

EDITORIALS • COMMENTS • OPINIONS

A Boost For The American Dream

By Charlene Crowell
NNPA Columnist

About 800,000 homeowners whose mortgages were backed by the Federal Housing Administration (FHA) could save \$900 annually on mortgage costs, due to a small reduction in mortgage insurance (MI) premiums. President Barack Obama made the announcement in a recent speech in Phoenix, one of the cities hardest hit by the nation’s housing crisis.

By reducing the MI rate by only a half-percent, the move is also expected to enable 250,000 new homebuyers to afford an FHA mortgage. Administration officials predict that in coming years, the fee reduction will save borrowers with similarly-financed mortgages billions of dollars and also boost the housing market’s long-term recovery.

In his address, the president connected the financial concerns of everyday people to his new initiative designed to spur broader housing recovery.

“It’s not just the economy turning around,” said President Obama. “It’s turning around the lives of hardworking people. . . . Buying a home has always been about more than owning a roof and four walls. It’s about investing savings, and building a family.”

The move is also likely to benefit consumers of color who tend to secure FHA-backed mortgages far more than private, conventional ones. In 2013, the most recent mortgage data available from the Home Mortgage Disclosure Act, although conventional mortgage originations rose slightly from the previous year, 2012, Black consumers nationwide received only 2.3 percent or 36,903 loans. In 2012, the same data point was even smaller, with only 26,500 such

loans.

To add some context to this low number of private, conventional mortgages, the Chicago suburb of Calumet City with a population of 37,240 is larger than the number of loans made to the nation’s Black homebuyers last year.

Typically, 30-year conventional mortgages are free from mortgage insurance premiums when home down payments are 20 percent or larger. Over the course of the loan, these are the mortgages that wind up costing borrowers less money.

By contrast, borrowers who can afford a monthly mortgage payment but only have a low down payment have frequently turned to FHA. One term on these government-backed loans is to charge a mortgage insurance premium.

Housing and consumer advocates were swift to praise the president’s announcement.

Mike Calhoun, Center for Responsible Lending (CRL) president said, “This decision is financially sound, socially responsible, and good policy all at once. Homebuyers, homeowners and taxpayers will all benefit.”

Similarly, Julia Gordon, Director of Housing Finance and Policy at the Center for American Progress, noted, “The president correctly observes that owning a house is about far more than putting a roof over your head. It’s also about stability and community for you and your kids – creating a place to call home. What’s more, for many families, homeownership builds wealth that can be passed down for generations.”

Yet, not all housing stakeholders were in

agreement. In a prepared statement issued on the heels of the president’s address, the U.S. Mortgage Insurers issued a statement that, in part, said, “Mortgage insurers putting their own capital at risk should be preferred to government risk taking, consistent with the principles put forward by the Administration for housing reform. The MI industry has the capacity and capability to further reduce taxpayer risk and lower costs for many home buyers while expanding access to mortgage credit.”

While this segment of the housing industry may have the capacity to lower costs for many prospective homebuyers, the post-recession consumer experience did not translate into more mortgage access. The combination of higher pricing for lower-wealth borrowers, along with historically-tight credit standards dramatically limited access to homeownership for low to moderate-income borrowers and continued to pose a serious challenge to the mortgage market as a whole.

Limiting home purchase opportunities also has larger economic consequences. New homeowners fuel consumer spending, especially on big-ticket appliances. These major purchases then enhance local governments’ ability to deliver services as a result of higher sales tax revenues.

Most importantly, lost opportunities for homeownership means fewer families will have the opportunity to have that investment build wealth to pass down across generations.

As President Obama observed, it is time to help “more families afford having their own piece of the American Dream.”

Is Obama Trying To Kill Black Colleges? (Part II)

By George E. Curry
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Few things irk me more than hearing someone say or imply that now that we have a Black president, perhaps the time has come to abolish Historically Black Colleges and Universities (HBCUs). I have zero tolerance for such ignorance.

HBCUs are being held to a different standard than other universities that target certain communities. Because Jews and Catholics were refused admission or subjected to quotas at major universities, they established their own institutions. That’s why we have the University of Notre Dame in South Bend, Ind., the College of the Holy Cross in Worcester, Mass. and the Catholic University of America in Washington, D.C. for Catholics.

Brandeis University in Waltham, Mass. says on its website that it was “founded in 1948 by members of the American Jewish community.” Like HBCUS, these schools did not restrict enrollment to Catholics or Jews. HBCUs have always welcomed White students and faculty members on campus.

The belief that we should pay our respect, have a proper funeral and send our Black colleges off to a graveyard for relics simply because Barack Obama is president is preposterous. In 1960, John F. Kennedy was elected president amid questions of whether America was ready to elect its first Catholic president. JFK won but no one declared that it ushered in an era of post-religious bigotry. No one said, “Now that we have elected a Catholic as president, Notre Dame and Holy Cross have outlived their usefulness.” If universities established because of religious bigotry have not outlived their usefulness, why should HBCUs be put out to pasture?

There are 106 accredited HBCUs, 47 of them public.

According to the White House Initiative on HBCUs, Black colleges award more than 35,000 degrees each year. In Mississippi, HBCUs handed out 37 percent of the degrees awarded to African Americans in the state, followed by Louisiana (36 percent), North Carolina (34 percent), Arkansas (31 percent), Maryland (25 percent) Alabama and South Carolina (23 percent each), Tennessee (19 percent), Georgia (18 percent), Texas (13 percent) and Florida (9 percent).

As Secretary of Education Arne Duncan said in a speech last September, “Too many Americans are unfamiliar with the staggering accomplishments of HBCUs. Most of America’s civil rights giants were educated at HBCUs – Dr. King, W.E.B. DuBois, Rosa Parks, Booker T. Washington, and Thurgood Marshall.

“In our time, Jesse Jackson, Andy Young, Barbara Jordan, Congressman John Lewis, Marian Wright Edelman, and Doug Wilder all earned their degrees at HBCUs. Legendary artists and authors came out of HBCUs – Ralph Ellison, Alice Walker, Zora Neale Hurston, Langston Hughes, and Toni Morrison.

“Yet what is most impressive about the HBCU record is not just your famous alumni. It is that HBCUs, working with meager resources, almost single-handedly created an African-American professional class in the face of decades of Jim Crow discrimination.”

Duncan continued, “Even, more than a half-century after the demise of Jim Crow laws, HBCUs continue to have an outsized impact in educating Black professionals. We have over 7,000 institutions of higher education across the country, 106 of which are HBCUs. But in 2010, HBCUs still awarded a sixth of all bachelor degrees and professional degrees earned by African Americans in the U.S.”

At a time, when its projected that we won’t have enough college graduates to meet our future needs, it would be foolhardy to diminish a pool of institutions that have proven their value over the years.

While the Obama administration is saying the right things, HBCUs are approaching death by a thousand cuts. Pell grants were reduced by Congress in 2011, making students eligible for 12 semesters instead of 18. That will hurt Black students who, on average, take longer to complete their undergraduate education.

Without consulting HBCUs, the Obama administration made changes in the Parent PLUS loans three years ago that made it more difficult for parents with less than stellar credit to obtain a loan. By some estimates, that change, which has since been modified, caused up to 20 percent drop in enrollment at HBCUs.

And now the proposal for the federal government to pay for the first two years of community college, a move that is certain to harm HBCUs. It would have been better to offer to pick up the tab for the first two years at any public university.

Some Black college presidents are reluctant to criticize the proposal publicly for fear of falling in disfavor with the White House. The head of some higher ed organization are carefully picking their words because they represent community colleges as well as HBCUs. And some people are hiding behind the time-worn excuse, “the devil is in the details.” In this case, the community college proposal represents the devil for the continued existence of HBCUs. And because we have our first Black president or have other conflict of interests, not too many people have the temerity to say it.

As one educator told me privately, Dr. Martin Luther King, Jr. must be rolling over in his grave.

World Is Indifferent To Missing Nigerian Girls

By Julianne Malveaux
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One could not help but be impressed by the millions that turned out in Paris to stand against the Islamist terrorists who killed workers at the French satirical magazine Charlie Hebdo and four others at a kosher grocery store. Two law enforcement officers were also killed, bringing the total to 17.

About 40 heads of state and more than a million others crowded into Republique Square; even more rallied around France. In total, it is estimated that 3.7 rallied for freedom. They wore shirts and carried signs that said, “I am Charlie.” Some said, “I am Muslim and Charlie” or “I am Jewish and Charlie.” Those crowds transcended race, religious and political lines.

President Obama got mixed reaction to his not attending the solidarity rally. Ambassador to France Jane Hartley, someone with much less status, represented the United States. Critics said the president could at least have sent Vice President Joe Biden; Attorney General Eric H. Holder was in Paris and could have attended. The president may be doing something much more substantive by convening a summit on world terrorism at the White House in February.

I wonder if these gatherings will address terror in Nigeria, where the Islamic terrorist group Boko Haram abducted 276 girls, and still holds 219. A hashtag campaign, #BringBackOurGirls was joined by First Lady Michelle Obama, former Secretary of State Hilary Clinton, British Prime Minister David Cameron and others. Few of the 40 who rallied in Paris have ever mentioned the abducted girls and

those terrorists who took them. Indeed, the abducted girls have all but disappeared from the headlines and from the public consciousness.

The girls were abducted on April 14, 2014. Since then, our attention has been riveted by other news from the African continent, as the Ebola virus killed thousands (we in the U.S. were mostly focused on our handful of casualties), and as ISIS has escalated its activity around the globe. While some have forgotten about the Nigerian girls, many have not. Obiageli Ezekwesili, a former Nigerian government official who is now vice president of the World Bank’s Africa Division, has been among those continuing to focus attention on the girls.

People fear that Boko Haram may have sold the schoolgirls into slavery, forced some into marriage, or killed others. Given the fact that Amnesty International, the International Committee of the Red Cross, and the UN Security Council have decried the Islamist militant terrorist group, it is alarming that the world community has been so indifferent to the plight of the abducted young girls. Some of the indifference does not start with the world, but in Nigeria. Will Goodluck Jonathan, the Nigerian president who is running for reelection, mention the girls at all before February, when voting takes place? Or, has the fate of 219 kidnapped girls been forgotten?

Demonstrations have taken place daily in Abuja, Nigeria’s capital, despite the fact that the police have ordered these demonstrations to stop. Meanwhile, Boko Haram continues its terrorist plundering in Nigeria, destroying villages and towns in the northeast part of the country and killing thousands. It

is estimated that they have destroyed more than 3,700 structures – homes, churches, and public spaces. Tens of thousands of Nigerians have fled to bordering Chad because they fear for their lives.

I don’t know if it would be effective for world leaders to rally in Abuja to pressure Boko Haram to return the girls. I don’t know if T-shirts or signs saying, “We Are the Nigerian Girls” would do much more than direct attention back to these young students whose hopes and dreams have been stomped on by irrational terrorists. I don’t know if it would make a difference if Nigerians all over the world came together to demand return of the girls. I don’t know the efforts of feminists around the world would make a difference.

I do know that about 219 Nigerian girls are gone, and a terrorist group is responsible for taking them. I know that they are reputed to be affiliated with Al-Qaeda and with ISIS. I know that while the world has rallied to show solidarity in the fight against terrorism in France, there has been no such gathering to show solidarity in the fight against terrorism in Nigeria. I don’t know (and I might be misinformed) if offers to help contain or eliminate Boko Haram have been made by the world community.

The war against terrorism has been embraced in Paris, with millions there, and thousands in the rest of the world, taking it to the streets to express their outrage. Where is the outrage for the more than 200 Nigerian girls? Nine months after they have been snatched from their school, who remembers? Who cares?