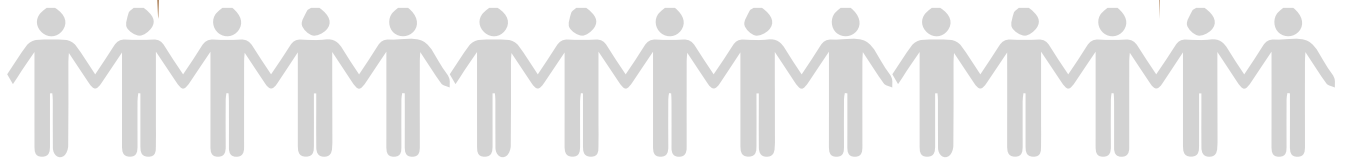




The One Hundred

The One Hundred will be 100 key and top community leaders and minority advocates from across the nation that will address the impact of the Great Recession, government policy and banking on People of Color.



REALIZING THE AMERICAN DREAM FOR PEOPLE OF COLOR

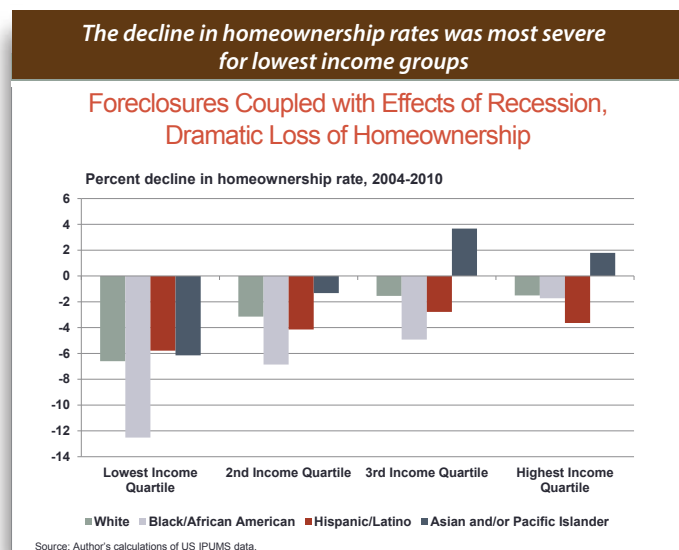
One hundred community leaders will advocate for a U.S. housing program that will reverse the subtle, but insidious actions that have destroyed the homeownership dream for many people of color, one that can be a nationwide model. It will incorporate government agencies, financial institutions and community organizations into a new kind of Marshall Plan. The plan will address the barriers and obstacles that minority families face today to enter the middle-class through homeownership and the associated wealth accumulation opportunity.

America's huge middle-class is largely a result of the regulatory finance reforms that followed the financial market collapse known as the Great Depression of the 1930's. These reforms shaped housing finance products, government housing agencies and government policies that subsidized and promoted homeownership. Thanks to this concerted effort, over 74% of white American families owned their own homes by 2004. Homeownership and home building in turn contributed substantially to the economic stability of our country. Unfortunately, homeownership gains were not evenly distributed to all sectors of society. Due to blatant discrimination and redlining by government, financial institutions, realtors and brokers, the homeownership rate for non-white families was a little over one-half that of white families during that same period.

The advocacy efforts of civil rights and social justice community organizations of the 1960's and earlier, chipped away at these unfair practices and produced anti-discrimination and fair housing policies as well as legislation that began to erode obstacles to minority homeownership. However, the greatest gains in homeownership rates were created by financial institutions that identified the minority communities as an untapped market with profits generated by segmented marketing efforts and prudent financial underwriting. Until the recent housing crisis and subsequent economic meltdown, minority homeownership rates were growing. Minority families were not only closing the housing gap, but, more importantly, were increasing their assets and closing the wealth gap. For 50 years low and moderate communities of color had been steadily contributing to the growth in GNP.

Unfortunately, the deregulation of financial institutions in the late 1990's changed market practices for the worse. The result has been the current "Great Recession" which negatively affected every community in this country. Minority communities, in particular, have been disproportionately affected. These communities, which were already the lowest on the economic ladder, were economically ravaged and financially decimated. The foreclosure rate for Latinos is 240% higher than that of whites; for African Americans it is 160% higher. Most disturbing is the loss of wealth for people of color. The Latino community lost \$177 billion in assets, while the African American community lost \$194 billion. Remarkably, the collective wealth of those two communities, that took 60 years to accumulate, was lost in the span of just over 2 years.

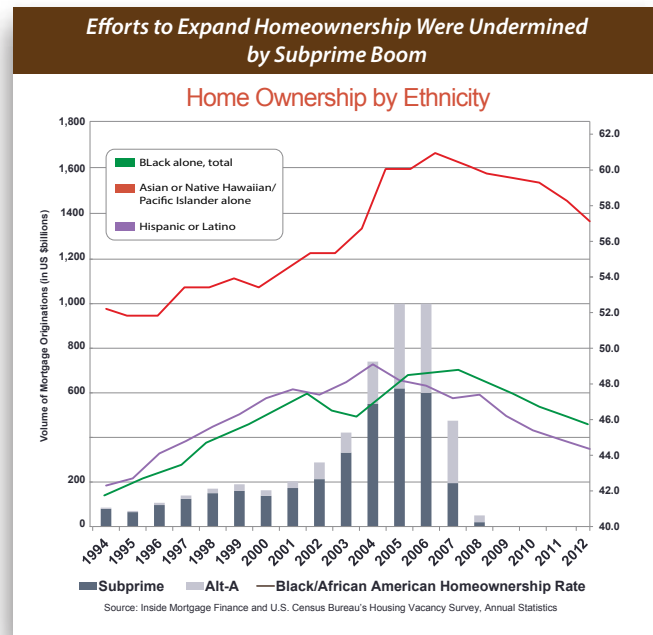
The European Recovery Plan following WWII, popularly known as the Marshall Plan after General George C. Marshall, then Secretary of State, is a public/private model that can be used to address the housing crisis. The Marshall Plan was a large scale American and Canadian collaboration to aid Europe and help rebuild its infrastructure and economies. By the end of WWII, much of Europe was devastated; Allied



and German bombing had badly damaged most major cities' housing stock. In Germany alone, five million homes were destroyed; millions of people were living in refugee camps subsisting on aid from US programs. In just four years, the Marshall Plan turned bombed and cratered neighborhoods into thriving communities. The plan did this by targeting housing stock and infrastructure development. It was a primary contributor to the economic recovery of Europe. The current German Bank KfW, which originated with the Marshall Plan, remains today as a securitizing resource for Germany's housing market, and is also an agent for the implementation of green planning in the German construction market.

The "Monday morning quarterbacking" and our zeal to find miscreants and evildoers that created the financial crisis have demonized banks, but there were many players that contributed to this crisis. Financial institutions certainly contributed their share, but federal housing agencies and banking regulators are equally blameworthy if not more so. Ironically, some right-wing conservatives are attempting to lay the blame for the economic crisis on the homeownership advocacy policies that community organizations championed, conveniently overlooking the greed that overcame common sense and created irresponsible financial schemes that permeated all elements of our society. Today, federal agencies seem to be retreating from supporting the American Dream by promoting the building of low income rentals at the expense of homeownership support. Even President Obama has clouded the issue going so far as to state, "Let's be honest homeownership is not for everyone".

Granted, homeownership has never been for everyone. In today's globalized world, homeownership may not be the best investment for the young, childless, need to be mobile, high-earning professional. But for others – lower income individuals, families with children, single parents, among others -- asset accumulation through homeownership will continue to be this country's primary avenue for climbing out of poverty and joining middle-class America. For moderate and lower income families, especially minorities, homeownership is still and will remain the major vehicle towards wealth accumulation. Stable, long-term low-rate mortgages on reasonably priced housing stock are a time-tested formula. It worked from the Great Depression through the late 1960s and early 1970s. It can work again!



Two major impediments we must overcome is the lack of long range planning and the current reactionary approach to solving the housing crisis. Today, most community, financial and government institutions are concentrating resources on immediate issues such as foreclosures, speculation and pursuing egregious profiteers for past unlawful or unethical predatory lending practices. However, this overemphasis on the effects and symptoms of the housing crisis clouds the vision of new opportunities: to increase homeownership.



Proactive comprehensive strategic planning for a sustainable housing policy should now include other issues, such as:

- The societal sense of anomie and despair that a failed housing policy has created
- The exorbitant student loan debt accrued by too many college graduates which inhibits their future ability to purchase a home.
- Unsustainable consumer debt and the predatory, “loan shark” practices which support it.
- Attention to “green” building strategies. For example, in the Central Valley (in California), solar panels can relieve the intense heat, relieve the high summer air-conditioning bill, contribute to the State’s energy grid during peak usage, and stimulate the local economy with jobs.

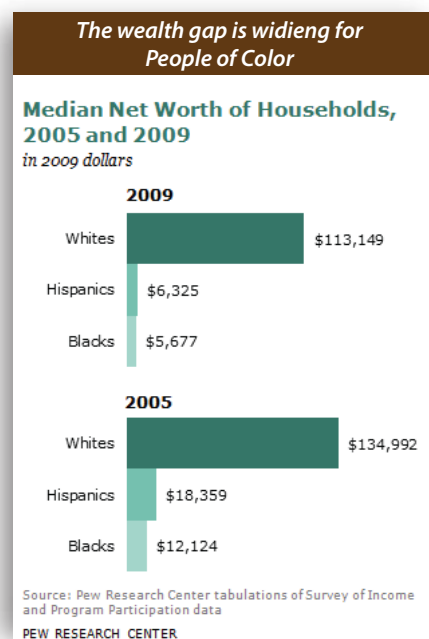
The One Hundred have already begun laying the foundation for this project by convening a select group of community, government and financial leaders in April 2011. The event was co-hosted by the Federal Reserve Bank in San Francisco. This initial meeting to discuss impediments to homeownership was attended by John Trasviña(,) (Assistant Secretary of HUD), Scott Turner(,) (Vice President of the Federal Reserve Bank), and representatives from Wells Fargo, Citibank, Bank of America and nonprofit community leaders. There was unanimous agreement that a coordinated response was needed to address the crisis in homeownership and a commitment was made to continue meeting.

California Community Builders (CCB), The Greenlining Institute and members of the One Hundred followed-up by organizing a housing symposium entitled, Reviving Homeownership: Restoring Access to the American Dream for Communities of Color. It was hosted (in Los Angeles) by the Federal Reserve Bank on April 19, 2012 in Los Angeles. The objective was to bring together 100 housing leaders. Two hundred attended and many would-be attendees had to be turned away! Thomas Curry, FDIC Director and Presidential nominee for the Comptroller of the Currency, gave the morning keynote address. Edward DeMarco, the acting director of the Federal Housing Finance Agency, widely considered the national “housing czar”, was the lunch time keynote speaker. Panelists from Boston Community Capital and Waypoint Homes shared innovative financial strategies for homeownership while non-profits shared lessons learned from ground zero of the housing crisis.

The One Hundred intend to research societal factors which inhibit homeownership. We will build a coalition of progressive financial institutions, community leaders and enlightened legislators to address the issue and promote new policies. We will also specifically address the disproportionate impact minorities have suffered – loss of homes, loss of capital and assets, the widened economic chasm between the rich and poor, and the lack of faith in the viability of our economic system.

The ruin that has laid waste to the wealth of people of color is so egregious that a demand for reparations would be easily justifiable. However we are not so naive as to believe that it would be politically viable or expedient. Only bold actions can reverse this financial devastation. These must include multiple fronts such as the implementation of thoughtful regulation, sound financial products and effective lending processes with wide accessibility to consumer oriented banks which will allow more families to enjoy both the promise and benefits of the American Dream.

Demographic trends indicate that People of Color are ever increasingly becoming the backbone of our economy; therefore, the future prosperity of the United States is at stake!



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