



SR0170

LRB102 17696 ECR 23661 r

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SENATE RESOLUTION

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WHEREAS, Homeownership plays a vital role in helping to build strong, stable communities; in addition to bolstering a community's treasury through taxes, research shows the many social benefits homeownership provides, including improved health, less crime, and increased civic participation; homeownership has been proven to help stabilize neighborhoods and create stronger communities; and

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WHEREAS, Homeownership has been the most effective way that Americans have created generational wealth over the past 100 years; the median net worth for homeowners in 2019 was \$255,000, compared to \$6,300 for renters; and

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WHEREAS, Nationally, homeownership is at 79.4 percent for households with family income greater than or equal to the median family income and 52.3 percent for households making less than the median family income; only 39 percent of low-income households own their own homes; the homeownership rate is 74.5 percent for white families, 49.1 percent for Hispanic families, and 44.1 percent for Black families; and

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WHEREAS, Discriminatory housing and lending practices have challenged minority communities for decades; for example, redlining contributed to 98 percent of the mortgages insured

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1 by the federal government between 1934 and 1968 being awarded
2 to white citizens; furthermore, in 1998, usurious subprime
3 mortgages accounted for 51 percent of home loans in
4 predominantly Black neighborhoods, compared with only 9
5 percent in predominantly white areas; and

6 WHEREAS, Homeownership is an extraordinary tool to
7 financially empower minorities and narrow the racial wealth
8 gap; and

9 WHEREAS, It has been historically challenging, if not
10 impossible, for borrowers to obtain mortgages of under
11 \$75,000, known as micro mortgages; as a result, a
12 disproportionate number of homes in our most affordable
13 communities are sold for cash to investors who offer them for
14 rent; and

15 WHEREAS, Lenders today have the ability to originate micro
16 mortgages so that low-income families can buy homes that cost
17 under \$75,000; as interest rates are at record lows, the
18 mortgage payments will typically cost less than rent; this
19 presents an extraordinary and urgent opportunity for first
20 time homebuyers; and

21 WHEREAS, Lower value homes are disproportionately vacant,
22 and blocks with vacant properties face crime rates twice as

1 high as blocks without them; therefore, selling these vacant
2 homes to homeowners utilizing micro mortgages can help
3 stabilize communities; therefore, be it

4 RESOLVED, BY THE SENATE OF THE ONE HUNDRED SECOND GENERAL
5 ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the State of
6 Illinois to promote homeownership of homes under \$75,000 as a
7 way to build stronger communities and help build generational
8 wealth in communities that have historically been left behind;
9 and be it further

10 RESOLVED, That we urge the Illinois Housing Development
11 Authority to use 2020 Census data to report to the General
12 Assembly what percentage of low income households own the
13 homes they live in by December 31, 2021; and be it further

14 RESOLVED, That we urge the Illinois Housing Development
15 Authority to create goals for increasing the homeownership
16 rate each year for low income households; and be it further

17 RESOLVED, That we urge the Illinois Housing Development
18 Authority to make a strategic plan every year to market and
19 promote homeownership to ensure they are achieving their
20 goals; and be it further

21 RESOLVED, That we urge the Illinois Housing Development

1 Authority to establish a directory of lenders that originate
2 micro mortgages.