

Simmons Bank

Minority Homeownership:
Closing the Gap



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HMDA Data

Home Purchases By Age and Ethnicity (2022)

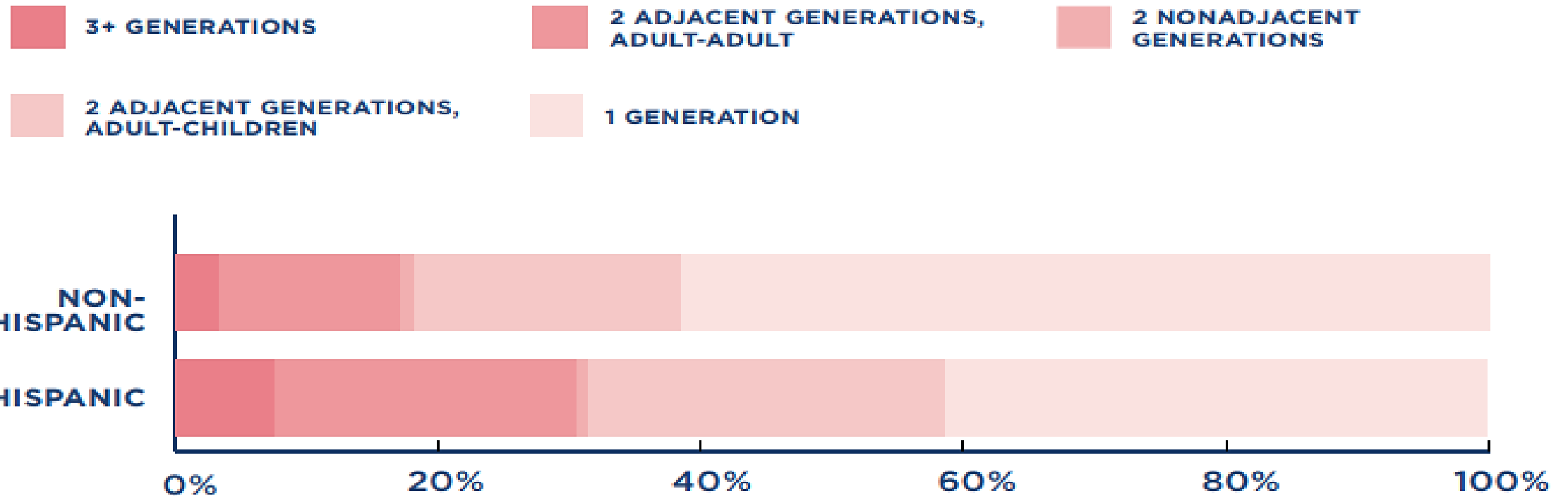


SHARE OF HOME PURCHASE ORIGINATIONS BY AGE AND ETHNICITY (2022)

	Non-Hispanic	Hispanic
<25	5.7%	7.1%
25-34	30.8%	34.1%
35-44	26.5%	28.5%
45-54	17.1%	17.6%
55+	19.8%	12.6%

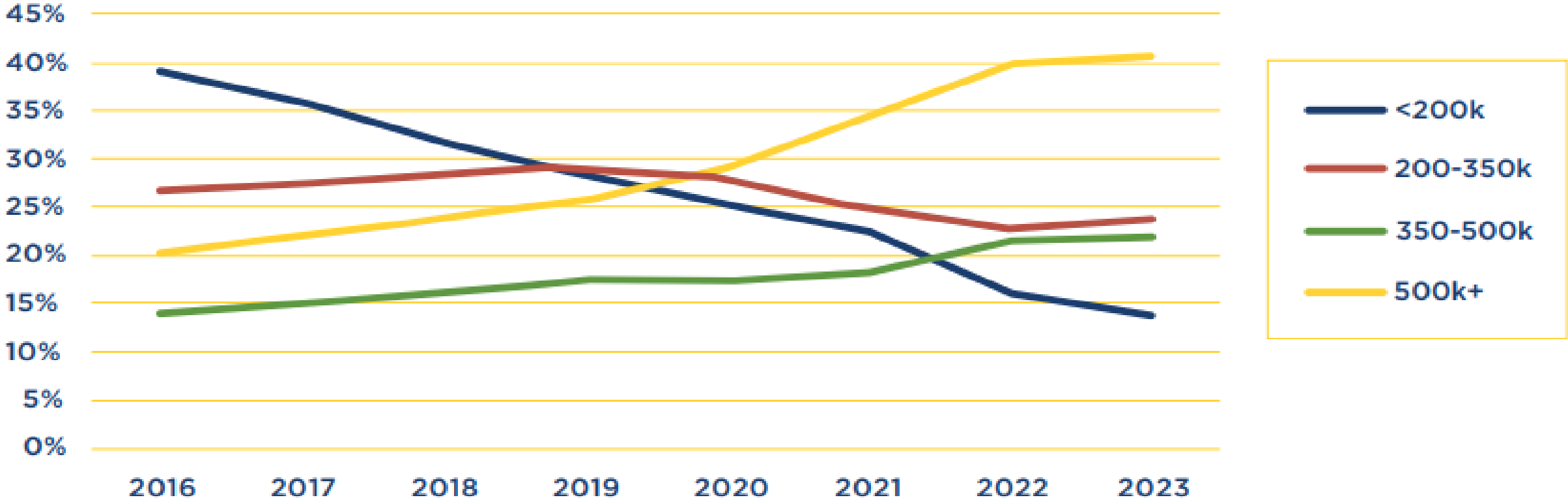
SOURCE: 2022 Home Mortgage Disclosure Act (HMDA) data for home purchase originations in 2022 by age and ethnicity.

HOUSEHOLD COMPOSITION BY GENERATION AND ETHNICITY (2022)



SOURCE: U.S. Census Bureau, American Community Survey 1-Year Estimates (2022) from IPUMS USA, calculations made in CensusVision.

SHARE OF HOMES FOR SALE IN THE U.S. BY PRICE (2016-2023)



SOURCE: Calculations made in partnership with Realtor.com® using annual national listings data.

TOP 25 OPPORTUNITY MARKETS BASED ON AFFORDABILITY

RANK	MARKET	AFFORDABILITY RATIO	CREDIT VISIBLE HISPANIC POPULATION
1	ST. LOUIS, MO-IL	1.87	52,000
2	ODESSA, TX	1.73	55,000
3	LAREDO, TX	1.42	126,000
4	MCALLEN-EDINBURG-MISSION, TX	1.38	390,000
5	BROWNSVILLE-HARLINGEN, TX	1.33	194,000
6	DETROIT-WARREN-DEARBORN, MI	1.3	114,000
7	NEW ORLEANS-METAIRIE, LA	1.29	68,000
8	EL PASO, TX	1.28	411,000
9	OMAHA-COUNCIL BLUFFS, NE-IA	1.28	52,000
10	TULSA, OK	1.25	51,000
11	CORPUS CHRISTI, TX	1.25	131,000
12	LUBBOCK, TX	1.24	58,000
13	INDIANAPOLIS-CARMEL-ANDERSON, IN	1.24	84,000

14	CLEVELAND-ELYRIA, OH	1.22	70,000
15	CHICAGO-NAPERVILLE-ELGIN, IL-IN-WI	1.21	1,200,000
16	GRAND RAPIDS-KENTWOOD, MI	1.2	49,000
17	PALM BAY-MELBOURNE-TITUSVILLE, FL	1.17	46,000
18	HARTFORD-EAST HARTFORD-MIDDLETOWN, CT	1.16	104,000
19	KANSAS CITY, MO-KS	1.16	105,000
20	BALTIMORE-COLUMBIA-TOWSON, MD	1.15	120,000
21	EL CENTRO, CA	1.14	91,000
22	OKLAHOMA CITY, OK	1.14	87,000
23	HOUSTON-THE WOODLANDS-SUGAR LAND, TX	1.12	1,400,000
24	SAN ANTONIO-NEW BRAUNFELS, TX	1.11	758,000
25	JACKSONVILLE, FL	1.08	108,000

SOURCE: Freddie Mac calculation using anonymized credit bureau data as of February 2023. Credit visible population represents U.S. consumers in the credit bureau data. SF Affordability Ratio is obtained by dividing maximum house price by moderate home value (80% of median home value) based on Freddie Mac Home Value Explorer data for January 2024. The calculation for the maximum house price is based on 2022 American Community Survey data, adjusted to 2023 levels using 7.6% average household income growth in CBSAs based on 2023 Area Median Income. It operates under the assumption that the front-end debt-to-income ratio would be limited to 31%, assuming they were obtaining a 30-year fixed-rate mortgage with a 3% down payment (mortgage rate as of January 2024 is 6.6%). A CBSA is considered affordable to its median-income Hispanic household if affordability ratio is greater than or equal to 1. Only CBSA with more than 50K credit-visible Hispanic population are shown.

MSA Data

Top 5 Markets: Investor Purchases (2023)



TOP 5 MARKETS WITH THE LARGE SHARE OF INVESTOR PURCHASES IN 2023

	SHARE OF HOMES SOLD TO INVESTORS IN...	
	2023	2022
San Jose-Sunnyvale-Santa Clara, CA	45.3%	39.6%
Los Angeles-Long Beach-Anaheim, CA	41.7%	37.5%
El Paso, TX	37.2%	33.1%
McAllen-Edinburg-Mission, TX	37.1%	34.4%
Atlanta-Sandy Springs-Roswell, GA	36.5%	39.5%

SOURCE: CoreLogic calculations using investor sales data for metropolitan statistical areas in 2022 and 2023.

Barriers of Homeownership



Credit

- Collections
- Multiple reporting of same collection
- Paid collections
- Lates and old derogatory items
- No active tradelines in past 2 years



Debt to Income Ratio

- Low income
- Too much debts
- Cosigner on loans/credit cards



High Interest Rates

- Discourage the listing of homes
- Reduced inventories
- Made it harder on buyers to qualify (DTI)
- Prequalifying for lesser loan amounts



Assets

- Insufficient funds to close



High Home Prices

Homes priced under \$200,000 are only 13.8% of homes on the market. The largest share of homes on the market was listed at \$500,000 or more

*Calculations - Made in Partnership with (NAHREP) Realtor.com® Using Annual National Listings Data

How can one bridge the gap and progress towards homeownership?



Introducing the 100% Advantage Home Mortgage

Owning a home can be easier than you think, especially with an Advantage mortgage from Simmons — now with 100% financing.

- No down payment
- No Private Mortgage Insurance (PMI)
- Not limited to first time homebuyers
- Flexible credit guidelines
- Seller contributions and gift funds allowed
- Income restrictions apply
- No investors allowed

You can own the home of your dreams, simply, easily and affordably. Find out more by asking an associate or visiting simmonsbank.com/advantagedfw.



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Subject to
credit approval.

NMLS #484633

The 100% Advantage Home Mortgage is offered to meet the needs of low and moderate income communities in the Dallas, TX and Fort Worth, TX areas in accordance with Simmons Bank's obligations under the Community Reinvestment Act (CRA) and Fair Lending laws. Speak with your local Simmons banker to find out what products are available in your area. Loan amount cannot exceed fair market value of the property.

Introducing the ITIN Advantage Mortgage.

Owning a home can be easier than you think, especially with an ITIN Advantage Mortgage from Simmons Bank. Designed for homebuyers who do not have a Social Security number, this program lets eligible borrowers apply using their Individual Taxpayer Identification Number (ITIN).



Fixed rate



10.01% down payment



No Private Mortgage
Insurance (PMI)



Available for one-unit
owner-occupied single-
family properties

Take the next step toward owning the home of your dreams. We're here to make it simpler, easier and more affordable. Find out more by asking an associate, or prequalify online at simmonsbank.com/ITINadvantage. Only available in select areas.

Questions? Reach out to me anytime.

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Member driven.
Community focused.

Homebuyer Equity Leverage Partnership (HELP) program. HELP assists income-qualified first-time homebuyers with up to \$20,000 in down payment assistance and closing costs.



The Texas State Affordable Housing Corporation (TSAHC) is a 501(c)(3) nonprofit organization that was created to serve as a self-sustaining, statewide affordable housing provider. TSAHC believes that every Texan deserves the opportunity to live in safe, decent and affordable housing.

Assistance Type	2% DPA	3% DPA	4% DPA	5% DPA
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NAHREP 2023 State of Hispanic Homeownership Report

“NAHREP urges FHA to create and use an easy financing mechanism for homebuyers to finance the gap between seller mortgage amounts and sales price. This would make loans more easily assumable by qualifying consumers who lack sufficient cash resources. Additionally, increasing allowable mortgage servicer fees for completing mortgage assumption packages will encourage more lenders to market this product.”

NAHREP 2023 State of Hispanic Homeownership Report

Rehabilitation: Rehabilitation loan programs can increase the availability of existing housing stock.

Support Housing Development: Incentivize states and localities to reduce zoning and regulatory barriers. Increase HUD's budget to increase program diversity to support homeownership.

Access to Credit: Expediting the implementation of new credit scoring models. Greater adoption of "cash flow" underwriting.

Protect homeowners from natural disasters: Ensure the availability of affordable homeowners' insurance

Support developers of color who build in their communities: Expand GSE racial equity programs - Providing developers of color with essential training and support. Improve access to federal development contracts.

Thank you



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Questions? Contact

<https://www.mysimmonsbank.com/nelson-leonor>