

Running head: HOME OWNERSHIP

Home Ownership

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### Abstract

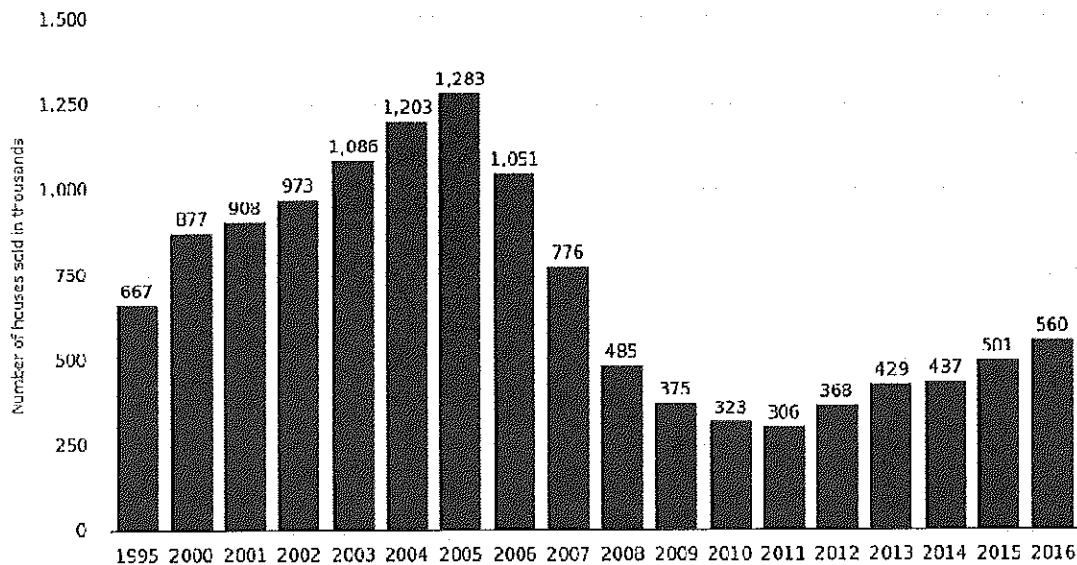
Home ownership is the American Dream. The United States has projected that all individuals can successfully own a home. The reality is that home ownership is not open to all. Two distinct roads are set forth in home ownership, one road for those who can navigate the system successfully and the other road for those individuals who are not successful in home ownership. Additionally, this paper will discuss the obstacles that some Latinos/as in the San Antonio area encounter when trying to purchase the American dream, a home. Wages and education will also be discussed.

*Keywords:* home ownership, navigation, obstacles, mortgage

## Introduction

Owning a home in the United States is a symbol of prosperity. Having the knowledge and resources to purchase a home should be accessible and transparent. But is purchasing a home truly accessible to all? One can review websites, books, pamphlets and other so called resources, such as private marketing products offered and come to the conclusion, that purchasing a home is far easier than one can imagine. Statistics on a national level paint a somewhat decent picture for home ownership. According to the US Census Bureau in 2016, 560,000 homes were purchased in the United States (US Census Bureau, 2017).

**Number of houses sold in the United States from 1995 to 2016 (in thousands)**



Source:  
US Census Bureau  
© Statista 2017

Additional Information:  
United States, US Census Bureau, 1995 to 2015



(US Census Bureau, 2017)

The United States is in recovery from the housing market fall out, in which hopes are that more families will be able to purchase a home. The future is painted as the

housing market will become stronger and families will have purchasing power. The U.S. Department of Housing and Urban Development recommends to future homeowners nine points to consider when purchasing a home:

- Figure out how much you can afford
- Know your rights
- Shop for a loan
- Learn about home-buying programs
- Shop for a home
- Make an offer
- Get a home inspection
- Shop for homeowners insurance
- Sign papers

(U.S. Department of Housing and Urban Development, 2017)

On face value, it appears that owning a home is not difficult and in some ways can magically happen. The dream of purchasing a home has been instilled into each of us believing that the American dream is possible. But is this really the case? The housing system has had two very distinct roads, one is for individuals who know how to get through the home purchasing process and second the road for those individuals who may have limited knowledge and need assistance in learning how to purchase a home. The idea that we live in a country where equality and accessibility to home ownership is assumed but essentially is not a reality for some. Why is this the case? There are many factors that suggest why home ownership for some is easy and for others is difficult. The Fair Housing Act Title VII of the Civil Rights Act of 1968 states, “The Fair Housing Act

declares a national policy of fair housing throughout the United States. The law makes illegal any discrimination in the sale, lease or rental of housing, or making housing otherwise unavailable, because of race, color, religion, sex, handicap, familial status, or national origin” (National Association of Realtors, 2017). So what are the issues that cause the division between those individuals who can own a home versus those who cannot?

### **Home Ownership in Texas**

Everything in Texas is better, at least that’s the perception given. Texas has an abundance of oil and cattle. These rich resources could make Texas a great place to live, have a family and own a home. The statistics, however do not paint quit that picture. The following demonstrates the percentages of home ownership in Texas:

White 69.8%

Black 40.8%

Hispanic 55.3%

Asian 61.1%

Native 58.1%

(Corporation for Enterprise Development, 2016)

Numbers (thousands) in home ownership in Texas:

White 3,336

Black 469

Hispanic 1,567

(Pew Research Center, 2014)

Looking at the percentages and numbers, one can see the disparities in home ownership in Texas. There are a multitude of reasons for the differences in home ownership. As Ura & McCullough mention in the Texas Tribune (2015), “A shortage of affordable housing, credit problems and lack of savings for down payments are among the main barriers blamed for creating the demographic divide” (p.2). Ura & McCullough (2015) further note that, “But the gaps are mostly rooted in varying education and income levels among minority populations. Put simply, minorities are less likely to be able to afford their homes” (p.3). It is no coincidence that there are differences as to why some individuals are able to obtain a home while others have a more difficult time or will never be able to own a home. The dream of owning a home, at times will get families into mortgages that sound “too good to be true” and turn out to be a nightmare. These unethical practices performed by some, take advantage of new homeowners with very little knowledge of how to purchase a home. Thus, as the U.S. Department of Housing and Urban Development (2012) states, “By providing good information and guidance, housing counseling combats the unfamiliarity with homebuying and homeownership processes that make many low-income and minority borrowers vulnerable to predatory lending practices and unprepared for homeownership” (p.4).

### **Latino/a Homeownership in San Antonio**

Having accessible and affordable housing is a dream that many Latinos/as have. The prospect of owning one’s own home includes other factors to consider, such as where children will attend schools, health, parks and community. Unfortunately, the reality for many Latinos/as, is that purchasing a home may be daunting. Without knowing how the housing system works in purchasing a home many Latinos/as can get caught into signing

for mortgages that are not in any way, shape or form, helping them build prosperity and in some cases puts them at risk of foreclosure, resulting in ruining their credit for any future endeavors. Not knowing what questions to ask, where to look for resources, or the process in purchasing a home, can result in less families attempting to purchase a home or become an easy target for predatory lending.

### **History of Home Building in San Antonio**

San Antonio is a city with an abundance of culture and families looking for the American dream of owning a home. Looking in the past, at history in home ownership, race and ethnicity in qualifying to purchase a home is not a topic discussed in the United States as a whole, or in San Antonio. History has illustrated that home ownership, for example, has been viewed through the lens of the Federal Housing Administration (FHA), which was established to assist families in home ownership. Ironically though, from 1934-1968 the FHA denied mortgages using the criteria of race and ethnicity to add to racism and segregation and thus, many families were denied mortgages to purchase homes (The Fair Housing Center of Greater Boston, n.d.). The FHA used what is called "Redlining" during this time period, in which, in an unethical manner, financial companies would deny any type of investment for a mortgage based on race or ethnicity, resulting in all white neighborhoods who were considered better at paying back their loan (The Fair Housing Center of Greater Boston, n.d.). So with such views and practices based on racism and segregation, how could Latino/a families in San Antonio have a fair chance or possibility of home ownership?

As far back in the early 1930s there is evidence of "Redlining". In the Residential Security "Redlining" Maps and Confidential Survey Report of San Antonio (1935) there

is evidence that “The Trend in the better class of homes in San Antonio is entirely to the north, suburban sections being rapidly developed” (p.7). San Antonio was not open to the idea of loaning money to particular neighborhoods. Additionally, the Residential Security “Redlining” Maps and Confidential Survey Reports of San Antonio, Texas 1935-1936 states, “Due to FHA financing and campaigns for home building, new construction is going forward in all but the blighted parts” (p.16). Therefore, “ The section to the north is the only one in the city in which there is expansion” (p.14), thus all other sections of San Antonio were basically put on hold. The history of building in San Antonio is by no means a surprise. The prediction of growth in the Northside of San Antonio was already in motion in the 1930s and it seems as though nothing much has change in regards to housing.

### **Wages and Education**

The primary goal for a family is to earn enough money to purchase a home. San Antonio falls below many other cities in paying wages for its residents to live a lifestyle in which owning your home can become a reality. Eudaily (2012) reports, “The San Antonio area, which covers Bexar and seven surrounding counties, had 843,960 jobs as of the May 11 count that paid a median hourly wage of \$14.40. That’s \$2.80 an hour less than the median wage reported in Austin and Dallas and \$2.50 less than Houston’s. Nationwide, the median hourly salary, which is the wage at the midpoint of the overall wage listings, was \$16.57” (p.1). With lower wages, then the difficulty of having enough money saved for a down payment for a house and all the other fees cannot become a reality.



Additionally, educational attainment in San Antonio needs to become a reality for many families to earn higher wages. Eudaily (2015) reports about San Antonio's graduation rates, "The map showing where 18-24 year olds aren't graduating from high school concentrates on the downtown area and extends out to the southeast and southwest" (p.2). If students are not able to graduate with a high school diploma, then attending college is unlikely. The result is low wages and the American dream of owning a home becomes out of reach.

### **Colonias**

Colonias along the Texas-Mexico border are communities that are invisible. Many United States citizens that live in these communities want the American dream too. Residents living in colonias live in conditions such as:

- Economically Distressed Area
- Water or wastewater is inadequate
- Infrastructure is poor
- Lacks basic life necessities

(Texas Secretary of State, 2017)

Many residents in colonias purchase their American dream home through what is called "Contract for deed" as Quinton (2016) explains, " Unlike a mortgage, buyers don't get title to the property until they've completed their last payment. They have to maintain the property and pay property taxes, but they don't build any equity. They usually don't get a homeownership tax break, and if they miss a monthly payment they can lose the home and all the money they sank into it" (p.2). Selling the American dream with lack of basic necessities forms neighborhoods in dire need.

**Conclusion**

Home ownership in the United States is the American dream. In Texas, we can look around and see the disparities between locations, neighborhoods and people. Past practices have helped some and neglected others in obtaining a home. It's only by having honest discussions and at times uncomfortable can we begin to address home ownership for all.

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