

experienced between 1990 and 2000? What is the relative importance of different factors, such as demographic factors (age composition and household composition of the population, cultural background, etc.); economic factors (income and wealth, interest rates, house prices and their appreciation); and public policy factors, in determining the changes in homeownership rates?

(iv) What changes were seen in the home value of owner-occupied homes over 1990–2000 (or some similar recent period)? What patterns may be discerned from the changes in home value? Was there greater home value appreciation in certain regions and locations? Did home value changes vary by the minority status of owner-occupants or the minority composition of the tract? Did these results hold after certain relevant factors were controlled for?

(v) How have recent changes in house prices (as measured by repeat sales and other house price indexes) affected the affordability of homeownership, in the nation as a whole, in particular regions and metropolitan areas, and for particular groups such as minorities and immigrants?

(vi) What have been the changes in homeownership in rural areas over the decade, 1990–2000? What have been the changes in home values in rural areas over 1990–2000? What factors explain these changes?

(vii) How has the geography of homeownership changed between 1990 and 2000? Has there been greater suburbanization of homeownership over this period? What was the nature of homeownership gains in our inner cities in terms of the types of homes owned, home values, and income and racial/ethnic characteristics of homeowners? (viii) Did minority homeowners live in more segregated or less segregated neighborhoods in 2000 than in 1990? How has the degree of integration changed over this period?

Many of these research topics could be addressed using the 1990 and 2000 Census data (short and long forms).<sup>6</sup> While homeownership data are available in the short form data, home value is available only in the long form data. Longer-term comparisons may be made using data from the Censuses before 1990. The Census data may be supplemented with other databases such as the Home Mortgage Disclosure Act (HMDA) data, the American

Housing Survey data (including the geocoded version of that database), or other national or local databases. Tract-level analyses may be conducted using these multiple databases. In addition, there are several available measures of house prices and their change that could be used for this analysis (e.g., NAR median house price series, Freddie Mac's repeat sales index, AHS and Census home value information).

(b) *Sustaining Homeownership and Wealth-Accumulation for Low- and Moderate-Income and Minority Families.*<sup>7</sup> While increasing numbers of low- and moderate-income and minority families have achieved the American Dream of homeownership, sustaining the Dream has sometimes presented enormous challenges. The difficulty in making mortgage, insurance, tax and utility payments on time has put many households on the brink of foreclosure or other hardship. Many benefits of homeownership such as gains from price appreciation accrue only after a certain period of sustained homeownership. Thus, ensuring that new homeowners can sustain their homeownership is integral to realizing the American Dream of homeownership as a public policy goal. Even with sustained homeownership, the wealth accumulated in home equity can be dissipated through refinances that overtap equity. In recent times, many households have engaged in such refinances, and often repeatedly. Low-income and elderly households are particularly affected by such transactions. Refinance counseling to educate homeowners of the possibility of erosion in accumulated wealth in the home through refinances is seen as necessary. Research related to sustaining homeownership for low- and moderate-income and minority families includes, but is not limited to, the following:

(i) What has been the recent experience of low- and moderate-income and minority households with respect to sustained homeownership? How many low- and moderate-income and minority households have sustained homeownership for several years?

(ii) Have low- and moderate-income and minority families built assets (wealth) through homeownership? Have refinances resulted in erosion of accumulated housing wealth? What has been the level of appreciation in the values of the homes that low- and moderate-income and minority households have owned for different time horizons (but at least eight years)?

How is the home value appreciation distributed across different locations (e.g., regional, urban versus suburban, neighborhoods) and population groups (e.g., different racial groups and their neighborhoods)? What are the policy implications of these developments?

(iii) What factors can be identified as being associated with sustained homeownership among low- and moderate-income and minority families? What is the relative importance of the socio-economic characteristics of these families, the role of institutions (such as special mortgage lending programs and homeownership and refinance counseling programs), and the state of the economy (local and national) in helping sustain homeownership among low- and moderate-income and minority families?

(iv) How many low- and moderate-income and minority households failed to sustain homeownership in spite of having wanted to remain homeowners? What were the causes of failure to sustain homeownership? Can failure to sustain homeownership be reliably predicted using available data sets?

(v) What housing adjustments and non-housing adjustments have homeowners, on the brink of losing their homes, made in order to sustain homeownership? Has housing counseling made a difference?

(vi) Are difficulties with sustaining homeownership associated more with certain types of mortgages? If so, are mortgage characteristics responsible for the difficulties; or are the characteristics of the households (who are more likely to use such mortgages), their housing units, or neighborhoods, responsible?

(vii) What role have non-profit organizations, such as Community Development Corporations (CDCs), faith-based organizations and HUD-approved counseling agencies<sup>8</sup> played in helping sustain homeownership? What types of programs of these institutions (such as financial counseling, job training, providing micro-finance and assistance with renovations) have been most effective in helping sustain homeownership?

Longitudinal panel data, such as the AHS (panel of non-mover sample), Survey of Income and Program Participation (SIPP), Panel Study of Income Dynamics (PSID) and the National Longitudinal Surveys (NLS), are examples of databases that could be used to address these topics. Other special purpose databases may also be available. Case studies on

<sup>6</sup> Applicants should take note of changes in minority categorization, metropolitan area specification, etc. that became effective with the 2000 Census.

<sup>7</sup> "Families" and "households" are also used interchangeably here.

<sup>8</sup> HUD-approved housing counseling agencies are listed on the Internet at <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm>.