

**FOR IMMEDIATE RELEASE**

**Thursday, October 6, 2011**

Contact Joe Blend (202-464-2736)

[jblend@ncrc.org](mailto:jblend@ncrc.org)

**The Foreclosure Crisis and Its Impact on  
Communities of Color: Research and Solutions**

*A whitepaper prepared for the Annie E. Casey Foundation*

**Washington, DC-** As the foreclosure crisis continues unabated, destroying wealth for American families and undermining the stability and vibrancy of communities, NCRC's recent whitepaper serves as an in-depth investigation of the success and weaknesses of the major federal and private foreclosure prevention efforts. The paper also examines proposed solutions to rebuild the homeownership markets. The paper has a particular focus on the impacts of the foreclosure crisis on people and communities of color.

The report addresses three critical aspects of the foreclosure crisis:

**First, the foreclosure crisis is disproportionately affecting communities of color, and continuing without any meaningful preventative intervention.** The homeownership rates for communities of color are at their lowest levels in over a decade. It is expected these rates will drop even further, which would wipe out over 15 years of gains in homeownership rates for people of color. The combination of foreclosures and falling home prices has also resulted in a catastrophic loss of wealth, in particular for people and communities of color.

**Second, there are several strategies and solutions that could significantly halt the foreclosure crisis, as well as repair the damage, but no policies are actively being debated by policy makers.** There are no signs that the HAMP program will be significantly improved to have a greater foreclosure prevention impact and, given the current political climate, it seems unlikely that any additional funds for new foreclosure mitigation efforts will be forthcoming. Finally, many proposals to rebuild the homeownership market would actually further undermine the housing markets.

**Third, there is no national clearinghouse of information on foreclosures that is systematic, searchable, and comprehensive.** A comprehensive clearinghouse of data and research would enable more effective responses to the damage that is occurring to families and communities by the foreclosure crisis. Without a central hub of information, it is also difficult to understand the long-term damage the foreclosure crisis will likely have across cities and communities.

Since 2010, NCRC has worked with the Annie E. Casey Foundation on a national dialogue on the disparate impact of foreclosures on communities of color. A diverse group of high capacity leaders has been involved in conversations that, to date, include 145 individuals representing 90 organizations. Representatives of 24 of the more than 90 organizations served on two subcommittees that drove the substantive discussions represented in this report.

This whitepaper constitutes an extensive body of research and solutions that serves as a foundation

for further investigative work. It also clears the path for a next step towards successfully addressing and resolving the disparate impact of the ongoing foreclosure crisis on communities of color.

To view this whitepaper, please visit: <http://www.ncrc.org/resources/reports-and-research/item/665-white-paper-the-foreclosure-crisis-and-its-impact-on-communities-of-color>

**About the Annie E. Casey Foundation:**

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, one of the founders of UPS, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs. For more information, visit the Foundation's website at [www.aecf.org](http://www.aecf.org).

**About the National Community Reinvestment Coalition (NCRC):**

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families. For more information, visit NCRC's website at [www.ncrc.org](http://www.ncrc.org).

###