foreclosure. It was the primary organization connected with community economic development organizations that could provide much-needed in-language, relational and cultural services that many of the traditional HCAs could not at the local level. With support from Fannie Mae, Freddie Mac, NeighborWorks America, numerous financial institutions, and national allies such as UnidosUS (formerly known as the National Council of La Raza or "NCLR"), National CAPACD HCAs developed the capacity to hold foreclosure fairs, conduct pre- and post-purchase homeownership counseling, and offer foreclosure intervention counseling, as well as rental and tenant counseling and counseling for households that were homeless or at risk of homelessness.

National CAPACD's partnership with UnidosUS was instrumental in creating knowledge sharing and increasing capacity to serve those severely impacted by the economic downturn. National CAPACD members received National Foreclosure Mitigation Funds directly from NCLR in 2008 and for several years afterward. This important act of solidarity led to the creation of the Alliance to Stabilize our Communities, a formalized partnership with UnidosUS and the National Urban League, supported by Bank of America. Through this partnership, joint events were organized to serve at-risk AAPI, black, and Latino homeowners.

National CAPACD's HCN has made remarkable progress in improving in-language services, financial capability, and asset-building for low- and moderate-income AAPIs, but challenges continue to exist. Many AAPIs live in high-cost housing markets and are at risk of displacement due to gentrification and skyrocketing rents in their neighborhoods. Moreover, the ethnic heterogeneity of the AAPI population, recent migration of some groups to the United States within the past 10 years, and geographic dispersion throughout metropolitan areas make it increasingly challenging for many HCAs to provide services. The organizations that comprised the first AAPI HCN in 2010 to serve families during the foreclosure crisis must now respond to the displacement crisis happening throughout local AAPI neighborhoods across the nation.



Union of Pan Asian Communities Group Workshop (San Diego, CA)

This report documents the valuable lessons learned and best practices developed by National CAPACD staff and members of their HCN over the past decade. The study fills a significant research gap about the housing needs of low-income AAPIs post-Great Recession. It discusses the current housing challenges confronted by AAPIs and illustrates how the financial market and housing counseling field must shift in this next decade in response to the growing AAPI community and greater income and wealth inequality. Lastly, it reveals how funding is either mismatched or inadequate in supporting the growing needs of National CAPACD's HCAs. The study begins with an analysis of the housing field, continues with an economic and demographic analysis to contextualize the conditions in 2006 prior to the establishment of National CAPACD's HCA program, and then compares the trends with 2016, which captures the 10-year economic recovery period after the housing bubble burst.

WHY HOUSING COUNSELING?

THE ROLE OF HOUSING COUNSELING AGENCIES

HCA's are important resources for both homeowners and renters, especially those who find difficulty in securing a home or those at risk of displacement. The origins of HCA's are rooted in the movement to increase access to homeownership for low-income households and communities of color. In 1968, the Fair Housing Act prohibited discrimination in the sale, rental, and financing of housing based on race, religion, and national origin. That same year, the Housing and Urban Development Act of 1968 enabled the U.S. Department of Housing and Urban Development (HUD) "to provide, or contract with public or private organizations to provide information, advice and technical assistance."²

These two laws arrived during a time when low-income households and communities of color could not access the housing market. Limited by racist practices such as redlining, which designated many black neighborhoods as the "most risky" for mortgage support, nonwhite and low-income households were prevented from acquiring loans to purchase a home. The Housing and Community Development Act of 1974 created direct funding from HUD for homeownership education and counseling (HEC) programs aimed at addressing default and increasing resources for prospective homebuyers. Over the decades, HEC services grew from providing home retention counseling to pre-purchase counseling. In 2010, the Office of Housing Counseling was established within HUD to oversee HCA's, counselors, and counseling services.

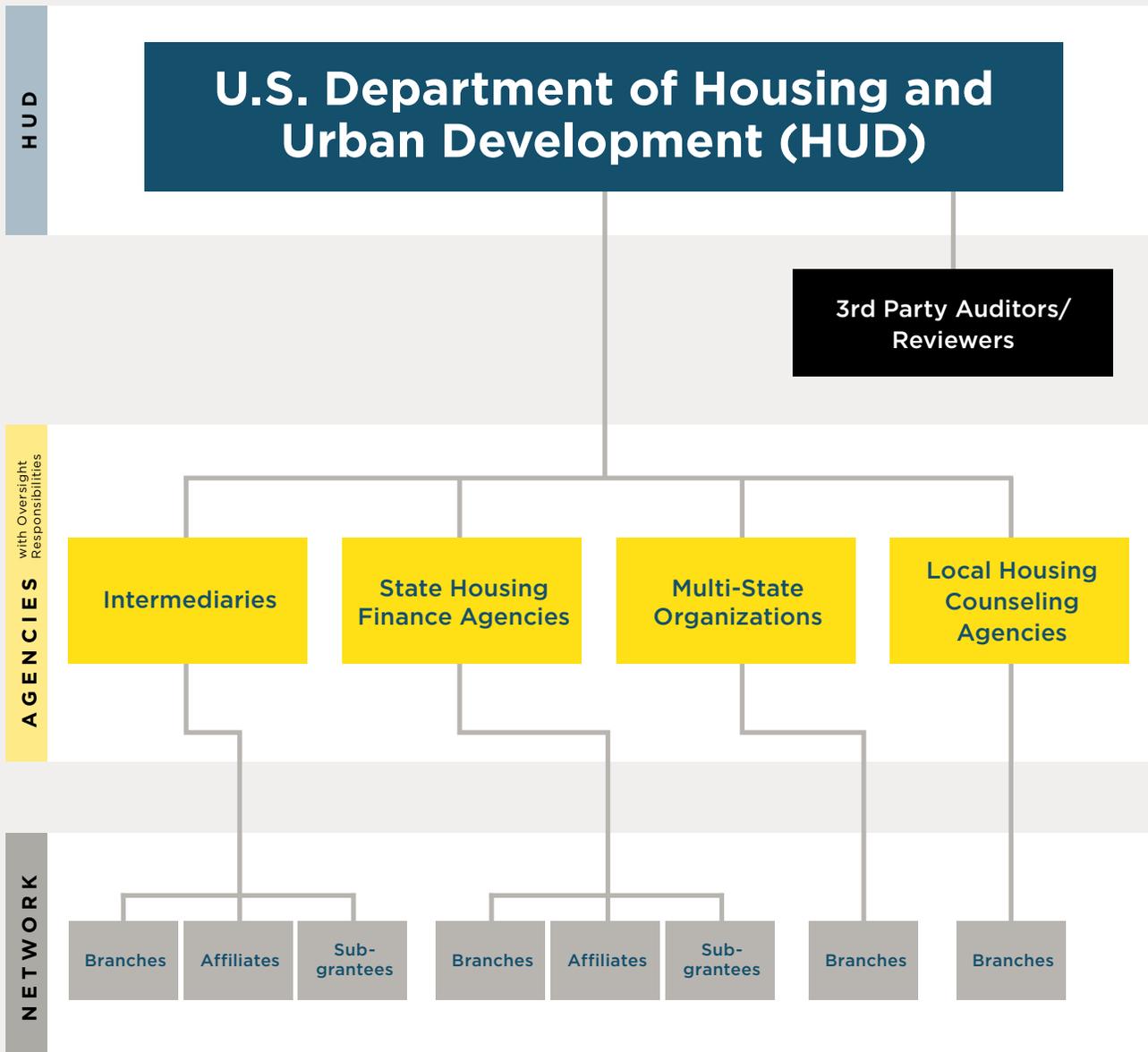
In 2015, more than 1.3 million households, many of whom represent minorities and low-to moderate-income households, received HEC from HUD-approved HCA's (Sackett 2016). Such services and programs are aimed at providing better access to home loans, placing emphasis on housing education to ensure that consumers have a better understanding of practices within the rental and homeownership industries.

HUD has trained and certified a network of 2,600 public and private organizations across the United States to provide housing counseling and education to consumers so that consumers can identify and address barriers to homeownership or assist those at risk of losing their home. These organizations are known as HCA's and are required to adhere to National Industry Standards for Homeownership Education and Counseling that "impose a code of ethics; describe minimum operating standards, such as training and certification expectations for homeownership counselors; and create minimum content standards" (Sackett 2016).

While Local Housing Counseling Agencies (LHCA's) are eligible to receive funding directly from HUD, support for HCA's are sometimes provided by intermediary organizations that include state housing finance agencies (SHFA's), multistate organizations (MSO's), and regional and national intermediaries as seen in Figure 1. These intermediaries develop networks of qualified HCA's to meet the housing education and counseling needs of various municipalities (HUD 2016). Intermediaries can apply to HUD for grants on behalf of their member HCA's. Other benefits of utilizing intermediaries or SHFA's include information sharing, training, and technical assistance.

Home equity remains an important factor in generational wealth building and stabilizing a household's financial future. Housing counseling services are critical given growing income and wealth inequality. According to data from the Federal Reserve's 2016 Survey of Consumer Finances, the median net worth for a white household nationally is \$171,000.

FIGURE 1. RELATIONSHIPS AMONG HUD, INTERMEDIARIES, AND HCAS



Source: Office of Housing Counseling. 2016. "HUD Intermediary Toolkit: Orientation."³

For nonwhite households, the median net worth is \$103,100, with black households having a median net worth amounting to \$17,600, Latino families with \$20,700, and collectively other racial groups⁴ with \$64,800 (Dettling et al. 2017). Aggregate numbers from the Federal Reserve fail to capture the nuances between other nonwhite racial and ethnic groups.

The housing counseling industry has responded to these gaps by providing programs such as down payment assistance to make homeownership more accessible. In 2019, Harvard University's Joint Center for Housing Studies (JCHS) reported that people of color would be more likely to benefit from approaches such as shared equity programs that aim to

provide subsidies for lower-income homebuyers. The 2019 study shows that 27 percent of white potential homebuyers need upfront financial assistance for homeownership of \$25,000 or more, compared to 31 percent of blacks, 30 percent of Asians, and 36 percent of Hispanics (Perkins et al. 2019).

Asian Americans often occupy a misunderstood economic or wealth position within the U.S. racial hierarchy. Several traditional characteristics (e.g., educational attainment, income, entrepreneurship) show that Asian Americans are at near parity with non-Hispanic whites, and this has led some scholars and policy makers to utilize a new racial dichotomy with Asian Americans and non-Hispanic whites at the top and blacks and Latinos at the bottom (Patraporn, Ong, and Houston, 2009). The model minority stereotype paints Asian Americans as wealthy and highly educated, but ethnic variations among AAPI communities show certain subgroups have lower home equity than others as noted in the study, “Chinese-born Asians have the highest and Philippine-born and Southeast Asians have the lower home equity within ethnic variations” (Pech et al. 2015).

The 2019 JCHS study also showed that a vast majority of Asian potential homebuyers have insufficient assets for down payments of 3.5 percent and insufficient income for monthly mortgage payments. It highlighted that 18 percent of the study’s Asian potential homebuyers would require \$100,000 or more in financial assistance toward homeownership compared to 15 percent of Hispanics, 7 percent of blacks, and 7 percent of whites, which puts Asians “out of the likely range of many shared equity programs” (Perkins et al. 2019).

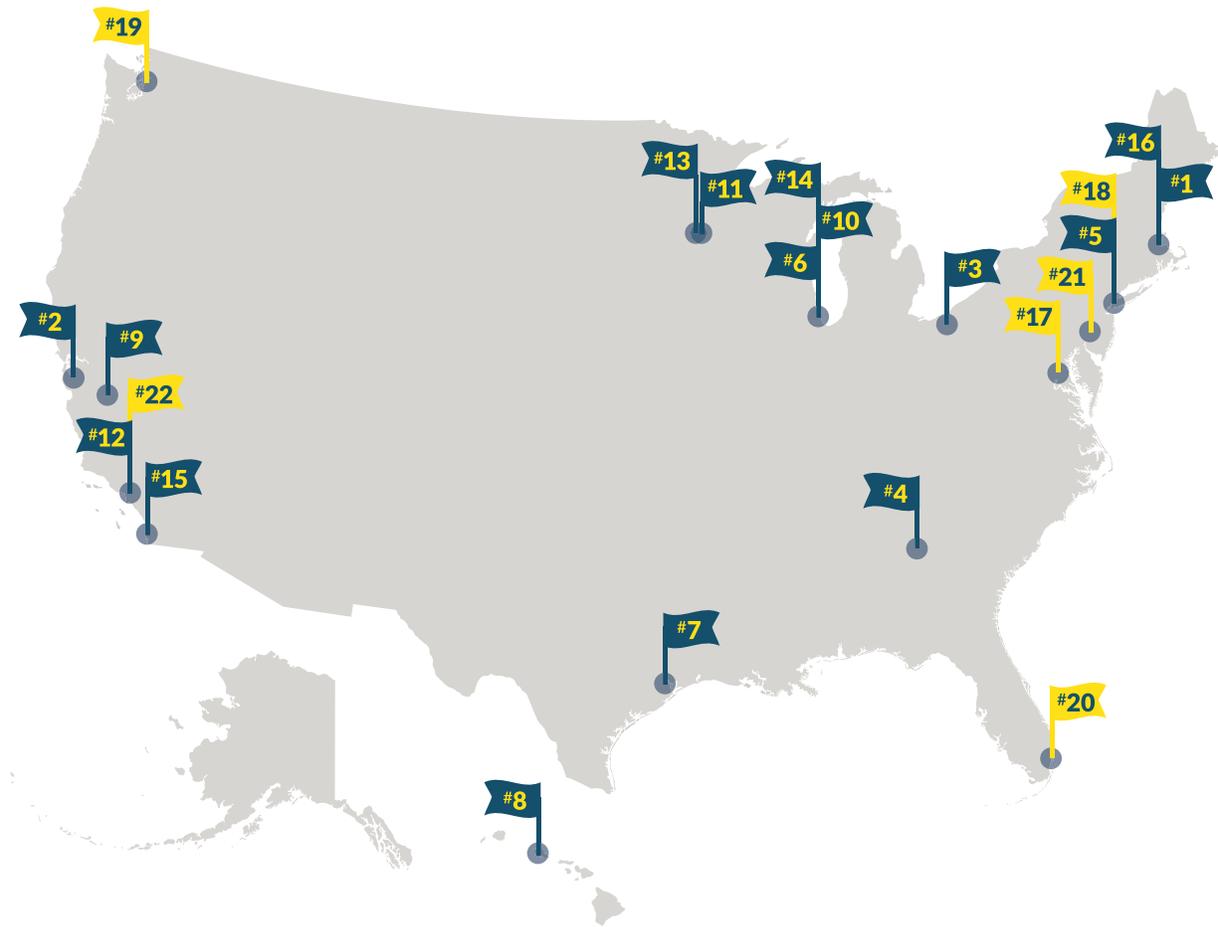
National CAPACD’s 2017 *Asian American and Pacific Islander Anti-Displacement Strategies* report presented case studies of AAPIs across the United States who live in “hot markets” and are vulnerable to displacement because of the lack of affordable housing options—AAPIs, like other low-income communities of color, are burdened by rising median gross rents and home values. From 2010 to 2014, National CAPACD reported a net loss of 1,500+ low-income AAPI households from neighborhoods in 11 cities across the United States. The 2017 report also showed that AAPI communities were fighting against displacement through community organizing, small business stabilization, and challenging traditional tools and models of city and neighborhood planning.

After reflecting on the work of National CAPACD and its partners, financial institutions and practitioners in the housing and lending industries must be both innovative and responsive in creating greater economic opportunity through stable housing and pathways to homeownership for AAPI households.

NATIONAL CAPACD’S HOUSING COUNSELING NETWORK

National CAPACD established the HCN to build a community among HCAs that served AAPI households. During the foreclosure crisis, National CAPACD was the leading national organization addressing the needs of low-income and moderate-income AAPIs facing foreclosure. It was the primary organization connected with community economic development organizations that could provide the much-needed in-language, relational, and cultural services that many of the traditional HCAs could not at the local level. In November 2013, JPMorgan Chase settled with Attorney General Eric Holder and the Federal Housing Finance Agency (FHFA) to pay \$13 billion over mortgage-backed securities sold ahead of the financial crisis. Over subsequent years, other financial institutions settled with the Department of Justice for financial fraud leading up to and during the financial crisis. From 2014 to 2016, National CAPACD deployed Department of Justice settlement funds to 19 HCAs. The HCN continues to be important “post-recovery” as housing markets where low-income AAPIs live become increasingly more expensive and inaccessible.

FIGURE 2. NATIONAL CAPACD'S HOUSING COUNSELING NETWORK



Housing Counseling Network Members

1. **Asian Community Development Corporation** (Boston, MA)
2. **Asian Law Alliance** (San Jose, CA)
3. **Asian Services in Action, Inc.** (Akron, OH)
4. **Center for Pan Asian Community Services, Inc.** (Atlanta, GA)
5. **Chhaya CDC** (Jackson Heights, NY)
6. **Chinese American Service League** (Chicago, IL)
7. **Chinese Community Center** (Houston, TX)
8. **Council for Native Hawaiian Advancement** (Kapolei, HI)
9. **Fresno Interdenominational Refugee Ministries** (Fresno, CA)
10. **HANA Center** (Chicago, IL)
11. **Hmong American Partnership** (St. Paul, MN)
12. **Korean Resource Center** (Los Angeles, CA)
13. **Lao Assistance Center of Minnesota** (Minneapolis, MN)
14. **Muslim Women Resource Center** (Chicago, IL)
15. **Union of Pan Asian Communities** (San Diego, CA)
16. **Vietnamese American Initiative for Development** (Boston, MA)

Previous Housing Counseling Network Members

17. **Asian-American Homeownership Counseling** (Rockville, MD)
18. **Asian Americans for Equality** (New York, NY)
19. **InterIm Community Development Association** (Seattle, WA)
20. **NANAY Community Economic Development Corporation** (North Miami, FL)
21. **Philadelphia Chinatown Development Corporation** (Philadelphia, PA)
22. **Thai Community Development Center** (Los Angeles, CA)



National CAPACD's Housing Counseling Network 2017 Convening (Seattle, WA)

As of 2019, National CAPACD's HCN has collectively counseled and educated more than 27,000 community members and leveraged more than \$7 million in local grant resources to provide services to tenants, low- to moderate-income homeowners, and potential homebuyers.⁵ These services have helped tenants secure and maintain housing, prevent evictions, and improve living conditions. These services have also guided homebuyers through the process of buying a home and connected them to down payment assistance programs to reduce the barriers to successful homeownership.

In 2011, National CAPACD's HCN consisted of 15 HCAs. By 2012, the network had grown to 19 HCAs. In 2017, National CAPACD added two new HCAs to the network to grow the network to 21 HCAs. It should be noted that not all HCAs were HUD-funded from the beginning, and some received private grant funding from National CAPACD to operate their housing counseling programs. A few agencies left the network either because of organizational restructuring, greater opportunities through other networks, or a shift in organizational priorities and services to better serve their clients. In 2020, 16 HCAs are part of the HCN.

Today, the HCN sustains a network of HCAs, providing culturally and linguistically relevant counseling and education in more than 30 languages, particularly focused on low- and moderate-income AAPI homeowners and renters. Its work over a 10-year period holds important lessons and possibilities for growth as other communities of color also navigate through the changing economic and political landscapes of their neighborhoods where homeownership seems like a distant goal and signs of displacement increase.

METHODOLOGY

This project adopts a mixed-methods approach by employing both quantitative and qualitative data. The primary purpose of the quantitative datasets is to provide contextual information about the individual regions studied and the AAPI populations residing in each region. The project includes three major datasets:

1. **American Community Survey (ACS)** is a continuous survey managed by the Bureau of the Census that collects social, economic, demographic, and housing characteristics information about the population. This report relies primarily on the micro-level data from the ACS, known as the Public Use Microdata Sample (PUMS), as it allows for creating special tabulations on AAPIs.
2. **Home Mortgage Disclosure Act (HMDA)** is the most comprehensive source of publicly available data on mortgage lending. It captures information on home mortgage applications and originations (the process by which applications are approved, resulting in loans being made). HMDA includes information about borrowers' demographic and socioeconomic characteristics (e.g., race and ethnicity, gender, and household income) and information about the characteristics of the loans (e.g., amount, type).
3. The **Housing Counseling Agency Activity Report**, also known as HUD-9902, contains information about clients served by HCAs. The data includes information about their race, ethnicity, income levels, and the purpose of visit. It is collected by each HCA, which in turn submits this information to HUD.

We use qualitative data to provide additional context and perspectives for the report, which includes a combination of a focus group, organizational survey, and interviews with housing counselors and staff representing seven case study regions where National CAPACD's HCN serve AAPI populations. Participants shared their unique experiences, challenges, and opportunities as HCAs. The following organizations participated in the focus groups, surveys, and interviews:

- Asian Community Development Corporation (ACDC), Boston, MA
- Chhaya Community Development Corporation (Chhaya CDC), Jackson Heights, NY
- Chinese American Service League (CASL), Chicago, IL
- Council for Native Hawaiian Advancement (CNHA), Kapolei, HI
- HANA Center, Chicago, IL
- Hmong American Partnership (HAP), St. Paul, MN
- Lao Assistance Center of Minnesota (LACM), Minneapolis, MN
- Muslim Women Resource Center (MWRC), Chicago, IL
- Philadelphia Chinatown Development Corporation (PCDC), Philadelphia, PA
- Thai Community Development Corporation (Thai CDC), Los Angeles, CA
- Vietnamese American Initiative for Development (VietAID), Boston, MA

Lastly, interviews with current and former National CAPACD staff were conducted to understand the role and perspective of the intermediary. Knowing the experiences and lessons learned from the people managing National CAPACD's HCN is essential in understanding the program's purpose, impact, and needs.

Each data source is further described in Appendix 1.

CASE STUDY PROFILES

This study focuses on seven MSAs as case study regions. They include:

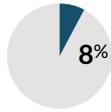
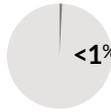
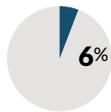
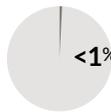
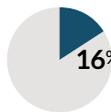
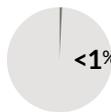
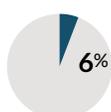
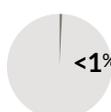
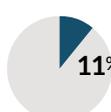
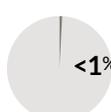
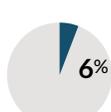
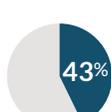
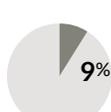
1. Boston–Cambridge–Newton
2. Chicago–Naperville–Elgin
3. Los Angeles–Long Beach–Anaheim
4. Minneapolis–St. Paul–Bloomington
5. New York–Newark–Jersey City
6. Philadelphia–Camden–Wilmington
7. Urban Honolulu

A number of key factors were taken into consideration in selecting these study areas: 1) whether or not the region had a National CAPACD-affiliated HCA; 2) the relative size of the AAPI population; 3) inclusion of a diverse set of AAPI ethnic subpopulations; and 4) a mix of high-cost and low-cost housing markets.

Roughly one-third (31 percent) of all AAPIs in the United States reside in these seven metropolitan areas (2013–17 5-year ACS). Table 1 reports the number of Asian and NHOPI populations and their share of the total population for each of the seven regions studied. The two regions with the greatest number of Asians are the New York and Los Angeles metropolitan areas. In Honolulu, Asians make up the plurality of the population. NHOPIs account for a small proportion of the total population in six of the seven regions (less than 1 percent); the only exception is in the Honolulu metropolitan area where they make up 9 percent of the total population.

Different AAPI subgroups vary depending on the region. For example, the Hmong population makes up the largest Asian subgroups in the Minneapolis metropolitan area, with a sizable population of South Asians in the New York metropolitan area and Native Hawaiians and Pacific Islanders in Honolulu. Figure 3 provides a breakdown of AAPI subgroups within the seven study areas.

TABLE 1. AAPI POPULATION BY REGION

	Population		As a Share of Total Population in Each Region	
	Asian	NHOPI	Asian	NHOPI
Boston*	359,705	1,260	 8%	 <1%
Chicago	605,836	3,346	 6%	 <1%
Los Angeles	2,081,686	37,311	 16%	 <1%
Minneapolis/ St. Paul	225,377	1,346	 6%	 <1%
New York	2,195,326	7,917	 11%	 <1%
Philadelphia	349,026	1,977	 6%	 <1%
Honolulu	424,558	92,743	 43%	 9%
TOTAL	6,241,514	145,900	 11%	 <1%

*Each city name hereafter is representative of its metropolitan statistical area (MSA) listed on page 19
 Source: 2013–17 5-year ACS

NATIONAL CAPACD HCAS WITHIN THE CASE STUDY AREAS

The combined seven metropolitan areas include 11 HCAs that are part of National CAPACD. Figure 4 lists these organizations and provides key information about the populations they serve and the services they provide.

These organizations offer support to a variety of AAPI populations, including Chinese, Koreans, Vietnamese, Laotians, Hmongs, and South Asians. However, beyond the primary serviced community, these organizations will sometimes serve other-language and cultural communities that are non-AAPI. As an example, the Lao Assistance Center of Minnesota serves the Thai and Somali communities, in addition to the Laotian community. Moreover, these organizations provide services beyond housing counseling, such as immigration and social services, civic engagement programming, workforce development, and general financial literacy and empowerment opportunities.



FIGURE 3. AAPI SUBPOPULATION BY REGIONS

	Boston	Chicago	Los Angeles
AAPI	360,965	609,182	2,118,997
Asian Indian	79,936	212,678	144,037
Bangladeshi	2,942	2,147	5,646
Bhutanese	239	631	124
Burmese	592	2,559	5,621
Cambodian	25,202	3,646	43,648
Chinese & Taiwanese	142,094	112,653	558,464
Filipino	11,351	114,014	424,203
Hmong	126	741	2,696
Indonesian	2,386	957	14,081
Japanese	9,211	16,093	134,092
Korean	20,944	52,187	310,287
Laotian	2,683	4,123	5,798
Malaysian	554	564	1,525
Mongolian	144	2,555	2,621
Nepalese	4,875	2,668	2,700
Okinawan	0	10	67
Pakistani	5,314	31,166	17,250
Sri Lankan	882	841	7,155
Thai	2,839	6,473	28,568
Vietnamese	36,153	23,726	301,669
Other Asian	11,238	15,404	71,434
Native Hawaiian	558	1,189	7,745
Samoan	210	634	14,640
Tongan	0	0	4,380
Other Polynesian	12	97	409
Guamanian or Chamorro	413	866	4,888
Marshallese	0	3	415
Other Micronesian	18	70	561
Fijian	0	10	2,299
Other NHOPI	49	477	1,974

Source: 2013–17 5-year ACS

	Minneapolis	New York	Philadelphia	Honolulu
	226,723	2,203,243	351,003	517,301
	38,849	649,719	115,037	1,968
	473	78,164	4,764	0
	485	349	221	0
	10,645	5,742	940	141
	6,914	4,258	12,313	384
	24,841	790,478	85,794	52,966
	8,595	205,122	26,766	147,841
	72,849	135	156	47
	575	5,796	2,101	174
	3,096	45,214	4,131	143,220
	13,252	200,839	35,862	21,523
	7,537	1,008	1,963	1,785
	250	2,714	202	31
	72	685	365	68
	1,698	10,412	2,419	328
	0	41	0	1,909
	2,358	99,102	10,715	68
	406	7,396	1,318	161
	1,477	11,628	1,371	1,662
	24,558	32,785	32,735	10,654
	6,447	43,739	9,853	39,628
	616	2,119	861	50,269
	212	786	191	13,533
	68	11	50	2,583
	16	25	6	436
	205	1,314	201	2,486
	12	0	64	4,452
	104	534	33	13,625
	20	128	76	150
	93	3,000	495	5,209

FIGURE 4. NATIONAL CAPACD HCAS WITHIN STUDY REGIONS

Housing Counseling Agency	City	Primary Ethnic Population Served
Asian Community Development Corporation	Boston, MA	Low-income Chinese, new immigrants
Vietnamese American Initiative for Development	Boston, MA	Vietnamese
Chinese American Service League	Chicago, IL	Chinese
HANA Center	Chicago, IL	Low-to-moderate income Koreans and other immigrants, limited English proficient populations
Muslim Women Resource Center	Chicago, IL	Immigrant and refugee Muslim women and their families
Thai Community Development Center*	Los Angeles, CA	Low-to-moderate income Thai families and immigrants
Korean Resource Center	Los Angeles, CA	Low-income Korean families and immigrants
Hmong American Partnership	St. Paul, MN	Hmong, Karen, Karenni, Southeast Asians, and other immigrants and refugees
Lao Assistance Center of Minnesota	Minneapolis, MN	Low-to-moderate income Laotians, Thais, Somalians
Philadelphia Chinatown Development Corporation	Philadelphia, PA	Chinese
Chhaya CDC	New York, NY	Low-to-moderate income South Asian and Indo-Caribbean communities
Council for Native Hawaiian Advancement	Kapolei, HI	Low-to-moderate income Native Hawaiians

Note: Services offered as of 2020. This matrix is not meant to be comprehensive and may not include all services offered by each organization. Additionally, some services may overlap between housing and other services offered (e.g. financial literacy).

**Thai CDC closed its housing counseling program in late 2019.*

Self-Described Housing-Related Services

Other Services Offered

First-time homebuyers program; pre-and post-purchase workshops and counseling; mortgage preparation; rental assistance and foreclosure counseling service.

Financial literacy workshops (budgeting, credit, saving); income tax, retirement and insurance; youth programs; community organizing and civic engagement.

First-time homebuyer; foreclosure prevention; rental assistance; tenant's rights education; financial application assistance; credit building; mortgage qualifications; affordable housing development.

Financial literacy; preschool, senior day programming; civic engagement.

Homebuyer workshops; one-on-one counseling (building credit, financial literacy, pre-purchase, post-purchase, affordable rental housing search and placement, and energy saving).

Employment services; culinary training; immigration services; ESL workshops, application assistance for public assistance; early childhood, school age and teens center; adult day care center and legal clinic.

Rental counseling; informing clients about tenant-landlord rights; fair housing; financial planning and post-purchase education; assist LEP seniors with housing options and housing applications.

Citizenship and immigration service; legal clinic; ESL and citizenship classes; computer skills training; early childhood care center; community wellness; workforce empowerment.

Rental housing counseling; budget management; government assistance for tenants or landlords/homeowners.

Citizenship education and workshops; social services; youth empowerment; healthy living programming; ESL and computer classes; youth empowerment services; health awareness and education.

Rental and affordable rental housing search and placement; landlord and tenant relations (eviction, habitability); foreclosure intervention.

Legal services, human rights advocacy; case management for victims of human trafficking; community development; small business counseling and technical assistance; food access; health care access; business incubation and entrepreneurship training.

Rental and homeownership counseling.

Immigration legal services; health care access; civic engagement.

Homestretch workshops (workshop that prepares home buyers for successful homeownership).

Small business support; family crisis intervention; children and family services, public assistance programs outreach; workforce development; health-related programming.

Housing counseling, including information on loan modification, pre-purchase, home rental, apartments and public housing, and buying a new home.

Mental health programming; arts and cultural activities for youth; leadership development; civic engagement.

Homebuyer education; pre- and post-purchase education; rental assistance; financial literacy education, fair housing education; affordable housing development.

Family support services, senior assistance, utility assistance, public benefits; income tax assistance; mental health wellness initiative, neighborhood planning and advocacy; youth program; civic engagement.

Pre-purchase, post-purchase, foreclosure, and rental counseling.

Financial counseling; free tax preparation; immigration legal services.

Rental and pre-purchase counseling; access to capital; financial education.

Emergency financial assistance; financial literacy programs; workforce development training; small business class; political non-partisan candidate training program.

FINDINGS

1. THE CHALLENGES OF AAPI HOMEOWNERS AND RENTERS: INEQUALITY IN HOUSING MARKETS AND HOMEOWNERSHIP

AAPIs today face a number of housing challenges, making the role of housing counselors more important than ever. This section presents key data points on some of the housing challenges confronted by AAPIs and includes additional information to better understand their housing needs and potential market opportunities in the seven study regions.

HOUSING MARKET

Overall, a high share of AAPIs reside in expensive housing markets. Median home values and median gross rents in these study areas are higher than the United States as a whole (see Table 2). The high cost of housing makes it difficult for many AAPIs who are interested in entering the housing market through homeownership. Likewise, the high cost of housing puts a burden on AAPI renters, particularly those who are lower income, with many facing threats of eviction should they have difficulty in paying for housing costs.

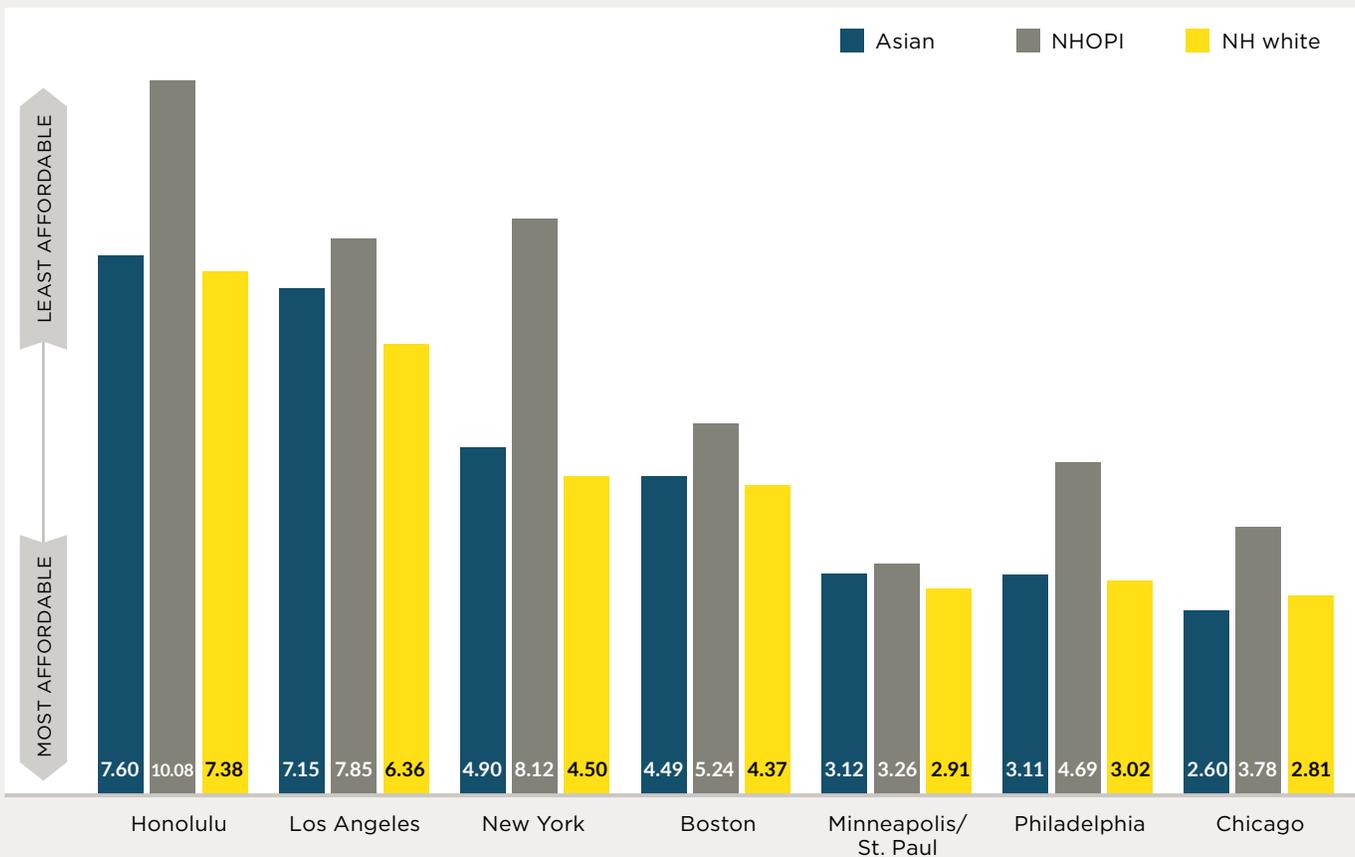
TABLE 2. MEDIAN HOME VALUE AND MEDIAN GROSS RENT

	Median Home Value	Median Gross Rent
Boston	\$393,500	\$1,335
Chicago	\$222,600	\$1,048
Los Angeles	\$537,000	\$1,393
Minneapolis/St. Paul	\$230,700	\$1,001
New York	\$413,200	\$1,341
Philadelphia	\$240,700	\$1,075
Honolulu	\$626,400	\$1,653
United States	\$193,500	\$982

Source: 2013–17 5-year ACS

Housing affordability can be measured using the Housing Price-to-Income Ratio, which compares the average (median) housing price in an area to the average (median) household income of a particular race or ethnic group. A general “rule of thumb” is that a home should be no more than 2.6 to 4.0 times more than one’s household income (Florida 2018; Murray and Schuetz 2018).⁶ Figure 5 shows the Housing Price-to-Income Ratios across the study areas and demonstrates which geographies are most and least affordable for AAPIs. The higher the ratio, the less affordable the area is. Of the areas studied for this report, the three most affordable regions for Asians are the Chicago, Philadelphia, and Minneapolis metropolitan areas. Urban Honolulu is the least affordable region for both Asians and NHOPIs, despite these groups collectively making up the majority of the population in the area.

FIGURE 5. HOUSING PRICE-TO-INCOME RATIOS



Source: 2013–17 5-year ACS PUMS

Differences in income and the high cost of housing can translate to differences in homeownership rates across groups. Homeownership is crucial in wealth and asset building, and the following section describes the homeownership patterns and compares the rates of AAPI homeownership to whites across the seven study areas.

DISPARITY IN HOMEOWNERSHIP

Within the study areas combined, AAPIs have lower homeownership than whites as indicated in Table 3, where the homeownership rate stood at 39 percent for NHOPIs, 56 percent for Asian, and 69 percent for whites. The disparity in homeownership rates also varies across regions. In nearly all study areas, Asians and NHOPIs have lower homeownership rates than whites. The greatest difference in homeownership rates was between NHOPIs and whites. The difference in rates for Asians and for whites was less pronounced, and in Honolulu, the percentage of Asians who owned homes (69 percent) exceeded that of whites (46 percent). This is not surprising given that Asians make up a plurality of the population in Honolulu.

TABLE 3. HOMEOWNERSHIP RATES BY REGION

	Asian	NHOPI	NH white
Boston	52%	40%	69%
Chicago	62%	48%	75%
Los Angeles	55%	36%	58%
Minneapolis/St. Paul	58%	55%	76%
New York	52%	29%	67%
Philadelphia	62%	60%	76%
Honolulu	69%	40%	46%
TOTAL	56%	39%	69%

Source: 2013–17 5-year ACS

Disparity in homeownership rates also persist when examining the rates by different income groups. Specifically, we examine the rates of homeownership for low-to-moderate income⁷ (LMI) households for Asians, NHOPIs, and whites (see Table 4). Due to small sample size, the estimates for NHOPIs are not reported for all regions. The findings show that LMI AAPIs are far less likely to own a home compared to whites of the same income group. For Asians, this is true for six of the seven study areas; the only exception is in Honolulu where Asians make up a plurality of the population. In regions with sufficient sample size for NHOPIs, such as Los Angeles and Honolulu, the findings are similar. In Los Angeles, LMI whites were over two times more likely to own a home compared to NHOPIs, and in Honolulu they were one and half times more likely than NHOPIs to own a home.

TABLE 4. HOMEOWNERSHIP RATES AMONG LOW-TO-MODERATE INCOME HOUSEHOLDS

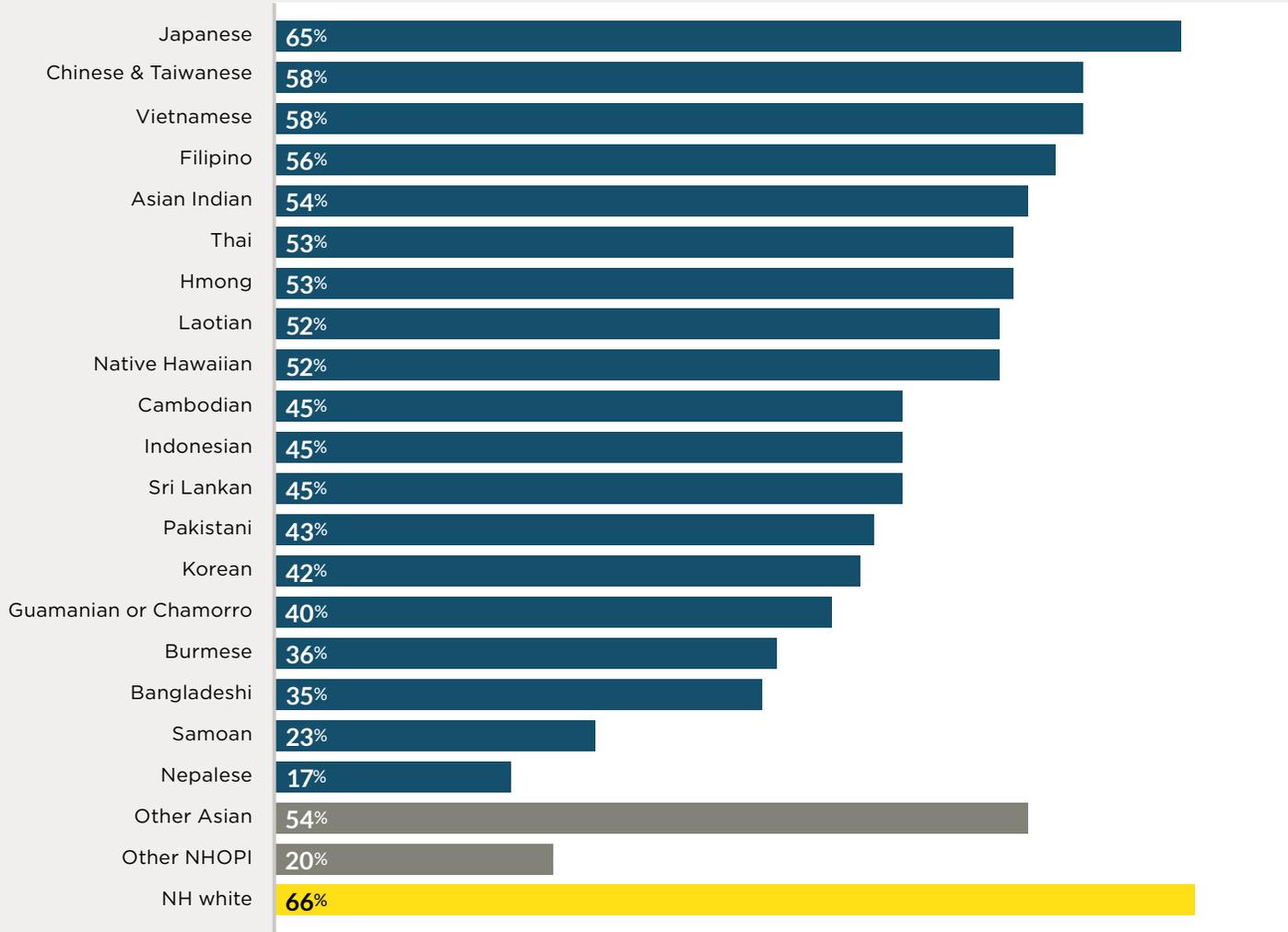
	Asian	NHOPI	NH white
Boston	31%	-	52%
Chicago	44%	-	61%
Los Angeles	36%	18%	42%
Minneapolis/St. Paul	39%	-	61%
New York	32%	-	49%
Philadelphia	49%	-	59%
Honolulu	52%	21%	32%
TOTAL	37%	22%	53%

Source: 2013–17 5-year ACS

Figure 6 summarizes the rates of homeownership by AAPI ethnic subgroups for the seven study areas combined. There are considerable differences in homeownership rates among the various AAPI subgroups, with homeownership rates ranging from a high of 65 percent for Japanese to a low of 17 percent for Nepalese. All AAPI ethnic subgroups have lower rates of homeownership when compared to whites (66 percent).

FIGURE 6. HOMEOWNERSHIP RATES BY AAPI SUBGROUPS

For all seven study areas combined



Source: 2013–17 5-year ACS PUMS

ON THE EDGE OF FINANCIAL VULNERABILITY

High housing costs combined with stagnant wages have caused a crisis of affordability in many major metropolitan areas. An increased spending on housing has put many households on the edge of financial vulnerability. For this report, we operationally define households on the edge of financial vulnerability as households that pay more than half (50 percent) of their income on housing costs (e.g., rent/mortgages, utilities). HUD defines these households as being “severely cost-burdened.” HUD also uses another definition of cost-burdened households, defining households who pay more than 30 percent of their income on housing as cost-burdened. However, given the concentration of AAPIs in expensive markets where the typical household already pays at least 30 percent of their income toward housing, this report focuses on the extreme: those considered as being “one paycheck away” from being unable to cover their monthly housing costs should there be some sort of disruption to their income (e.g., unexpected job loss) or major expenses (e.g., medical bills). In this situation, homeowners would be at risk of defaulting on their mortgage, possibly foreclosing on their homes, and renters risk being evicted by their landlord.

We examine the proportion of AAPI households, including both homeowners and renters, who are severely cost-burdened and provide some key information relating to their demographic, socioeconomic, and housing characteristics. This information is vital to design outreach programs to address the specific needs and challenges of this segment of the population.

SEVERELY COST-BURDENED HOMEOWNERS

Despite being able to enter the homeownership market, many AAPI homeowners still face severe housing cost burdens, thereby making it difficult for them to sustain and keep their homes. Table 5 reports the proportion of severely cost-burdened homeowners by region, with absent percentages due to the lack of sufficient sample size. Overall, for all study regions combined, a higher share of Asian homeowners (16 percent) are severely cost-burdened compared to NH whites (12 percent). The proportion of severely cost-burdened NHOPI homeowners is on par with whites. The share of severely cost-burdened AAPI homeowners vary by region. Twenty-one percent of Asian homeowners in the New York region are severely cost-burdened, which is the highest for Asian homeowners in the seven study areas.

Figure 7 further reports the distribution of severely cost-burdened homeowners by AAPI subgroups for all study regions combined. Bangladeshi homeowners are the most severely cost-burdened, and Hmong homeowners are the least severely cost-burdened. One plausible explanation for this could be due to where these two subgroups reside. For example, within the study regions, Bangladeshis are concentrated in the New York metropolitan area, while Hmongs are concentrated in Minneapolis, which has a lower Housing Price-to-Income Ratio as indicated earlier in Figure 5.

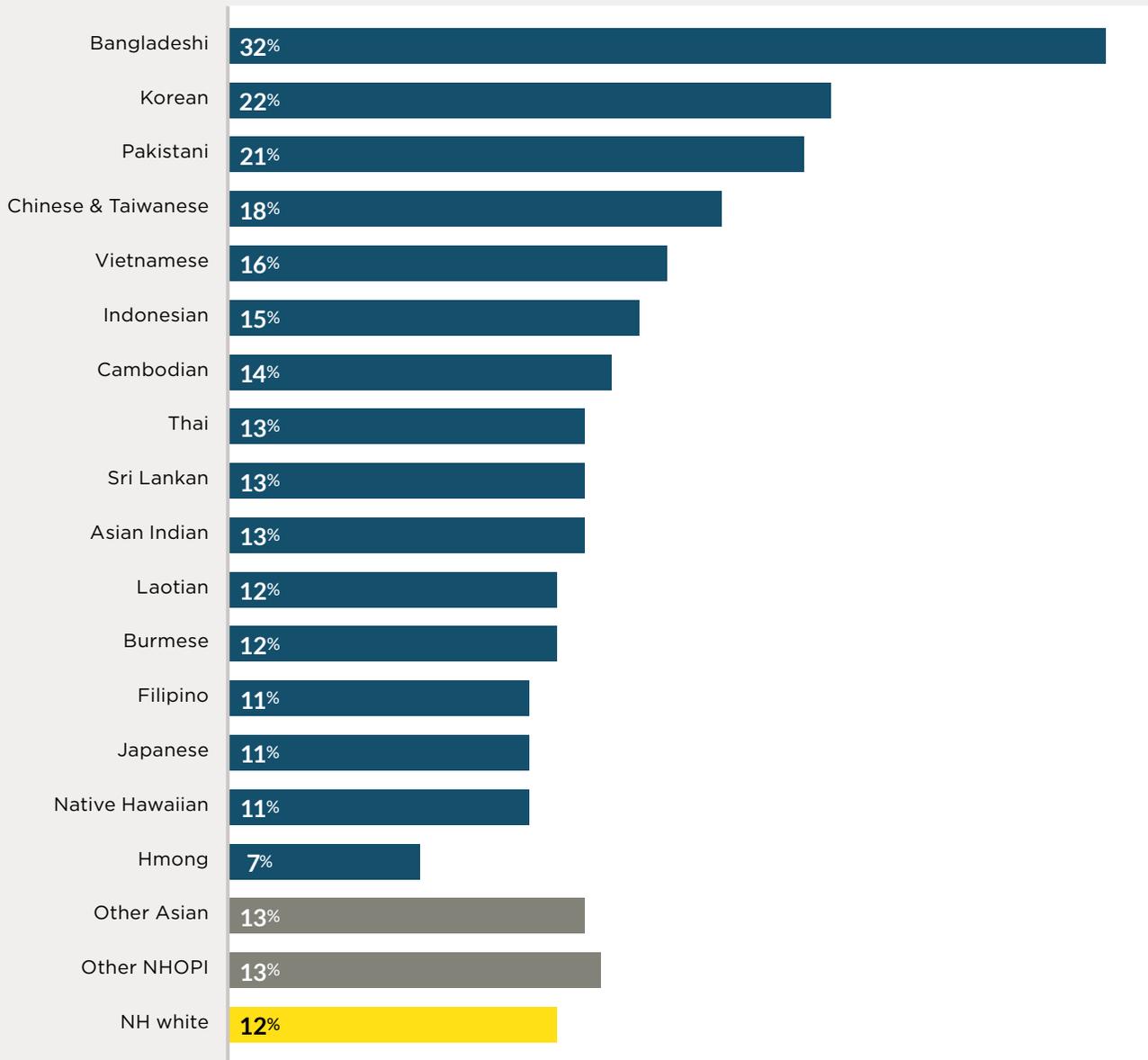
TABLE 5. SEVERELY COST-BURDENED HOMEOWNERS

	Asian	NHOPI	NH white
Boston	11%	-	11%
Chicago	12%	-	11%
Los Angeles	16%	13%	15%
Minneapolis/St. Paul	9%	-	7%
New York	21%	-	15%
Philadelphia	13%	-	10%
Honolulu	12%	10%	13%
TOTAL	16%	12%	12%

Source: 2013–17 5-year ACS PUMS

FIGURE 7. SEVERELY COST-BURDENED HOMEOWNERS BY AAPI SUBPOPULATIONS

For all seven study areas combined



*Only subgroups with a sample size of at least 100 households are reported.
Source: 2013–17 5-year ACS PUMS*

SEVERELY COST-BURDENED RENTERS

As with homeowners, a higher share of AAPI renters are also severely cost-burdened when compared to whites. This puts many renters at risk of potential eviction and homelessness should there be some sort of disruption to their economic situation. Additionally, with a significant amount of their income going to rent, these households are left with little disposable income for other necessities (e.g., food, clothing, transportation, and medical care), and income that can be put toward savings should they one day consider entering the homeownership market.

Within the combined study areas,

26 percent of Asian renters and **27 percent** of NHOPI renters are severely cost-burdened, all of which are higher than whites (24 percent).

Table 6 reports and compares the proportion of renter households that are severely cost-burdened for the three racial groups in each of the seven study areas. Due to small sample size, estimates are suppressed for NHOPIs for five of the seven study areas. Within the combined study areas, 26 percent of Asian renters and 27 percent of NHOPI renters are severely cost-burdened, all of which are higher than whites (24 percent). There are differences within the regions studied, with some regions showing lower rates of severely cost-burdened renters compared to whites. Within regions studied, New York has the highest share of Asians renters who are severely cost-burdened at 28 percent. Nearly one-third (30 percent) of NHOPI renters in Honolulu are severely cost-burdened, roughly on par with white renters (31 percent) in the same region.

TABLE 6. SEVERELY COST-BURDENED RENTERS BY REGIONS

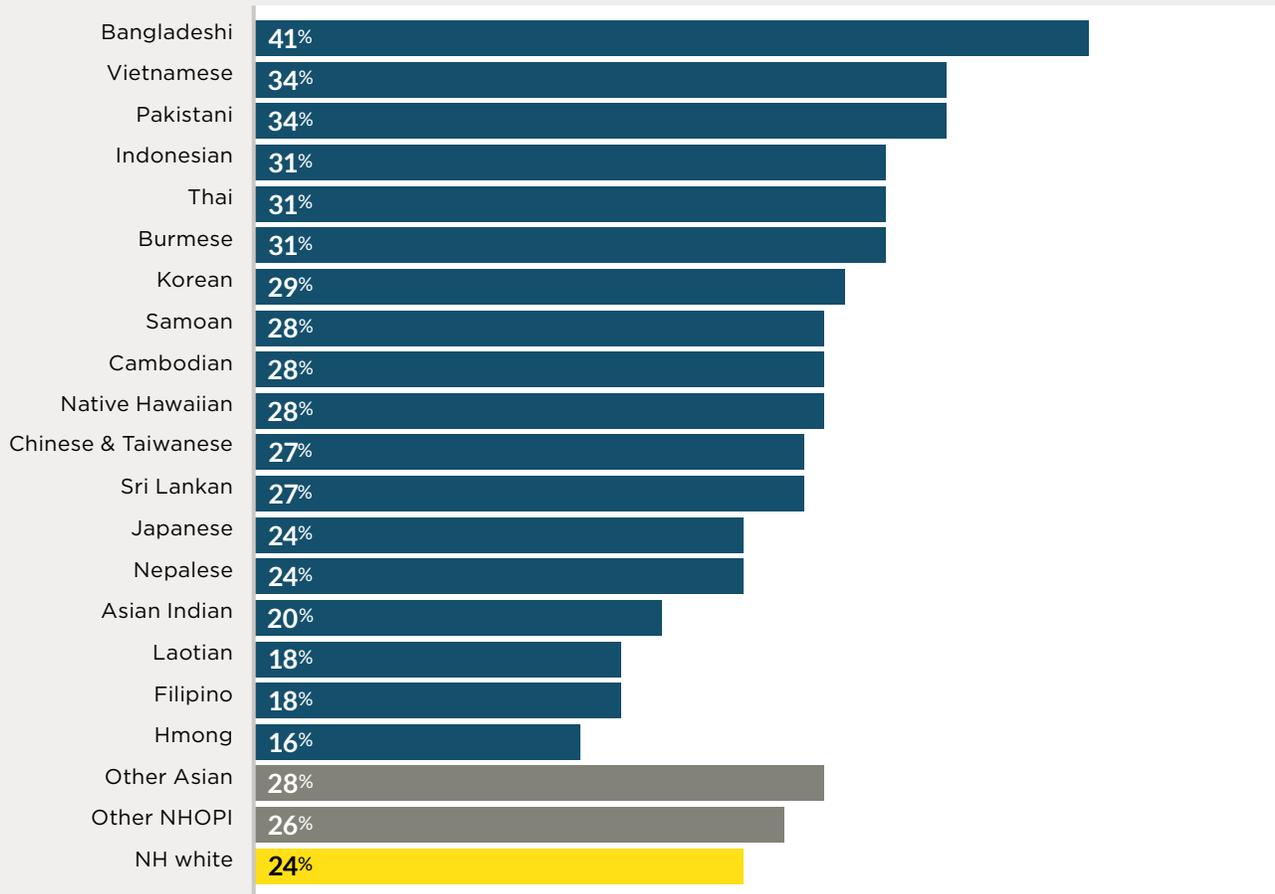
	Asian	NHOPI	NH white
Boston	22%	-	22%
Chicago	19%	-	21%
Los Angeles	27%	23%	28%
Minneapolis/St. Paul	18%	-	21%
New York	28%	-	24%
Philadelphia	22%	-	24%
Honolulu	24%	30%	31%
TOTAL	26%	27%	24%

Source: 2013–17 5-year ACS PUMS

Figure 8 shows the proportion of severely cost-burdened renters by AAPI subgroups for the seven regions combined. The three AAPI ethnic subgroups with the highest rate of severely cost-burdened renters are Bangladeshi (41 percent), Vietnamese (34 percent), and Pakistani (34 percent). The three AAPI ethnic subgroups with the lowest rates of severely cost-burdened renters are Laotian (18 percent), Filipino (18 percent), and Hmong (16 percent). The lower rates among Laotian and Hmong subgroups are not as surprising given the concentration of these two populations in more affordable regions within the seven study regions (e.g., the Minneapolis MSA).

FIGURE 8. SEVERELY COST-BURDENED RENTERS BY AAPI SUBGROUPS

For all seven study areas combined



Source: 2013–17 5-year ACS PUMS

KEY CHARACTERISTICS OF SEVERELY COST-BURDENED HOUSEHOLDS

To develop programs and policies that address the housing needs and challenges of severely cost-burdened AAPIs, it is important to identify and understand key characteristics related to this segment of the population. We examined key characteristics of the severely cost-burdened and compared this information to nonseverely cost-burdened, within and across three racial groups. Table 7 summarizes the averages (means) characteristics of these households. Some key findings include:

Socioeconomic

Income is a primary factor that distinguishes those who are severely cost-burdened from those who are not. Not surprisingly, severely cost-burdened households, on average, have significantly lower household income compared to nonseverely cost-burdened households. For example, the average household income for severely cost-burdened Asian households is \$29,600 compared to \$122,800 for a nonseverely cost-burdened Asian household. Related to income is poverty, and the findings indicate that households that are severely cost-burdened also exhibit high rates of poverty. Severely cost-burdened households are also headed by those with lower rates of educational attainment, as measured by the percentage that have a bachelor’s degree or higher. Overall, these patterns are consistent across the groups.

TABLE 7. CHARACTERISTICS OF SEVERELY COST-BURDENED AND NONSEVERELY COST-BURDENED HOUSEHOLDS BY RACE

For all seven study areas combined

	Asian		NHOPI		NH white	
	Severely Burdened	Non-Severely Burdened	Severely Burdened	Non-Severely Burdened	Severely Burdened	Non-Severely Burdened
Socioeconomic						
Household income	\$29,600	\$122,800	\$27,200	\$96,500	\$29,200	\$134,900
% in poverty	40%	8%	49%	9%	32%	4%
Demographic						
% with college degree	41%	60%	10%	23%	36%	54%
Limited English proficiency	54%	37%	16%	14%	9%	4%
Household Composition						
Single headed households	34%	25%	27%	23%	58%	35%
HHs with no workers	28%	14%	30%	14%	48%	20%
Avg. HH size	2.6	3.0	3.3	3.6	1.9	2.4

*Note: LEP households include those where the head of household speaks English less than “very well.”
Source: 2013–17 5-year ACS PUMS*

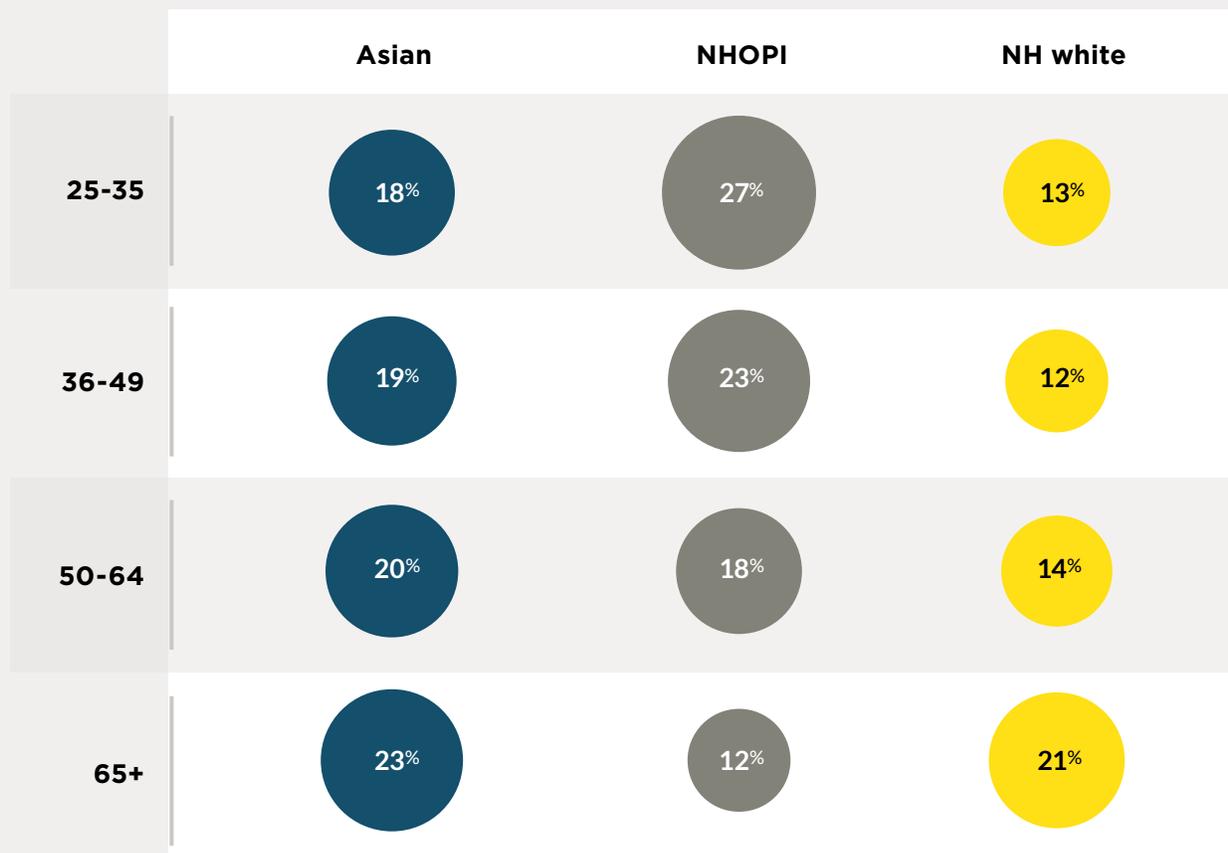
Demographics

One major characteristic that sets severely cost-burdened households apart from nonburdened households is English proficiency. For Asians, more than half of the severely cost-burdened households are Limited English speaking households. The difference is striking when compared to whites, where only 9 percent of severely cost-burdened white households are Limited English speaking households. In other words, severely cost-burdened Asian households are six times more likely to be LEP households when compared to severely cost-burdened white households.

Household Composition

In terms of household composition, severely cost-burdened households are more likely to be single-headed households. They are also households that have a higher share of people in the household who do not work. Severely cost-burdened households also have smaller household size when compared to the nonseverely cost-burdened households, which can indicate that there are fewer individuals in the households who can contribute to income. Overall, AAPI households have larger average household size than whites. For example, the average household size for severely cost-burdened Asians is 2.6, 3.3 for NHOPIs, and 1.9 for whites.

FIGURE 9. SEVERELY HOUSING COST-BURDENED WITHIN AGE GROUPS



Source: 2013–17 5-year ACS PUMS

Figure 9 further displays the proportion of severely cost-burdened households by age groups for all three racial groups. Asian households across all age groups are more severely cost-burdened than white households. For NHOPIs, younger-headed households are more severely cost-burdened.

For homeowners, there are also differences in the share of severely cost-burdened households by when the homeowner moved into the home. We examined the percentage of severely cost-burdened homeowners who are recent homeowners (purchased less than 10 years), less recent homeowners (10–19 years), and longer-term homeowners (20+ years) for all seven study areas combined. As shown in Table 8, recent Asian homeowners are more severely cost-burdened than recent white homeowners (16 percent vs. 13 percent, respectively).

TABLE 8. SEVERELY COST-BURDENED HOMEOWNERS BY YEAR MOVED IN
For all seven study areas combined

	Asian	NHOPI	NH white
<10 years	16%	17%	13%
10-19 years	12%	13%	10%
20+ years	10%	12%	13%

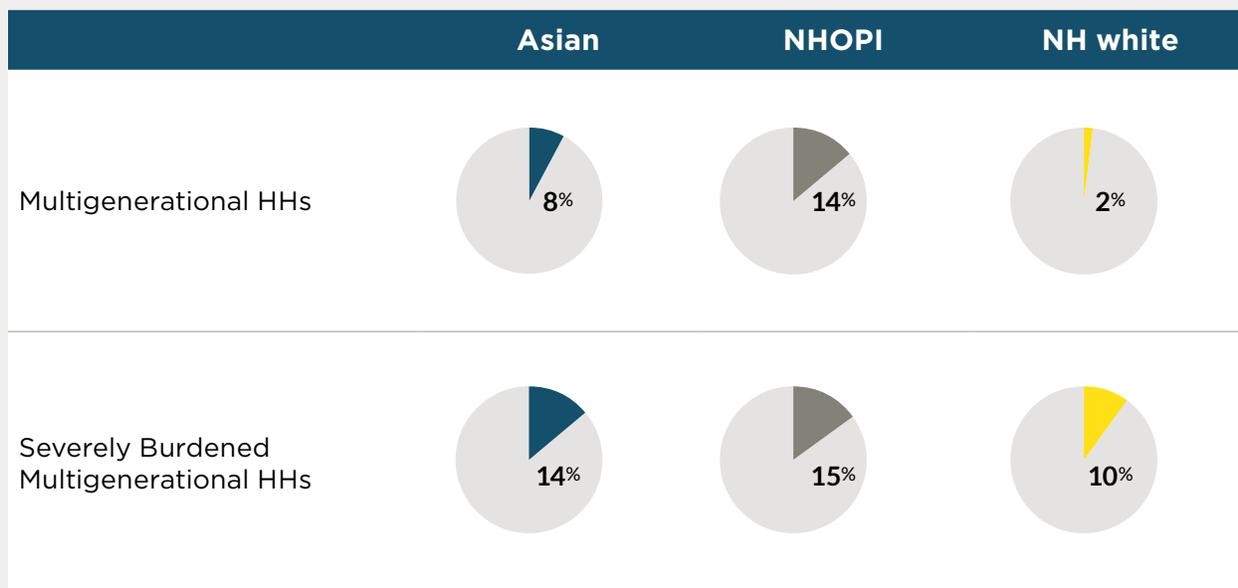
Source: 2013–17 5-year ACS PUMS

An examination of the living arrangements of AAPI households reveals that AAPIs are more likely than whites to live in a multigenerational household. As presented in Table 9, Asians are four times and NHOPIs are seven times more likely than whites to live in multigenerational households. For the AAPI community, multigenerational living is sometimes a cultural choice, and sometimes an economic necessity. Cultural attitudes about filial piety and respect for elders are common core values among many AAPIs (AARP 2014). On the economic side, the cost of living, especially housing costs, can put a financial strain on many individuals, in particular those who are either not working, earning low wages, or facing other types of financial hardship. These are a few reasons why multiple generations of one family elect to reside in one home.

Although pooling financial resources can help lower overall costs for a household, many AAPIs in multigenerational households still face financial burdens. As shown in Table 9, AAPI multigenerational households are more severely cost-burdened than white multigenerational households. Multigenerational families may require larger homes, which cost more or require paying higher rents, and create more financial burden. Thus, multigenerational families living together can be both a cultural preference and a financial need. There are many complex factors that contribute to living in a multigenerational household. Future research is needed to better understand how factors such as financial burden, preference, and needs intersect and influence multigenerational living.

TABLE 9. MULTIGENERATIONAL HOUSEHOLDS

For all seven study areas combined



Source: 2013–17 5-year ACS PUMS

HOMEOWNERSHIP OPPORTUNITIES FOR AAPI RENTERS

Despite some of the earlier described challenges confronted by AAPIs, there are potential housing opportunities. Table 10 displays the proportion of AAPI renters who could potentially afford to purchase a home in their current place of residence. Specifically, the chart displays the share of AAPI renters with a House-Price-to-Income Ratio of less than 3.0 (where the average housing price is no more than 3.0 times their household income). It is important to note again that this approach only looks at two factors—average home price in the area and the renter’s household income. As noted earlier in our discussion of the House-Price-to-Income Ratio, this metric does not take into account other factors that contribute to the renter’s ability to purchase a home (e.g., credit scores, down payment, prevailing interest rates, other financial obligations). This key information is not available in the datasets used for this report. Rather, this metric is meant to get a rough sense of the potential opportunity.

By this metric and with these data limitations in mind, the top three regions within the areas studied where there is an opportunity for Asians renters to enter the homeownership market are Chicago, Philadelphia, and Minneapolis metropolitan areas. At least 41 percent of Asian renters in Chicago can potentially afford to purchase a home in their region, followed by 36 percent in Philadelphia, and 28 percent in the Minneapolis metropolitan area.

Figure 10 further provides a breakdown by AAPI subgroups. Due to small sample size, the information is reported for the seven study regions combined and not by individual regions. It, nonetheless, provides some insights into which groups could potentially enter the homeownership market. Hmong renters, for example, are second on the list, indicating that they can potentially afford to purchase a home in their market. Within the seven study regions, Hmongs are concentrated in the Minneapolis metropolitan area.

This particular analysis provides insights about AAPI renters who can potentially become a homeowner in their current place of residence, at least within the areas studied for this report. The findings indicate that these renter households have the income, as well as a regional average home value that is relatively within their price range. Housing counselors in these regions can therefore develop programs within their organizations to help prepare AAPI renters in their region for homeownership down the road (e.g., from homebuyer readiness workshops to credit building, budgeting, or personal finance to prepare for homeownership down the road).

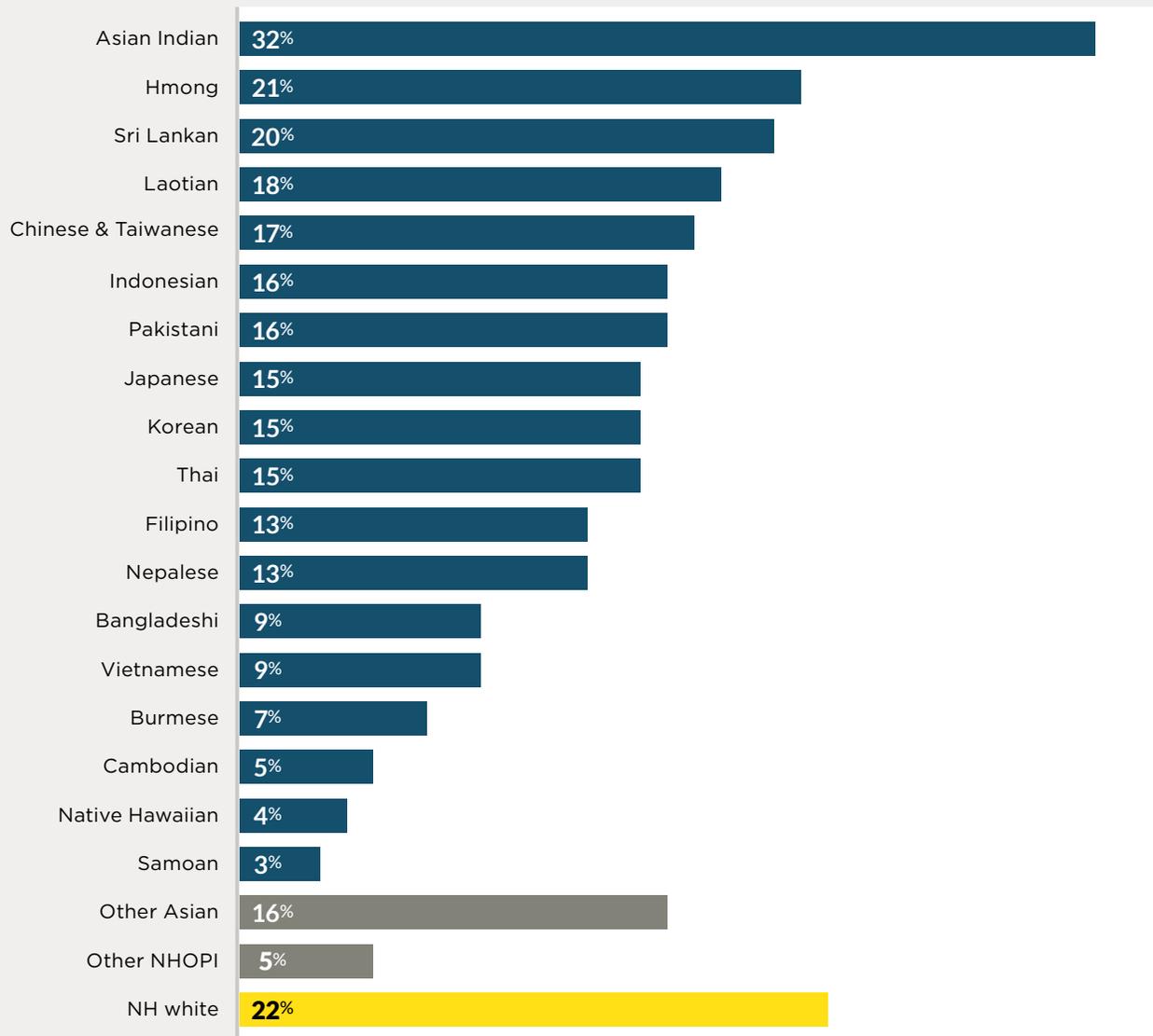
TABLE 10. SHARE OF RENTERS WITH HOUSING-TO-INCOME RATIO BELOW 3.0 BY REGION

	Asian	NHOPI	NH white
Boston	21%	-	17%
Chicago	41%	-	36%
Los Angeles	10%	3%	11%
Minneapolis/ St. Paul	28%	-	25%
New York	18%	-	23%
Philadelphia	36%	-	29%
Honolulu	5%	2%	5%
TOTAL	17%	4%	22%

Source: 2013–17 5-year ACS PUMS

FIGURE 10. SHARE OF RENTERS WITH HOUSING-TO-INCOME RATIO BELOW 3.0 BY AAPI SUBGROUPS

For all seven study areas combined

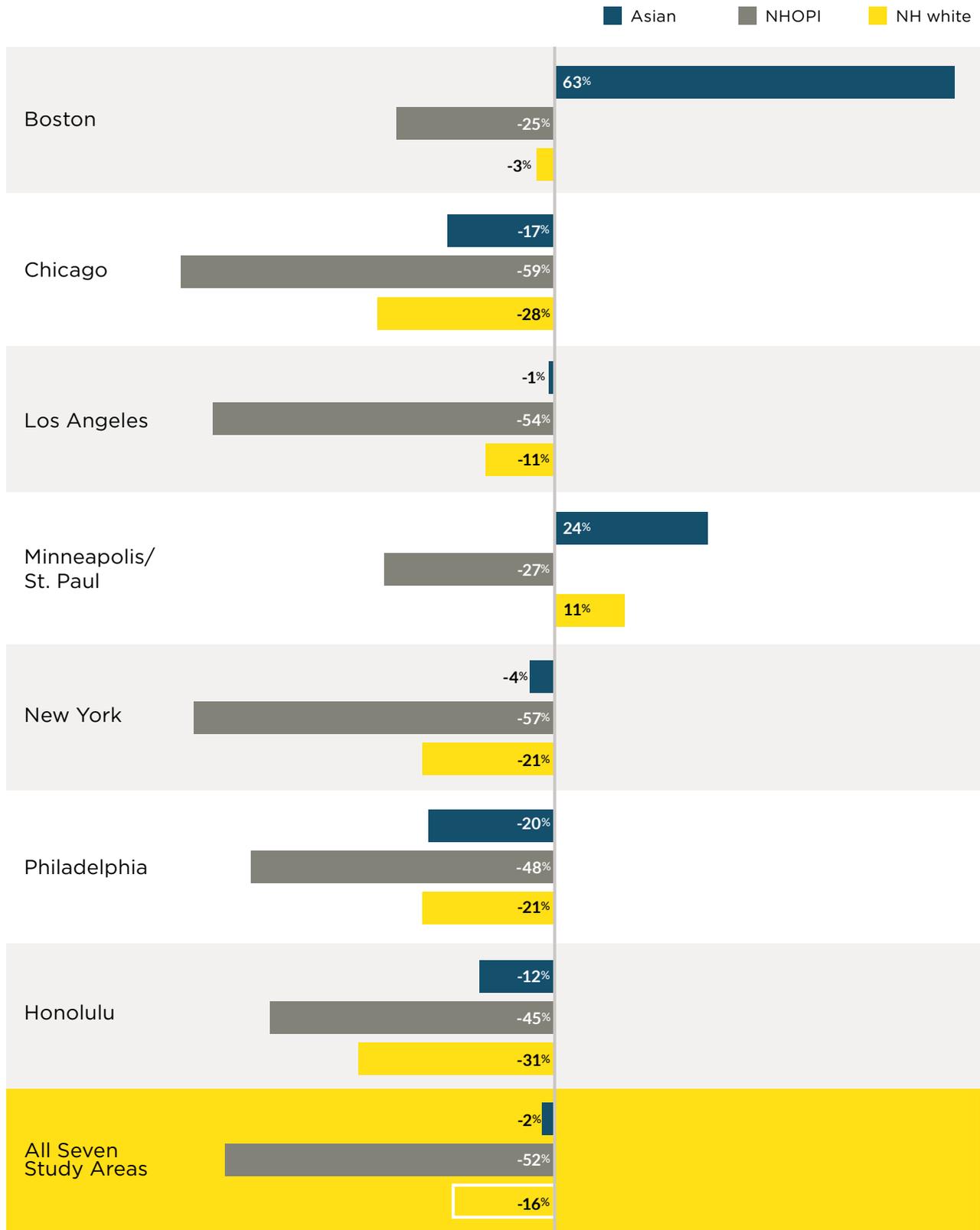


Source: 2013–17 5-year ACS PUMS

AAPIS FACE LENDING CHALLENGES TO ENTERING THE HOMEOWNERSHIP MARKET

Changes in home purchase loans between 2006 and 2016, the period prior and post–Great Recession, provide insights into the overall state of mortgage lending activity to AAPIs residing in the key study areas over the last 10 years.⁸ Figure 11 shows notable differences in home purchase loans between AAPI groups and across geography. Between 2006 and 2016, the share of home purchase loans issued to NHOPIs in the study areas declined by 52 percent, from 4,687 to 2,267 loans. In comparison, home purchase loans declined 16 percent for whites and 2 percent among Asians. Asians have been able to make some gains in home purchase, with Boston and Minneapolis being the only two metropolitan areas within the study regions where the number of home purchase loans issued to Asians increased from 2006 levels (see Appendix 2 for information on the number of loans for each region).

FIGURE 11. PERCENT CHANGE IN HOME PURCHASE LOANS, 2006 TO 2016



Source: 2006 and 2016 HMDA

Table 11 provides a breakdown of home purchase loans in 2006 and 2016 by the type of loans issued. Conventional loans still make up the majority of all loan types, but their share has gone down over the last 10 years. Borrowers are increasingly relying on government-backed loans, particularly Federal Housing Administration (FHA) and Veterans Administration (VA) loans. For instance, the number of FHA loans borrowed by Asians in the study areas increased by 9 percent and 25 percent for NHOPIs. Likewise, NHOPIs, in particular, are also utilizing VA loans to purchase their homes (an increase of 11 percentage points over the last 10 years). It should be noted that conventional loans generally have stricter requirements on borrowers than government-backed mortgages. Borrowers with good credit, lower debt-to-income, and some money for a down payment are more likely to get a conventional loan. In contrast, government-backed loans have less stringent qualifications and credit requirements. They are often intended to make homeownership more attainable to low-income households and first-time buyers. Government-backed loans protect lenders against losses should the homeowner default on payments.

TABLE 11. HOME PURCHASE LOANS BY TYPE, 2006 AND 2016

For all seven study areas combined

2006	Conventional	FHA	VA	FSA/RHS
Asian	99%	1%	0%	0%
NHOPI	96%	2%	2%	0%
NH white	97%	3%	1%	0%

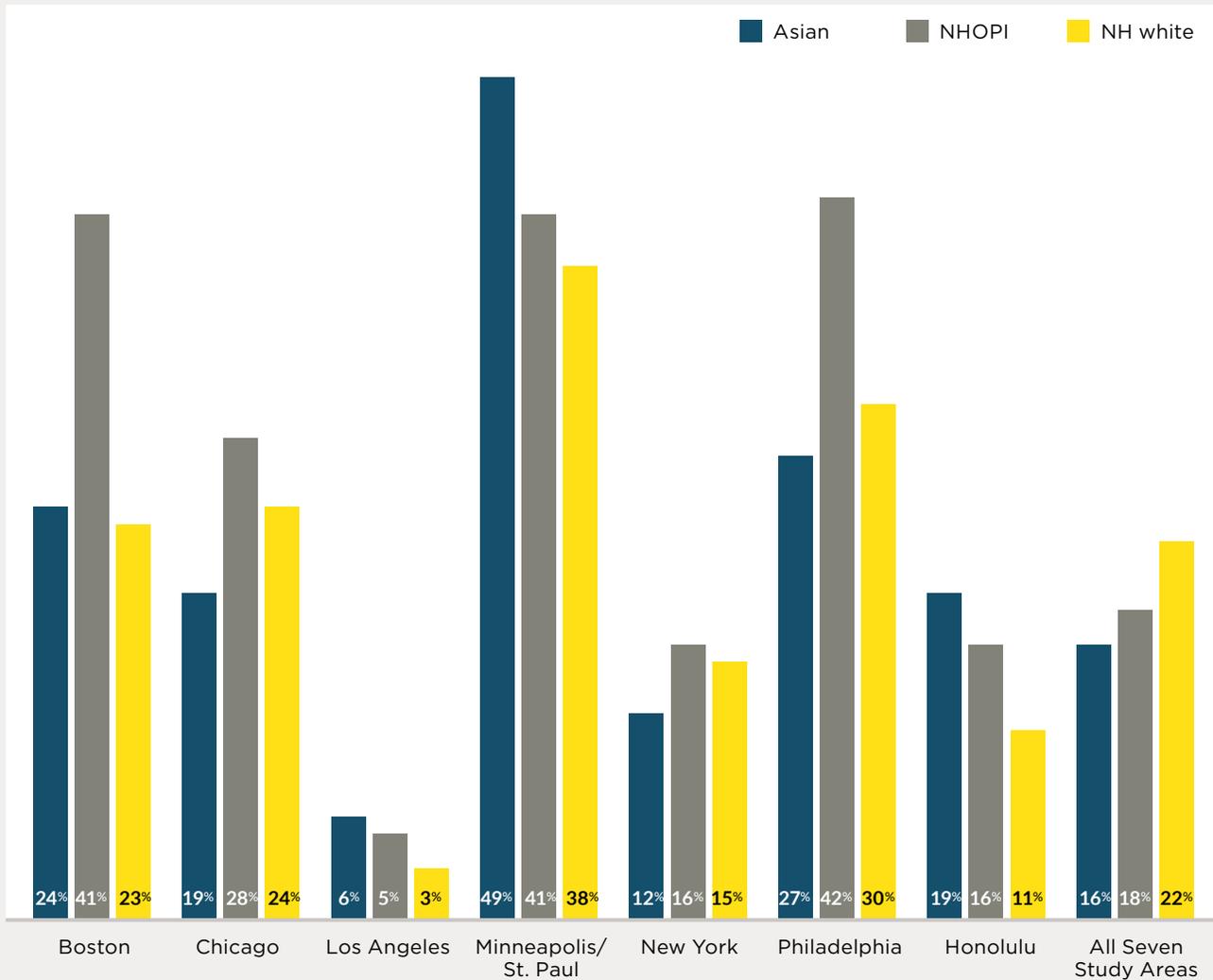
2016	Conventional	FHA	VA	FSA/RHS
Asian	88%	10%	2%	0%
NHOPI	57%	28%	12%	3%
NH white	77%	17%	5%	1%

Pct. Point Change, 2006-16	Conventional	FHA	VA	FSA/RHS
Asian	-11%	9%	2%	0%
NHOPI	-39%	25%	11%	3%
NH white	-19%	14%	4%	1

Source: 2006 and 2016 HMDA

The share of home purchase loans issued to low- and moderate-income borrowers in 2016 varies by group and geography (see Figure 12). Not surprisingly, the highest rates of LMI AAPI borrowers are in the least expensive metropolitan areas, such as Minneapolis and Philadelphia; whereas more expensive markets, such as New York and Los Angeles MSAs, have lower rates of LMI borrowers. Whites have the highest share of LMI borrowers cumulatively across all study areas.

FIGURE 12. HOME PURCHASE LOANS TO LOW- AND MODERATE-INCOME BORROWERS, 2016



Source: 2016 HMDA

A significant barrier to entering the housing market are mortgage denials. In almost all seven metropolitan areas, Asians and NHOPIs were denied at higher rates than NH whites, with the gap between NHOPIs and whites much wider than Asians and whites (see Table 12). The denial rates of Asians and NHOPIs were among the highest in the New York metropolitan area. Despite denial rates decreasing sharply from 2006 for all groups, white borrowers in the study areas were still more likely than AAPI borrowers to be approved for a mortgage, showing a consistent racial gap over the last decade. Moreover, NHOPIs are nearly twice as likely to be denied compared to white borrowers.

TABLE 12. HOME PURCHASE LOAN DENIAL RATES, 2006 AND 2016

	2006			2016		
	Asian	NHOPI	NH white	Asian	NHOPI	NH white
Boston	11%	25%	10%	7%	14%	6%
Chicago	15%	18%	11%	10%	14%	8%
Los Angeles	19%	20%	17%	10%	12%	9%
Minneapolis	20%	18%	9%	8%	9%	5%
New York	18%	26%	13%	12%	18%	9%
Philadelphia	10%	19%	8%	10%	13%	6%
Honolulu	14%	20%	10%	6%	9%	6%
TOTAL	16%	21%	12%	10%	13%	7%

Source: 2006 and 2016 HMDA

A review of the denial reasons for each of the applications denied was performed. Table 13 lists the reasons for a mortgage loan being denied for Asians, NHOPIs, and whites for the combined study areas. “Debt-to-income,” which compares the total amount of debt a borrower has relative to their income, was cited as the primary reason across all three groups. For Asians, “collateral” and “credit application incomplete” were also listed among the top reasons for denial. For NHOPIs, “collateral” and “credit history” were cited among the top reasons for denial.

TABLE 13. REASONS FOR DENIAL OF HOME-PURCHASE LOANS, 2016

For all seven study areas combined

	Asian	NHOPI	NH white
Debt-to-income ratio	28%	22%	25%
Employment history	4%	4%	3%
Credit history	9%	14%	13%
Collateral	15%	14%	18%
Insufficient cash	10%	7%	7%
Unverifiable information	10%	6%	7%
Credit application incomplete	13%	12%	13%
Mortgage insurance denied	0%	1%	0%
Other	12%	17%	12%
No reason given	22%	25%	22%

Note: Columns may add up to more than 100% because lenders may report up to three denial reasons.

Source: 2016 HMDA

A APIS STILL FACE CHALLENGES EVEN AFTER ENTERING THE HOMEOWNERSHIP MARKET

Even when borrowers are eligible and able to secure a mortgage, they still face several challenges to successful homeownership with risky loans and borrowing practices. Two key mortgage characteristics are used to identify risky loans: whether the loan-to-income ratio (LTI) is high and whether the mortgage is higher priced (a proxy for subprime loans). The relationship between a higher LTI ratio and subprime rate loans and defaults and foreclosures is undeniable. Existing studies point to the strong relationship between these two indicators and the recent foreclosure crisis (Mitchell 2014).

Firstly, higher LTI ratio can possibly indicate a greater likelihood of defaulting on a loan. A common LTI threshold is that the value of a mortgage should not exceed three times one's household income. For this report, the LTI ratio⁹ is calculated using reported information on loan amount and borrowers' household income from HMDA.

Subprime loans are also classified as risky. As mentioned previously, subprime loans are given to borrowers who have low credit ratings and whose credit histories may suggest they have a high risk of defaulting on their loan payment. Subprime mortgages usually charge interest rates above the prime lending rate. HMDA includes information on whether a loan is considered a "higher-priced"¹⁰ loan, which we use as a proxy for subprime lending.

Table 14 summarizes these two indicators for Asians and NHOPIs using a parity index approach. An index score of 1.0 indicates that the group is likely to have a rate that is on par with whites. Parity indices more than 1.0 indicate that a group is disproportionately overrepresented, while less than 1.0 indicates underrepresentation relative to whites.

The data shows that Asian and NHOPI borrowers within the study area were more likely than whites to take out mortgages that cost four to five times more than their household incomes. These patterns are exhibited across almost all of the seven study areas and for two periods. Looking at the 2016 HMDA, Asians and NHOPIs in the Minneapolis and New York metropolitan areas were over two to three times more likely than whites to take out a mortgage over five times their household income.

Although subprime lending has decreased since the housing crisis, NHOPIs in the combined study regions were more likely than whites to have a loan with subprime rates as shown by the white-NHOPI parity index for 2006 (2.44) and 2016 (1.51). In Honolulu, where there is a sizable NHOPI population, the share of mortgage originations in 2016 with a subprime rate for NHOPIs (2 percent) was more than four times higher than for whites (0.5 percent) as noted by a parity index of 4.34.

The data shows that **Asian and NHOPI borrowers** within the study area were more likely than whites to **take out mortgages that cost four to five times more than their household income**. These patterns are exhibited across almost all of the seven study areas and for two periods.

TABLE 14. HIGH LOAN-TO-INCOME RATIO AND SUBPRIME LOANS**Parity Index for High Loan-to-Income Ratio**

Reference Group = NH whites

	2006		2016	
	Asian	NHOPI	Asian	NHOPI
Boston	1.41	0.70	1.81	2.78
Chicago	1.35	1.37	1.32	1.93
Los Angeles	0.91	0.76	1.22	1.17
Minneapolis/St. Paul	1.21	1.18	2.86	3.15
New York	1.28	1.55	3.50	3.80
Philadelphia	1.02	1.18	1.76	1.58
Honolulu	0.97	0.88	0.85	0.95
TOTAL	1.34	1.54	2.76	3.84

Parity Index for High-Priced Mortgages (Subprime Mortgages)

Reference Group = NH whites

	2006		2016	
	Asian	NHOPI	Asian	NHOPI
Boston	0.81	2.57	0.20	0.00
Chicago	0.98	1.83	1.04	1.07
Los Angeles	1.36	2.31	1.09	2.05
Minneapolis/St. Paul	2.17	1.80	1.27	1.41
New York	1.10	2.92	1.13	2.49
Philadelphia	0.91	1.38	0.50	1.81
Honolulu	1.81	3.15	1.23	4.34
TOTAL	1.22	2.44	0.91	1.51

Source: 2006 and 2016 HMDA

The findings in this section highlight the major challenges facing AAPI homeowners and renters prior to the onset of the COVID-19 pandemic, which will most likely exacerbate housing disparities further. The lessons learned and best practices developed from the foreclosure crisis and beyond place National CAPACD HCAs in the best position to respond to these AAPI homeowner and renter challenges.

In the following sections, we examine strategies and solutions employed by the National CAPACD HCN over the past decade that are relevant for addressing housing challenges in the time of COVID-19 and beyond. We draw on findings from a combination of data from HUD-9902 and qualitative analysis that we conducted using a focus group, organizational survey, and interviews with HCA housing counselors and staff representing seven case study regions where HCAs serve AAPI populations.

2. CULTURALLY RESPONSIVE PROGRAMS ARE CRUCIAL IN SERVING VULNERABLE AAPI POPULATIONS AND ADDRESSING THEIR HOUSING CHALLENGES

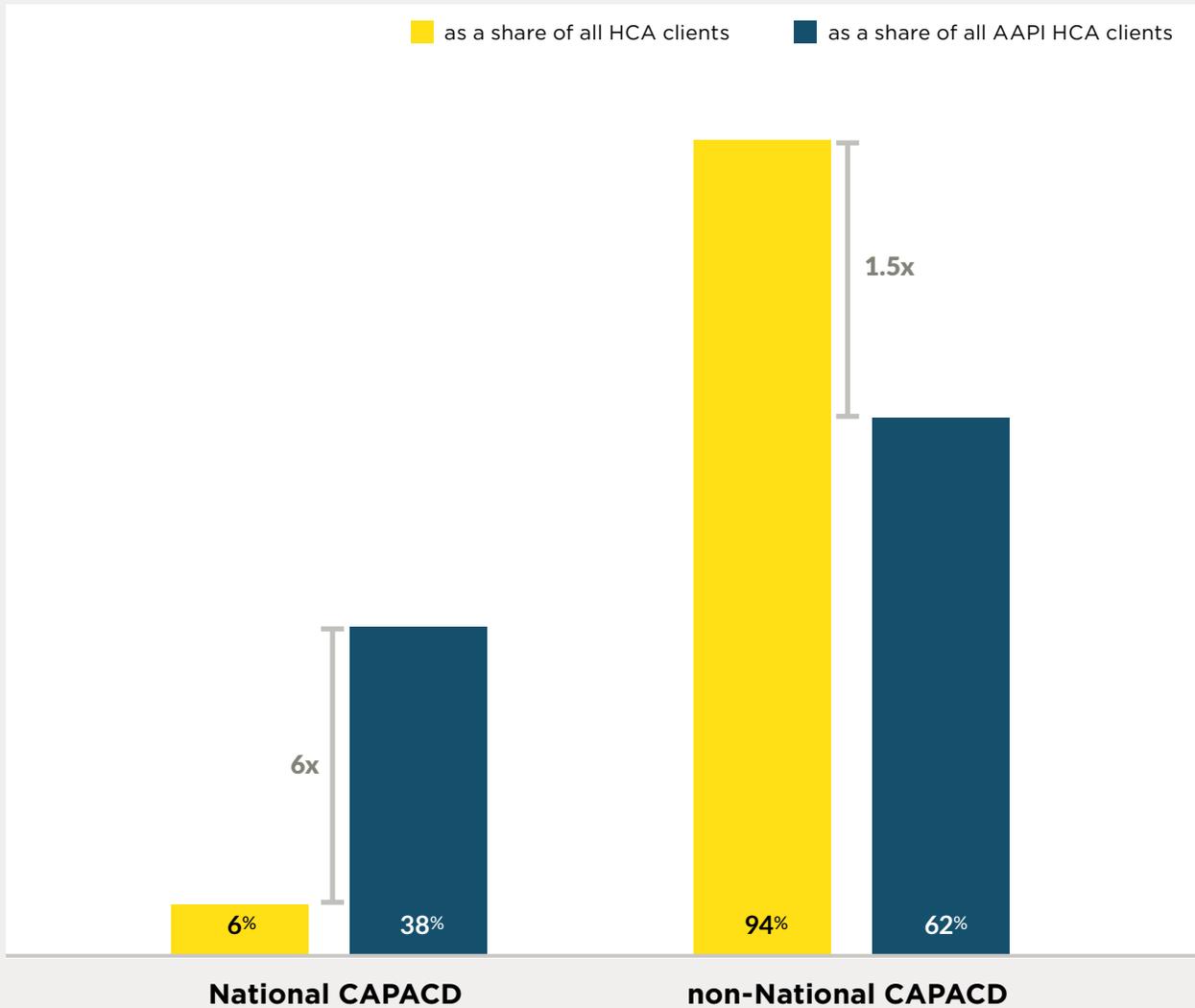
“When I reflect back to the [foreclosure crisis], financial institutions [were] inadequate to address the language needs of our community.”

—Interviewee (2020)

The Asian population in the United States continues to be largely foreign born at 66 percent (2014-18 5-year ACS). Asians are projected to become the largest immigrant group in the country, surpassing Hispanics in 2055.¹¹ In 50 years, Asians will make up 38 percent of all U.S. immigrants, while Hispanics will make up 31 percent of the nation's immigrant population (López 2017). Findings from the qualitative analysis and HUD-9902 data demonstrate the nuances of serving AAPI communities.

The National CAPACD HCN provided crucial in-language knowledge during the foreclosure crisis compared to some banking institutions that were utilizing hotline language translators who lacked housing counseling expertise. As one interviewee noted, “It was difficult for some homeowners to understand loan modification and foreclosure processes from interpreters who were providing information without a background in housing or finance” (anonymous housing counselor, 2019). From providing interpretation and translation services to acknowledging and understanding a client's beliefs and practices, National CAPACD HCAs provided the cultural responsiveness and support to marginalized AAPI populations that otherwise would have fallen through the cracks of the mainstream homeowner foreclosure assistance systems.

FIGURE 13. SHARE OF HCA CLIENTS FOR COMBINED STUDY AREAS

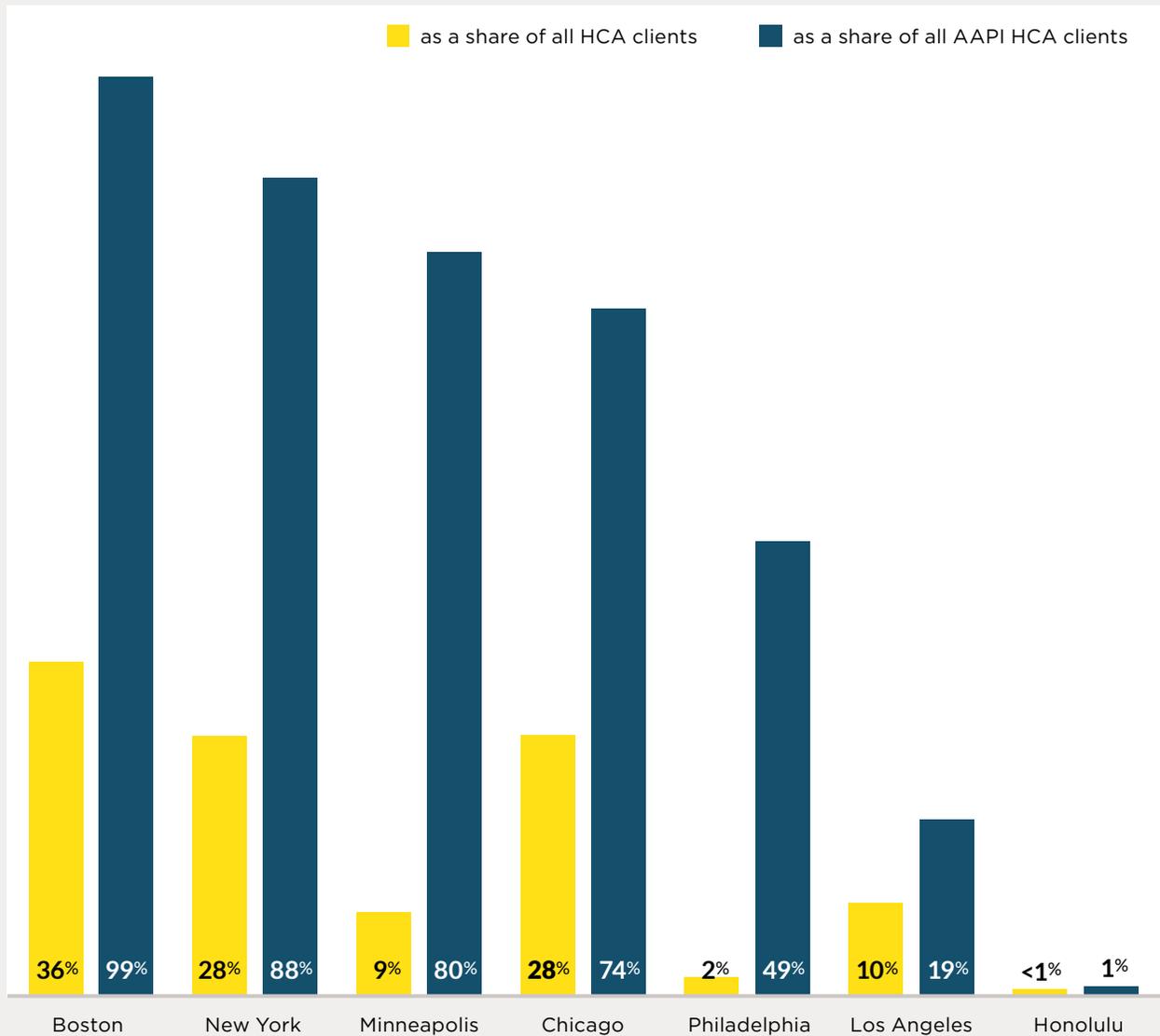


*Note: Based on data for Boston, Chicago, Honolulu, Los Angeles, Minneapolis, New York, and Philadelphia cities combined.
Source: HUD-9902, Fiscal Year 2018, Qtr. 4*

NATIONAL CAPACD HCAS DISPROPORTIONATELY SERVE AAPIS COMPARED TO NON-NATIONAL CAPACD HCAS

Based on quarterly report data from the HUD-9902 data, there are notable differences between the communities that National CAPACD HCAs serve compared to non-National CAPACD HCAs for the seven cities in our study area (see Appendix 1 for cities). In the 2018 FY, 5,153 individuals received housing counseling services through National CAPACD HCAs, representing 6 percent of all clients served by the total number of HUD-approved counseling agencies. The HUD-9902 data strikingly illustrate that AAPIs are 83 percent of National CAPACD’s clients, but comprise 9 percent of non-National CAPACD HCAs’ clientele. As shown in Figure 13, National CAPACD HCAs are over six times more likely to serve AAPIs.

FIGURE 14. SHARE OF HCA CLIENTS BY REGION

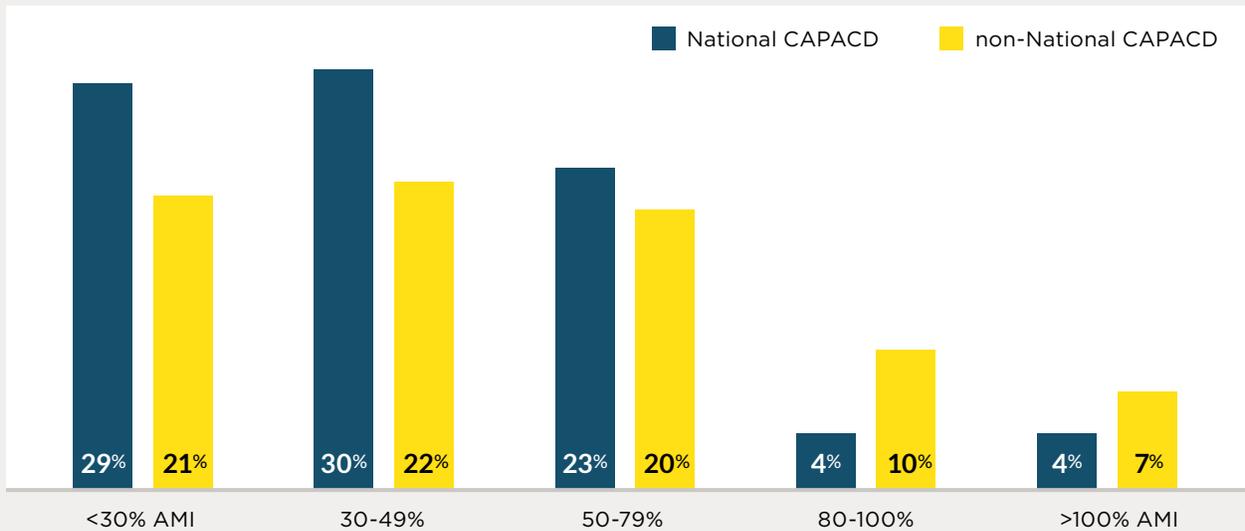


Source: HUD-9902, Fiscal Year 2018, Qtr. 4

The proportion of AAPI clients served by National CAPACD HCAs varies across cities. As seen in Figure 14, the National CAPACD HCAs in Boston serve nearly 100 percent of AAPI clients, compared to 1 percent in Honolulu. Because AAPIs represent the majority of the population in Honolulu, both non-National CAPACD HCAs and National CAPACD HCAs have approximately the same rates. However, in all other cities, National CAPACD HCAs disproportionately serve more AAPIs even though they serve a smaller share of the overall housing counseling clients in their region.

The findings from the organizational survey show the diversity of clients served by National CAPACD HCAs, which include the following ethnic groups: Koreans, Laotians, Thais, Chinese, South Asians, and Native Hawaiians. In addition, some agencies also serve non-AAPI groups such as Latino, Middle Eastern, and Somalian communities.

FIGURE 15. SHARE OF HCA CLIENTS BY INCOME LEVEL

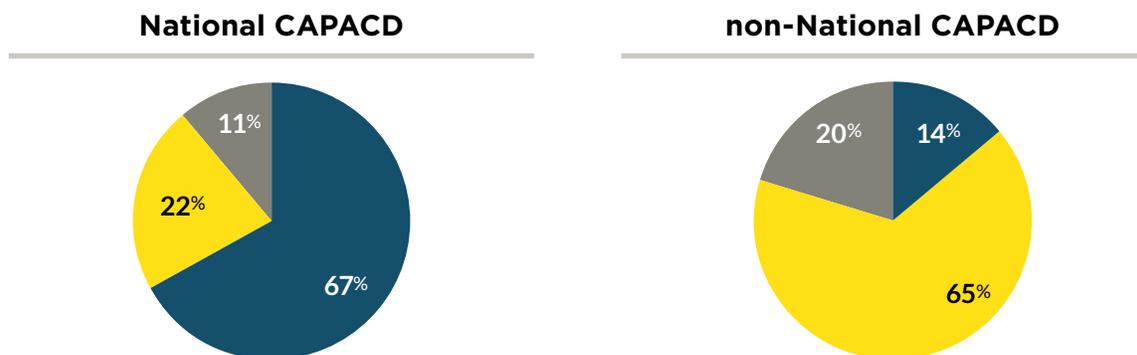


*Note: Based on data for Boston, Chicago, Honolulu, Los Angeles, Minneapolis, New York, and Philadelphia cities combined.
Source: HUD-9902, Fiscal Year 2018, Qtr. 4.*

The clients served by National CAPACD HCAs are among the most disadvantaged within the AAPI community as measured by income and English proficiency status. Figure 15 compares the income levels of clients served by National CAPACD HCAs and those served by non-National CAPACD HCAs. Nearly all (90 percent) of clients served by National CAPACD HCAs are low-income, with household income below 80 percent of Area Median Income (AMI). Although the majority (63 percent) of clients served by non-National CAPACD HCAs are also low-income, clients of National CAPACD HCAs are economically more disadvantaged, with a greater proportion of those seeking housing counseling more likely to be in the lower extreme of the socioeconomic ladder (below 50 percent of AMI).

FIGURE 16. SHARE OF HCA CLIENTS BY ENGLISH LANGUAGE PROFICIENCY

■ Household is Limited English Proficient (LEP) ■ Household is not LEP ■ Chose not to respond



*Note: Based on data for Boston, Chicago, Honolulu, Los Angeles, Minneapolis, New York, and Philadelphia cities combined.
Source: HUD-9902, Fiscal Year 2018, Qtr. 4*

As mentioned in the preceding text, National CAPACD clients are more likely to be LEP, meaning they do not speak English as their primary language and have a limited ability to speak, write, read, or understand English. Figure 16 compares the English language proficiency status of clients served by National CAPACD HCAs to clients served by non-National CAPACD HCAs. Over a majority of the clients served by National CAPACD HCAs, 67 percent, are LEP compared to only 14 percent of the clients served by non-National CAPACD HCAs.

WITH BARRIERS TO HOMEOWNERSHIP AND DISPLACEMENT PRESSURES, RENTAL HOUSING COUNSELING IS AN ESSENTIAL SERVICE THAT NATIONAL CAPACD HCAS PROVIDE

Many of National CAPACD HCA clients seek housing counseling for topics related to rental housing. HUD-9902 data for National CAPACD HCAs reveal 41 percent of clients came in specifically for the purpose of one-on-one counseling on rental housing issues. This category includes rental and rent subsidy programs; other federal, state, or local assistance; fair housing; housing search assistance; landlord-tenant laws; lease terms; and rent delinquency, among other rent matters. The majority of other issues clients came in to discuss were pre-purchase/homebuying at 37 percent and home maintenance and financial management for homeowners (nondelinquency post-purchase) at 15 percent (see Table 15). In contrast, the primary purpose of one-on-one counseling for clients of non-National CAPACD HCAs were for services related to pre-purchase/homebuying, followed by counseling to resolve or prevent mortgage delinquency or default and home maintenance and financial management for homeowners. Another important finding from this analysis is the higher share of National CAPACD HCA clients who came in for homeless assistance (6 percent) compared to clients of non-National CAPACD HCAs (2 percent). National CAPACD HCA clients were three times more likely than clients of non-National CAPACD HCAs to seek counseling for homeless assistance, which includes information regarding emergency shelter, other emergency services, and transitional housing.

TABLE 15. PURPOSE OF ONE-TO-ONE HOUSING COUNSELING

	National CAPACD HCAs	non-National CAPACD HCAs
Rental Topics	41%	18%
Pre-purchase/Homebuying	37%	47%
Home Maintenance and Financial Management for Homeowners (Non-Delinquency Post-Purchase)	15%	11%
Homeless Assistance	6%	2%
Resolving or Preventing Mortgage Delinquency or Default	1%	20%
Reverse Mortgage	0%	3%

Note: Based on data for Boston, Chicago, Honolulu, Los Angeles, Minneapolis, New York, and Philadelphia cities combined. Source: HUD-9902, Fiscal Year 2018, Qtr. 4

NATIONAL CAPACD HCAS RECOGNIZE THAT SERVING AAPI COMMUNITIES IS COMPLEX AND REQUIRES CULTURAL COMPETENCE AND BUILDING TRUST WITH CLIENTS

The focus group with National CAPACD HCAs and interviews with current and former National CAPACD staff revealed the complexities in serving AAPI communities, which may be taken for granted by mainstream service providers and financial institutions. The experiences of focus group participants and interviewees demonstrate the nuances of serving the diverse needs of AAPI communities.

National CAPACD HCAs provide multilingual services that make housing counseling and education more accessible to underserved populations. Many AAPIs, particularly immigrants, find it difficult to understand the U.S. financial system and the process of buying a home. According to focus group participants, HUD currently does not have any curriculum focused on serving specific ethnic populations. Thus, they must take on the responsibility of adapting HUD housing curriculum into cultural and linguistically appropriate information for their respective AAPI clients. The entire National CAPACD HCN provides services in more than 30 AAPI languages.

The majority of respondents from the organizational survey said they overwhelmingly provide services in languages other than English. The organizations choose which languages to prioritize in providing services based on factors such as the ethnic groups that mostly utilize their services, needs of the community, and location. For example, some groups provide their services in Spanish due to the demand in surrounding neighborhood areas close to the HCA's office. Also, staff are strategically hired based on their ability to speak any languages that are prevalent in the community.

Study participants claim providing in-language services helps to build trust between the housing counselor and client. As one focus group participant shared: "So creating that trust has taken us time. But I feel like the clients who've worked with us have gone back to their respective communities or their respective [friend groups] and told them about us.

CLIENT STORY: BUILDING TRUST

Mrs. Wu is a long-term client of **Philadelphia Chinatown Development Corporation (PCDC)** since November 2015. She and her husband were new immigrants when they first came to PCDC for assistance. PCDC's housing counselor provided one-on-one housing counseling to teach Mrs. Wu about the homebuying process. At that time, Mrs. Wu had no credit history, so PCDC helped Mrs. Wu develop action plans to build credit and save money over the course of two years.

In June 2017, Mrs. Wu reached her action plan goals and felt ready to apply for a mortgage and received pre-approval. She completed her loan application process a few months later with \$7,000 in closing cost assistance from a bank that PCDC helped her secure. After purchasing her home later that year, Mrs. Wu continues to come back to PCDC for post-purchase homebuyer counseling so she can stay within her budget and continue making on-time mortgage payments. PCDC and Mrs. Wu attribute their success to building trust and relationships over two years and overcoming any hurdle they faced together.



Mrs. Wu (left) with her PCDC housing counselor (right)

I feel like word of mouth and the service that we provided to clients have helped us sufficiently.” Thus, not only has in-language support helped HCA clients, but it has also promoted the work of National CAPACD HCAs to a network of potential clients in need of assistance that is not offered elsewhere.

Because HUD does not provide a curriculum tailored to AAPI clients, National CAPACD HCAs recognize the importance of developing and providing culturally relevant materials. AAPIs, like other communities of color, have firsthand experience with the inaccessibility and exclusivity of financial institutions and government services in the United States. Some of the communities served by National CAPACD HCAs have also experienced historical traumas that still have a great impact on the beliefs and practices of these communities. These historical and cultural perspectives must be taken into consideration when providing housing counseling services. For example, Native Hawaiian sovereignty advocates have attributed problems of homelessness, poverty, economic marginalization, and the erosion of native traditions to the lack of native governance and political self-determination.¹² As one focus group participant noted:

“There’s a lot of distrust to Western views of economics in Hawai’i with a lot of the Native Hawaiians. So something culturally relevant that they can buy into [is necessary]. They understand that they’re not buying into the white man’s game, but they’re really buying into something that’s gonna be culturally uplifting.”

CLIENT STORY: THE IMPACT OF HOUSING COUNSELING

Anuheia and Douglas Josue lived in a transition shelter for one year in 2013 and experienced many changes in their lives all at once. They welcomed two twin baby girls, and the husband accepted a new position with his company that would force their family to relocate to Hilo, HI. At the end of 2014, the Josue family sought housing and financial counseling assistance from the **Council for Native Hawaiian Advancement (CNHA)**, and their lives changed forever.

The Josues met with a CNHA housing counselor, where they received financial literacy trainings and enrolled in CNHA’s Hawaiian Individual Account (HIDA) Program, a matched savings grant program for down payment assistance on the purchase of a home.



Anuheia (left) and Douglas (center) Josue with their children

“I’m not going to lie, it was hard for two years to make sure to deposit money every month, not because we didn’t have the money. It was lugging all the kids in and out of the house and car! What helped us to save in the HIDA account was attending housing counseling sessions with Geri at CNHA. My counseling sessions were conducted via telephone due to our relocation to Hilo, HI. The counseling sessions helped me and family with strategies to save, building out a household budget to identify my savings goals. Also attending Hawaiian Community Assets’ Homebuyer Education Class helped me and family understand homeownership and what’s involved.”

In early 2018, the Josue family closed on the purchase of their new home. “It took us 74 days to close on a house we call home now! Our Ohana (family) would like to Mahalo (thank) the Council for Native Hawaiian Advancement, Hawaiian Community Assets, InPeace, Alu Like, Helping Hands, and Catholic Charities for helping our family through our journey to achieve financial stability and homeownership in Hawaii!”

3. AS SERVICE PROVIDERS, NATIONAL CAPACD HCAS FACE UNIQUE BARRIERS AND CIRCUMSTANCES THAT DIFFER FROM OTHER HCAS

BARRIERS TO TRAINING, RETENTION, AND FUNDING

While National CAPACD HCA staff are trained and deliver essential culturally competent and accessible language services, they do not receive enough resources and funding from the housing counseling industry to adequately serve AAPI populations.

“ [W]e just started doing housing two or three years ago, and we really don't have that much staff. We don't have that much funding. So it's just me who is working part time ... I'm the manager of everything so I need someone who can be with me, who can help me or ... be on top of me to check-up with all the management programs. So that [I can be] focused [on the things that are] more important.”

—Focus Group Participant

Moreover, many National CAPACD HCAs lack the sustained funding to hire, train, and/or retain their staff, causing their housing counseling programs to be in a state of flux at times. Often, there is a limited number of bilingual housing counseling staff with the appropriate skills available to hire.

“ There are no bilingual housing counselors. So we have to identify someone who is bilingual, and then hope that they have the heart to do this service and train them up, and it's hit or miss. So, yeah, if, if there was any way you could support us with that, that'd be great.”

—Focus Group Participant

Recent changes made to the HUD housing counselor certification process in 2017 have made it difficult for some National CAPACD HCAs to continue providing housing counseling services.¹³ All HCAs are required to have one certified housing counselor at all times to receive HUD funding. In order for individual counselors to be HUD certified, per HUD's Housing Counselor Certification Final Rule, counselors must study for and pass the HUD Housing Counselor Certification Exam by August 1, 2021 (previously extended from August 1, 2020). According to focus group participants, in the past, the organization's housing program staff could attend workshops and trainings to become a HUD-certified housing counselor. Staff who have the potential to be a housing counselor are now challenged with passing a 90-question exam with a two-hour time limit in English or Spanish to be a HUD-certified housing counselor. Thus, it is a real challenge for National CAPACD HCAs to find staff who speak the language and have the technical skills and ability or interest to achieve HUD certification. Other structural challenges include the use of HUD's approved counseling software, such as CounselorMax, which focus groups participants mentioned was difficult to use, particularly for LEP staff.

Staff retention is another challenge that was expressed in the focus group. After staff members have been trained as housing counselors, some have been recruited or may move on to larger HCAs or government agencies for increased pay and benefits and other reasons. The HCAs cannot compete and don't have the resources to provide a counteroffer to retain staff. While

National CAPACD HCAs felt it is important to invest in their bilingual employees to gain valuable professional development housing counseling training, it sometimes comes at a cost where recovery can be difficult. This is particularly true for small community-based organizations with limited resources. A participant expressed how vital it is to think about new ways to create a base of future housing counselors who can serve the needs of disadvantaged AAPI communities.

National CAPACD HCAs also described how being a small housing agency and service provider was a challenge.

“The funding, for one, we definitely did not have access. Especially when it comes to these federal grants through HUD, I think these large amounts that are applied for ... small organizations like ours can't apply for them. We just can't. It's out of our reach. Even administratively, it's a hurdle, we would have to subcontract to fulfill all of their requirements. And then aside from the federal funding, like HUD, we just don't have the connections that they do with private grantors like these banks, these large banks that are trying to maintain the community obligations that they have.”

—Focus Group Participant

Given the unique and complex population National CAPACD HCAs serve, a dollar for dollar doesn't go as far. In comparison to a HCA that only provides services in English or a HCA that provides services for two languages in English and Spanish, AAPI HCAs have to worry about multiple languages. Most National CAPACD HCAs struggle with providing three to four AAPI languages, with most organizations prioritizing the languages of the larger Asian ethnic groups. Thus, the costs in time, funding, and resources that National CAPACD HCAs take on to effectively serve AAPI communities is very different.

MULTIPLE BURDENS AND HIDDEN COSTS

“Honestly, I love [National] CAPACD because we all face similar issues ... like language barrier[s] ... but at the same time, [at the] local level, I'm not getting any resources. The finance housing agency, they got more, a lot [of] local resources but they don't know how to deal with people that speak other languages.”

—Focus Group Participant

There were very few HCAs in the country that had AAPI language capacity, especially during the Great Recession. Interviewees shared instances where HCAs located in one city that specialized in a specific language would receive calls from other communities around

Given the unique and complex population National CAPACD HCAs serve,
a dollar for dollar doesn't go as far.

the country because there were simply no other organizations providing assistance in that language. Although National CAPACD HCAs may have the language capacity, some lack the resources to provide online counseling or remote counseling to clients who need translation or interpretation services.

Other HCAs that serve mostly clients whose preferred language is English are not beholden to language access considerations or understanding the cultural complexities of ethnic subgroups. While National CAPACD HCAs have language and cultural expertise and have benefited from federal funding through the National CAPACD HCN, they have limited access to local and regional funding opportunities. The housing counseling-oriented contracts or grants often go to larger and longtime HCAs established in the 1970s that rarely have AAPI language interpreters on staff or offer translated materials.

Furthermore, National CAPACD HCAs find it difficult to maintain institutional legitimacy when the number of AAPIs being served is not seen as a significant amount compared to their counterparts. However, National CAPACD HCAs spend more time per client, serving them in-language and/or by using culturally relevant methods. Responding to the overwhelming needs of low-income AAPI populations can be time and resource-intensive. Often times, this essential work is undervalued and invisible to funders because success is mainly measured by the largest number of clients served by an agency.

4. NATIONAL CAPACD'S HCN PROVIDES SIGNIFICANT ADVOCACY, EXPERTISE, AND OPPORTUNITIES THAT HAVE AND CAN CONTINUE TO ADVANCE THE HOUSING COUNSELING INDUSTRY

The National CAPACD HCN plays a significant role and is uniquely positioned to serve a growing and increasingly diverse AAPI population. It is the first, longest-running, and only HUD-approved intermediary serving AAPIs. The expertise within the network provides substantial insights and knowledge that can advance the housing counseling industry. The housing intermediary network has incubated, helped rebuild, and sustained community organizations through technical training and assistance, peer learning, convenings, and campaigns, to name a few, over the past decade. The National CAPACD HCN has given many organizations a voice at local and national levels on how industry policies and practices address (or don't address) the needs of vulnerable, low-income, and immigrant AAPI populations. As a result, the housing counseling industry has become more inclusive, strategic, and advanced in developing improved financial products, programs, and services.

“Each group [or Housing Counseling Agency] brings something unique to the National CAPACD HCN experience, but is also banded together with common values and goals.”

—Interviewee (2020)

THE IMPORTANCE OF A PIPELINE: DEVELOPING AND RETAINING AAPI TALENT AND LEADERSHIP

The National CAPACD HCN strategically facilitates collaborations between member organizations across the nation to create a leadership pipeline of housing professionals serving AAPI communities.

In 2014, community-based organizations HANA Center and Muslim Women Resource Center (MWRC) in Chicago reached out to National CAPACD for support in establishing new housing counseling programs. Both organizations cited a growing need to provide housing counseling services to Chicago’s Korean and South Asian communities, respectively. Given that Chicago is ranked as the fourth-highest metropolitan area for Asian American poverty since the foreclosure crisis, National CAPACD recognized the importance of investing in these organizations to make a positive impact on housing outcomes for low-income AAPIs in the city (Ishimatsu, 2013b). Through the ACTION TA approach, National CAPACD connected HANA Center and MWRC with a local peer TA provider, Chinese American Service League (CASL), an experienced HCA. CASL supported both organizations by helping them create culturally relevant housing counseling intake forms and curricula; learn how to conduct group education and one-on-one housing counseling sessions; navigate the process to comply with rigorous HUD regulations; and apply for HUD agency status. After three years of program capacity-building through ACTION TA, in 2017, HANA Center and MWRC became HUD-approved HCAs and joined National CAPACD’s HCN.

The network is important for expanding the bench of advocates who are experts on the housing needs and issues of AAPI communities. One of the executive directors of a HCA serves on a few national housing boards, where previously AAPIs had little representation. National CAPACD’s current Executive Director, Seema Agnani, is a good example of how National CAPACD develops leaders at many levels. Agnani was the founding executive director of Chhaya CDC in New York. Prior to establishing Chhaya, she worked at Asian Americans for Equality, another member organization in NYC. More recently, Agnani served as National CAPACD’s Policy Director, before becoming the Executive Director. Thus, there is a component of leadership and professional development that National CAPACD’s training programs provide to counselors and nonprofit leaders beyond housing-related issues.

THE HCN ACTS AS AN INCUBATOR

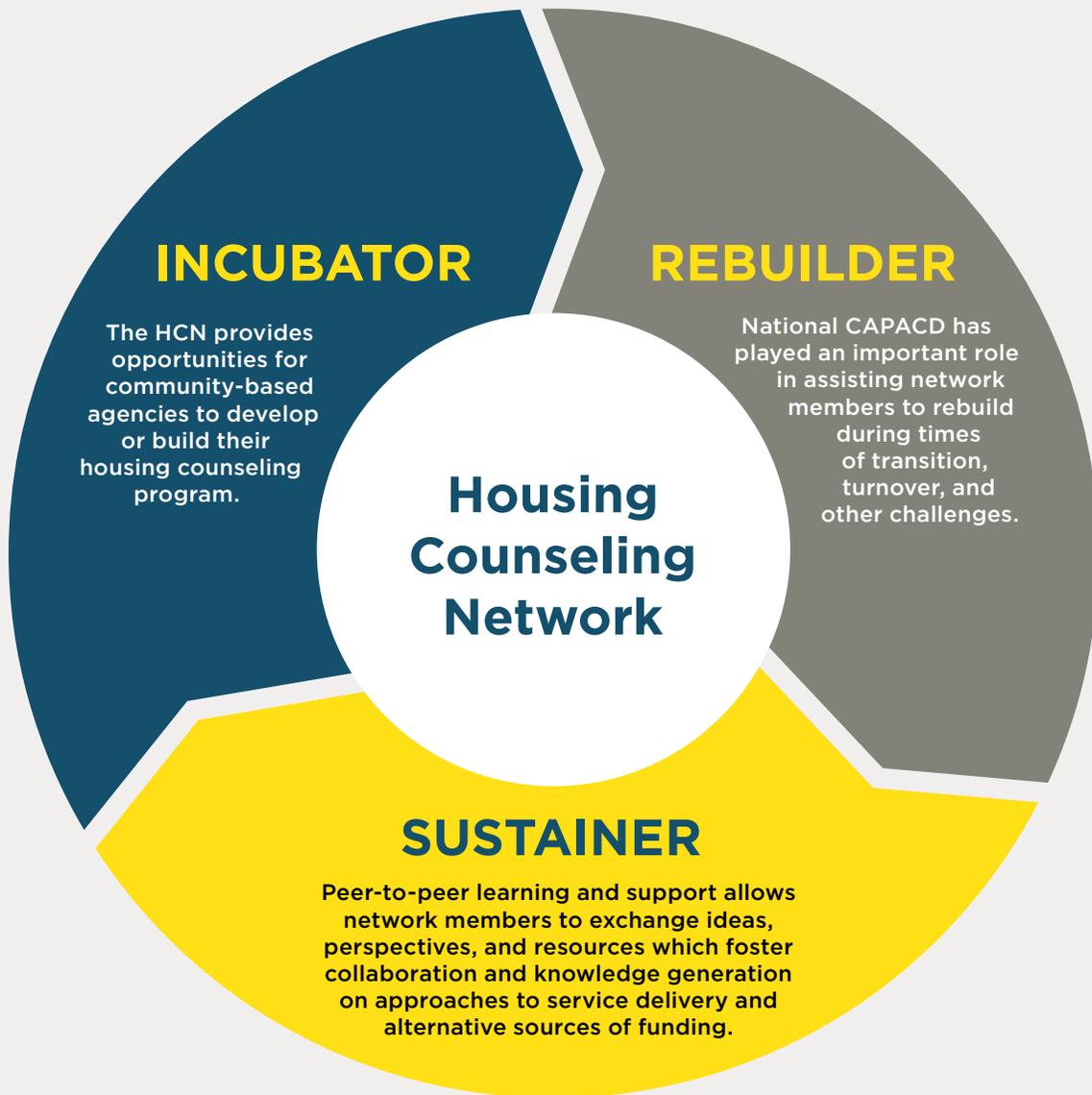
The HCN provides opportunities for community-based agencies to develop or build their housing counseling program. Organizations can receive assistance to become a HUD-certified HCA or counselor. National CAPACD also provides sub-grants for training and professional development as needed to prepare counselors to utilize HUD-required client management systems and procedures. One focus group participant reflected, “[National CAPACD] helped us for the site visits. That was very helpful ... it was our first time and we didn’t know how they were or what they were going to check on and so it was really helpful.” National CAPACD assists affiliates to be HUD-compliant and increase the effectiveness of their services by ensuring that HCAs meet program outcomes and reporting requirements.

HCN IS A REBUILDER

“There was a good amount of turnover among staff at HCAs, and this was difficult at times since [National] CAPACD would spend months to years providing technical assistance and support to send them to several trainings. This contributed to the first challenge of reporting since HUD reporting can be pretty nuanced.”

—Interviewee (2020)

FIGURE 17. THE ROLE OF NATIONAL CAPACD'S HOUSING COUNSELING NETWORK



As noted in the preceding quote, HCAs can undergo transitions that disrupt their ability to provide counseling services. National CAPACD has played an important role in assisting network members to rebuild during such times of transition, turnover, and other challenges. For example, a member organization was once ranked at the top of National CAPACD's HCN for serving a high volume of clients and for receiving large amounts of funding. However, due to organizational issues, tensions between the board and staff, and staff turnover, the housing counseling program had to go on "inactive status"¹⁴ with HUD and focus on rebuilding. Because the organization is now smaller and starting from scratch by having to hire and train new staff, the National CAPACD network is important in helping organizations, such as this one, manage major transitions and rebuild their programs. Housing counselors from other member organizations in the network are pulled in to provide language competency, guidance, and advice on how to serve clients facing housing

and financial issues. Thus, the National CAPACD housing counseling program has not only incubated and built a pipeline of professional housing counselors, but it has also helped sustain and rebuild HCAs.

HCN ACTS AS A SUSTAINER

Peer-to-peer learning and support allow for network members to exchange ideas and perspectives that are important in affirming their experiences as HCAs. ACTION TA has been and continues to be essential in fostering mutual learning. A few focus group participants expressed how learning best practices from other members would be helpful in improving their own programs, especially learning from more experienced organizations. One housing counselor explained:

“Some support with sharing the events and activities of others, service reminders throughout the country ... I would love to see some of the services, workshops that you guys may provide to your customers. I would love to see what that looked like because we may be able to borrow, view, and incorporate into our services. Just to see the different types of workshops that you facilitate, it may be something that we are not aware of that can be beneficial to the population. And then maybe we can communicate as far as what that looks like.”

—Focus Group Participant

The creation of the network has also addressed feelings of isolation that some HCAs and counselors may experience. Data previously shared in this report has shown how National CAPACD HCAs disproportionately serve AAPI communities. Through the network, affiliates are able to connect with other service providers, sometimes in person at national trainings. The network has become a space to build relationships with other service providers and identify issues shared among different AAPI communities.

“So [National CAPACD does] a specific housing counseling convening every year so that we can meet our peers face-to-face and commiserate. And it's very different than going to a NeighborWorks Training Institute training because we are these Asian American counselors and ethnic-based organizations that face similar problems. So to be able to talk to someone about that translator, and say, “Oh my God, that happened to you too.” That's such a relief because other people don't understand that. They think you should be able to do this because that's how it works.”

—Focus Group Participant

While there are clear strengths and possibilities to strengthen the housing counseling pipeline, National CAPACD and its affiliates acknowledge their dependency on government contracts and must identify other funding and perhaps revenue-generating models to become more self-sustaining.

BUILDING ORGANIZATIONAL CAPACITY: THE ROLE OF THE INTERMEDIARY HAS ITS OWN SET OF CHALLENGES

“Another major challenge to managing the housing counseling program is staying on top of all the new rules that HUD releases so that the network is in compliance.... It is hard to be able to support the network on changes and how to ensure compliance when I myself was unclear of it and also when I had such limited bandwidth to be able to hold everything, as well as my other responsibilities to the organization.”

—Interviewee (2020)

We have discussed the barriers and successes of HCAs in establishing and sustaining counseling services and education catered to AAPI communities, highlighting the importance of the work of National CAPACD affiliates. The efforts to build a HCN also resulted in National CAPACD’s own expansion as an organization—and that arrived with its own set of challenges.

National CAPACD staff who were tasked to manage the HCN believed they did not have adequate experience when they first started their work with the network. Much of that perspective was rooted in the lack of proper training and support during staff transitions. An interviewee recalled a loss of institutional knowledge from one staff member to another “since internal



Counselors learn and share best practices at 2017 Housing Counseling Convening (Seattle, WA)

documentation for how to do things did not exist and many of the documents that were found ... were either old or outdated and therefore not reliable.” This brought up the importance of developing standard operating procedures to both support and guide staff. While National CAPACD faced challenges to remain compliant with new rules that HUD would release, the requirements of federal grant-making also enabled National CAPACD to create systems within the organization to be able to provide support to their affiliates.

The role of National CAPACD in creating and sustaining a pipeline of HCAs requires a variety of tasks, such as network management, reporting, data entry, technical assistance, compliance, advocacy, and research. Like their affiliates, National CAPACD also experiences a shortage of staffing: “National CAPACD had/has a small staff and the housing counseling staff often played many roles in overseeing the HCN. When speaking to other national intermediaries (like UnidosUS or NUL), it seemed like they have multiple staff to cover these roles” (Interviewee 2020).

The role of the intermediary is not an easy task; thus sustaining the network also requires providing support and training to National CAPACD’s staff.

A SEAT AT THE TABLE: REPRESENTING THE AAPI VOICE IN THE HOUSING COUNSELING INDUSTRY

“I think [the HCN] also provided a lot of legitimacy for National CAPACD to participate in these broader advocacy conversations on financial reform, consumer protection, and wealth building. You know, both for communities of color, but just part of the broader conversations that were happening at the time around Dodd-Frank ... to be part of those conversations and to influence what that look like and to bring an AAPI perspective to that, that I think we would not have been able to be involved in quite the same way without the network.”

—Interviewee (2020)

The membership of the HCN has expanded National CAPACD’s role to include sharing the stories of AAPI communities. Since the establishment of the HCN, National CAPACD has released multiple reports and research grounded in the data collection and experiences of its constituents. The 2017 *Asian American and Pacific Islander Anti-Displacement Strategies* report is just one example of research that highlighted the challenges of AAPI neighborhoods across the United States against rising rents and a widening wealth gap. Such reports and conversations are essential in ensuring the representation of AAPI experiences in policy making.

As a HUD-approved intermediary, National CAPACD’s HCN has given voice to AAPI issues and has acquired a seat at regional and national discussions concerning the housing counseling industry. One interviewee praised National CAPACD’s HCN role in providing an avenue to shed light on AAPI experiences, but also believed the network was capable of more: “If not for this network and the presence of this organization in the housing counseling field, I think it would be easier to discount the issues of the AAPI community and treat the AAPI community as a monolith. That being said, I do acknowledge how National CAPACD could do more in this area” (Interviewee 2020).

The success stories of housing counseling clients are important narratives to share with policy makers. National CAPACD has also represented the AAPI community at national intermediary events such as at joint meetings with UnidosUS and National Urban League.

“They help us maintain this voice where we can reach out to our legislators and talk about these very real issues that our communities are facing. So they always ask us for what is happening on the ground so that they can convey that to whoever representatives they are talking to, whoever in DC might be interested in these issues right now. And they also send us trainings and opportunities for scholarships [to] local [and] national trainings. So I think [National] CAPACD was really instrumental in building their network to help us grow.”

—Focus Group Participant

RECOMMENDATIONS

This report documents the tremendous work of National CAPACD's HCN over the past decade. As of 2019, National CAPACD's HCN has collectively counseled and educated more than 27,000 community members and leveraged more than \$7 million in local grant resources to provide services to tenants, low- to moderate-income homeowners, and potential homebuyers. The findings highlight best practices and accomplishments, but also reveal the challenges facing HCAs and how there is still much more work to do. As the AAPI population continues to rapidly grow in the United States against the backdrop of increasing income and wealth inequality, the market and housing counseling field need to shift in the next decade to address these gaps and be more inclusive. Housing counseling services are critical for communities of color and within the AAPI community. Financial institutions and allies in the field must be creative in thinking through how we can create greater economic opportunity through stable housing and pathways to homeownership. This section provides recommendations for the future development of National CAPACD's HCN and calls on funders and practitioners in the housing counseling industry to consider centering cultural responsiveness to better serve AAPI communities and other communities of color.

THE HOUSING COUNSELING INDUSTRY MUST INCREASE ACCESS AND IMPROVE SERVICES FOR THE GROWING AAPI POPULATION

The AAPI community is tremendously diverse, encompassing more than 50 ethnic and language groups according to the U.S. Census Bureau. As the AAPI population continues to exponentially grow in the United States, the housing counseling industry must improve access to resources and its response to fill gaps in services for underserved AAPI populations through:

- **Partnerships:** Other intermediaries should partner with networks like National CAPACD to understand the experiences of AAPI populations. There is opportunity to exchange knowledge and support on cultural competency, counselor training, file management, infrastructure, and funding opportunities. It is important for other service providers and government entities to understand the challenges of the AAPI housing counseling experience. AAPIs are made up of different ethnicities and socioeconomic backgrounds, and their experiences can vary greatly geographically.
- **Increased Funding for Linguistic and Culturally Competent Services:** The critical work done by the National CAPACD HCN must be sustained through equitable and adequate funding. Government entities, such as HUD and municipalities, should set aside funding for housing counselors with AAPI cultural competency and language capacity so that HCAs can provide more culturally responsive services, especially rental assistance, home purchase, and foreclosure prevention. Financial institutions, such as banks and corporate foundations, should provide funding for homeownership counseling activities, such as translation of materials, interpretation, or homebuying research.
- **Improved Access to HUD-Housing Counseling Certification:** Recent changes made to the HUD housing counselor certification process in 2017 make it difficult for some National CAPACD HCAs to continue providing housing counseling services. Staff who have the potential to be a housing counselor are now challenged with passing a 90-question exam with a two-hour time limit in either English or Spanish to be a HUD-certified housing counselor. This is a major barrier for AAPI bi- and multilingual speakers. HUD should increase the length of time to take the certification exam to at least a

three-hour time limit for those who speak English as a second language. HUD is reviewing options to add other languages at this time, but should consider adding three to six Asian languages depending on HUD's resources. The selection of languages can be based on the three largest and smallest Asian population groups served by the National CAPACD HCN. [Additional recommendations](#) for improving the HUD-Housing Counseling Certification process have been proposed by the National Housing Resource Center in 2020. These recommendations were developed in partnership with housing counseling agencies from across the country, including those from National CAPACD's housing counseling network.

- **Language Access Policy:** Language access should be a priority for municipalities with AAPI populations to ensure that LEP persons have access to quality housing counseling and other city services. Cities such as San Francisco have engaged with community-based organizations and LEP residents to ensure that various city departments are able to provide information and services in multiple languages. Having a language access policy can help LEP renters who may need to navigate through residential rent stabilization commissions, or LEP homeowners who need to interact with planning, building safety, or tax/assessor offices.

STRENGTHENING THE NETWORK THROUGH INNOVATION, COMMUNICATION, AND COLLABORATION

The HCN has proven to be a launching pad for National CAPACD to think about innovative solutions around housing counseling and financial education with an AAPI lens. National CAPACD should continue to explore innovative practices and tools that are culturally relevant to their constituents. The following recommendations are a summary of network priorities that National CAPACD staff and HCN members believe are critical to sustain the network and improve housing counseling practices and training:

- **Curriculum Development: Develop standardized in-language AAPI curriculum and other culturally relevant materials for HCAs** that can be shared through platforms such as Google Docs. For example, banks and other financial institutions can partner with AAPI-serving organizations to translate their financial education materials to ensure that they are accessible to AAPI communities. Additionally, a guide should be developed that summarizes what resources are available for new HCAs to help them build their infrastructure when serving emerging AAPI populations. The guide could be a compilation of advice and “I wish I knew these tips when we started...” from existing HCAs.
- **ACTION TA: Provide further financial and technical support** to the many HCAs that implemented financial capability programs as a strategy to engage their clients to build their financial knowledge and capacity. The expansion of ACTION TA should also be considered as part of future efforts to build the pipeline of culturally competent AAPI-serving HCAs.
- **Leadership Development: Train leaders on how to better engage with national, state, and local policy advocacy.** There is power in having more counselors be more intentional about sharing their experiences with policymakers at all levels of government to inform legislative debates that may lead to transformative and systemic policy changes. National CAPACD and other intermediaries that serve diverse populations should continue to play this role, in particular at the national level.
- **Relationship-Building: Provide space and opportunities for building relationships between HCAs, National CAPACD staff, and other practitioners.** It is essential that there is a pipeline of counselors who have language capacity, cultural competency, professional development, training, and certification. The HCN should continue annual convenings for members to create space for peer-to-peer learning and support. Organizations can also partner with colleges and universities that have urban planning, social welfare, and other types

of public affairs departments to expose students to careers in the housing counseling field. The HCN should work to cultivate more meaningful partnerships with traditional and mainstream organizations that can support with training, file management, infrastructure, and funding opportunities.

“This relationship building that happened occurred naturally and, in my opinion, has helped to retain folks in the space. Over the years, I have seen that the network has experienced a lot of staff transitions and the network feels less connected. Now when everyone gets together, it feels like a room of people and not so much a close-knit network. There is so much value in the human interaction that I suggest for anyone taking on this role to not forget this when planning these in-person trainings and to spend some time on helping to promote this sense of camaraderie.”

—Interviewee (2020)

- **Improve Communication through Technology:** National CAPACD can help coordinate and set up an infrastructure with new and emerging technology to build the capacity of organizations by connecting members to each other and streamlining processes that are required of counselors (e.g., Zoom Video Conferencing with clients or technology that can help with reporting). This would allow for exchange in ideas, resources, and staff capacity. For example, there is an HCA in Los Angeles that has the capacity to provide housing counseling in Khmer (Cambodian) and an organization in Atlanta that does not, but takes in a client that only speaks Khmer. Using the technology that National CAPACD sets up for its network, the Atlanta organization can connect the client to the organization in Los Angeles. HCN members are already using new technologies to connect with one another and exchange resources. They are also using apps such as WeChat, LINE, WhatsApp, and other apps to communicate with their clients because clients find them more accessible and user-friendly. Many clients have limited digital literacy, so this is an effective alternative to learning a new platform. National CAPACD can build on these existing efforts.
- **Restructuring for Sustainability:** Revisit the vetting process for National CAPACD HCAs and the grants they qualify for in the housing and financial fields. Consider developing an admittance process to the network that will either (a) allow new groups admittance into the network, but not necessarily receive performance-based grants, such as HUD, or (b) allow new groups admittance into the network only if they qualify to receive all grants.

The experiences of National CAPACD’s HCN members provide important perspectives and knowledge about AAPI homeowners and renters, especially those who are fighting to stay in their homes, communities, and neighborhoods. The stories of National CAPACD HCAs and their clients reveal the limitations of the housing counseling industry and call for greater improvements, representation, and inclusion in the field.

FUTURE RESEARCH

This report is a retrospective look at the challenges faced, but also the accomplishments and contributions of National CAPACD's HCN over the past decade. National CAPACD's HCN provides vital services to AAPIs that no other national advocacy AAPI organization is capable of doing—from foreclosure and rental assistance to anti-displacement efforts. By centering the experiences of National CAPACD staff and its member organizations in the housing counseling industry, the findings reveal opportunities to strengthen financial and housing counseling industry standards, practices, and systems. To close the widening wealth divide and improve access to affordable housing, it will require complex program and policy solutions that use a multifaceted approach, which includes input from practitioners who are familiar with the unique needs and challenges faced by different communities of color.

As the AAPI population continues to be the fastest-growing racial group in the United States, there is an increasing need to provide in-language and culturally competent services and resources to AAPIs living in poverty and who are at risk of displacement. Similar to the foreclosure crisis, the COVID-19 pandemic has exacerbated an economic recession resulting in the highest unemployment rates ever seen in decades, small business closures, and the inability for vulnerable persons to make rent and mortgage payments, in addition to causing high death rates in communities of color. As federal, state, and local governments develop economic stimulus and recovery packages, more research will be essential to inform future policy solutions for the well-being of all Americans.

Future opportunities for research include:

1. **COVID-19 projects** documenting the challenges directly impacting AAPI communities, such as the economic impact on homeowners, renters, small businesses, and ethnic business districts during the pandemic, but also during the recovery period. In addition, how the crisis is affecting tenants' rights and displacement.
2. **Disaggregating data to understand wealth, housing, and financial disparities:** Many studies on the racial wealth divide either exclude AAPIs (often rendering them invisible) or lump more than 40 ethnic groups into an aggregate category of AAPIs, framing them as doing as well as or better than whites or the general population. Moreover, institutional and structural racism is fueled by antiblackness, and AAPIs are used as a wedge in the racial wealth gap debate. This reduction of the discourse to simplify the analysis of race outcomes obscures systematic ethnic disparities among AAPIs. By ignoring ethnic group differences, we fail to acknowledge the wealth, housing, and financial barriers that many groups experience, and who are consequently left out of asset-building policies and programs.
3. **Collecting outreach data:** While an extensive reporting process currently exists for HCAs and intermediaries through the HUD-9902 forms, the data collected is limited in capturing the full body of work being done by National CAPACD HCAs. AAPI housing counselors often spend more time per client because of language needs or the use of culturally relevant methods. This can be resource intensive, but is not valued or documented in the data. Also, it is important to understand how to best reach underserved communities. Thus, future research and evaluation should value the number of hours spent per client, and HUD-9902 forms should collect data on the vital outreach strategies used by HCAs, especially in serving growing refugee and immigrant communities (e.g. the value of reaching clients at churches, ethnic supermarkets, restaurants, and much more).

4. **Responding to growing immigrant and renter populations:** Moreover, research should be done to examine the growth of immigrant and renter populations, in particular how they might create new demands for affordable and accessible housing. This would provide National CAPACD HCAs with a better understanding of how to serve “at-risk” clients and how affordability has changed over the past decade. There needs to be increased investment in financial capability programming that can help to better prepare families (whose major barriers include debt-to-income ratio and credit histories) for homeownership. This will also help to reduce reliance on “risky” mortgages. These insights can inform the financial industry when creating financial products for multigenerational families and Shari or Muslim communities.
5. **Language access and developing industry standards:** Systemic barriers, such as language access, are not seen as important enough by the housing field or institutions, particularly for AAPI languages. Providing interpretation services and translated materials has been a common theme in this research. Future research should also include more policy-focused analysis and recommendations on improving language access in non-National CAPACD HCAs, housing, and financial fields.
6. **Examining transnational experiences:** We also need to broaden our understanding of how transnational ties have impacted asset building and homeownership. Transnational capital is nothing new, but the importance of remittances for many AAPIs to support families or relatives in their motherland may or may not impact their financial capability and security. For example, National Council of La Raza (2014) found that about 22 percent of AAPI low- and moderate-income survey respondents used remittances or wire transfer—a rate slightly higher than Latinos (17 percent). Wire transfers were also the third most used alternative financial service, following a credit card from a bank and a gift card.

Some studies have shown that Tonga, Samoa, and Fiji are dependent on remittances, where family members are identified to work abroad so as to increase economic returns for the family (Brown et al. 2014). However, there are few studies that focus on how remitters in America are impacted in their ability to build assets. On the other side of the wealth spectrum, there has been a significant increase in the number of high net worth Asian investors from abroad purchasing homes and businesses because U.S. immigration laws currently favor international investors. More research is necessary to better understand the complexity of wealth disparities within the AAPI community and comprehend how these laws either facilitate or hinder strategies for asset building.

More than ever, it is important to include data and analysis of indigenous communities, smaller AAPI populations, and communities of color that are often overlooked in traditional studies toward the development of a more inclusive, fair, and comprehensive narrative about racial inequality and financial justice in America.

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APPENDICES

APPENDIX 1. DESCRIPTION OF DATA SOURCES

AMERICAN COMMUNITY SURVEY

The American Community Survey (ACS) is a continuous survey that collects social, economic, demographic, and housing characteristics information about the population. The ACS pools a series of monthly samples to provide an ongoing stream of detailed and updated information. The ACS provides two period estimates, 1-year and 5-year, in two formats, pretabulated (or summary) and microlevel data. For this project, we utilized both the pretabulated and microlevel data. One of the main advantages of the microlevel, known as the Public Use Microdata Samples (PUMS), is the ability for analysts to customize tabulations for statistics not published by the U.S. Census Bureau. This is particularly useful when tabulating statistics on AAPI subgroups. Each annual ACS PUMS data represents only 1 percent of the total population. The 5-year ACS PUMS, containing roughly a 5 percent sample of the total population, was selected for this project. Specifically, the 2013–2017 5-year ACS was chosen because it was the most current data available during the time of this project.

HOME MORTGAGE DISCLOSURE ACT

The Home Mortgage Disclosure Act (HMDA) data is the most comprehensive source of publicly available mortgage lending data. HMDA, a federal law enacted in 1975, requires certain financial institutions to report and publicly disclose loan-level information about their lending activities. HMDA data is reported annually and captures home mortgage applications and originations (the process by which applications are approved, resulting in loans being made). HMDA data includes information about borrowers' demographic and socioeconomic characteristics, such as race and ethnicity, gender, and household income. It also includes key information about the loan, such as the loan amount, type of loan (conventional, government-backed), purpose (home purchase, home improvement, refinancing), and information on whether the loan is “higher-priced” (with an annual percentage rate [APR] that exceeds the Average Prime Offer Rate [APOR]). HMDA also includes information about applications that were denied and the reasons for denial, providing us with a glimpse into some of the challenges individuals confront in their efforts to become homeowners.

One major drawback of HMDA, particularly for a study on AAPIs, is that earlier years of HMDA do not include disaggregated data for AAPIs. This information was only recently asked for and included in the 2018 HMDA data, which was released after the start of this project. Although progress has been made to include data on AAPI subgroups, the data is limited to the six major Asian subgroups (Asian Indian, Chinese, Filipino, Japanese, Korean, and Vietnamese) and three major NHOPI subgroups (Native Hawaiian, Guamanian or Chamorro, and Samoan). All other AAPI subgroups are collapsed under the “Other” categories. Despite this limitation, HMDA is the most comprehensive home lending data available to the public.

For this report, we use HMDA data to analyze home purchase and lending activity in the seven study areas. We focus on lending activity in 2016 using the 2016 HMDA dataset. For some analyses, we examine trends going back to 2006. This allows us to examine what changes in lending activity have occurred over the last 10 years, and captures the period prior to and after the Great Recession (2007–2009).

HUD - 9902

We obtained and analyzed HUD's Housing Counseling Agency Activity Report, also known as HUD-9902, for fiscal year 2018, which covers the October 1, 2017 to September 30, 2018 reporting period. All HUD-approved HCAs are required to submit quarterly reports and data to HUD using the HUD-9902 form. The form collects information on the number of clients served, their race and ethnicity, income levels, housing counseling services provided, and outcomes of counseling.

For this study, we received aggregated HUD-9902 data from HUD for seven cities: Boston, Chicago, Los Angeles, Minneapolis, Philadelphia, New York, and Honolulu. The data provided by HUD represents aggregated city-level information for all HUD-certified HCAs. From National CAPACD, we obtained HUD-9902 data for each of its HCA affiliates covering the same cities and reporting period. Data from the following 12 organizations are included in the analysis for this report: ACDC, CASL, Chhaya, CNHA, HANA Center, HAP, KRC, LACM, MWRC, PCDC, Thai CDC, and VietAID.

The HUD-9902 data from National CAPACD includes the same information that was submitted to HUD. With both datasets, HUD's aggregated information and individual HCA data from National CAPACD, we are able to conduct a comparative analysis between National CAPACD HCAs and non-National CAPACD HCAs. Information for non-National CAPACD HCAs were derived by subtracting National CAPACD's individual HCA data from the aggregated HUD-9902 data from HUD for each city. Therefore, caution should be used when comparing results for the two groups. Ideally, the preferred dataset would be individual-level data on all housing counseling organizations for both National CAPACD and non-National CAPACD HCAs. In particular, we examined the demographic and socioeconomic characteristics of the clients served by National CAPACD HCAs and non-National CAPACD HCAs, the purpose of one-to-one housing counseling service, and outcome.

SURVEY, FOCUS GROUP, AND INTERVIEWS

UCLA held a focus group and conducted participant observations in Boston during National CAPACD's Housing Counseling Convening in August 2019. The focus group had four major objectives: 1) gather information from member organizations to better understand the role of National CAPACD HCAs; 2) examine whether or not National CAPACD HCAs are doing anything unique relative to more mainstream HUD HCAs; 3) identify best practice models and areas for growth, and 4) document the national impact of National CAPACD's housing counseling intermediary program. A total of 10 housing counselors from eight organizations participated in the focus group.

The following organizations participated in the focus groups:

1. Lao Assistance Center of Minnesota (LACM), Minneapolis, MN
2. Asian Community Development Corporation (ACDC), Boston, MA
3. Chhaya Community Development Corporation (Chhaya CDC), Jackson Heights, NY
4. Council for Native Hawaiian Advancement (CNHA), Kapolei, HI
5. HANA Center, Chicago, IL

6. Chinese American Service League (CASL), Chicago, IL
7. Muslim Women Resource Center (MWRC), Chicago, IL
8. Philadelphia Chinatown Development Corporation (PCDC), Philadelphia, PA

HCA staff who were unable to attend the Boston convening were interviewed individually. These included staff from Vietnamese American Initiative for Development (VietAID) in Boston, MA and Thai Community Development Center (Thai CDC) in Los Angeles, CA.

Participants were asked to complete a short survey or questionnaire prior to the start of the focus group. Questions in the survey were meant to supplement HCA data and provide the research team with additional information and insights into understanding the unique experiences, challenges, and opportunities of National CAPACD-affiliated HCAs. Questions fell into three core areas of information: 1) organization's target population and outreach efforts, 2) clients and service delivery to clients, and 3) organizational challenges and the financial marketplace.

Additionally, both current and former National CAPACD staff members were interviewed to share their perspectives on National CAPACD's Housing Counseling Program. Interviews were centered on the following guiding questions:

1. In your opinion, what is the most valuable aspect of having a National CAPACD HCA network in the housing counseling field or for your member organizations?
2. What are the three main goals of the HC program today?
3. Please share a success or compelling story of how the National CAPACD HCA network or a HCA assisted a client in reaching their goals. What impact did the National CAPACD program or the HCA have on the client?
4. What major challenges have you experienced in managing National CAPACD's HC program?
5. Do you have any lessons learned to share or suggestions for creating a healthy HC network (e.g., growing, stabilizing, and/or rebuilding the network)?

APPENDIX 2. MORTGAGE ORIGINATIONS, 2006 AND 2016

Mortgage originations, 2006	Asian	NHOPI	NH White	Total
Boston-Cambridge-Newton	2,976	148	38,185	53,913
Chicago-Naperville-Elgin	9,325	714	93,845	158,333
Los Angeles-Long Beach-Anaheim	15,571	1,364	39,093	121,986
Minneapolis-St. Paul-Bloomington	2,867	159	40,725	52,879
New York-Newark-Jersey City	19,577	1,075	93,221	190,680
Philadelphia-Camden-Wilmington	4,880	257	50,549	79,681
Urban Honolulu	3,752	970	3,091	9,249
All Seven Study Areas	58,948	4,687	358,709	666,721

Mortgage originations, 2016	Asian	NHOPI	NH White	Total
Boston-Cambridge-Newton	4,862	111	37,055	52,953
Chicago-Naperville-Elgin	7,783	292	67,997	106,292
Los Angeles-Long Beach-Anaheim	15,399	623	34,660	80,127
Minneapolis-St. Paul-Bloomington	3,546	116	45,032	56,752
New York-Newark-Jersey City	18,863	457	73,324	129,548
Philadelphia-Camden-Wilmington	3,912	134	39,955	58,903
Urban Honolulu	3,288	534	2,126	7,303
All Seven Study Areas	57,653	2,267	300,149	491,878

Absolute change, 2006-2016	Asian	NHOPI	NH White	Total
Boston-Cambridge-Newton	1,886	-37	-1,130	-960
Chicago-Naperville-Elgin	-1,542	-422	-25,848	-52,041
Los Angeles-Long Beach-Anaheim	-172	-741	-4,433	-41,859
Minneapolis-St. Paul-Bloomington	679	-43	4,307	3,873
New York-Newark-Jersey City	-714	-618	-19,897	-61,132
Philadelphia-Camden-Wilmington	-968	-123	-10,594	-20,778
Urban Honolulu	-464	-436	-965	-1,946
All Seven Study Areas	-1,295	-2,420	-58,560	-174,843

Percent change, 2006-2016	Asian	NHOPI	NH White	Total
Boston-Cambridge-Newton	63%	-25%	-3%	-2%
Chicago-Naperville-Elgin	-17%	-59%	-28%	-33%
Los Angeles-Long Beach-Anaheim	-1%	-54%	-11%	-34%
Minneapolis-St. Paul-Bloomington	24%	-27%	11%	7%
New York-Newark-Jersey City	-4%	-57%	-21%	-32%
Philadelphia-Camden-Wilmington	-20%	-48%	-21%	-26%
Urban Honolulu	-12%	-45%	-31%	-21%
All Seven Study Areas	-2%	-52%	-16%	-26%

ENDNOTES

- ¹ The authors' estimates indicate that Filipinos (11 percent), Koreans (10 percent), and Cambodians (9 percent) were hit hardest by the housing crisis in the Los Angeles metro area, with foreclosure rates more than two times higher for them than all Asians (4 percent).
- ² 12 U.S. Code § 1701x. "Assistance with respect to housing for low- and moderate-income families."
- ³ <https://files.hudexchange.info/resources/documents/Housing-Counseling-Oversight-Agency-Toolkit-Orientation.pdf> (accessed July 28, 2020)
- ⁴ The "Other" category includes survey respondents who identify as Asian, American Indian, Alaska Native, Native Hawaiian, Pacific Islander, other race, and all respondents who identify with more than one racial category.
- ⁵ National CAPACD website. <https://www.nationalcapacd.org/campaigns-initiatives/housing-counseling/>, (accessed July 28, 2020)
- ⁶ This ratio is based on historical national averages of the typical median home value to median household income. This shorthand approach of assessing housing affordability does not take into account other factors that contribute to the ability to purchase a home, such as credit scores, ability to make a down payment, prevailing interest rates, mortgage terms, and other financial obligations.
- ⁷ LMI households are defined as those with incomes of less than 80 percent of the area median income (AMI). The "area" in this case represents the MSA.
- ⁸ Analysis only for mortgages secured by a first-lien for owner-occupied, 1–4 family homes (including manufactured housing).
- ⁹ We classify borrowers in 2006 with a LTI greater than 4.0 as risky and borrowers in 2016 with a LTI greater than 5.0 as risky. We use two different LTI cutoffs given the changes in prevailing interest rates during both periods. In 2006, the prevailing interest rate was higher than in 2016 with an average rate of 6.41 percent; this is in comparison to 3.65 percent in 2016 (Ceizyk 2020). Borrowers can generally leverage a higher loan with lower interest rates, thus incurring a higher LTI ratio, particularly with increasing home values.
- ¹⁰ In 2006, loans were classified as higher-priced if the APR exceeded the average prime offer rate by at least 3.0 percentage points for first-lien loans; in 2016, this threshold was changed to 1.5 percentage points above the APOR.
- ¹¹ López, Gustavo. 2017. "Key facts about Asian Americans, a diverse and growing population." <https://www.pewresearch.org/fact-tank/2017/09/08/key-facts-about-asian-americans/> (accessed July 20, 2020).
- ¹² "Hawaiian sovereignty movement." https://en.wikipedia.org/wiki/Hawaiian_sovereignty_movement (accessed July 20, 2020).

- ¹³ For more information, see the Department of Housing and Urban Development Housing Counselor website. <https://www.hudhousingcounselors.com/become-hud-housing-counselor> (accessed July 28, 2020).
- ¹⁴ Inactive status is a classification conferred upon an organization by HUD that allows them to temporarily “pause” their HUD certification status, but not lose it entirely through termination of its status. This status is typically given for reasons such as loss of a counselor with no other qualified individuals able to provide services, significant and unexpected loss of funds, or damage to facilities due to natural disasters.



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