



Cedar Band of Paiutes

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The Honorable Marcia L. Fudge
Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street., S.W.
Room 10000
Mail Stop S
Washington, D.C. 20410

Dear Secretary Fudge:

On behalf of the Cedar Band of Paiutes, I would like to extend a sincere congratulations on your swift confirmation to serve as the Secretary of the Department of Housing and Urban Development (HUD). As a lifelong advocate, public servant, and champion of affordable housing, I am confident that your tenure at HUD will leave a lasting and positive impact on this vital government agency and the millions of households it serves.

I was especially encouraged to hear your mention of the important role of down payment assistance (DPA) in bridging the racial homeownership gap and wealth gap during your Senate confirmation hearing. I share your view that saving for a down payment remains one of the largest impediments to homeownership for minority households and can be akin to, as you put it, “being in a race with people who already have a head start.”

As you may be aware, I currently serve as the Chairwoman of the Cedar Band of Paiutes (CBP). CBP owns Cedar Band Corporation, which wholly owns CBC Mortgage Agency (CBCMA), which provides DPA. Our program was thoughtfully designed to address the challenges minority households face that you raised during your recent congressional hearing.

CBCMA’s DPA program provides prospective and new homeowners with the tools they need to be financially successful and has assisted more than 26,000 borrowers across the country with their down payments. Our program is well-run and responsibly managed. It includes post-purchase counseling with regular check-ins for homebuyers and requires pre-purchase counseling for more at-risk homebuyers. The positive effects of our counseling were already confirmed prior to COVID-19, as we found that the on government DPA loans, which CBCMA’s DPA Program is a part of, is less than other forms of DPA. These findings have been further validated as borrowers face some of the most stressful economic conditions of their lifetime. At a time when our nation is grappling with disruptions to the job market, an economic recession, and the effects of the pandemic, DPA providers, including CBCMA, are preserving access to homeownership for all Americans.

The CBCMA program complements other DPA providers by serving a broad audience of consumers, driving a healthy, competitive mortgage market, and introducing innovative financial products. For example, our forgivable second-lien product incentivizes homeowners to make their first three years of mortgage payments on time; when they do, the second lien, which allowed them to qualify for the mortgage, is forgiven.

As you noted in your Senate testimony, DPA programs also play a critical role in promoting racial equity. In the first quarter of 2020, the U.S. Census Bureau reported the overall U.S. homeownership rate was 65.3%. Among white households, the rate was 73.7%, while among African-American households, the rate was 44% — hovering near 50-year lows. The homeownership rate for all minorities, including American Indians/Alaska Natives, African-Americans, Hispanics, Asians, Hawaiians, and Pacific Islanders is just 50.7%.

This racial gap is due in part to the disproportionate challenges minority households face in achieving the “American Dream” of homeownership. Saving for a down payment often proves particularly challenging for first-time, minority, and low- to moderate-income households. Without DPA programs to help bridge this gap, we risk deepening racial disparities and worsening what many consider to be the most pressing civil rights issue of our day. As our country grapples with the challenges of creating systemic equality, programs, like the CBCMA program, provide the opportunity to create real, positive change for generations to come.

One of the things I am most proud of is the impact of our program in improving these outcomes. In 2020, 55% of the loans we made were to minorities — one of the most successful efforts of any DPA program in the nation. We’ve made it our mission to improve consumer financial literacy and homeownership across the country. As part of this mission, CBCMA sponsors the [UHOUSI Initiative](https://www.uhousi.com/) (<https://www.uhousi.com/>), which conducts free community workshops at local churches to provide financial guidance for minority and low- to moderate-income households that are interested in homeownership.

UHOUSI has remained active during COVID-19, providing new resources about federal relief programs, renter and homeowner protections, and unemployment insurance. The organization recently convened a webinar that brought together faith and industry leaders to underscore the need for public policies that level the playing field across all demographics and reduce barriers to homeownership.

During a year marked with economic uncertainty and social unrest, UHOUSI continues to provide valuable resources to empower households and communities, connecting them with opportunities for affordable homeownership and the financial safety net it provides.

In addition, we recently launched the [Kani Initiative](https://kanihousing.org) (<https://kanihousing.org>) to provide financial education, housing literacy, and down payment resources to the urban Indian community. We will be working with 32 urban Indian centers across the country to focus on educating the urban Native American community about the importance of homeownership, as well as the fundamentals of credit scoring, the home buying process, and home equity.

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Thank you for the opportunity to share more about our organization. We appreciate your ongoing support of DPA programs and are excited to welcome a HUD Secretary, who so clearly understands the critical role DPA plays in expanding homeownership opportunities to every household. We look forward to working with you and HUD in the coming months and years.

Sincerely,



Delice Tom
Chairwoman
Cedar Band of Paiute Indians