

Homeownership: A Key to Wealth-Building



Homeownership

PATHWAY TO WEALTH CREATION



Presenter: Delegate Pam Queen
February 2021

“Land is the Source of All Wealth”

The Greater Metropolitan Association of Realtist (GMAR) - Nichelle McDuffie Hagins



Income
is not
Wealth

INCOME DOES NOT EQUAL WEALTH



Mike Makes
\$150,000 A Year

Investing

Budget

Side Hustle

Materialistic

At The End Of Every Year,
Mike Is Left With...
\$0



Adam Makes
\$50,000 A Year

Investing

Budget

Side Hustle

Materialistic

At The End Of Every Year,
Adam Is Left With...
\$20,000

BA

BUSINESSGAINS

AVG. HOURLY WAGES BY RACE / ETHNICITY & EDUCATION, 2018

Source: Economic Policy Institute





Benefits of Homeownership

- ❑ Homeownership strengthens families, stabilizes neighborhoods, creates jobs, and is important to the local, state and national economy
- ❑ Benefits to children with educational, health, and economic outcomes
- ❑ Homeownership creates wealth with tax deductions, equity, and use for business starts (*over 40% of small businesses start in the home*)

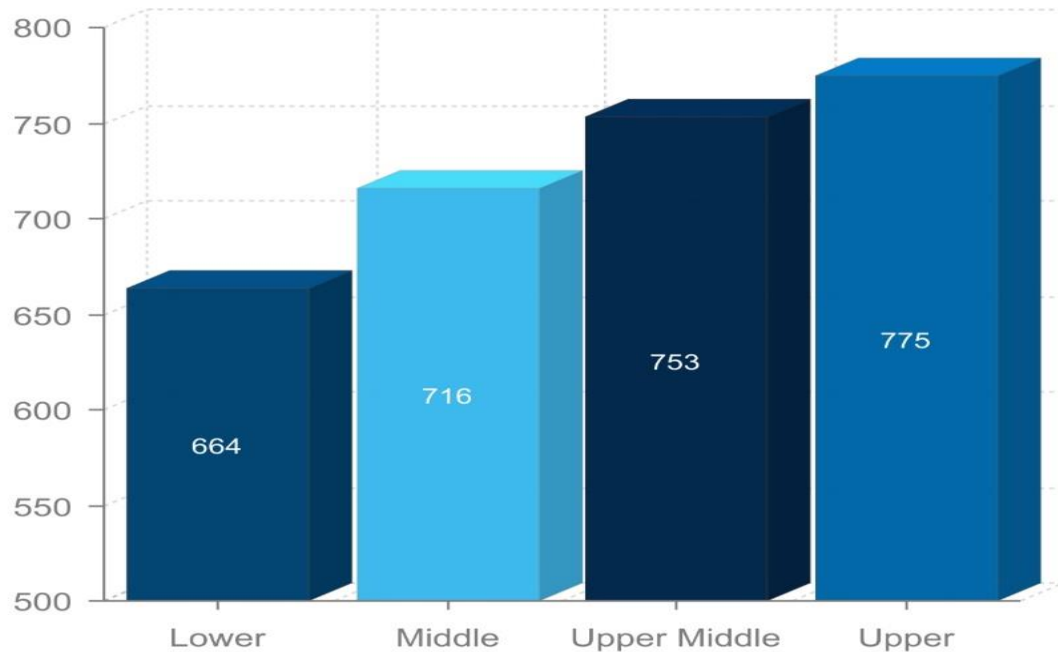


Homeownership in Maryland

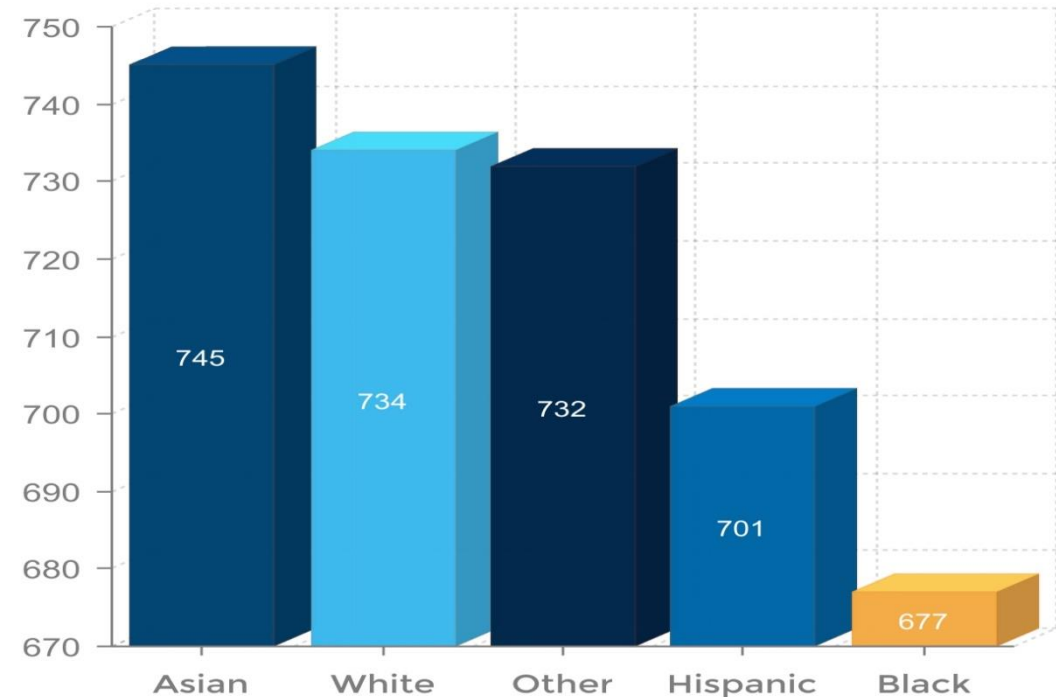
Race	Homeownership	Denials
White	76.8%	14.60%
Black	51.8%	30.33%
Asian	68.3%	22.95%
Hispanic	52.9%	22.20%

Low Wages Correlate with Low Credit Score

Average Credit Score By Economic Class

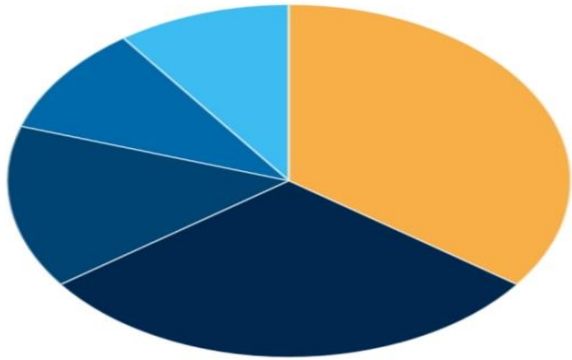


Average Credit Score by Race



Measuring Creditworthiness

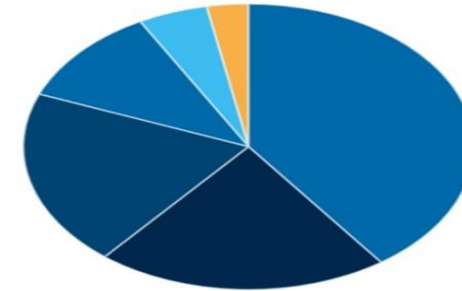
Ingredients of a FICO score



● Payment History	35.0%
● Amounts Owed	30.0%
● Length of Credit History	15.0%
● New Credit	10.0%
● Credit Mix	10.0%



Ingredients of a VantageScore



● Payment History	40.0%
● Age & Type of Credit	21.0%
● Percent of Credit Used	20.0%
● Total Balances/Debt	11.0%
● Recent Credit Behavior	5.0%
● Available Credit	3.0%



2021

Maryland
General
Assembly

Racial
Economic
Equity Agenda

Policy to Address Racial Wealth Disparities

- HB1213:** Alternate methods of creditworthiness (2/24 hearing)
- HB1178:** Tax-free Saving Account for down payment for homeownership (3/11 hearing)
- Increase Minority Business in State Contracting
- Increase Access to TEDCO Seed Funding for Minority Business
- Develop Equity Scorecard of Minority participation on Boards and Contracts

Maryland Mortgage Program

(mmp.Maryland.gov)





Priorities for State Legislators

Making Homeownership a Dream for All Marylanders