Special Purpose Credit Programs

A Tool for Greater Equity

PARTNERSHIP for FINANCIAL EQUITY

December 2023

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Introduction

Rewind to 1976. Congress amended the Equal Credit Opportunity Act (ECOA) and Special Purpose Credit Programs were born. Except they weren't really.

A little-noticed, and even more rarely used, section of ECOA allowed this exception for programs designed to provide a way for financial institutions to meet the special credit needs of people who have been impacted by lending discrimination, systemic racism, and redlining, according to the National Fair Housing Alliance (NFHA).

ECOA prohibits discrimination in credit on the basis of race or national origin, among other factors. However, ECOA also states that it does not constitute discrimination for a for-profit organization to extend credit offered pursuant to a Special Purpose Credit Program in order "to meet special social needs" or for a nonprofit to administer a "credit assistance program" for its members or an "economically disadvantaged class of persons" (collectively "SPCPs"). Congress ensured that these programs permit consideration of prohibited bases such as race, national origin, or sex in order to "increase access to the credit market by persons previously foreclosed from it."

This exception in the ECOA for Special Purpose Credit Programs (SPCPs) was indeed a response to the pervasive discrimination and exclusion that Black and other communities of color faced in accessing credit and financial services. ECOA was designed to prohibit discrimination in lending based on race, color, religion, national origin, sex, marital status, age, or the receipt of public assistance. Regulation B, which implements the Equal Credit Opportunity Act, provides more context for SPCPs.

These Special Purpose Credit Programs are intended to provide a way for financial institutions to address the systemic discrimination and exclusion that has long prevented many borrowers of color from accessing credit on equal terms. By providing targeted credit and financial services to communities and borrowers of color, these programs aim to promote financial inclusion and equity and to help bridge the gap between white borrowers and borrowers of color.

Despite this initial promise of Reg B, however, the implementation and effectiveness of Special Purpose Credit Programs has been disappointing. Overall, far too few SPCPs have been set up since 1976 and many have been too limited in scope. A tool that holds so much promise has largely been left in the toolbox undisturbed.

SPCP Campaign and Role of the National Fair Housing Alliance

"It needed greater visibility", said Lisa Rice, President and CEO of the National Fair Housing Alliance (NFHA). "We started asking questions of both banks and fair housing organizations and most were not aware of Special Purpose Credit Programs. Something needed to change."

NFHA is the country's only national civil rights organization dedicated solely to eliminating all forms of housing and lending discrimination and ensuring equal opportunities for all people. As the trade association for over 170 fair housing and justice-centered organizations and individuals throughout the United States and its territories, NFHA works to dismantle longstanding barriers to equity and build diverse, inclusive, well-resourced communities.

NFHA staff met with regulators beginning in 2018 knowing that clear communication from them would be key to convince risk-averse legal counsel at financial institutions to act. Lenders were avoiding establishing SPCPs because they were being advised by their prudential regulators that SPCPs might violate the Federal Fair Housing Act.

In 2020, CFPB issued an Advisory Opinion "to address *regulatory uncertainty* [emphasis ours] regarding Regulation B, which implements the Equal Credit Opportunity Act, as it applies to certain aspects of special purpose credit programs designed and implemented by for-profit organizations to meet special social needs."

In November 2020 NFHA and Relman Colfax PLLC, a national civil rights law firm, released a paper entitled Special Purpose Credit Programs: *How a Powerful Tool for Addressing Lending Disparities Fits Within the Antidiscrimination Law Ecosystem.* That paper was released and NFHA called on HUD to issue guidance on the matter. Later, the Mortgage Bankers Association (MBA) joined NFHA in submitting a joint letter asking HUD to issue guidance.

One year after the NFHA/Relman Colfax paper, in December 2021, HUD's Office of General Counsel did so. HUD broke the legal logjam and issued "Guidance on the Fair Housing Act's Treatment of Certain Special Purpose Credit Programs That Are Designed and Implemented in Compliance with the Equal Credit Opportunity Act and Regulation B."

"We know that the HUD guidance opened the doors for the development of SPCPs because lenders have told us so," said NFHA CEO Lisa Rice.

In February 2022, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Consumer Financial Protection Board (CFPB), the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Justice, and the Federal Housing Finance Agency published an interagency statement regarding SPCPs.

NFHA has continued to be at the center of efforts to promote and expand access to Special Purpose Credit Programs. In June of 2022, NFHA and the Mortgage Bankers Association (MBA) launched an online toolkit to help lenders develop Special Purpose Credit Programs for underserved communities. By highlighting the unique credit needs of borrowers of color and the barriers they face in accessing credit, NFHA and MBA have helped to create a sense of urgency around the need for targeted credit and financial services.

People-based and place-based

Special Purpose Credit Programs can be either people-based or place-based or a blend of both. Placed-based strategies include identifying geographic areas that have been underserved or redlined. According to the Urban Institute, "because of the continued prevalence of neighborhood racial segregation in many US cities, place-based SPCPs could reduce the racial homeownership gap. But there's a challenge to this solution: no place is homogenous, so place-based programs that seek to increase Black homeownership will inevitably benefit some borrowers who are not Black and leave out some Black borrowers who are struggling to become homeowners."

Many proposed SPCPs would direct assistance toward historically redlined neighborhoods. But Black people are only the third-largest racial group—behind white and Latine people—in redlined areas (Urban Institute), and those Black residents make up only 8 percent of the total Black population in the US.

People-based SPCPs, where a borrower of a protected class is targeted, may be a more effective way to close the Black-white or Latine-white homeownership gap because they enable lenders to direct a program exclusively toward Black or Latine borrowers.

Black and Latine borrowers consistently face large denial rate gaps. Our recent Mortgage Lending Matters report with the Woodstock Institute underscores this persistent trend. In 2021, white borrowers had a 9.5% denial rate in the Commonwealth while Black borrowers were denied for a mortgage loan 18.2% of the time and Latine borrowers 15.4%. In the city of Boston, the gap was even more pronounced with whites having a denial rate of 7.5%, Black borrowers at 21.8% and Latine borrowers at 18.3%.

Supreme Court decision on affirmative action in education

"We are trying to expand the pie and expand access," said Stacy Seicshnaydre, Vice Dean for Academic Affairs at Tulane Law School. "The question is 'who gets to be included when the pie expands?"

Professor Seicshnaydre was speaking at NFHA's 2023 National Conference in July, drawing a distinction between a certain fair housing remedies and the recent Supreme Court decision striking down affirmative action policies at Harvard and University of North Carolina. Others will disagree with some conservative groups going so far as declaring *all* corporate Diversity, Equity and Inclusion programs "illegal" in the wake of the June 29th ruling.

While nothing is certain in today's conservative judicial environment, the legal authority for Special Purpose Credit Programs is clear. Congress specifically carved out this exception in ECOA back in 1976. Lending is not a zero sum game like college admissions. As Professor Seicshnaydre and other leading experts point out, expanding the lending pie is demonstrably different than the *Students for Fair Admissions, Inc.* decision.

Brad Blower, attorney and advisor to the National Community Reinvestment Coalition and the Homeownership Council of America writes on this same subject.

"Crucial to understanding why SPCPs remain constitutionally permissible in the wake of *Students for Fair Admissions, Inc.* is the reason Congress legally sanctioned them in the first place. In 1976, Congress amended the Equal Credit Opportunity Act (ECOA) to provide that it was not discrimination for a 'profit-making organization to meet special social needs' by offering SPCPs which follow standards prescribed by regulation. The legislative history of the amendment made it clear that Congress intended to allow credit programs that preferred disadvantaged classes to expand access. This history includes favorable references to for-profit lending programs targeted to persons in protected classes who had traditionally been denied access to credit. In 1977, the Federal Reserve Board (FRB) outlined a few basic requirements for an SPCP in ECOA's implementing Regulation B, namely, (1) that the program must be established and administered pursuant to a written plan 'that identifies the class of persons that the program is designed to benefit and sets forth the procedures and standards for extending credit pursuant to the program,' and (2) the program is established to provide credit 'to a class of persons, who, under the organization's customary standards of creditworthiness, probably would not receive such credit or would receive it on less favorable terms than are ordinarily available to other applicants[.]' In its commentary, the FRB also required that SPCPs must state a 'specific period of time for which the program will last or contain a statement regarding when the program will be reevaluated to determine if there is a continuing need for it.'"

"**These legislative and regulatory details set SPCPs fundamentally apart from the substance and logic of the Court's recent ruling**. The purpose of SPCPs is to redress discrimination, rather than to promote diversity, which was the interest at issue in the affirmative action case. The educational affirmative action programs challenged in *Students for Fair Admissions, Inc.* did not have Congressional findings and detailed regulatory requirements that support their continued constitutional viability. SPCP's do. Congress determined there was a compelling government interest in SPCPs to expand access to credit for the disadvantaged. Subsequent regulations and regulatory guidance have mandated that such programs must be documented, supported by data and limited in duration as part of their design and monitoring — thus fully meeting the Supreme Court's strict scrutiny standard. That standard, as recently reiterated by the Court, is that there must be a compelling government interest and that the government action must be 'narrowly tailored' to achieve that interest."

Examples of SPCPs

In this paper, we will look at model people-based Special Purpose Credit Programs from two local institutions, Eastern Bank and the Federal Home Loan Bank of Boston, and two place-based programs offered by JP Morgan Chase nationally. In addition, we will summarize several other programs offered by lenders, mostly in other areas of the country. Finally, we end with a series of recommendations.

Eastern Bank's *Equity Alliance for Business*

Offered in collaboration with Ascendus, Black Economic Council of Massachusetts, Center for Women & Enterprise, Interise, Massachusetts LGBT Chamber of Commerce, and Mill Cities Community Investments.

Eastern Bank launched Equity Alliance for Business, including a Special Purpose Credit Program to enhance its credit solution, in March 2023 after a couple of years of research and planning. Karl Renney, Eastern's Senior Vice President and CRA officer, is on the board and immediate past chair of the Partnership for Financial Equity.

Eastern Bank's focus on community banking, customized solutions, corporate social responsibility, and greater economic inclusion and mobility has made it a leader in reaching small businesses in Massachusetts. But Abby Nguyen-Burke, a Senior Vice President and Team Leader of the Equity Alliance for Business team at Eastern Bank, knew the bank could do even more. In her role, she oversees a dedicated team of business bankers who specialize in serving women and minority-owned businesses in the bank's footprint and reflect the business owners they serve.

As a first-generation Vietnamese-American, Abby helped her father with his small business while she was growing up. "As an immigrant, my father had the opportunity to work in a printing shop and learned all the skills to eventually open his own shop. For over 20 years, he was the go-to printing company for the Vietnamese community in the Greater Boston area, printing menus, business cards, wedding invitations and more. Growing up I was tasked to help him with translating materials, responding to customers, helping with invoices and more. Through this experience, I saw my dad waking up early, coming home late, and working on the weekends. He was the end-all of every issue and decision for the company."

Operating with the support of Eastern's top corporate leadership, she was able to assemble a diverse team of four business bankers devoted exclusively to the Equity Alliance for Business initiative. Nguyen-Burke knew it was important to have a diverse representation of people who are "really rooted in the community," on her team and who understand the systemic inequities within the banking system, she told the Boston Business Journal in March. Their goal would be to "counteract the systemic inequities that women and people of color have faced for generations, including those that are driven by banking institutions."

They believed this new program stood at the intersection of opportunity and need. Women- and person of color-owned businesses represent 33% of all companies in New England with higher average deposits and loans. They also knew that business loan declination rates are higher for Asian, Latine and Black-owned businesses.

The new program seeks to meet the needs of business owners with 51% or greater ownership by women or people of color in all their intersectionality, including the as well as LGBTQIA+, veterans, or disabled communities, who may not qualify for access to capital with traditional underwriting standards. It has specialized credit products with creative underwriting for business with cash flow protection and features memoranda of understanding with community collaborations to allow for character-based lending.

Eastern Bank's Special Purpose Credit Program is available to businesses of all sizes, in all phases excluding startups, with two available loan levels: loans up to $100K and loans between $100-250k with a 5-year loan term and fixed interest rate.

Already the program is making an impact.

Karla Morales, Owner and Founder of Bohio Clean and Co-Founder of Your Home Detox, was the first business owner to secure a loan through Equity Alliance for Business. She identifies as nonbinary, and her business is a womxn- and Latine-led, earth-friendly, commercial and residential cleaning platform transforming the cleaning industry to be a pathway to freedom and sustainable living wages.

She says, "Before applying to Equity Alliance for Business to receive a loan, I had been looking at other financing solutions and was consistently denied. With a very small percentage of all capital going to small businesses like mine led by queer, BIPOC womxn, getting assistance has been challenging. I am really thankful to benefit from a solution trying to create more opportunity for business owners like me." Morales plans to use the term loan she received for day-to-day business operations, such as managing payroll, purchasing new cleaning equipment, and investing in sales and marketing.

Eastern understands resources such as specialized credit programs designed to address systemic inequities, specially trained bankers, and financial tools and community partnerships are game-changing in opening up much-needed opportunities of support for entrepreneurs and business owners.

Federal Home Loan Bank of Boston's *Lift Up Homeownership*

Federal Home Loan Bank of Boston (FHLBank Boston) set aside $2.5 million for the June 2023 launch of Lift Up Homeownership, a pilot program that provides down-payment and closing cost assistance to people of color purchasing their first home in any of the six New England states. The program is available to New England financial institutions that are members of FHLBank Boston.

Through Lift Up Homeownership, FHLBank Boston member banks and credit unions apply to the program to receive up to $250,000 in grant funding on a first-come, first-served basis to be offered to people of color earning up to 120% of the area median income who apply for a mortgage. Homebuyers who complete a homebuyer counseling program are eligible to receive up to $50,000 for down-payment and closing-cost assistance.

For Kenneth Willis, Senior Vice President and Director of Housing and Community Investment at FHLBank Boston and initiator of this effort, Lift Up Homeownership represented the culmination of a multi-year effort that began with a pitch to the FHLBank Boston management team and board of directors.

George Floyd's death in 2020, and the critical conversations about race and systemic inequities that emanated from it, spurred Willis to explore new avenues that he could use on a professional level as a leader at FHLBank Boston to help. He began researching SPCPs, which eventually led him to propose a plan that was supported by FHLBank Boston's board of directors and management.

Willis and his team developed the program based on a familiar model, FHLBank Boston's long established and successful Equity Builder and Housing Our Workforce programs, which serve income-eligible homebuyers in New England regardless of color or ethnicity. However, this program would be different and target specifically Black or African American, American Indian or Alaska Native, Native Hawaiian or Pacific Islander, Asian, and Hispanic or Latino households.

FHLBank Boston partnered with the Joint Center for Housing Studies of Harvard University to analyze racial homeownership and wealth gaps in New England during the design and implementation process of Lift Up Homeownership. The analysis, which relied on the U.S. Census Bureau's American Community Survey estimates from 2015 to 2019, revealed that the racial homeownership gap is more pronounced in New England than it is in the rest of the country.

Across the U.S., 47% of households headed by people of color owned their home compared to 72% of white households, a 25-percentage point gap. In New England, the gap is greater than 30 percentage points. After the research – which included legal and regulatory analyses – was completed, FHLBank Boston's board of directors unanimously approved the development of a program that allows FHLBank Boston to provide enhanced down-payment and closing-cost assistance to people of color.

"If we want to make a significant difference in the racial homeownership and wealth gaps, we need innovative programs such as Lift Up Homeownership," said Symone Crawford, Executive Director of the Massachusetts Affordable Housing Alliance and board member of Partnership for Financial Equity.

When the homebuyer enrollment process for Lift Up Homeownership kicked off in July 2023, it took only two hours for a community bank to commit its entire pool of $250,000 in program funding to eligible homebuyers. Overall, the $2.5 million in grant program funding was fully subscribed in just 48 hours.

What's next for Lift Up Homeownership? Its success is already evident. Over 90 bank and credit union lenders throughout New England participated in this pilot. Fifty-one homebuyers of color, 20 of whom were Black and 20 were Latine (ten were Asian and one was American Indian/Alaskan Native), in all six New England states received Lift Up Homeownership grants to help them purchase their first home.

These results show why programs like Lift Up Homeownership are so critical; progress on closing the racial homeownership gap can only be made when organizations and people of good conscience partner together to understand the challenge, follow a well-thought out process, provide funding, and innovate. FHLBank Boston's board and senior management are pleased with the overwhelming interest in Lift Up Homeownership and are gathering feedback on how to improve the pilot program.

JP Morgan Chase Special Purpose Credit Programs

When looking at liquid wealth among U.S. small business owners, the JPMorgan Chase Institute found that Black and Hispanic small business owners have a lower level of starting wealth, which may mean these founders are less able to invest in their businesses and generate meaningful wealth. Research also found that programs targeting low-income or majority-minority neighborhoods could be particularly helpful for Black and Hispanic business owners, who typically start firms with less cash, which may limit their opportunities for wealth creation.

In November 2022, Chase announced the national launch of a SPCP to improve access to credit for small business owners in historically underserved areas. The program is the first of its kind to be offered for small business owners nationally and one of many initiatives Chase has introduced to expand small business relationships, drive inclusive economic growth and increase access to credit for minority small business owners in a sustainable way.

"Access to capital has historically been disproportionally challenging for small business owners who live and work in communities of color," said Ben Walter, CEO, Chase Business Banking. "We want to do our part to create more parity by saying yes to more business owners in these areas so they can grow and thrive, and their communities can benefit in turn."

The program is geography-based, allowing the bank to target capital to the areas that need it most. The goal of the program is to extend credit to small business owners who might not otherwise be approved or receive it on less favorable terms. Customers do not need to do anything special to qualify. If the business is located in an eligible area, then the application will be evaluated under the program.

Chase began piloting the program in Dallas, Detroit, Houston, and Miami early in 2002 and expanded it to 21 cities in July of 2022. It is now available for businesses in majority Black, Hispanic and Latino neighborhoods across the U.S.

The small business SPCP follows the success of the bank's 2021 announcement to double the Chase Homebuyer Grant program. Chase first rolled out the $5,000 Homebuyer Grant in 6,700 predominantly Black census tracts across the country in 2021. In 2022, Chase expanded the grant to over 5,000 Hispanic communities in 20 markets across the country. In 2023, Chase has expanded the grant to additional communities in the following markets: Atlanta, Austin, Baltimore, Charlotte, Denver, Fort Lauderdale, Fort Worth, Las Vegas, Minneapolis, New York, Orlando, Riverside (CA), San Antonio, San Diego, Tampa, and Washington, D.C.

Cerita Battles, head of the Chase community and affordable lending team, told CNBC she believes lenders need to play a proactive role in working to reduce lending disparities.

"Absolutely yes. We should be a part of the solution," Battles said.

Other SPCPs Around the Nation

Rocket Mortgage - Rocket offers Purchase Plus, an SPCP aimed at those in eligible census tracts within one of six metropolitan statistical areas (MSAs): Atlanta-Sandy Springs-Roswell, Georgia; Baltimore-Columbia-Towson, Maryland; Chicago-Naperville-Elgin, Illinois-Indiana-Wisconsin; Detroit-Warren-Dearborn, Michigan; Memphis, Tennessee-Mississippi-Arkansas; and Philadelphia-Camden-Wilmington, Pennsylvania-New Jersey-Delaware-Maryland. For existing residents in the above areas, eligible homeowners can receive a base credit of $5,000. Rocket Mortgage contributes an additional lender credit of 1% of your home's purchase price – up to $2,500. Homes purchased utilizing the program can be anywhere and are not limited to specific census tracts.

Bank of America - Bank of America offers a mortgage solution for first-time homebuyers that offers a bank-provided down payment and no closing costs. The Community Affordable Loan Solution is available for properties in Black/African American and Hispanic-Latino communities, as defined by the U.S. census, in Charlotte, Dallas, Detroit, Los Angeles and Miami. The Community Affordable Loan Solution uses credit guidelines based on factors such as timely rent, utility bill, phone and auto insurance payments. It requires no mortgage insurance or minimum credit score. Individual eligibility is based on income and home location. Anyone from any race or ethnicity is welcome to apply.

Movement Mortgage - Movement Mortgage offers up to $8,000 toward down payment and closing costs for residents living in one of the following eligible markets: Atlanta-Sandy Springs-Alpharetta, GA; Baltimore-Columbia-Towson, MD; Chicago-Naperville-Elgin, IL-IN-WI; Detroit-Warren-Dearborn, MI; Memphis, TN-MS-AR; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.

TD Bank - TD Home Access Mortgage provides prospective buyers in Black and Hispanic communities across several markets within the Bank's footprint with a mortgage option, including a $5,000 lender credit which does not require repayment, that borrowers can use for closing costs or toward a down payment on a home purchase. It also offers more flexibility with a greater debt-to-income (DTI) ratio and expanded underwriting requirements, as well as credit parameters that increase accessibility.

Guaranteed Rate - Guaranteed Rate's program provides a minimum of $5,000 down payment and closing cost assistance and up to an additional 1% of the sales price or $3,000; it is currently available for first-time homebuyers in specific regions of six metropolitan areas — Atlanta, Baltimore, Chicago, Detroit, Memphis, and Philadelphia — census tracts determined according to US Census data. Eligible homebuyers can use the assistance toward a purchase anywhere in the country.

Wells Fargo - In April 2022, Wells Fargo announced a SPCP focused on lowering interest rates for customers who are refinancing. In 2023, the bank expanded that effort to include purchase loans. This $150 million investment will reduce the costs for individuals in underserved communities looking to refinance or buy a home, helping more Black and Hispanic families achieve homeownership.

Conclusion and recommendations

Banks and community groups have been slow to embrace Special Purpose Credit Programs. Banks in Massachusetts and throughout New England are behind the rest of the country in understanding how these programs can be transformative. Of the twelve SPCPs highlighted in the NFHA and MBA Toolkit, most are not currently available in Massachusetts. We applaud Eastern Bank, FHLBank Boston for leading locally on SPCPs.

Next year is the fiftieth anniversary of ECOA's passage in 1974 and the environment has never been better for a full-scale acceptance of this important tool to address racial discrimination in the United States. Three years removed from George Floyd's murder and the torrent of corporate commitments to address racial disparities in all aspects of American society, Partnership for Financial Equity stands ready to assist lenders and community organizations as they research and launch SPCPs. We believe that SPCPs, properly funded, can be an integral tool to narrow racial wealth gaps in our region.

We need to be intentional if we are going to close that racial homeownership gap and we need to be bold in our intentionality. SPCPs are an equity-driven solution signaling that intentionality.

We have three main recommendations for those institutions considering a Special Purpose Credit Program.

- *SPCPs should be truly "special"*. SPCPs should be a responsive banking product that is less costly, and provides greater benefit to the borrower than other existing products offered by the institution.

- *Transparency is key*. Partnership for Financial Equity has a long and proud history of reporting on targeted lending products dating back to our founding in 1990 and we believe periodic and comprehensive data reporting on the race and ethnicity of borrowers served through a SPCP will be necessary to assess the success of these programs. We stand ready to play that role with any lender offering a SPCP in New England.

- *Nonprofit partnerships will ensure success*. Financial institutions shouldn't go it alone. Building and leaning in to strategic partnerships with community-based nonprofits will be essential to reaching and gaining the trust of target borrowers.

About Partnership for Financial Equity

We are a partnership of financial industry professionals, community leaders and government officials dedicated to closing racial wealth gaps and improving the financial futures of low- and moderate-income households.

We started in 1990 as the Massachusetts Community & Banking Council (MCBC) to provide a forum for Massachusetts financial institutions and community organizations to meet and share information with the goal of affecting positive change in the availability of credit and financial services in traditionally underserved communities across the Commonwealth.

We have a proud history as the sponsor of *Basic Banking for Massachusetts*, the first voluntary statewide low-cost checking and savings account program established in 1994. In 1999, we developed the anti-predatory lending campaign, *Don't Borrow Trouble* that was adopted by Boston Mayor Thomas Menino and later by Freddie Mac. For over twenty-five years we have produced high-quality research reports on home mortgage lending and small business lending patterns. Those reports led to the passage of the Mortgage Lender Community Investment law in 2007 as Massachusetts became the first state in the nation to cover independent mortgage companies for community reinvestment activities.

About MassHousing

MassHousing is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than $27 billion for affordable housing. In 2018, MassHousing and DHCD established the Racial Equity Advisory Council for Homeownership (REACH), a public-private working group that seeks to narrow the racial homeownership gap through demand- and supply-side strategies.