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A PATHWAY OUT OF THE SHADOWS

Evaluating Affordable Housing Solutions For Immigrant Communities

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Executive Summary

Suppose you are an immigrant living in New Jersey determined to find the highest quality housing for your family. You understand what research already proves: homeownership represents an important opportunity for you and your family to accumulate wealth. Consequently, as you begin considering housing options, you focus on a basic question: how can I safely purchase a home to better my family?

The question is simple enough. Owning a home is part of the “American Dream”; however, there’s just one problem: the path to homeownership can be incredibly complicated to navigate for any American – let alone foreign-born Americans.

In fact, you would be dismayed to discover that not only is it exceptionally difficult to secure affordable mortgage products, but also it is extraordinarily challenging to properly prepare for homeownership as an immigrant. When you attempt to save for down payment and closing costs, you realize the conventional financial service and lending

industries have not adapted to accommodate your unique needs. Additionally, when you try to establish credit, you discover that the process to build credit as a foreign-born American is beyond difficult and frustrating.

In short, securing housing is one of the most significant challenges immigrants face. Sometimes, immigrants choose to settle with family on either a temporary or permanent basis. Often they will settle in a particular area because they have family there or because there are people from their home country who can provide a support system and ease the transition. No matter how many people you know, finding a place to live in, let alone a home to purchase, will be difficult.

In an effort to better understand the challenges immigrants face when attempting to attain homeownership, this report examines trends in immigration and homeownership throughout New Jersey.

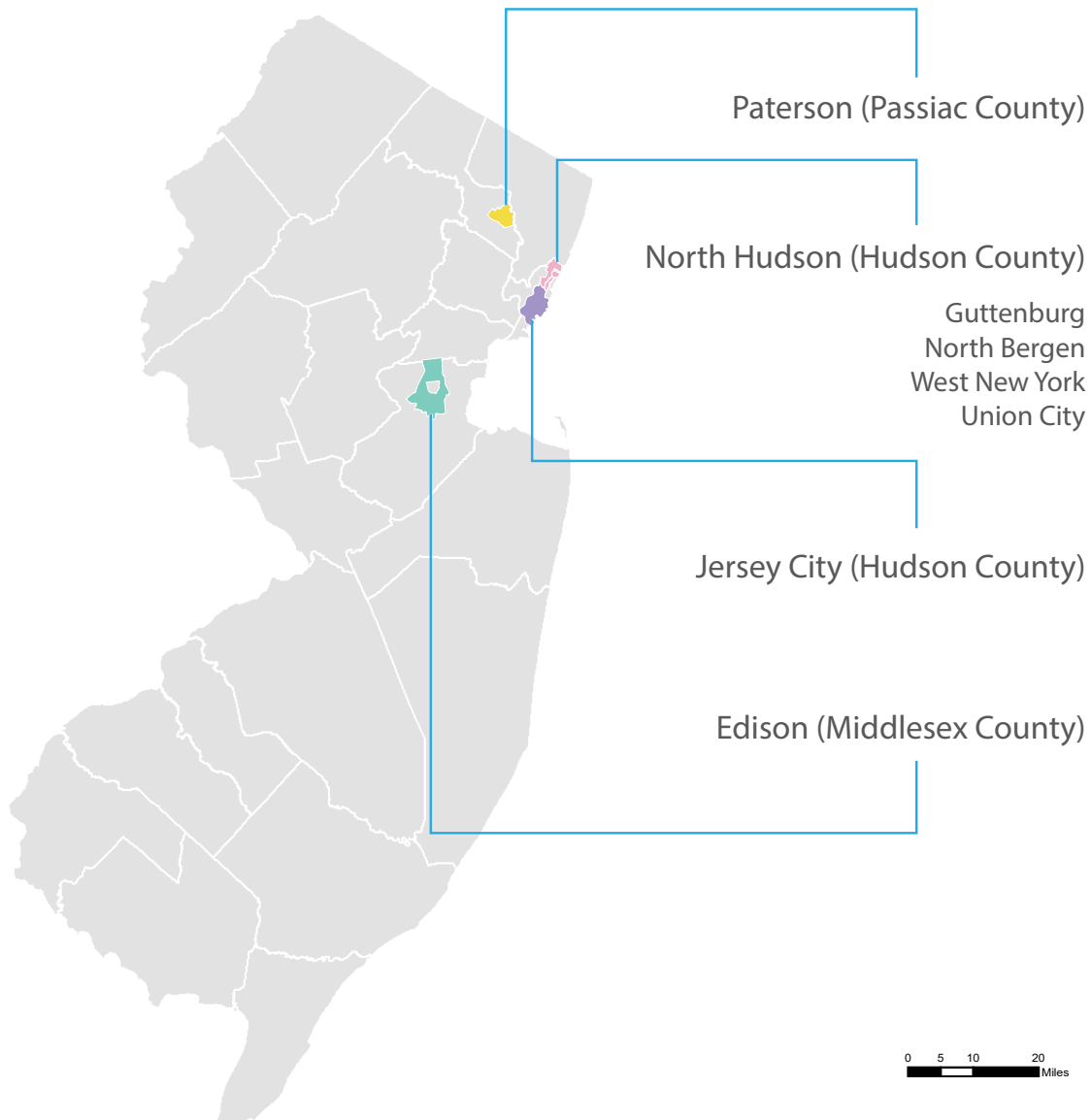
Study Overview

This report is the product of an extensive research effort spanning all of New Jersey. It reflects outreach to over 50 community-based organizations (CBOs) and credit unions; it includes the analysis of over 125 US Census and FFIEC (Federal Financial Institutions Examination Council) data tables; and it has benefited from the insight of more than 20 local community organizations who participated in interviews and surveys, significantly shaping the findings and recommendations of this report.

Our goal in preparing this report is not simply to present information and demonstrate the immensely understated impact immigrants have in New Jersey, but to provide financial

institutions, community-based entities and other engaged organizations with a tool to help them design better, more effective strategies to connect immigrant populations with affordable housing resources.

To better understand the challenges immigrants face in securing housing, we identified four target communities to conduct 'on-the-ground' research. The four communities included in the study, Edison Township, Jersey City, Paterson and North Hudson County, all have very high concentrations of immigrants. These four communities range in size, geographic location, demographic make-up and housing stock, which reflect the diverse nature of New Jersey.



Research Findings

Immigration Is Significantly Shaping New Jersey's Population and Economy. While immigration is far from the only factor that is contributing to population and economic activity in New Jersey, it is taking an increasingly prominent role in shaping the state's economy and social fabric. Foreign-born individuals now make up more than 1 in 5 Garden Staters.¹ The foreign-born share of New Jersey's population rose from 12.5% in 1990, to 17.5% in 2000, and to 21.6% in 2013, according to the U.S. Census Bureau.² New Jersey is currently home to nearly 2 million immigrants – approximately 21% of the population.³

Homeownership Continues to Represent An Important Opportunity for Individuals and Families of Limited Means to Accumulate Wealth. In light of the most recent financial crisis, a 2013 study conducted by the Joint Center for Housing Studies at Harvard University reassessed whether homeownership is still an effective method of wealth creation for families of limited means. The answer is yes. The study found that although homeownership involves risk, there continues to be strong support for the association between owning a home and accumulating

wealth.⁴ Homeownership long has been central to Americans' ability to amass wealth; even with the substantial decline in wealth after the housing crisis, the net worth of homeowners over time has significantly outpaced that of renters, who tend, as a group, to accumulate limited wealth.⁵

The Intersection: Immigration and Homeownership. With these two central concepts in mind, immigrant mortgage programs have the potential to positively affect large portions of the immigrant population in New Jersey. As this growing demographic continues to be largely underserved in the state, providing financial opportunities to immigrant families can better integrate these communities. Case studies involving ITIN lending also reinforce this notion. As we have noted, in the areas that do provide loans to undocumented immigrants the outcome has been resoundingly positive. Lenders are able to generate profit while providing homeownership opportunities to immigrants.

This presents a critical imperative to financial institutions

¹ American Immigration Council. "New Americans in New Jersey: The Political and Economic Power of Immigrants, Latinos, and Asians in the Garden State."

² Ibid

³ 2014 American Community Survey.

⁴ Herbert, Christopher E., Daniel T. McCue, and Rocio Sanchez-Moyano. "Is Homeownership Still an Effective Means of Building Wealth for Low-Income and Minority Households? (Was It Ever?)." Joint Center for Housing Studies, Harvard University, Sept. 2013. Web. 31 Mar. 2016.

⁵ Ibid

in the state. As immigrant populations grow, banks and credit unions will be unable to ignore the financial needs of these communities. As our site visits and key interviews show, many of these immigrant clusters are tied to local CBOs and they tend to promote the services of CBOs through word of mouth after an organization gains their trust. Therefore, financial institutions that begin the process of creating products and services for ITINS will be at a distinct advantage.

Recommendations

1 Create strong ties between CBOs (Community Based Organizations) and lenders to improve the financial industry. CBOs service a host of immigrants in their respective communities. Due to this, they have intricate knowledge of the immigrant communities and the specific needs that they have. Furthermore, since many CBOs already have an established connection within the community, they can serve as a valuable source of lead generation for the financial services offered by the financial institution. Banks and credit unions should also consider efforts to address the lack of sufficient financial knowledge within immigrant communities. As we learned through our interviews, some of the CBOs are not focused on immigrant lending and some lack the knowledge of the current financial climate to accurately advise their constituents. We recommend that banks and credit unions fill this gap by providing key information about finances.

2 Educate lenders on the evolving demographics and immigrant misperceptions. Our interviews highlight that there is considerable skepticism on the part of lenders to provide loans to undocumented immigrants. We recommend that lenders evaluate research (including ours, past research and case studies) to understand how current positions and policies concerning immigrants preclude lenders from profiting from this demographic.

Given current immigration trends and projections, banks and credit unions have the opportunity to service a population that is significantly underserved. Moreover, there are unwarranted misconceptions regarding these immigrant populations. Representatives from financial institutions and CBOs cited that one of the reasons there is hesitation to serve ITINs stems from the fear that immigrants carry a large amount of risk and may default on their loans. Overall, we learned from case studies and key interviews that immigrants are likely to pay off loans quickly for many reasons, one of which is to maintain a clean record.

3 Build trust within immigrant communities through outreach and education initiatives. As we have found, breaking into the knit of these immigrant communities is essential but challenging. Nevertheless, an integral step for financial institutions is to seek out immigrants in the community (preferably in conjunction with CBOs) and demonstrate value to these communities. There are a number of financial institutions that we interviewed that provided education and outreach to the community. Some of these institutions were also cited by CBOs during our interviews, showing how working with immigrants in the community can foster a network among immigrants, financial institutions, and CBOs. From our research, we learned from CBOs that immigrants tend to be wary of

financial institutions and lack the knowledge to comfortably navigate the system. Banks and credit unions can alleviate this uneasiness by providing better accommodations to these communities. This can come in the form of education programs and seminars, services and marketing material offered in the immigrant language of origin, as well as having bank personnel with ties to the community

4 Engage in direct, personal, grassroots outreach with immigrant communities. Marketing to immigrant communities cannot be passive. Interviews with CBOs outlined the challenges associated with gaining the trust of the immigrant communities. Information generally spreads via word of mouth in several of these communities. Therefore, much of the outreach must happen on the ground within in community. We recommend that financial institutions accomplish direct, grassroots outreach through local campaigns and community engagement.

5 Make immigrants bankable. One of the major first steps in tapping into this underserved market is to make undocumented immigrants bankable. Our interviews highlighted a number of financial institutions that did provide basic financial services to ITINs. The two-factor I.D. policy has been effective for these specific communities and can be adopted by other institutions across the state. Additionally, providing alternative forms of credit checks such as paid cell-phone bills can encourage many

immigrants to turn towards more traditional forms of banking. We recommend that banks and credit unions begin to institute policies that allow for immigrants who may be limited by lack of an SSN to use banking services.

6 Explore ITIN mortgages. Case studies suggest that ITIN lending is a profitable endeavor for financial institutions. We recommend banks and credit unions in New Jersey begin planning policies and practices to facilitate ITIN mortgages. As our research shows, there are some immigrant communities that are ready and able to afford mortgages. In order to access this market, banks and credit unions should put the mechanisms in place to service this need. The important first step would be to gain a better understanding of the current market for ITIN lending, not only in terms of the profit from keeping these loans on the books, but also the secondary market of selling the loans to other lenders.

7 Get community leaders involved. During our research, we aimed to gain insight from community leaders. However, due to a variety of factors, we did not gain much interaction with many. Involving community leaders can enhance community engagement and accelerate outreach efforts. We recommend that financial institutions work in conjunction with CBOs to incorporate community leaders in their effort to reach as many immigrants in the community as possible.

Introduction

This report assesses trends in immigration throughout New Jersey while focusing principally on the relationship between the distribution and concentrations of immigrants, the credit needs of these 80 to 120% AMI (Area Median Income) immigrant communities, and the availability of housing and financial resources and services within these communities.

Our goal in preparing this report is not simply to present information and demonstrate the immensely understated impact immigrants have in New Jersey, but to provide financial institutions, community-based entities and other engaged organizations with a tool to help them design better, more effective strategies to connect immigrant populations with affordable housing resources.

The report is in response to an effort by New Jersey Community Capital (NJCC) to increase sustainable homeownership opportunities for middle and moderate income households and immigrant families across New Jersey. Many immigrant communities in New Jersey continue to lack access to basic financial services that have become essential to nearly all facets of a household's daily life. Access to mortgage financing has been proven to be a critical component of a household's ability to produce generational wealth. By partnering with credit unions and housing counseling agencies, NJCC is developing a centralized platform to better serve immigrant communities by helping to alleviate the lack of access to mortgage credit and affordable consumer credit products.

While immigration is far from the only factor that is contributing to population and economic activity in New Jersey, it is taking on an increasingly more prominent role in shaping the state's economy and social conditions. Foreign-born individuals now make up more than 1 in 5 Garden Staters.¹

The foreign-born share of New Jersey's population rose from 12.5% in 1990, to 17.5% in 2000, and to 21.6% in 2013, according to the U.S. Census Bureau.² New Jersey is currently home to nearly 2 million immigrants – approximately 21% of the population.³

A thorough understanding of immigrant communities is critically important for anyone working to connect immigrants with homeownership opportunities. Data on those communities can help to promote strategic thinking about the past, present and future of communities and suggest specific strategies and programs to address challenges. In some cases, strategies may be designed to stimulate the market – either by targeting the market directly or by taking steps to reduce barriers to accessing basic financial services – or in other cases, to address credit gaps that exist in the communities served. The findings of this report, however, clearly indicate that the need to build stronger relationships with immigrant communities is becoming more urgent as immigrants continue to shape and challenge the conventional approaches utilized by housing-oriented organizations and lending institutions in providing quality housing.

In an effort to better evaluate availability of and accessibility to affordable housing and affordable mortgage products, four communities with high concentrations of foreign-born populations were identified. These communities include:

- Edison
- North Hudson County (Guttenberg, North Bergen, West New York, Union City)
- Paterson
- Jersey City

¹ American Immigration Council. "New Americans in New Jersey: The Political and Economic Power of Immigrants, Latinos, and Asians in the Garden State."

² Ibid.

³ U.S. Census Bureau, American Community Survey 2009-2014: 5-Year Estimates

This Report Contains Five Sections:

1. Literature Review:

The Literature Review provides a survey of articles, books and other sources (case studies, current practices, etc.) relevant to housing and immigration, and sets the stage for the more detailed analysis to follow.

2. Trends Among Immigrants

Trends Among Immigrants presents information on trends, including both broad medium-term trends over the past two decades (2000 to 2011), as well as more recent trends on the national, state and local levels.

3. Community Profiles

The Community Profiles section provides a profile of each selected community and includes interviews with key staff of these nonprofit organizations, public entities and other community-based organizations. These four communities provide opportunities for an integrated provision of marketing and community services leading to these immigrant communities securing banking services and credit products, including the provision of affordable mortgages for sustainable homeownership.

4. Findings

The Findings section provides a detailed analysis of the results from this research study. Results are based on objective findings consistent with field studies and interviews with key individuals in the field.

5. Strategies and Next Steps

The Strategies and Next Steps section offers a series of implementation strategy recommendations that support possible policy outcomes that outline how NJCC and its partners could help expand affordable housing services in immigrant communities.

Literature Review

The purpose of this literature review is to provide a critical overview of existing research and practices related to immigration and housing. More specifically, this section draws upon six streams of literature on immigrants and housing to examine the availability of affordable housing options within immigrant communities. These research streams include: advantages and disadvantages of homeownership, access to financial services, NJCC's mortgage platform, population trends, existing policy framework, and finally, case studies and current practices.

Advantages and Disadvantages to Homeownership Among Immigrants

The State of New Jersey Consolidated Plan of 2010-2014 is a strategic effort "to provide quality, affordable housing to New Jersey's residents while protecting open space and furthering economic development."⁴ The plan addresses a variety of topics pertinent to housing and community development in New Jersey, including, but not limited to availability and supply of affordable housing; improvements to existing affordable housing stock; homeownership opportunities for low and moderate income households; access to services for homeless and special needs individuals so they can find affordable and permanent housing; and promotion of fair housing practices and education to the public regarding the need for affordable housing.⁵

The Consolidated Plan is primarily a response to the lack of affordable housing available in New Jersey and the adverse effect this shortcoming has on the economy and minority populations. It specifically highlights the State's responsibility in addressing discrimination in regards to affordable housing. With the help of the New Jersey Housing and Mortgage Finance Agency (HMFA), the New Jersey Department of Community Affairs (DCA) outlines the objectives and projected outcomes of the Plan, as well as an extensive analysis of demographics and housing in New Jersey. When considering nativity and language, "19.8% (8.6 million) people were foreign-born" and "9.9% of New Jersey's population is U.S. citizens by naturalization."⁶ The Plan divides this data on the foreign-born population further

by revealing, "Hudson County had the largest foreign-born population which was, 40% of the entire county." When analyzing languages spoken in the state, 52% of foreign-born individuals did not speak good English.⁷

One of the most significant findings from the analysis conducted by the DCA and presented in the Consolidated Plan is related to the prevalence of housing problems among low and very low income minorities in New Jersey. The Plan cites,

"Households with incomes up to 50% of AMI have the greatest housing needs. In 2000 more than 73.9% of very low-income renters (0 to 30%) and 76% of low-income renters (31 to 50%) faced some type of housing problem (overcrowded or lack

⁴ United States. Department of Community Affairs. State of New Jersey 2010-2014 Consolidated Plan. New Jersey Department of Community Affairs, June 2010. Web.

⁵ NJ Dept of Community Affairs, 4.

⁶ NJ Dept of Community Affairs, 35.

⁷ Ibid.

plumbing or kitchen facilities). Both of these groups are also cost burdened; 71% of very low-income and 69% of low-income. As expected, households with higher incomes experienced fewer problems. Hispanic renter households tend to experience a slightly higher level of housing problems than the other racial/ethnic groups.”⁸

Not only does inadequate housing increase as income decreases, but Hispanic individuals seem to be more likely to face these issues based on this data. People with lower incomes may have greater housing issues because they cannot afford updated and adequate quality homes; however, as the Plan emphasizes, access to affordable and adequate housing is a fundamental issue that exacerbates poor living conditions among minorities. The Plan illuminates the pattern that housing conditions or access to adequate housing is related to race and ethnicity.

The Consolidated Plan addresses the reality that access to housing for immigrants, among other disadvantaged members of the population, is not adequate and state policies can be changed to increase this access and limit barriers to acquiring quality homes at fair prices. On the other hand, Pemco Limited published an article, “How Immigration Reform May Affect Mortgage Lenders,” which instead of focusing on the limited availability of affordable housing, shows a strong need and demand for mortgages by the immigrant population, including the undocumented immigrant population.

The federal government’s implementation of temporary relief from deportation for immigrants has the potential to spur growth and support the mortgage industry.⁹ There are millions of immigrants in the United States today, and many are looking to stay in the country and grow a family.¹⁰ This data is reinforced due to an upward sloping growth of homeownership rates among immigrants during the period of 2000-2010. Similarly, President Obama’s immigration reform may provide temporary relief to deportation among immigrants and also augment the housing sector.¹¹

The Joint Center for Housing Studies at Harvard University, however, offers an alternative point of view to other literature in its 2013 report, “Is Homeownership Still an Effective Means of Building Wealth for Low-income and Minority Households?

Was it Ever?” The organization analyzes the various paradigms of homeownership for low-income and minorities in the United States. This research further explains the difficulty for immigrant and low-income populations to generate wealth and sustain homeownership.

The Harvard University study tracked homeownership of low-income populations. It was shown that there were a variety of factors that lead to an increased difficulty for low-income families to maintain their home or generate wealth in the long term. All of these factors were based on the core elements of lack of knowledge on the process and lack of a fair financial opportunity.¹²

Lower income individuals tend to be worse off than middle to high income earners in terms of being successful in their first home purchase. These individuals tend to be given unfavorable terms that limit any positive outcome from homeownership.¹³ Lower income earners and minorities in general were and are typically offered subprime or higher cost loans, which often lead to a much higher cost of homeownership and increased risk of default.¹⁴ “These higher costs of borrowing not only limit the wealth producing capacity of homeownership, but they also increase the risk of failing to sustain homeownership.”¹⁵ Since the housing market crashed in 2007, financial institutions are under greater pressure to avoid originating higher risk loans. One consequence is that immigrant communities are often relegated to purchasing homes that are in poor condition or antiquated or are forced to remain in rental units.¹⁶ It is common practice that new homeowners tend to invest in capital improvements after purchasing the home.¹⁷ This tends to lead to increased costs of maintaining the home or for unexpected repairs over the long term, which can increase the risk of default. Additionally, according to interviews with financial institutions and community-based organizations through this study, lower income individuals lack the knowledge to make astute decisions when purchasing a home. Some fail to conduct due diligence and end up purchasing homes in dangerous areas, which limit the potential for their home to appreciate in value¹⁸ Similarly, immigrants are less likely to refinance when rates decline, which also limits any type of return on their capital.¹⁹

While there are many benefits to owning a home, such as building

⁸ NJ Dept of Community Affairs, 15.

⁹ PEMCO Limited. “How Immigration Reform May Affect Mortgage Lenders.” PEMCO Limited. 2014. Web. 13 Apr. 2016. Web.

¹⁰ PEMCO Limited, Web.

¹¹ PEMCO Limited, Web.

¹² Herbert, Christopher E., Daniel T. McCue, and Rocio Sanchez-Moyano. *Is Homeownership Still an Effective Means of Building Wealth for Low-Income and Minority Households? (Was It Ever?)*. Joint Center for Housing Studies, Harvard University, Sept. 2013. Web. 31 Mar. 2016.

¹³ Herbert, Christopher E., Daniel T. McCue, and Rocio Sanchez-Moyano, 11.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Herbert, Christopher E., Daniel T. McCue, and Rocio Sanchez-Moyano, 12.

¹⁷ Herbert, Christopher E., Daniel T. McCue, and Rocio Sanchez-Moyano, 13.

¹⁸ Herbert, Christopher E., Daniel T. McCue, and Rocio Sanchez-Moyano, 13-14.

¹⁹ Ibid.

equity and providing a firm foundation for growth, there are many pitfalls along the way. Many immigrants have difficulty obtaining a loan with favorable terms or difficulty obtaining a loan in general. Due to the unfavorable conditions, immigrants fail to realize many of the positive outcomes of homeownership, and many may end up losing their home in the long run. While immigrants may be able to afford a home, a lack of a proper understanding of the process could lead to a potential default.

Lending Options for Undocumented Immigrants

PEMCO Limited also explains how mortgage lending among immigrants is on an upward trend due to increased support and acceptance of Individual Taxpayer Identification Numbers (ITIN), or nine-digit numbers assigned to taxpayers without Social Security Numbers.²⁰ The 2010 U.S. Census cites, “52.4 percent of immigrants own homes compared to a native-born homeownership rate of 67.1 percent.”²¹ In fact, native-born homeownership declined slightly from 2000, from 68.3 percent to 49.8%.²² Comparably, before 2008, Citibank was the largest financial institution piloting ITIN loans.²³ ²⁴ Mortgage reform and acceptance of ITINs by the financial industry will provide increased business opportunities for the sector. Ultimately, the potential immigrant homeowner will require an overview and education of the financial resources that are available to them and show that there is a true path to homeownership. Financial institutions and immigrant families have the opportunity to benefit greatly from these initiatives.

The Institute for Latino Studies at the University of Notre Dame issued a report, “Promoting and Maintaining Household Ownership among Latino Immigrants” in 2007 to demonstrate the non-traditional banking opportunities for immigrants. This report explains existing and developing lending programs and solutions. More specifically, it examines affordable mortgage products designed for immigrants without Social Security Numbers. It also reviews programs and initiatives across states that promote immigrant homeownership, identifies key components of the programs, and analyzes opportunities and challenges for the particular market.

Similarly for financial institutions, while there may be an untapped potential in the immigrant market, it is necessary to conduct adequate due diligence while remaining consistent with safe and sound operation and underwriting principals. Taking extra steps to ensure that potential borrowers are fully informed about the process will help foster the development of financially sound communities. Ultimately, it does no party any good if there is a default.

The critical practices of non-traditional loans involve four major components: the alternative identity, the available lenders, the credit requirement and the loan underwriting system. Alternative identifications, Individual Taxpayer Identification Number (ITIN) and Matrícula Consular (Consular ID), are used in absence of SSN and federal (or state) issued Identification Cards, as allowed by federal regulations.²⁵ Financial institutions that offer ITIN loans cite that ITIN loans are very safe, having a significantly lower default rate than traditional loans.²⁶ Nonetheless, ITIN loans are still not widely offered by large banks. They are mainly provided by regional or local financial institutions, due to the limitations of ITIN loans, including small volume, special risk management requirements and the high political risk perceived by large-scale banks.²⁷ Since unbanked immigrants typically lack credit history, some banks provide foreign-born clients with financial products such as small amount (from 500 to 10,000 dollars) consumer loans which are secured by the borrower’s deposits on saving accounts or assets like motor vehicles in order to establish credit history.²⁸ Having the credit does not necessarily secure access to mortgage products. Verification of income is another dimension of measuring creditworthiness, since most of the loan products also require proof of two years income and two years tax return record.²⁹ Under traditional underwriting guidelines, cash income is not likely to be acceptable to mainstream banks.³⁰ Since the ITIN loan has distinctive characters, the prevailing underwriting approaches would be less appropriate in gauging an ITIN holder’s creditworthiness. Alternative underwriting systems were developed for immigrants

²⁰ PEMCO Limited, Web.

²¹ Ibid.

²² Ibid.

²³ Ibid.

²⁴ At the time of this writing, the extent of Citibank’s ITIN lending is not known.

²⁵ Martinez, Martha Argelia. “Promoting and Maintaining Household Ownership among Latino Immigrants.” Institute for Latino Studies, University of Notre Dame, June 2007. Web. 25 Feb. 2016.

²⁶ Martinez, Martha Argelia, 8.

²⁷ Ibid.

²⁸ Martinez, Martha Argelia, 10.

²⁹ Martinez, Martha Argelia, 11.

³⁰ Martinez, Martha Argelia, 10.

with ITINs. Two for-profit financial institutions, Hispanic National Mortgage Association (HNMA) and Mortgage Guaranty Insurance Corporation (MGIC), have developed and distributed special underwriting strategies and systems for the Latino population, especially undocumented borrowers.³¹ These strategies

and systems can compensate for the limitations of traditional underwriting mechanisms, thereby increasing the possibility of approving ITIN loans which are otherwise non-approvable through traditional underwriting.³²

New Jersey Community Capital's Mortgage Platform

NJCC has developed an affordable housing mortgage platform to meet the mortgage needs of immigrant and low-income communities. The goal of the mortgage platform is to offer affordable and sustainable mortgage products to underserved families and communities across New Jersey. The platform is designed to support financial institutions and families alike.

Community Reinvestment Act (CRA) requirements. Lastly, NJCC provides life-of-loan support, which provides the homebuyer with continuous education opportunities and the chance to identify risk factors early on in the process. Ultimately, having a strong support network will likely mitigate the risks that stem from these loans.

The NJCC Mortgage Platform offers opportunities for low to moderate income communities by providing them with the tools needed to purchase affordable homes by mitigating default risk through high-touch, high quality, life-of-loan support. NJCC provides pre-purchase counseling, which educates consumers, while “achieving significant reductions in late payments, delinquencies, and defaults.”³³ Additionally, NJCC works to provide high quality homeownership opportunities. Buyers are able to purchase high quality homes, which limits the out of pocket expense of unplanned repairs. Dependable homes will mitigate the risk of a homebuyer defaulting and will help keep buyers on track with their payments. Similarly, buyers will be able to access various sources of credit which will be on much more favorable terms, also allowing for a better outcome in the long term. This mortgage platform also generates opportunities for secondary outlets to purchase pools of mortgages that meet

Foreign-born populations continue to lack access to basic financial services that have become essential to nearly all facets of a household's daily life. Access to mortgage financing has been proven to be a critical component of a household's ability to produce generational wealth. The NJCC mortgage platform addresses these issues, while also revitalizing distressed neighborhoods. Immigrant families will gain greater access to affordable mortgage products and risks are mitigated through a high quality, high effort services offered through the platform. The program will also increase the opportunities provided to financial institutions by allowing them to make lower risk investments when catering to this high demand population.

By utilizing education and sound underwriting procedures, NJCC's mortgage platform provides a framework which supports the capacity necessary for first time immigrant homeownership.

New Jersey Community Capital (NJCC) is implementing an affordable mortgage program that enables lenders to get more families into homes while also revitalizing distressed neighborhoods. This program is specifically designed for low- to moderate- income families in addition to those from immigrant and foreign-born communities. By partnering with Credit Unions and housing counseling agencies, NJCC's mortgage platform has the ability to deliver affordable loans to qualified LMI and minority families, including the 21.6% of NJ residents who are foreign-born. This platform is useful for financial institutions and counseling agencies alike. Financial institutions will be provided with the opportunity to invest in local communities and increase their consumer base by making sound financial investments. Counseling agencies will have the opportunity to educate prospective homebuyers and prepare them for successful homeownership.

Immigrants Fueling New Jersey's Growth

The American Immigration Council (AIC) released a report entitled “New Americans in New Jersey: The Political and Economic Power of Immigrants, Latinos and Asians in the Garden State” in order to highlight the impact minorities have on the economy and politics in New Jersey. The facts reported focus on the impor-

tance of accommodating the needs of immigrants instead of discriminating against the growing minority. They are increasingly having an influence in elections and are contributing more and more to our economy's growth.

³¹ Martinez, Martha Argelia, 11.

³² Martinez, Martha Argelia, 11-12.

³³ New Jersey Community Capital. “Mortgage Platform.” New Jersey Community Capital (NJCC). Web. 30 Mar. 2016.

The AIC highlights the positive contributions of immigrants to the state of New Jersey. Each year, there are a growing number of immigrants in New Jersey, and many are obtaining citizenship status and exercising their rights as US citizens, like voting.³⁴ Both undocumented and documented immigrants add money and jobs into New Jersey's economy while also contributing a proportion of their income to taxes through ITIN numbers.³⁵ Immigrants contribute to our higher education system, both economically and academically, and help raise the standards for nonimmigrants to keep New Jersey competitive with the rest of the nation and the world.³⁶ The AIC argues that immigrants contribute to New Jersey's culture and economy and therefore are entitled to the same services and treatment, particularly related to affordable housing, as everyone else.

This report highlights the contributions made by immigrants to New Jersey's growth in a variety of different ways. Since 1990, the foreign-born share of New Jersey's population has risen from 12.5% to 21.6% in 2013.³⁷ In 2013, "53% of immigrants in New Jersey were naturalized U.S. citizens...meaning that they are eligible to vote," and 20.5% of all voters in New Jersey are naturalized immigrants or their U.S. born children, which makes them eligible to vote.³⁸ Immigrants' status as entrepreneurs, consumers and workers is supported by data; the AIC reports that the "2014 purchasing power of New Jersey's Latinos totaled \$46 billion" and Asian buying power totaled \$46.3 billion.³⁹ Similarly, "Asian-owned businesses had sales and receipts of \$29.9 billion and employed 115,024 people in 2007," and "Latino-owned businesses had sales and receipts of \$10.2 billion and employed 48,059 people in 2007."⁴⁰ This report argues that the foreign-born population is making significant contributions to job and revenue growth in the state through their diverse roles within the economy.

Immigrants also contribute to the workforce, comprising 27.4% of the workforce in 2013. Many are skilled laborers, and according to the Census, "more than 40% of the state's scientists and engineers with advanced degrees were foreign-born in 2006."⁴¹ As members of the workforce, both documented and undocumented immigrants have contributed billions of dollars in taxes to the state.⁴²

The foreign-born population plays a role in higher education in New Jersey as well. They are educated and instrumental to economic growth through their position in higher education, having "contributed \$531.4 million...in tuition, fees, and living expenses for the 2013-2014 academic year."⁴³ They "comprised 49.9% of master's degrees and 49.7% of doctorate degrees in science, technology, engineering and mathematics (STEM) fields" and these numbers are continuing to increase.⁴⁴

This report presents evidence that foreign-born individuals are a thriving subsection within the population, a market that banks may be missing out on due to the misconceptions outlined by the AIC. The immigrant population in New Jersey contributes to the cultural diversity and economic growth of the state, and providing them with access to financial services

may contribute even more to that growth. Middle and moderate income immigrants may not be a risk for banks, but they are a missed opportunity for generating more business in the form of financial services based on the reality that they are "integral to New Jersey's economy and tax base."⁴⁵

"Meet the Neighbors," a report conducted by the Eagleton Program on Immigration and Democracy (EPID), offers another point of view on the impact of immigrants in New Jersey based on their demographic evolution in the state over time. EPID surveyed (1) state agencies and commissions, (2) foreign consulates, (3) public libraries, (4) funders, (5) organizations, coalitions, and networks, (6) elected officials, and (7) Rutgers networks, employing a snowball method to administer the survey to 289 organizations. Additionally, EPID provided spatial analyses of immigrant populations over time from secondary sources such as the American Community Survey and U.S. Census data. Overall, the report provides a demographic profile of the state, explains immigrant settlement patterns, as well as the services provided by community-based organizations (CBOs).

The report argues the role of CBOs is to provide (1) economic integration, (2) social integration and (3) political integration. In a policy context, New Jersey "has adopted few policies to facilitate integration...Against this backdrop, community-based nonprofits have helped shoulder responsibility for immigrant integration."⁴⁶

Immigrant populations have changed considerably over time. "...While Western Europeans dominated the ranks of New Jersey immigrants up until the 1980's, Asian and Latin American nations have become much more prominent in the latter decades, a shift that is visible in New Jersey's changing organizational

³⁴ "New Americans in New Jersey: The Political and Economic Power of Immigrants, Latinos, and Asians in the Garden State." American Immigration Council, Aug. 2015. Web.

³⁵ American Immigration Council, 2-3.

³⁶ American Immigration Council, 3-4.

³⁷ American Immigration Council, 1.

³⁸ Ibid.

³⁹ American Immigration Council, 2.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² American Immigration Council, 3.

⁴³ Ibid.

⁴⁴ American Immigration Council, 3-4.

⁴⁵ American Immigration Council, 1.

⁴⁶ Fine, Janice, Anastasia Mann, David Tulloch, and F. Scott Bentley. "Meet the Neighbors: Organizational and Spatial Dynamics of Immigrant New Jersey." Eagleton Institute of Politics, Feb. 2014. Web. 5 Mar. 2016.

infrastructure.⁴⁷ Not only has the ethnicity of foreign-born families shifted from primarily European origins to predominantly Hispanic and Asian origins, the places in which these families reside have likewise changed. Instead of exclusively settling in large urban centers, immigrant families (mainly Asian Indians) chose to reside in suburban areas such as Edison, West Windsor and Montgomery.

EPID estimates that “nearly half (800,000) of all immigrants currently living in New Jersey have already naturalized. Demographers estimate that of the remaining half, somewhere between 250,000 and 500,000 may be undocumented.”⁴⁸ Of those who are undocumented, a growing number of immigrants (from 2000-2008) have acquired Individual Tax Identifier Numbers (ITINs). “Zip codes with the highest share of ITINs in the general population emerged in the north and south of New Jersey, around agriculture, light manufacturing, and service hubs (i.e. places known to employ large undocumented populations).”⁴⁹

In terms of immigrant communities, EPID notes that the Asian foreign-born population is the single largest nationality among

Legislative Reform Supporting Civil Rights of Immigrants

The New Jersey Advisory Committee to the US Commission on Civil Rights conducted the 2010 report, “Overcoming the Barriers Faced by Immigrants,” to reveal concerns about civil rights issues stemming from US immigration laws and policies, specifically with the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). These issues have led to “calls for legislative reform” and although “immigrants’ rights groups and public officials have consistently advocated for comprehensive immigration reform...Congress has consistently failed to pass such measures.”⁵³ Even if reform does not happen, however, “all immigrants living within the United States and New Jersey are protected by certain laws, including those governing fair labor standards, workplace safety, and access to fair housing free of discriminatory treatment.”⁵⁴

New Jersey has one of the highest concentrations and most diverse populations of foreign-born residents in the country; in fact, “with the sixth largest population of immigrants in the nation, the 1.75 million foreign-born individuals residing in New Jersey account for 20.1 percent of the State’s total population. Only two other states, California and New York, have a larger

all New Jersey immigrants, and the CBOs engaged with these populations focus primarily on work that is cultural instead of economic or service-oriented.⁵⁰ Alternatively, the Hispanic communities tend to be lower income, making up 26% of NJ’s population living in poverty.⁵¹ In order to fill the gaps, CBOs work to provide services for these communities, primarily through advocacy, education, and legal aid.⁵²

According to the report, CBOs are primarily concerned with advocacy and education services, whereas housing services are not as prevalent. Many CBOs operate on volunteers and private donations, receiving little government support and oversight. Because of this, there can be gaps in terms of policies aimed at immigrant families on the part of the government, and lack of information on the part of CBOs regarding housing opportunities for foreign-born families. The literature suggests the main driver for change in these communities is through the CBOs, as state policy has not been profound in its ability to integrate the foreign-born populations.

proportion of immigrant residents.”⁵⁵ More importantly, and as the report highlights, “as compared to the rest of the nation, New Jersey’s immigrant population is particularly diverse.”⁵⁶ The New Jersey Advisory Committee does a general demographic breakdown of the foreign-born population in the state:

“Although nearly half of New Jersey’s immigrants are Latino, the State’s foreign-born residents originate from nearly 100 different countries and speak more than 165 languages. New Jersey’s immigrant population is similarly diverse with respect to immigration status, education level, and socio-economic status. More than half of New Jersey’s foreign-born residents are U.S. citizens, and many are entrepreneurs and innovative leaders in business and industry. On the other hand, approximately a half million undocumented immigrants live in New Jersey, often engaged in poorly paid, temporary labor.”⁵⁷

Despite the immigrant population in New Jersey comprising a significant proportion of the population and continuing to rise, federal, state and local government authorities are engaging in an “aggressive enforcement campaign aimed at undocumented

⁴⁷ EPID, 24.

⁴⁸ EPID, 26.

⁴⁹ EPID, 43.

⁵⁰ EPID, 34.

⁵¹ EPID, 38.

⁵² EPID, 49.

⁵³ Overcoming the Barriers Faced by Immigrants: Briefing Report, September 2010. New Jersey Advisory Committee to the U.S. Commission on Civil Rights. September 2010. Web. 20 Feb. 2016.

⁵⁴ New Jersey Advisory Committee to the U.S. Commission on Civil Rights, 2.

⁵⁵ Ibid.

⁵⁶ New Jersey Advisory Committee to the U.S. Commission on Civil Rights, 13.

⁵⁷ New Jersey Advisory Committee to the U.S. Commission on Civil Rights, 3.

immigrants and their employers,” and oftentimes, disregarding their constitutional and civil rights.⁵⁸

Taking the growth of the foreign-born population into consideration, the New Jersey State Advisory Committee to the U.S. Commission on Civil Rights suggests that immigration policies be reformed and legislation be enforced in order to address their need for housing and financial services. For example, access to affordable housing is worse for low-income immigrants than other New Jersey residents because they “face language barriers” and are unfamiliar “with the systems that support access to housing.”⁵⁹ Not only can these immigrants rarely afford New Jersey’s high prices for housing, both renting and buying, “undocumented immigrants are ineligible for federal government subsidies, such as Section 8 and public housing, which are limited to US citizens and immigrants with lawful permanent resident status.”⁶⁰ As

Case Studies/Current Practice

According to an MSNBC news report published in 2014, *The American Dream, Undocumented*, there are cases of ITIN lending occurring across the country. Most ITIN lenders are regional or local smaller scale credit unions and community development financial institutions (CDFIs) that are immigrant-friendly. Self-Help Credit Union in California, Illinois and North Carolina; Latino Community Credit Union in North Carolina; Guadalupe Credit Union in New Mexico; and Las Vegas-based Venta Financial Group are several pioneer ITIN loan providers.⁶³ Citigroup is currently the only major banking mogul involved in the ITIN loan market; it partners with the Neighborhood Assistance Corporation of America (NACA) to serve the ITIN holders.⁶⁴

Although ITIN lending seems promising, widespread access and development of these loans has been limited due to their small volume, unsalable nature and a lack of “pro-immigration agenda” among banks.⁶⁵ It is reported, however, that ITIN loans are a wise investment since the default rate is lower than loans with Social Security numbers: “They have a 1.24% delinquency rate on average, compared to 1.88% for its overall loan portfolio,”⁶⁶ according to Brenda Dominguez, the CFO of Guadalupe Credit Union.⁶⁷ It is also affirmed by Luis Pastor, CEO of the Latino Community Credit Union, “ITIN loans perform better than loans with Social Security numbers.”⁶⁸

Coopera, an Iowa-based economic development firm and a subsidiary of the Iowa Credit Union League, published a report

expected, cultural and language barriers as well as economic barriers, i.e. affordability and lack of credit, get in the way of immigrants’ ability to access affordable housing. Also problematic and acting as a barrier for these immigrants is discrimination by landlords and financial service institutions prevent them from being able to find adequate housing as well.⁶¹ The New Jersey Law Against Discrimination (LAD) has been implemented by the state but violations are common and implementation is not fully successful yet due in part to the lack of education available to immigrants that could better inform them of their rights in the United States. In fact, in one particular instance, “in 2006, Riverside, New Jersey, passed an ordinance designed in part to penalize landlords who rented to undocumented immigrants.”⁶² If issues regarding discrimination and violation of rights against undocumented individuals are illuminated, the report suggests, perhaps their access to housing will increase.

on Hispanic opportunity in 2012, focusing on the emerging Hispanic market in the United States. This report includes case studies on promoting financial services among the Hispanic population in California and Nevada, two states that are highly populated with Latino immigrants, especially undocumented ones. The cases include studies on Travis Credit Union in California, Great Basin Federal Credit Union in Nevada, First Imperial Credit Union in California and Santa Cruz Community Credit Union in California. The studies discuss the best practices and innovative solutions to better serve the Hispanic population and empirically evaluate the effectiveness of the programs. The report also explains how financial institutions collaborate with community organizations and for-profit organizations to promote banking services among unbanked or underbanked populations.

The initiatives taken by the credit unions include: becoming active in local organizations, such as family resource centers,

The common practices adopted in the four cases studied include preparing a workforce that can understand the immigrants’ culture and speaks their languages, increasing presence in immigrant communities, building financial awareness for immigrants and most importantly, meeting the client’s’ needs on a one-on-one basis.

⁵⁸ New Jersey Advisory Committee to the U.S. Commission on Civil Rights, 4.

⁵⁹ New Jersey Advisory Committee to the U.S. Commission on Civil Rights, 7.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² US Commission on Civil Rights, 7.

⁶³ Khimm, Suzy. “The American Dream, Undocumented.” Msnbc.com. NBC News Digital, 28 Aug. 2014. Web. 17 Apr. 2016.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

churches and local chambers of commerce⁶⁹; working with local community-based organizations and developing strategic partnerships; partnering with community leaders to reach out to the targeted population⁷⁰; launching financial literacy education programs to influence the immigrants⁷¹; developing relationships with local media which have wide reach to the population to improve the awareness of the Credit Union and its products⁷²; and offering language programs for staff to better understand and communicate with the immigrant clients or offer pay raise to those staff who master the languages in need.⁷³

Since the population those credit unions serve and the credit unions themselves vary largely from one another, each credit union developed a particular solution to suit the needs of its clients. Travis Credit Union, for example, emphasized workforce empowerment in its plan. The organization launched immersion programs and developed an internal bilingual advisory group to help staff better understand the customer's culture and language. Those efforts all contribute to an overarching strategy to increase membership and build trust with local Hispanic clients, especially the merchants in the communities.⁷⁴

Great Basin Federal Credit Union focused on its home-buying and credit-building programs and educated clients on how to take advantage of these programs to help achieve financial success.⁷⁵

First Imperial Credit Union developed a special loan approval strategy in substitution of the traditional loan approval method.

Under the new strategy, the determinant of approving a loan is a member's ability to pay instead of their credit history alone. As a result, a credit score becomes a pricing tool in the loan application process, rather than a determinant of approval.⁷⁶ The credit union also promoted its affordable checking and savings accounts to replace the expensive check-cashing establishments widely used by undocumented immigrants.⁷⁷ Not only did the products save money for the clients, they also educated immigrants to form saving habits, which is a crucial element to accessing a loan in the future.

Santa Cruz Community Credit Union was actively involved in helping undocumented immigrants acquire proper identification documents. It partnered with Mexican consulates to encourage local residents to apply for Matrícula Consular IDs⁷⁸, an alternative form of identification to access banking services that is accepted by most credit unions.

While these programs have made significant progress in improving financial inclusion among the underserved population, there are also challenges on their follow-through. In particular, credit unions face obstacles when making changes in compliance to banking regulations. Program managers found it even more challenging to track and measure the success of the programs because of this.⁷⁹ The case studies demonstrate multiple possibilities of serving the immigrant population and encourage forming relationships between stakeholders.

⁶⁹ "Hispanic Opportunity--California and Nevada Credit Union Leagues 2012 Report." California and Nevada Credit Union Leagues., 2012. Web. 7 Feb. 2016.

⁷⁰ California and Nevada Credit Union Leagues, 89, 96-97.

⁷¹ California and Nevada Credit Union Leagues, 89, 93, 95.

⁷² California and Nevada Credit Union Leagues, 89.

⁷³ California and Nevada Credit Union Leagues, 89, 92.

⁷⁴ California and Nevada Credit Union Leagues, 90-91.

⁷⁵ California and Nevada Credit Union Leagues, 93.

⁷⁶ California and Nevada Credit Union Leagues, 94.

⁷⁷ California and Nevada Credit Union Leagues, 95.

⁷⁸ California and Nevada Credit Union Leagues, 97.

⁷⁹ California and Nevada Credit Union Leagues, 93.

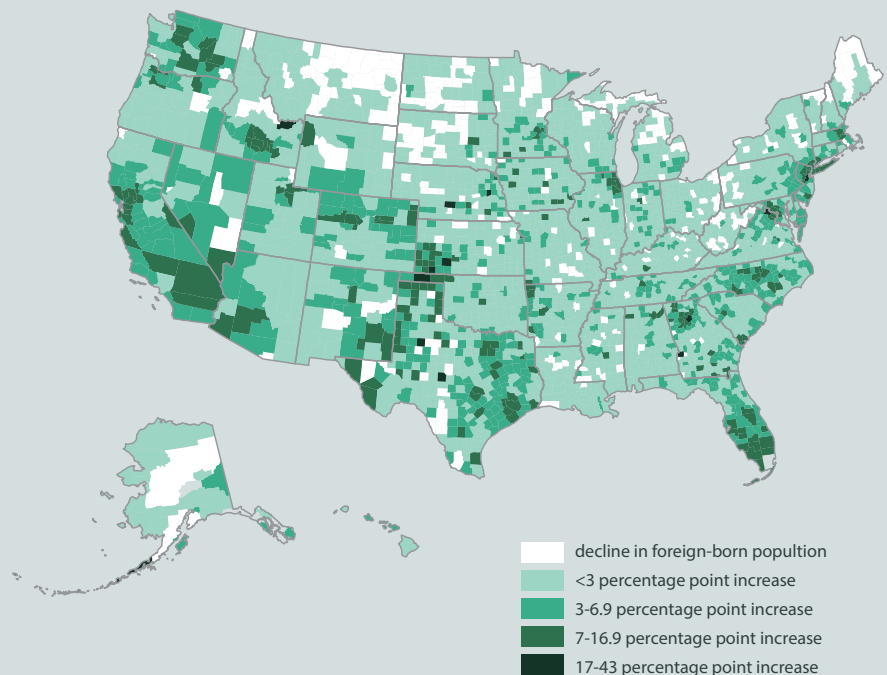
Trends in Immigration

National Trends in Immigration

The United States as a whole has experienced significant changes in its foreign-born population within the last several decades. Utilizing data from the U.S. Census Bureau, Pew Charitable Trusts has also tracked the changes in immigration from 1980 to 2012 and identified key trends. According to Pew Charitable Trusts, over the past 25 years, the total immigrant population has increased and spread across the country. In 1990, the foreign-born population was 19.7 million or 7.9 percent of the U.S. total, with nearly 3 out of 4 immigrants (73 percent) living in California, Florida, Illinois, New Jersey, New York, or Texas.⁸⁰ By 2010, approximately 40 million immigrants made up 13 percent of the overall population, and the proportion of immigrants residing in the six leading states dropped to 65 percent. Over that same time, other states including Nevada, North Carolina, and Washington experienced large growth in their foreign-born populations.

In most counties across the nation, native- and foreign-born populations increased between 1990 and 2012, resulting in overall growth. In a very small number of counties, both groups declined.⁸¹ Most notably, in a large area of the center of the United States, many counties experienced native-born population loss

Change in Foreign-Born Individuals as a Share of Total County Population from 1990 to 2014



Note: Change in foreign born as a share of total county population of the county population is equal to the percentage point difference between the percent that was foreign born in 2014 compared with that for 1990.

Source: U.S. Decennial Census and the American Community Survey

⁸⁰ "Changing Patterns in U.S. Immigration and Population: Immigrants Slow Population Decline in Many Counties." Changing Patterns in U.S. Immigration and Population: Immigrants Slow Population Decline in Many Counties. The Pew Charitable Trusts, 18 Dec. 2014. Web. 17 Mar. 2016.

⁸¹ Ibid.

and foreign-born gain.⁸² Many of these counties still experienced an overall loss of people, but the population would have declined even more if not for an influx of immigrants.⁸³

Immigration is also expected to significantly impact future population growth in the US. By the middle of this century, international migration is projected to surpass natural increase (births minus deaths) as the principal driver of U.S. population growth.⁸⁴ According to the US Census Bureau, this scenario would

mark the first time that natural increase was not the leading cause of population increase since at least 1850, when the census began collecting information about residents' country of birth.⁸⁵ The shift in what drives U.S. population growth is projected to occur between 2027 and 2038, depending on the future level of international migration.

Overall, the foreign-born population is growing at a much faster rate than the native-born population. From 1990 to 2014, the U.S. foreign-born population

increased by 21.3 million or 108% - from 19.8 million in 1990 to 41 million in 2014. By contrast, the native born population only increased by 10% during that same timeframe, from 249 million in 1990 to 273 million in 2014. Given the U.S. Census Bureau projections in addition to the current trends involving immigrants across the United States, immigration is significantly impacting growth and will likely play a larger role in driving future population growth.

Statewide Trends in Immigration

In 1980, immigrants accounted for 6.2% of the United States population with roughly 14 million residents. By contrast, the percentage of foreign-born individuals in New Jersey was 10.3% of the state population in 1980, equating to over 750,000 residents.⁸⁶ As the immigration population has continued to climb across the country, New Jersey has consistently outpaced the national percentage of foreign-born individuals in the popula-

were only two states in 2012 with higher percentages of immigrants: New York (22.6%) and California (27.1%). The data support the notion that the immigrant population, especially in New Jersey, is becoming an increasingly relevant population cohort across the United States.

Furthermore, immigration has already become the primary driver for population growth in New Jersey. Since 1990,

or about 3% from 6.8 million in 1990 to 7.0 million in 2014.⁸⁷ Conversely, the foreign-born population in New Jersey has nearly doubled in that same timeframe from approximately 1 million in 1990 to 2 million in 2014. This represents a 97% increase and exceeds native born population growth by 760,000.⁸⁸

Currently, 128 New Jersey municipalities hold foreign-born populations that exceed the state average of 21%.⁸⁹ As shown in Map 1, these municipalities are located primarily around northeast and central New Jersey. These 128 municipalities are also among the most populated entities in the state. Over 4 million New Jersey residents reside in municipalities that hold foreign-born populations that exceed the state average of 21%.⁹⁰ In other words, one out of every two New Jersey residents resides in a municipality that is home to a significant immigrant population.

Map 3 highlights the municipalities where the foreign- and native-born populations changed either in similar or opposite directions. The green areas indicate municipalities where the immigrant

	1980	1990	2000	2010	2012
U.S. Percentage of Population	6.2%	7.9%	11.1%	12.9%	13.0%
U.S. Foreign-born Residents	14,079,906	19,767,316	31,107,889	39,955,854	40,824,658
NJ Percentage of Population	10.3%	12.5%	17.5%	21.0%	21.2%
NJ Foreign-born Residents	757,822	966,610	1,476,327	1,844,581	1,883,299

Source: The Pew Charitable Trusts; U.S. Census Bureau

tion (see the table below). According to the U.S. Census data, there

population growth among native-born residents increased only by 200,000,

⁸² Ibid.

⁸³ Ibid.

⁸⁴ "International Migration Projected Driver of U.S. Population Growth." International Migration Projected Driver of U.S. Population Growth. U.S. Census Bureau, 15 May 2013. Web. 30 July 2014.

⁸⁵ "Changing Patterns in U.S. Immigration and Population: Immigrants Slow Population

Decline in Many Counties." Changing Patterns in U.S. Immigration and Population: Immigrants Slow Population Decline in Many Counties. The Pew Charitable Trusts, 18 Dec. 2014. Web. 17 Mar. 2016.

⁸⁶ "Changing Patterns in U.S. Immigration and Population: Immigrants Slow Population Decline in Many Counties." Changing Patterns in U.S. Immigration and Population: Immigrants Slow Population Decline in

Many Counties. The Pew Charitable Trusts, 18 Dec. 2014. Web. 17 Mar. 2016.

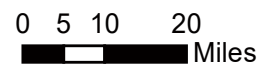
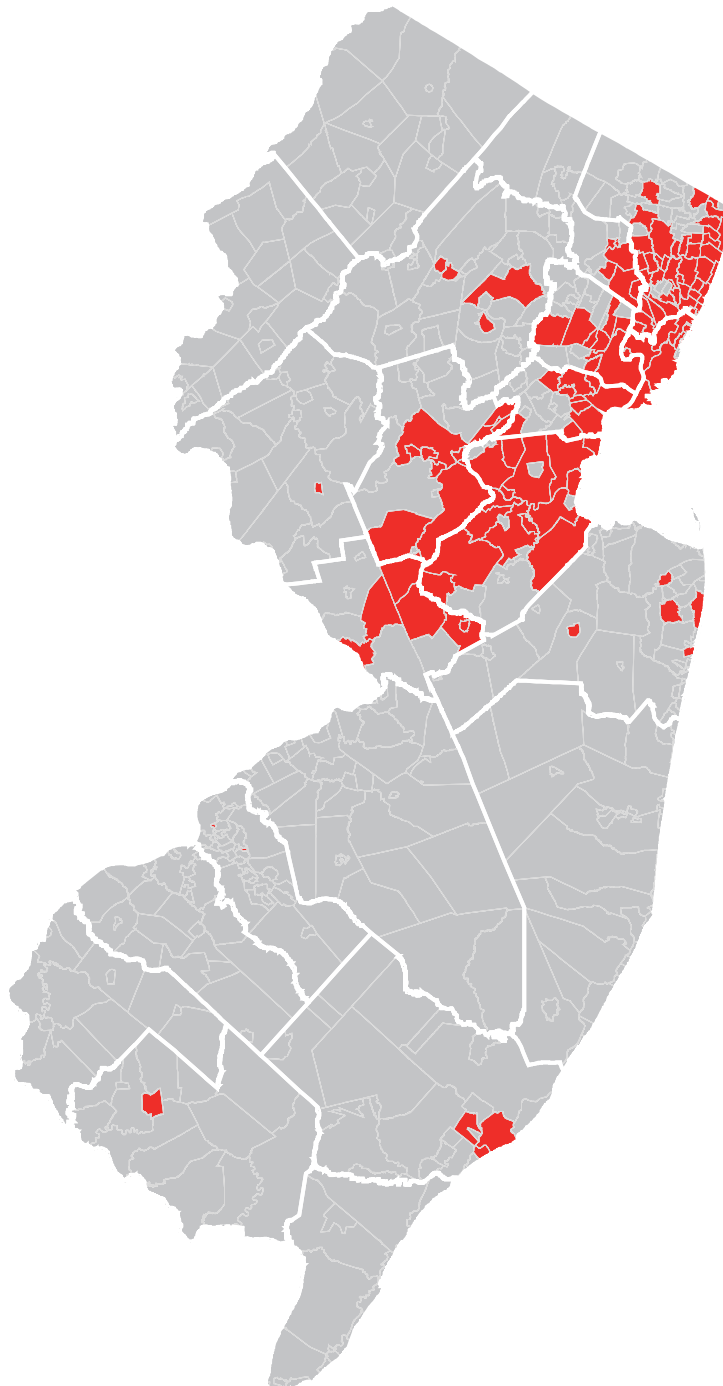
⁸⁷ U.S. Census Bureau, American Community Survey 2008-2012: 5-Year Estimates

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ U.S. Census Bureau, American Community Survey 2008-2012: 5-Year Estimates

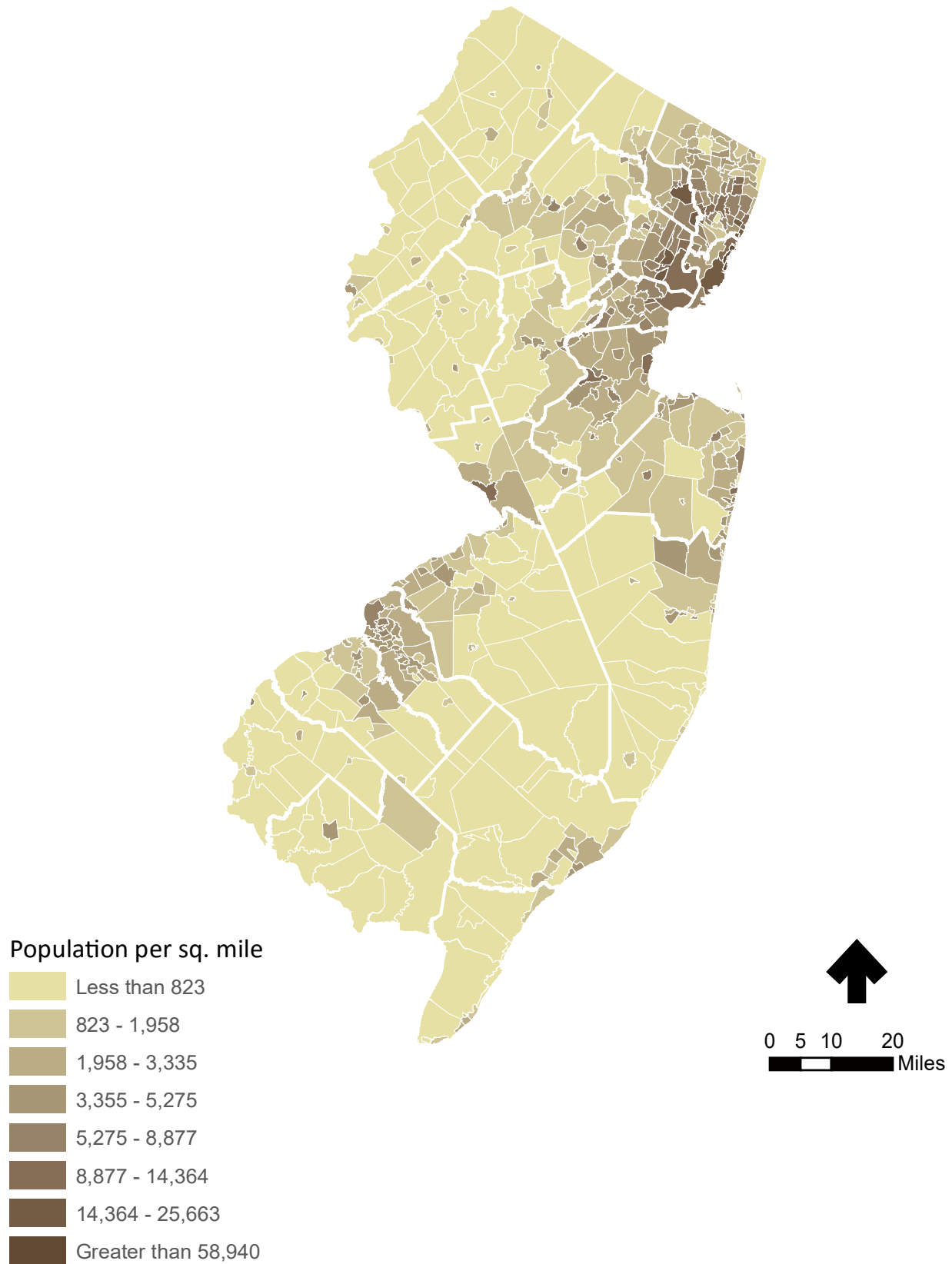
Map 1: New Jersey Municipalities where the Percentage of Foreign-Born Residents Exceeds the State Average (21%)



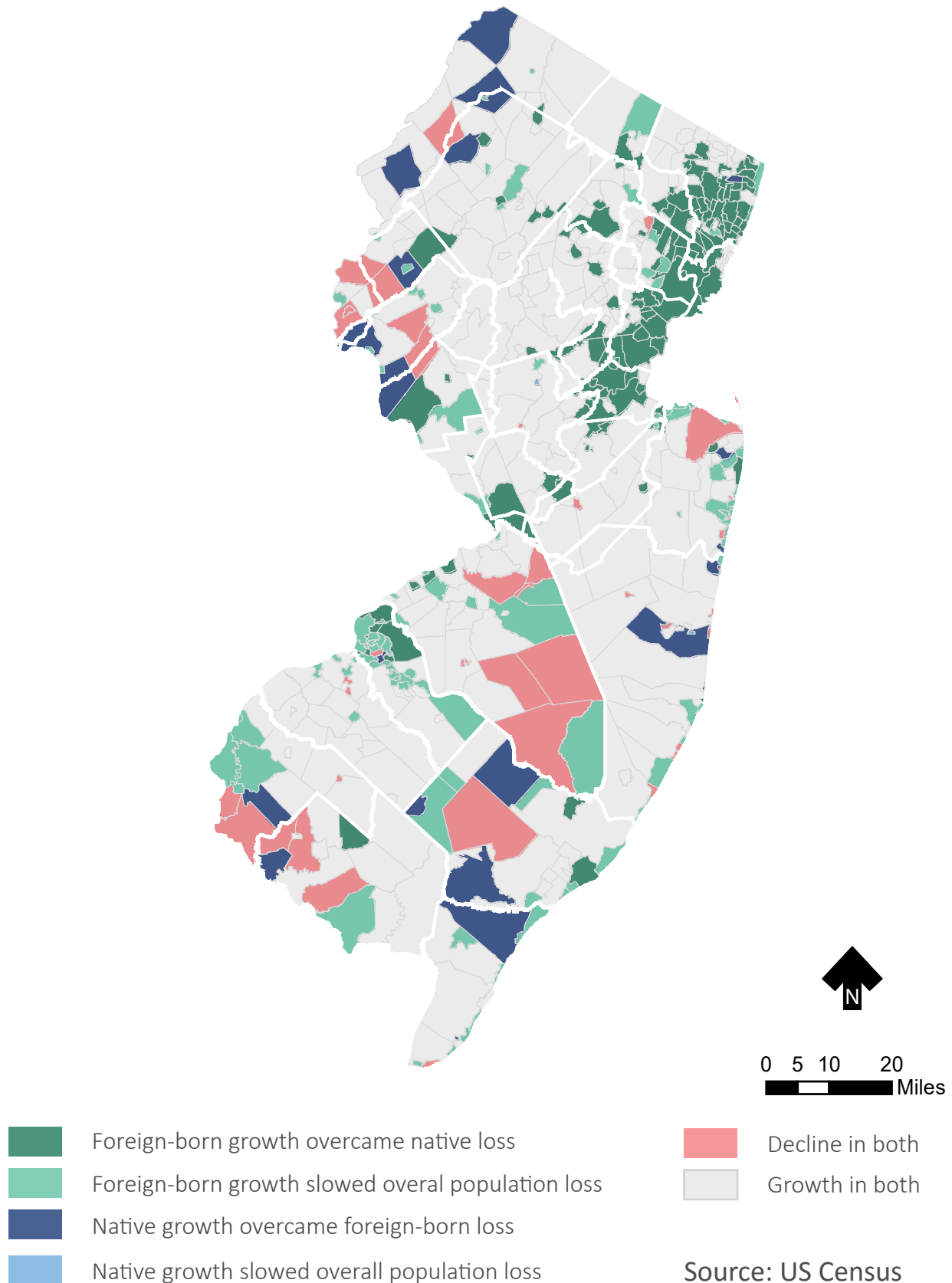
 Foreign-born population exceeds 21% of total population

Source: US Census

Map 2: Population Density by Municipality

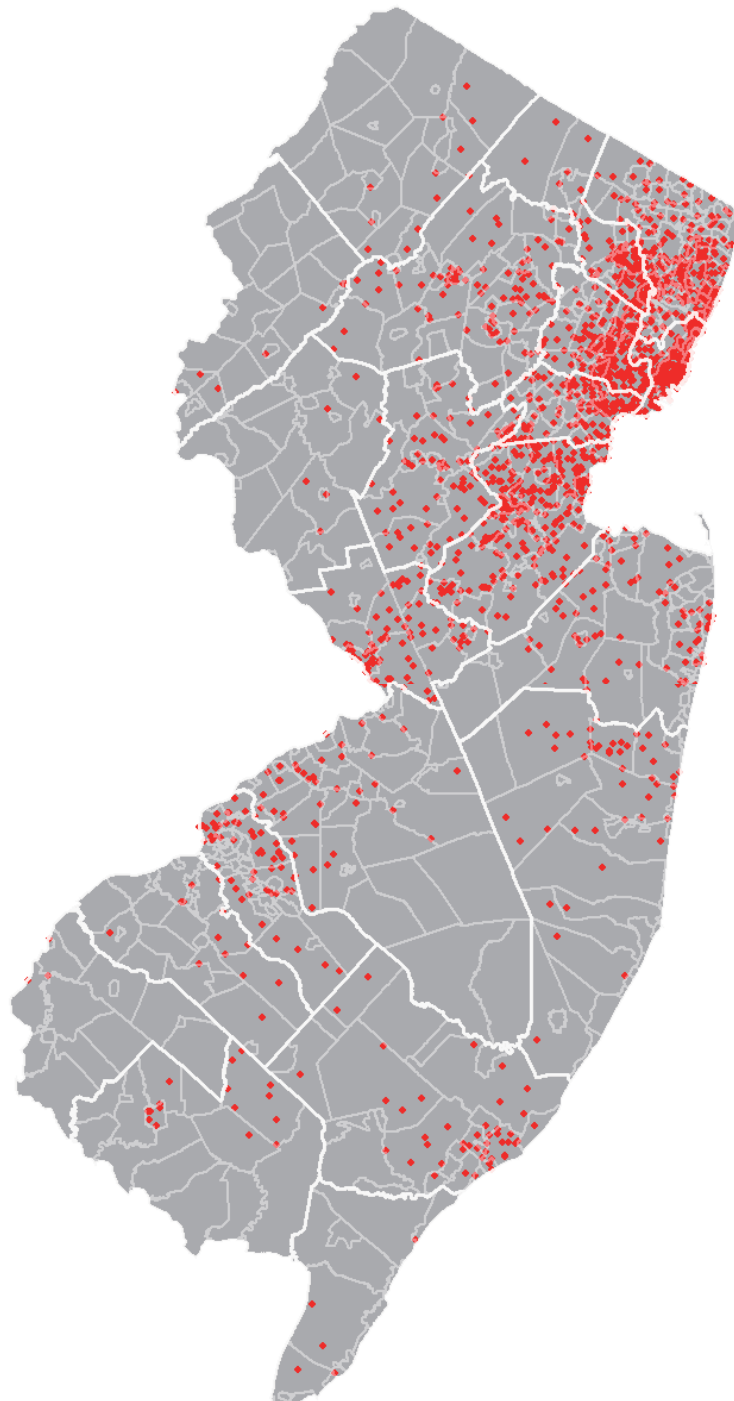


Map 3: Change in Municipal Native- and Foreign-Born Populations from 1990 to 2014



Source: US Census

Map 4: Foreign-Born Population in New Jersey



0 5 10 20
Miles

1 Dot = 1,000
Foreign-born population

Source: US Census

population grew and the native population declined between 1990 and 2014. The blue areas indicate municipalities where the number of natives increased and the foreign-born population declined during this same period. The white areas indicate counties in which both the native- and foreign-born populations increased, while the tan areas indicate the municipalities where the native- and foreign-born both decreased.

Growth of both groups between 1990 and 2014 was most common in suburban localities, while decline in both populations was most common in rural towns. Map 4 highlights one trend in particular: denser municipalities in close proximity to New York City and Philadelphia, the native population declined while the foreign-born increased. In the municipalities indicated by light green, the growth of the foreign-born did not fully replace native-born loss, but the population would have declined even

more if not for the growth of the immigrant population. In the dark green municipalities, the overall population increased because the growth of immigrants more than made up for native-born loss, a trend that is seen in localities immediately surrounding Philadelphia and New York City.

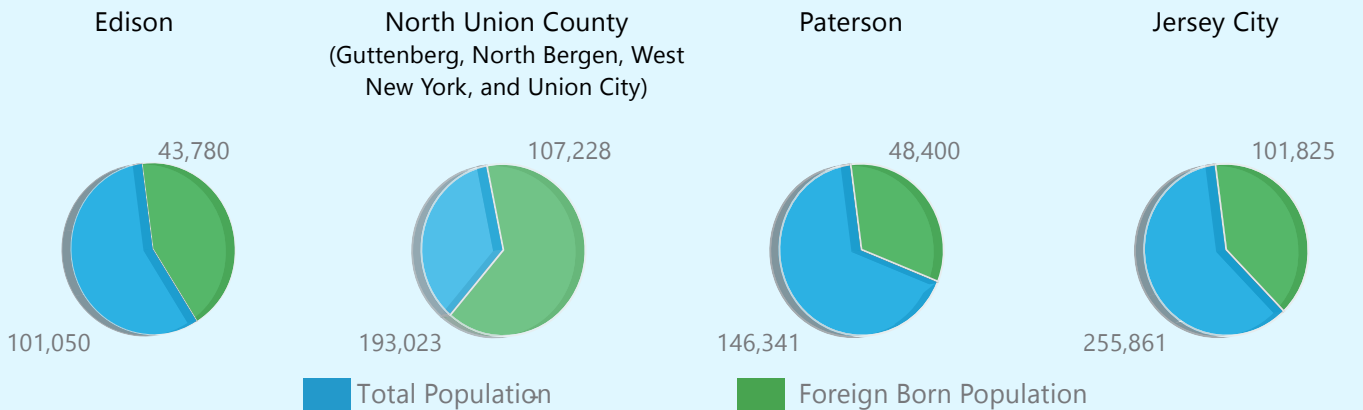
Why are population trends relevant to housing and mortgage finance?

Understanding the impact of immigration on demographic change is vital to analyzing the economic and fiscal effect immigrants have on New Jersey and its localities. This study provides an overview of how changes in the native- and foreign-born populations have interacted to create distinct patterns in many areas of the state.

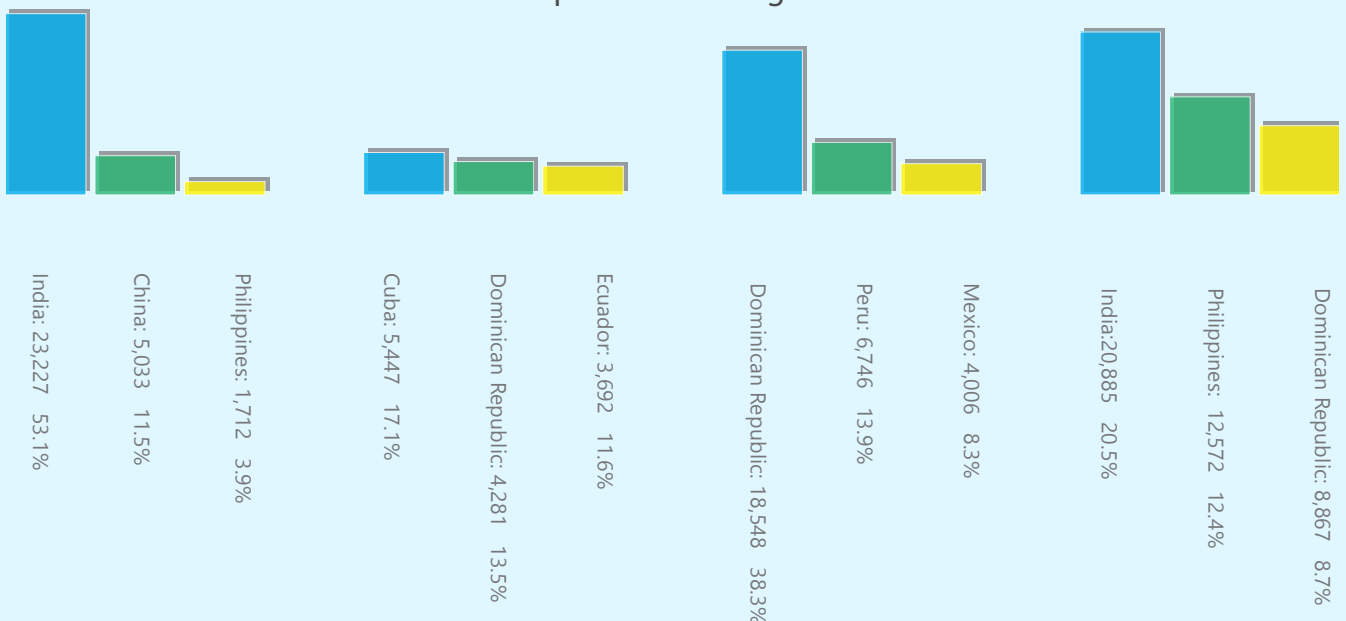
Community Selection: Why Edison, Jersey City, North Hudson County and Paterson?

After identifying the spatial distribution of foreign-born residents across New Jersey, the practicum team identified four communi-

ties to conduct field research to assess existing service providers, public entities and other CBOs. The communities were selected



Top 3 Place of Origin



using the following criteria:

- Population of Foreign-born Residents
- Income Level – Moderate and Middle (80%-120% AMI range)
- Variation in Immigrant Place of Origin
- Proximity to Credit Unions

The population of foreign-born residents was the principal criterion used in identifying suitable communities to conduct the community organization inventory in addition to analyzing the relationship of the concentration of specific foreign-born populations and the credit needs of middle- to moderate- income immigrant families. First, the Practicum Team used 2014 American Community Survey data provided by the US Census Bureau and identified all census tracts in New Jersey with foreign-born populations that exceeded thirty percent. In an effort to ensure selected communities held a significant foreign-born population, the culled census tracts were also required to have a minimum foreign-born population of 2,500.

As a second criterion, the Practicum used data provided by the FFIEC (Federal Financial Institutions Examination Council) to extract census tracts that were designated as moderate and middle income. The

rationale in using this income measure was twofold. First, the primary purpose of this study is to assess the availability of sustainable homeownership opportunities for immigrant families across NJ, especially among middle-and moderate- income families. By identifying moderate- and middle- income census tracts (50% to 120% of the area median income), communities could be qualified as fitting this essential goal. Note, the selection of suitable census tracts was limited to moderate- and middle- income tracts and did not extend to very low and low-income communities (less than 50% of the area median income). Although the housing needs of low-income families are substantial and possibly more urgent than the moderate- and middle- income families targeted in this study, in most cases, lower income families are not in an appropriate position to purchase a home. Since this study exclusively focuses on assessing the availability of homeownership opportunities, only moderate- and middle- income census tracts were included. Second, the identification of moderate-income census tracts also highlights opportunities for CRA (Community Reinvestment Act) investments. CRA, which is administered by the Federal Financial Institutions Examination Council (FFIEC), is intended to encourage lending in these underserved areas. In

an effort to extend credit to low income areas, the FFIEC periodically identifies geographic areas that are underserved by lenders. Overlaying the underserved/ distressed geographies identified by the CRA and foreign-born population analysis provides a targeted investment approach for lenders observing CRA requirements.

Lastly, each community's proximity to credit unions was observed. Credit unions are member-owned, not-for-profits committed to serving and assisting their members, who are also customers. All the members are owners of their credit union and can vote for its volunteer board of directors. Instead of providing profits to its shareholders, credit unions reinvest revenue to support their members. Due to their member-oriented structure, credit unions are oftentimes best suited to meet the mortgage needs of immigrant families, making access to credit union locations important.

This pool of communities also offers a wide range of places of origin and languages. Places of origin include India, Pakistan, Korea, Mexico, Caribbean nations and South American nations. Languages include Spanish, Korean, Hindi, and Urdu.

Local Trends (demographics of our communities, CRA Context)

The four selected communities are, on average, younger compared to New Jersey as a whole. Individuals under the age of 34 account for over 51% of the population in the selected communities compared to 44% for New Jersey as a whole. These communities are also naturally much more diverse. Non-Hispanic whites consist of 58% of the state population while only 18% of the population of selected communities is non-Hispanic white. In the selected communities, Hispanic or Latino is by far the largest demographic at 45%.

Income levels among the selected communities are generally lower. Approximately 47% of individuals living in the selected communities earn less than \$50,000 per year. On a whole, 36% of New Jersey residents earn less than \$50,000 per year.

The median home value is close to the state value at approximately \$319,000. Median gross rent is also similar to the state amount at \$1,200 per month. Furthermore,

Median Gross Rent as a percentage of income in addition to Median Monthly Owner Costs as a percentage of income are actually lower than the state average

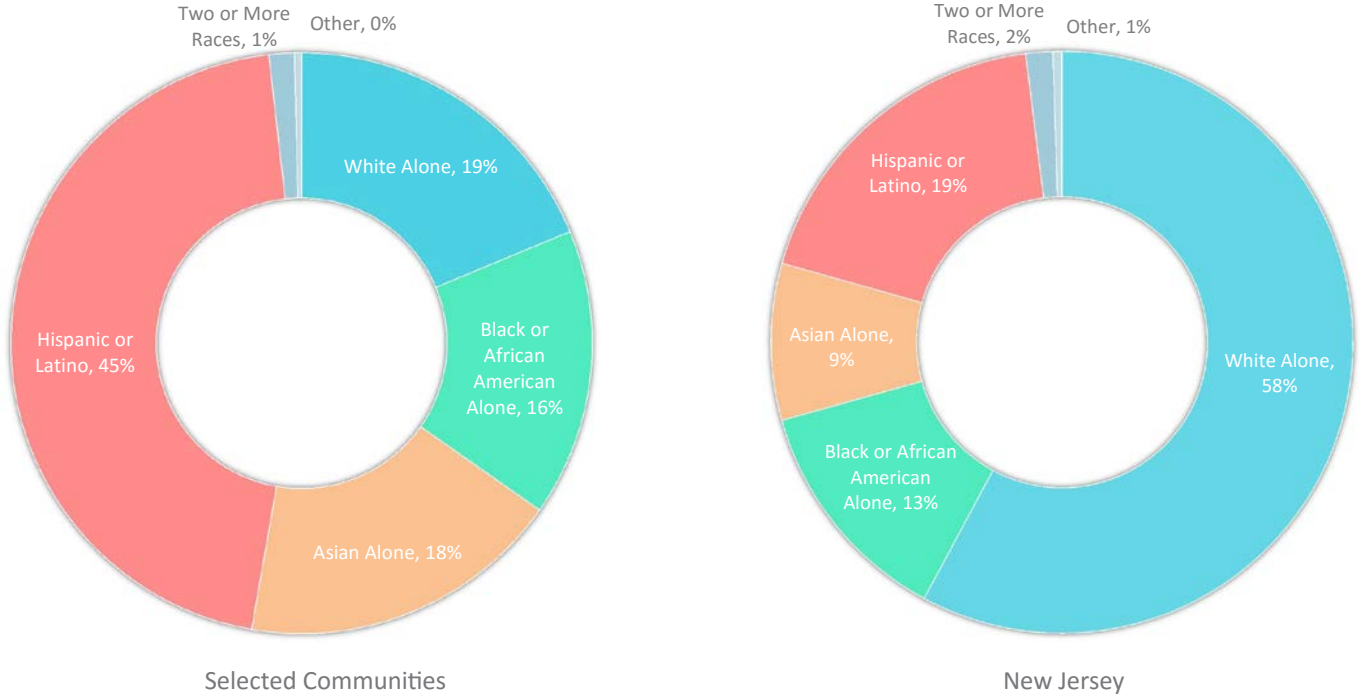
Population by Age & Sex - 2014

	All Selected Communities		New Jersey	
	Number	Percent	Number	Percent
Total Population:	696,276		8,874,374	
Male:	341,318	49.0%	4,326,518	48.8%
Under 18 Years	80,521	11.6%	1,040,582	11.7%
18 to 34 Years	99,689	14.3%	975,159	11.0%
35 to 64 Years	131,246	18.9%	1,784,858	20.1%
65 Years and Over	29,862	4.3%	525,919	5.9%
Female:	354,958	51.0%	4,547,856	51.3%
Under 18 Years	77,373	11.1%	995,502	11.2%
18 to 34 Years	97,947	14.1%	943,501	10.6%
35 to 64 Years	135,931	19.5%	1,885,508	21.3%
65 Years and Over	43,707	6.3%	723,345	8.2%

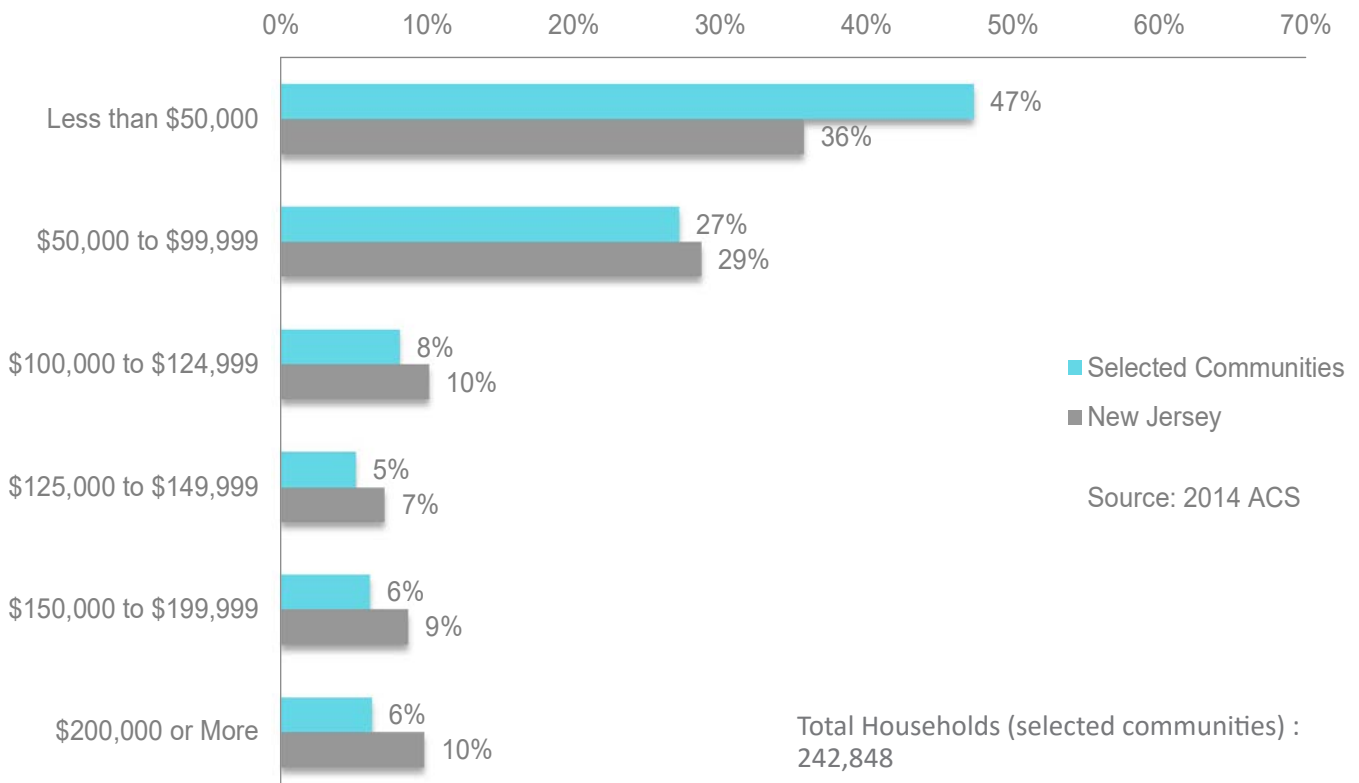
and less than 33%. The standard accepted front-end ratio is 33%.
Despite the similarities in housing costs, the housing tenure in

the selected communities is quite different than New Jersey as a whole. In the selected communities, owners make up 34% of occupied housing units and renters make up 66% of occupied

Race: Selected Communities versus New Jersey



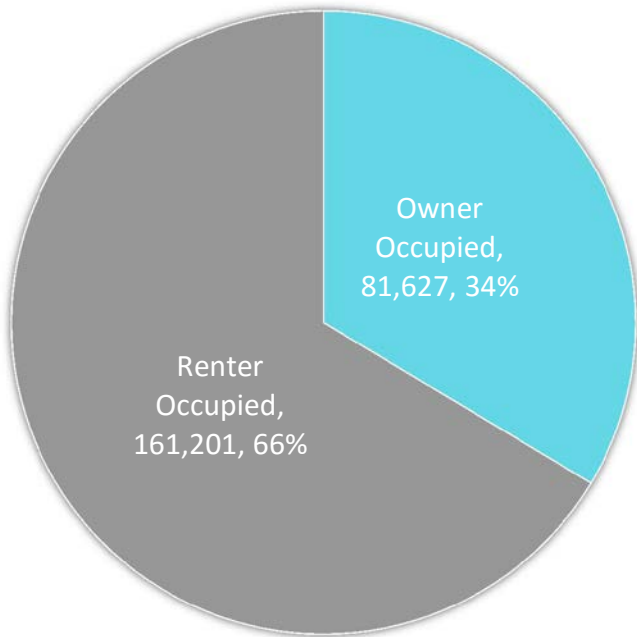
Household Income: Selected Communities versus New Jersey



Home Value for Owner Occupied Units - 2014

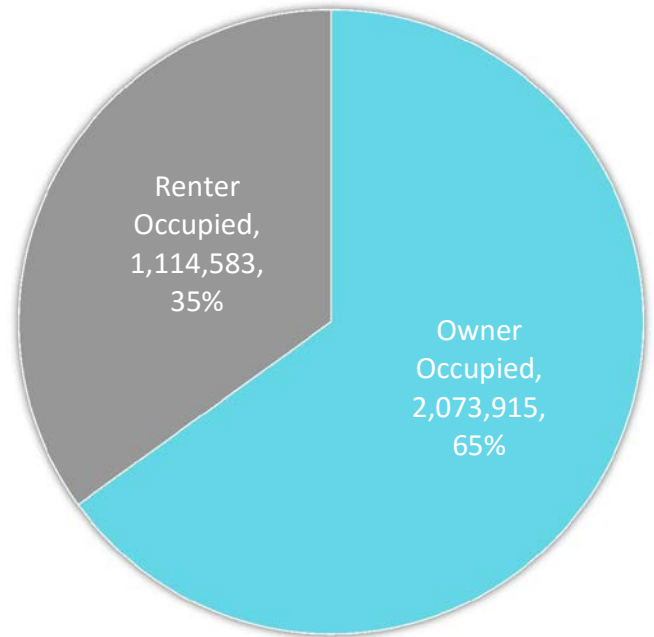
	All Selected Communities		New Jersey	
	Number	Percent	Number	Percent
Owner-occupied housing units:	81,627		2,073,915	
Less than \$20,000	1,131	1.4%	32,688	1.6%
\$20,000 to \$49,999	858	1.1%	27,390	1.3%
\$50,000 to \$99,999	2,082	2.6%	62,688	3.0%
\$100,000 to \$149,999	3,346	4.1%	115,101	5.6%
\$150,000 to \$299,999	29,492	36.1%	710,101	34.2%
\$300,000 to \$499,999	32,125	39.4%	709,930	34.2%
\$500,000 to \$749,999	9,471	11.6%	270,625	13.1%
\$750,000 to \$999,999	2,041	2.5%	84,169	4.1%
\$1,000,000 or More	1,081	1.3%	61,223	3.0%
Median Value	\$313,112		\$319,900	

Housing Tenure: Selected Communities versus New Jersey



Occupied Housing Units - 242,828

Selected Communities



Occupied Housing Units - 3,188,498

New Jersey

Community Profiles

units. New Jersey altogether is the opposite with 66% and 34% respectively.

EDISON

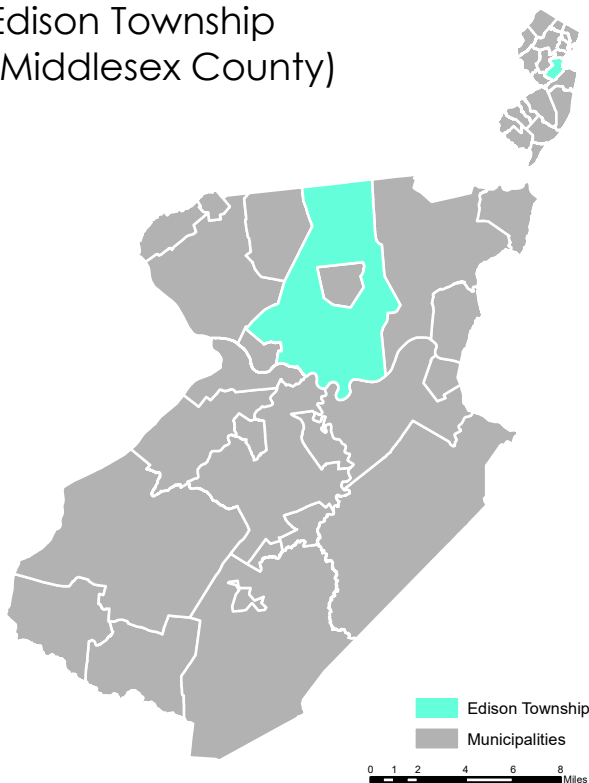
Community Profile

Edison is a suburban community of over 101,000 residents in Middlesex County. The town is largely split between white (41.8% of the population) and Asian-alone (46.8% of the population). The Asian-alone population refers to individuals of Asian descent with only one ethnicity and place of origin. In Edison, the Asian-alone population is primarily represented by the Asian-Indians,

which make up approximately 31,588 people or 66.8% of the Asian-alone population. The target demographic for Edison is the Asian-Indian population.

Much of the Indian population is divided based on their job status. One part of the Indian population lives in relatively upper-scale housing close to the Metro Park train station. This allows the residents to easily commute to work. Some of these individuals are visiting through a visa program. Additionally, another part of the Indian population lives in garden-style apartments or sublet in another resident's home. These individuals tend to work at convenience stores or construction jobs. Some do not own vehicles and contribute a part of their paycheck for commuting costs each day.

Edison Township (Middlesex County)



Source: NJ Office of Geographic Information Systems

Existing Housing Market/Stock

The Edison area is a moderately dense community with several industrial zones for business and major residential areas. There are 34,420 occupied housing units with 1,857 vacant structures. Approximately 21,872 of these units are owner-occupied with an average home value between \$300,000 and \$499,000. Additionally, garden-style apartments are occupied by the target population.

Availability of Services for Immigrants

Edison is home to CBOs that are available and willing to provide opportunities to individuals looking to purchase a home. Residents of any background or status can reach out to organizations such as New Jersey Citizen Action, Puerto Rican Action Board, Puerto Rican Association for Human Development, and the United Way of Central New Jersey. These organizations provide support to residents in the form of providing first-time homebuyer programs, individual counseling on home buying and tenant rights, voucher programs for mortgages/rental assistance, and New Jersey Housekeeper Programs for unemployed homeowners. Similarly, immigrants are provided assistance by the CBOs, which will provide them with the tools to obtain their citizenship, ITIN numbers, and financial guidance. These organizations can be contacted via phone, email, or by site visit, and are relatively



close to Edison via foot traffic or public transportation. A list of organizations can be found in the appendix of this report.

Credit Gaps that Exist

Credit gaps varied between the Indian commuters from those who worked locally or commuted via nontraditional means.

NORTH HUDSON

Community Profile

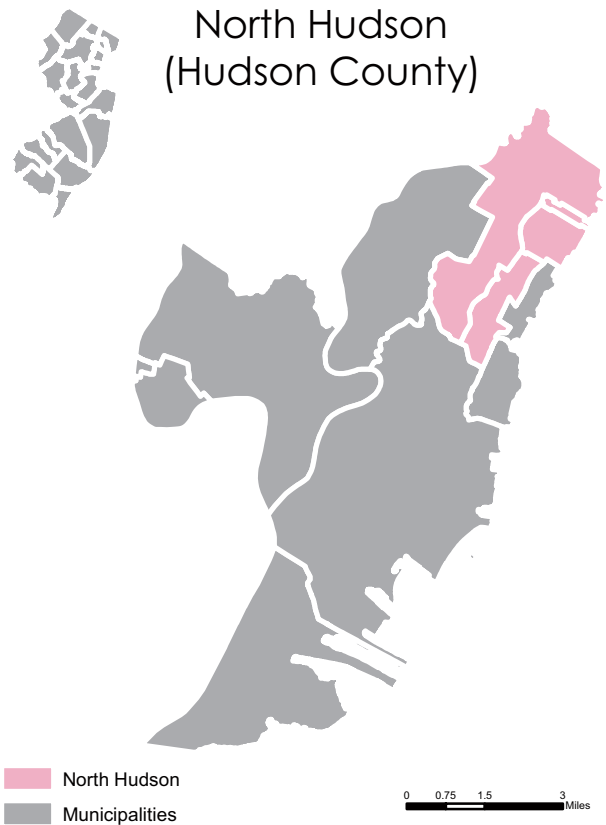
For the purposes of our research, “North Hudson” refers to the cities of West New York, Union City, Guttenberg and North Bergen. The American Community Survey (ACS) 5-year estimates were used as the main source of data collection. North Hudson is an urban community of 193,023 residents. Of the total residents in this area, 105,074 or about 54% are foreign-born. The target ethnic population in North Hudson is the Hispanic population, consisting of 151,766 residents, or about 79% of the total North Hudson population.

The Hispanic populations in these communities are divided based on their country of origin. The origin of the Hispanic population targeted in North Hudson varies from Cuba, El Salvador, Ecuador, México, Colombia and the Dominican Republic. The target language across North Hudson is Spanish. Most of the population lives in similar conditions renting in multi-family homes. Family sizes tend to be large, and due to skyrocketing rental prices, multiple families tend to live together in one unit in order to afford the price of rent. In fact, during an interview with a CBO in Union City, Save Latin America, the interviewee

According to a director at United Way of Central New Jersey, “Indian commuters earn at least \$60,000 starting salary”, and are not struggling to obtain credit. Alternatively, according to other field interviews with various community groups, a recurring theme is that the more transient Indian population may be considered unbankable by financial institutions due to their lack of financial history. Many do not utilize banks while running a cash-based economy. While many individuals may be able to afford housing, a credit check will possibly yield either a negative credit score or no credit score at all. It should be noted that field interviews were not successful in obtaining samples of personal financial information due to the sensitive nature of questioning.

Key Findings

There are two major takeaways from site visits and research from the Edison community: (1) A significant number of the Indian community utilize a cash-based economy and (2) Many are unfamiliar with the process to obtain housing. While some members of this community may be ready for housing and could be bankable, they may not appear to be so by indicators often relied upon by lenders. It is necessary for those without SSNs to obtain an ITIN or a SSN. Additionally, there are a variety of community organizations that are nearby and able to provide direct assistance and willing to be a part of outreach programs. Direct outreach is what may be needed to make an impact.



Source: NJ Office of Geographic Information Systems

cited that “people are very creative with how they manage housing here”⁹¹ to emphasize the unconventionality of living conditions in the North Hudson area.

Existing Housing Market/Stock

The North Hudson area is a very dense community with a lot of new development taking place over the riverfront. There are 68,312 households and the average median household income across the four sub-communities within North Hudson is \$49,838.50. The median home value across North Hudson is \$300,633 and the median gross rent is \$1,172.

Availability of Services for Immigrants

There is ample access to immigrant services in this community. There are many nonprofit organizations that assist immigrants in the North Hudson community in home buying and financial counseling. There are other organizations that provide immigrants with the tools to obtain their citizenships and ITIN numbers. Most of the nonprofits in this area are very holistic in the types of resources they have to offer to their members, and most of them have close community ties with other organizations they can refer foreign-born individuals to if they cannot directly provide their members with whatever services they need.

Specific organizations in North Hudson that provide these services to the foreign-born individuals in their communities include:

Save Latin America, Cuban American National Council, Catholic Community Services, North Hudson Community Action and Helping Immigrant Communities. As nonprofits, they provide their services to community members free of charge and although they may target their services on the majority ethnic group in the area, any and all ethnicities are welcome to seek out their help. Save Latin America in particular emphasized during an interview that they serve both documented and undocumented immigrants primarily to resolve the credit difficulties they have accrued during their time in the United States and issues with landlords and housing. These organizations are accessible via phone, email or in-person and all of their contact information can be found in the appendix of this report.

Credit Gaps that Exist

Fieldwork in North Hudson revealed many of the credit gaps and other financial issues existing among our target population. Due to the development of areas within these communities, such as Union City’s Gold Coast, and rising rental rates, it is becoming highly unaffordable for even the middle- and moderate- income immigrants we focused on in our research.⁹² Due to this, many locals are experiencing uncertainty of whether to continue living there or not.

A common theme among foreign-born individuals in North Hudson is that there are many potential first time homebuyers, but if they do not have a SSN, then they cannot obtain any type of loan from banks due to legal restrictions. Regardless of immigration status, immigrants seldom have an established or favorable credit history. Even when those who are legally able to obtain a mortgage to buy their first home, many have experienced difficulties maintaining their permanent residence because of the investment of money it requires. Several factors that contribute to many immigrants losing their homes include: high taxes, falling behind in rent payments and the cost of upkeep.

According to CBOs in the region, individuals with ITIN numbers have a fear of working with banks that self-constrains them from documenting their financial history. There is a perception among immigrants in this community that they will lose their hard-earned cash if they hand it over to a bank to manage. According to Francisco Guzman, Executive Assistant to the Executive Director at Save Latin America, immigrants do not trust banks and feel that their money is more secure when they have full control over their cash. Guzman went so far as to cite that the banks are aware they are viewed as swindlers by immigrants due to their cultural reputation in the United States and abroad.⁹³ Immigrants also believe that signing up for a bank account to deposit their money will trigger a red flag from immigration officials. Thus, there is heavy usage of check-cashing facilities in North Hudson to a point where it has become evident to everyday observation. Moreover, the interest charged by payday lenders is generally significantly

⁹¹ Guzman, Francisco. Personal Interview. 14 March 2016.

⁹² Guzman, Francisco. Personal Interview. 14 March 2016.

⁹³ Ibid.



higher than the interest charged by banks.

Key Findings

After numerous site visits and research, there are key findings that can help lenders and community-based organizations better serve this growing portion of the population. First, Hispanic immigrants in the North Hudson community utilize a cash-based economy so much so that it has “become an industry” in North Hudson.⁹⁴ This limits some immigrants, regardless of status, from establishing an acceptable credit history that could in the future support them in buying a home or obtaining other types of loans. Second, there is a declining rate of affordable housing in this community. This decline has begun to push immigrant populations out. Another key finding is that many of these immigrants are not financially literate, and they have a hard time legally getting loans. Additionally, even if they can legally obtain a loan, cultural perceptions and fear stand in the way of establishing their credit history. Although CBOs, like Save Latin America, work to make immigrants feel safe when working with banks, immigrants fear losing their money or triggering a red flag from immigration by documenting themselves with the banks via account establishment.

PATERSON

Community Profile

Paterson is a former industrial city which boasts a considerable foreign-born population situated in different pockets across the city. According to the 5-year estimates of the American Community Survey, immigrant families account for roughly a third of the city’s population of 146,341 residents. The target population in Paterson are families from the Dominican Republic (representing 38% of the immigrant population), from Peru (13%), and from Mexico (8%).

According to data drawn from the U.S. Census Bureau, most of these communities are located in the Eastside (Ward 3), Hillcrest (Ward 2), and South Paterson (Ward 6) areas. However, interviews with key figures during site visits note that there is a strong immigrant community in the downtown area (Ward 5). Much of the downtown area was well-populated with franchise businesses and a few regional/national banks, as well as independent establishments (mainly furniture stores).

There are many independent restaurants in the residential parts of the city, most of which are targeting the Hispanic populations. The homes in this area appeared to be in satisfactory condition. Most were multi-family properties (i.e. row houses). During the site visit, there was one check-cashing facility spotted on the

Paterson City (Passaic County)



Source: NJ Office of Geographic Information Systems

outskirts of the downtown area.

Existing Housing Market/Stock

Paterson has a range of rentals and homes for sale. However, the rental market in Paterson is disproportionately larger than the buying market. Approximately 72.7% of the occupied housing units in Paterson are rentals, with the remaining 27.3% owner occupied. Of the 48,855 housing units in the city, only 5,393, or 11%, are vacant. Of the vacant lots, 239, or 4.4%, are available for purchase (42% are available for rental and 53% are listed as other vacant). According to key interviews, many immigrant families tend to rent single and multi-family units -- often times splitting the rent with other families. ACS 5-year estimates note the median rent in Paterson to be \$1,116 per month. During the site visit, the research team found advertisements for new apartment rentals near the Paterson downtown area.

In terms of housing for sale, ACS data estimates the median home price to be \$262,200. There is, however, a large range of home prices available in the city. For instance, there are bank foreclosures that can be purchased for as low as \$50,000. (There are certain neighborhoods in Paterson where more upscale homes and single-family units can be found.) However, it is unknown whether this area is actually populated by foreign-born families. Key interviews also suggest that the major hurdle to housing for immigrant families is the associated property taxes

⁹⁴ Guzman, Francisco. Personal Interview. 14 March 2016.

with the costs of homes.⁹⁵

Availability of Services for Immigrants

Community-based organizations are present to provide family services to the foreign-born population. CBOs such as Greater Bergen Community Action focus many of their actions on Head Start programs in the area. In addition to family welfare services, CBOs also provide financial literacy programs to immigrants in English and individual counseling in Spanish, first-time home buying programs for documented individuals, and guidance for small business loans. The CBOs also provide aide in acclimating new immigrants through the social service resources available. In Paterson, our research has identified one financial institution that offers banking (but not personal or home lending) to ITIN holders. Valley National Bank offers accounts to immigrant families that have ITIN numbers and an alternative form of documentation. The bank also provides services to help immigrants obtain an ITIN number.

Credit Gaps that Exist

The major obstacles in terms of access to credit for immigrant families in Paterson stems from the issue of proper documentation for individuals. Though Valley National Bank offers support for those who do not have ITINs, without the two forms of identification, financial institutions are not be willing to provide credit to these individuals. According to a stakeholder at Valley National Bank, following the events of the financial crisis in 2007 and 2008, many banks have adopted stricter policies that would

JERSEY CITY

Community Profile

According to the 5-year estimates of the American Community Survey (ACS), the total population in Jersey City was 262,146 as of 2014. Among the total population, 101,825, or 41% are foreign-born. The Hispanic/Latino communities and the Asian communities comprise a majority of this foreign-born demographic. There were 70,196 Hispanic or Latino individuals, accounting for 27.4% of the total population. Those foreign-born individuals who identify as Hispanic are mostly from Puerto Rico, the Dominican Republic, and Ecuador. The total population of the Asian community is 63,163, accounting for 24.7% of Jersey City's total population. The Asian community comprises immigrants from India, China and the Philippines.

As per conversation with residents and community organizations: among those foreign-born cohorts who earn low to median income, Latin Americans, Pakistanis, and Middle Eastern populations have the highest presence in Jersey City. Meanwhile,

⁹⁵ Additional information can be found at: <http://www.northjersey.com/news/for-the-10th-straight-year-paterson-property-owners-will-pay-an-increase-in-city-taxes-1.1295218>



prohibit lending to immigrants who are not only documented, but also strong financial candidates.

Key Findings

Research in Paterson underscores the challenges that immigrant families face in securing important financial services from banks and credit unions. (1) The major issue is the lack of identification and verification of incomes. Valley National Bank, however, has set precedence by allowing access to basic financial products. (2) Just as significant, however, is the housing market in Paterson. Even if immigrant families have the incomes to service a loan, the associated taxes make the house unaffordable for many.



Source: NJ Office of Geographic Information Systems

undocumented immigrants are highly observed within these communities⁹⁶. The targeted immigrants appear to be most concentrated in the mid-west portion of Jersey City along the north section of John F. Kennedy Boulevard. There are several apartment clusters within the area, suggesting a substantial rental market. In these transient neighborhoods, the commercial area has multiple small- to medium-sized check-cashing facilities, travel agencies, tax assistance businesses, and multiple labor uniforms facilities, which indicates that the population may be comprised of cash-based earners.

According to multiple interviewees, the undocumented foreign-born population is a hidden community that in many ways is living in the shadows. A majority of these immigrants are laborers in construction, food service, manufacturing, janitorial and other blue-collar jobs which require less formal education. Laborers tend to earn an hourly wage at a rate of \$15 per hour or less, and many work multiple jobs to afford basic living expenses. Many immigrants are unable to achieve higher rates of pay, as according to a local credit union manager, “the higher paying employment usually requires documents...there is an E-verify system⁹⁷ that keeps the undocumented from accessing the jobs”.

Existing Housing Market/Stock

According to ACS data, the median family income across Jersey City is \$58,907. The median home value across Jersey City is \$323,800 and the median gross rent is \$1,187. In field interviews, community organizations confirmed that an affordable single-family house range from \$200,000 to \$400,000 in Jersey City. However, the average housing price in Jersey City is rising, mostly due to its prime location. Residents who are employed in New York City are willing to pay a location premium, which pushes up the market price of homes, ultimately making the housing market increasingly unaffordable. To account for high home prices, multiple immigrant families tend to share the same apartment. Individual rooms are also sublet to offset the cost of rent.

Availability of Services for Immigrants

The most common services provided by community-based organizations in and around Jersey City include: tax preparation, housing counseling, credit counseling, financial education, home purchase education and referral services. Many of these organizations employ staff who speak a foreign language; many speak Spanish, and some speak Portuguese, French or Hindi. As a HUD certified housing counselor introduced, the home purchase services typically involve two components: (1) the first-time home buyer education, which covers the basics of home buying and maintaining and (2) the housing counseling service, which provides professional advice and solutions according to particular home buying needs on a case-by-case basis. The majority of these services are open to undocumented immigrants and about 10%⁹⁸ of the clients served are undocumented immigrants, according to a housing counselor from a Montclair, New Jersey-based nonprofit.



Credit Gaps that Exist

The main barriers that prevent undocumented immigrants in Jersey City from obtaining a mortgage are (1) lack of identification, (2) credit history, and (3) lack of process information. In terms of identification, most commercial banks require a SSN to access a mortgage, so an ITIN is not an acceptable alternative. Another critical barrier is the lack of credit history. Creditworthiness determines whether a borrower can be approved for a loan or not. In the interviews, most interviewees mentioned two attributes of creditworthiness: the proof of income level and the credit score. As the target population typically operates

⁹⁶ There is a large numbers of refugees (mostly from the Middle East) in Jersey City, as confirmed by Mahmoud Mahmoud, a refugee resettlement program director from Church World Service. However, unlike the undocumented immigrants, the majority of refugees are in line for residency upon their arrival in the United States, therefore they are not likely to face the same difficulties that those undocumented have. Hence, we excluded the refugees from this study.

⁹⁷ “E-Verify is an Internet-based system that allows businesses to determine the eligibility of their employees to work in the United States.” -- Excerpted from “E-Verify.” USCIS. n.d. Web. 2 Mar. 2016.

⁹⁸ This is a rough estimation since all the stakeholders from the CBOs we have interviewed emphasized that they do not keep a separate record of the undocumented clients they have served.

under a cash-based economy, the undocumented immigrants seldom utilize the banking system. This makes it difficult for undocumented immigrants to provide verification of income and or a true credit history.

According to CBOs in the area, many of these immigrants refrain from utilizing the banking system partly out of fear of possible deportation. Consequently, it is common for undocumented immigrants to have little knowledge of available financial

Key Findings from Interviews

Jersey City is an “immigrant-friendly” city; as described by an immigrant program director, “there is an economy built on immigrants - both documented and undocumented”. There are many agencies providing services to undocumented immigrants, however, mortgages and other types of financing are still unattainable. While there is increased demand from undocumented immigrant communities for loans, most of the

resources and other social services. One housing counselor pointed out that immigrants will miss valuable housing opportunities due to improper financial knowledge, such as improperly filing taxes on their own instead of requesting the assistance from a VITA⁹⁹ taxitiant. Ultimately, financial education levels across undocumented immigrants are low, and limited English language skills leave most of this population at a disadvantage to accessing key resources.

interviewees admitted that the housing and mortgage resources customized for immigrants are scarce. Overall, there is a recognizable need for increasing outreach efforts to communicate the opportunities to immigrant populations and ultimately building trust between the families and the community organizations.

⁹⁹ “The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally make \$54,000 or less, persons with disabilities and limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals.” -- Excerpted from “Free Tax Return Preparation for Qualifying Taxpayers.” The Internal Revenue Service. Web. 27 Mar. 2016.

Findings

Immigrants Are Driving Population Growth in New Jersey

Immigrants (foreign-born individuals) make up more than 1 in 5 Garden Staters, accounting for approximately 1.88 million individuals. According to U.S. Census data, immigrant populations are also growing significantly. Since 1990, population growth among native born residents only increased by 200,000 – or about 3% from 6.8 million in 1990 to 7.0 million in 2014.¹⁰⁰ Conversely, the foreign-born population in New Jersey has nearly doubled in that same timeframe from approximately 1 million in 1990 to 2 million in 2014.¹⁰¹ This represents a 97% increase and exceeds native born population growth by 760,000. This is also echoed in 'Meet the Neighbors' in which the Eagleton Program on Immigration and Demographics tracked the growth

in immigrant populations from the late 19th century until 2010.¹⁰²

In terms of where they reside, foreign-born populations are particularly high in Bergen, Hudson, Middlesex, Essex, Union and Passaic counties which all have immigrant population shares that exceed 25% of the total population. Immigrants in Hudson County account for over 40% of the population. These 6 counties are home to over 1.3 million immigrants. Furthermore, nearly 50% of these immigrants are not citizens. Demographic data estimate that of the non-citizens, roughly between 250,000 and 500,000 are undocumented.

The Immigrant Population Is Continuing to Grow and the Composition Is Shifting

Top Five Countries of Origin Among New Jersey Immigrants from 1980 to 2010

1980	1990	2000	2010
Italy (99,903)	Italy (70,451)	India (119,497)	India (206,050)
Cuba (68,096)	Cuba (62,867)	Dominican Republic (91,316)	Mexico (129,852)
Germany (57,164)	India (52,347)	Philippines (69,773)	Dominican Republic (127,453)
Poland (40,768)	Colombia (40,404)	Colombia (69,754)	China (83,139)
USSR (25,036)	Poland (39,305)	Mexico (67,667)	Korea (77,810)
	Europe	Asia	Latin America

Source: Historical Censuses (1790-1960) and Core Summary Files (1970-2010) Minnesota Population Center. National Historical Geographic Information System: Version 2.0. Minneapolis, MN: University of Minnesota 2011. Quoted from Fine et. al., Meet the Neighbors: Organizational and Spatial Dynamics of Immigrant New Jersey, Report (Rutgers University, 2014).

The immigrant population has increased during the last three decades. Instead of predominantly European populations immigrating to the state as they had in the late 19th and early

20th century, changes in federal policy (such as the Immigration and Nationality Act of 1965 and NAFTA in 1994) precipitated a change in the type of immigrants that came to the United

¹⁰⁰ U.S. Census Bureau, American Community Survey 2008-2012: 5-Year Estimates and Decennial Census

¹⁰¹ Ibid.

¹⁰² Ibid.

States. According to ‘Meet the Neighbors’, many of the newer immigrants in New Jersey came from Latin America and Asia.¹⁰³

The table above, which is derived from Census data, demonstrates the evolution of the major origins among New Jersey immigrants. In the 1980s, European migrants consisted of the majority of the foreign-born population with Cubans then leading “the vanguard of non-Europeans after WWII, settling in Jersey City and Union City in large numbers.”¹⁰⁴ Colombians and Dominicans followed the lead and became the top sources of Latin American immigrants. Mexicans have become a large

immigrant cohort since the 2000s and superseded the Dominicans to be the largest Latin American immigrant population in 2010. During the 1990s, there was a considerable increase in the Asian population led by Indians, “lured by educational and professional opportunities.”¹⁰⁵ Unlike the Hispanic populations, the Asian populations tended to gravitate towards more suburban areas like Edison, West Windsor and Montgomery.¹⁰⁶ Since 2010, Chinese and Korean populations became the second and third Asian immigrant concentrations, superseding the Filipino population.

The Demographics and Characteristics of Communities with High Concentrations of Immigrants Vary Greatly from New Jersey as a Whole

The four selected communities are on average younger compared to the rest of New Jersey. Individuals under the age of 34 account for over 51% of the population in the selected communities compared to 44% of the population of New Jersey.. These communities are naturally much more diverse. Non-Hispanic whites consist of 58% of the state population while only 18% of the population of selected communities is Non-Hispanic white. In the selected communities, Hispanic or Latino is by far the largest demographic at 45%.

Income levels among the selected communities are generally lower. Approximately 47% of individuals living in the selected communities earn less than \$50,000 per year. On a whole, 35% of New Jersey residents earn less than \$50,000 per year.

The median house value is close to the state value at approximately \$330,000. Median gross rent is also similar to the state amount at \$1,200 per month. Furthermore, Median Gross Rent as a percentage of income in addition to Median Monthly Owner Costs as a percentage of income are slightly higher than the state average but are less than 33%. The standard accepted front-end ratio is 33%.

Despite the similarities in housing costs, the housing tenure in the selected communities is quite different than New Jersey as a whole. In the selected communities, owners make up 34% of occupied housing units and renters make up 66% of occupied units. New Jersey altogether is the opposite with 65% and 35% respectively.

Each Immigrant Community Has Their Own Specific Needs

Table: Place of Origin Among Immigrants by Selected Community

Edison - 2014			Paterson - 2014		
	Number	Percent		Number	Percent
India	23,227	53.1%	Dominican Republic	18,548	38.3%
China:	5,033	11.5%	Peru	6,746	13.9%
Philippines	1,712	3.9%	Mexico	4,006	8.3%
North Hudson - 2014			Jersey City - 2014		
	Number	Percent		Number	Percent
Cuba	16,452	15.3%	India	20,885	20.5%
Dominican Republic	16,163	15.1%	Philippines	12,572	12.4%
Ecuador	12,029	11.2%	Dominican Republic	8,867	8.7%

¹⁰³ Fine, Janice, Anastasia Mann, David Tulloch, and F. Scott Bentley, 24.

¹⁰⁴ Fine, Janice, Anastasia Mann, David Tulloch, and F. Scott Bentley, 22.

¹⁰⁵ Ibid.

¹⁰⁶ Ibid.

Within our selected communities, our research shows that there is noticeable variability in the issues and gaps that immigrant communities face. As U.S. Census data note, Mexican immigrant populations tend to have lower incomes than Indian immigrant communities. This has been substantiated through our interviews with financial institutions and CBOs that have explained that Hispanic families generally face more trouble in terms of access to services and affordable housing, whereas the Indian

foreign-born population – particularly in Edison – do not have the same degree of difficulty. Similarly, as evidenced in our interviews in North Hudson and Jersey City, location plays a big part in affordability. Because of North Hudson and Jersey City's proximity to New York City, immigrants are quickly being displaced due to rising home values and migration of business people to the more affordable alternative to Manhattan.

Lack of Credit and Documentation Remains a Barrier to Immigrants Receiving Financial Services

We have learned from our research that undocumented immigrants seldom utilize traditional banking systems, instead highly relying on alternative cash-based transactions, such as “check cashing, payday loans, and pawn shops.”¹⁰⁷ The most overwhelming barrier facing undocumented immigrants that prevent them from accessing mainstream banking services is the issue of required documentation. Section 326 of the Patriot Act of 2001 requires banks to verify customer's identification and document the record when opening an account¹⁰⁸. However the final rules, which implement the law leave leeway for banks to accept alternative identification, such as Matrícula Consular and an ITIN.¹⁰⁹ Opening bank accounts with alternative identification became common practice in roughly 30,000 out of around 88,000 bank branches across the United State as of 2005 according to Mari Gallagher.¹¹⁰ Nevertheless, loans are still offered with stringent identification scrutiny, especially when the lenders are the mainstream national banks.¹¹¹

Since the undocumented immigrants are underbanked or unbanked, “they have no credit history and no income verifi-

cation”, said a housing counselor from a Montclair, New Jersey based home development organization. “That basically excludes them from getting the mortgage.” Sometimes even documented immigrants, especially those low and medium income earners have the same difficulty of accessing loans due to lack of credits. They are easy to settle with predatory lending and other unfair lending practices. There are a few financial institutions that have adopted alternative means of verifying credit, such as past payments for rent or cell phone bills. However, this is not a common practice among the mainstream banks. Additionally, a branch manager of a bank in Paterson confirmed that the financial climate following the economic crisis of 2007-2008 has made lending more difficult to those who otherwise could have received loans in the past, yet due to regulation regarding identification and verification, are deemed ineligible. A branch manager of a credit union in North Hudson confirmed this issue immigrants face in the banking world, reiterating that the only way immigrants will be eligible for loans is after a change in legal status.

Immigrant Status Limits Their Ability to Secure Housing Finance

Aside from the regulations and institutional mandates that limit financial institutions from serving ITIN holders, there are other concerns regarding undocumented immigrant status. A major concern is that most financial institutions consider ITIN holders as “unstable borrowers.” From discussion with several interviewees from credit unions, this group of immigrants “are undocumented and can be deported anytime, leaving loan balance unpaid if they were offered one.” The literature suggests, however, that although ITIN loans are not widely offered by banks, financial institutions that do offer them report that they are very safe,

having a significantly lower default rate than traditional loans.¹¹² Another source of pressure comes from the mortgage market. The housing and mortgage market changed dramatically after the subprime crisis. A credit union manager revealed that before the housing market crash, it was relatively easy for ITIN holders to access loans. However after the financial collapse, some banks stopped providing non-traditional loans. In order to fulfill the stringent requirements of risk management, adequate documentation and collateral have become mandatory to qualify for loans.

Limited Financial Literacy Among Immigrant Populations

Despite resources aimed at providing financial literacy to immigrant families, many foreign-born individuals do not have

sufficient knowledge of the U.S. banking system. Our research and interviews with key community-based organizations and

¹⁰⁷ California and Nevada Credit Union Leagues, 73.

¹⁰⁸ USA PATRIOT ACT of 2001. Public Law 107–56, 115 STAT. 317. 2001.

¹⁰⁹ Martinez, Martha Argelia, 7.

¹¹⁰ Gallagher, Mari. “Alternative IDs, ITIN Mortgages and Emerging La-

tino Markets.” Profitwise News and Views (March 2005):2-8. Federal Reserve Bank of Chicago. Web. 2 Apr. 2016.

¹¹¹ Martinez, Martha Argelia, 8.

¹¹² Martinez, Martha Argelia, 8.

financial institutions underline this finding when detailing their interactions with the immigrants from the selected communities.

An important internal factor that causes undocumented immigrants to be financially underserved is their lack of financial literacy. Financial literacy includes understanding the basic principles of spending, saving, account management, in addition to using and maintaining credit. Financial literacy is typically learned through daily transactions through platforms offered by financial institutions.¹¹³ A study on homeownership among Mexico-born population in Los Angeles, Houston, and Atlanta concludes financial illiteracy, which was due to lack of interaction with formal financial institutions, is common among undocumented populations, which deviate them from the possibility of homeownership.¹¹⁴ Another report in 2004 estimated that 216,000 of the qualified undocumented families could become homeowners if they had better access to the information of mortgage and home-buying process.¹¹⁵ Our interviewees suggest

that lack of financial literacy may be due to lower educational attainment and simply cashed based financial practice those immigrants are used to and comfortable with.

Many of the organizations we spoke with provide financial literacy courses aimed towards educating immigrants about their options in banking, in addition to supplemental services such as tax help and applying for an ITIN. However, key interviews noted there are a vast number of immigrants who are unaware of how traditional banking services work and instead operate in a cash-based economy or use check-cashing services. A credit union manager pointed out that many undocumented immigrants, most of which came from rural area, are not well educated. "They felt overwhelmed when they first came to the US, they don't know what banking is." Those first generation immigrants can even pass the notion on their US born second generation that their next generation remains financially illiterate.

There Are Misperceptions and Fear on Both Sides of the Aisle

Both lenders and immigrants carry misconceptions about the other that serves as an additional barrier to foreign-born individuals accessing financial services. On the side of financial institutions, banks hold the notion that serving undocumented immigrants is illegal. Also, due to current underwriting practices and guidelines, the traditional banking system cannot underwrite loans to undocumented immigrants. From the immigrant perspective, our interviews cited that fear of the traditional banking system is the main impediment to foreign-born families using bank services. Among certain undocumented individuals there is a fear of possible deportation. Therefore, some immigrants avoid banking in order not to leave a paper trail.

CBOs aim to break into the 'knit' of immigrant communities. Outreach is an essential component to gaining the trust of immigrant families. Our interviews with CBOs detailed how many organizations aim to build strong relationships with immigrant families in the hope that those served will inform others in the community. This grassroots or snowball approach was explained as an integral part to a CBO's outreach strategy in Bergen and Passaic County. As we have experienced during our fieldwork, many immigrant communities seem closed off to outsiders, so gaining the trust of the community is an important task in showing foreign-born families the benefits of using financial services.

Quality Affordable Housing Is Limited

Depending on the area, there may or may not be adequate sources of affordable housing. After reviewing current New Jersey legislation, there is a consensus that quality affordable housing is limited despite the need among lower income individuals in the state. However, policies and enforcement mechanisms are not in place to address the issue.¹¹⁶ Through our research we can conclude that there is sufficient housing stock in Paterson, New Jersey but many immigrant families cannot afford the associated costs of purchasing those homes. In Hudson County, there is a high demand for affordable housing, but – according to an affordable housing developer -- undocumented immigrants

are not eligible to purchase housing since a SSN is required for applying for a housing unit. A housing developer in Hudson County claimed, "when homebuyers come to us, they have already worked out the credit issue and documentations."¹¹⁷ Furthermore, in certain areas of Hudson County, the affordable housing stock is lowering due to other populations moving into the area and buying property, effectively pricing out immigrant families.

¹¹³ Cortes, Alvaro, Christopher E. Herbert, Erin Wilson, and Elizabeth Clay. "Improving Homeownership Opportunities for Hispanic Families: A Review of the Literature." Abt Associates Inc., Mar. 2006. Web. 28 Mar. 2016.

¹¹⁴ Lee, Jongho, Louis Tornatzky, and Celina Torres. "El Sueno de su Casa: The Homeownership Potential of Mexican-Heritage Families," The Tomas Rivera Policy Institute. 2004. Web. 28 Mar. 2016.

¹¹⁵ Paral, Rob and Associates. The Potential for New Homeownership

Among Undocumented Latino Immigrants. Prepared for the National Association of Hispanic Real Estate Professionals. Cornerstone Credit Union League. 2004. Web. 29 Mar. 2016.

¹¹⁶ United States. Department of Community Affairs. State of New Jersey 2010-2014 Consolidated Plan. New Jersey Department of Community Affairs, June 2010. Web.

¹¹⁷ John Restrepo. Personal Interview. 23 March 2016.

Housing May Not Be the Biggest Priority for Immigrant Families

Based on our conversations with key stakeholders, it was made clear that many CBOs do not focus on securing affordable housing as one of the main services provided to immigrant families. For instance, a CBO in Paterson noted that many immigrant families are more concerned with the level of crime in their community than accessing finances to secure homes. Similarly, conversations with credit unions and CBOs in other areas prioritize basic financial literacy for foreign-born families, not lending. In North Hudson, CBOs are first trying to resolve poor or nonexistent

credit among immigrants before even considering home buying. 'Meet the Neighbors' details the breakdown of CBO activity with the highest functions reserved to providing legal aid (15% of immigrant organizations are primarily engaged in providing these services), cultural education (14%), and advocacy (13%). Less than 5% of CBOs are committed to primarily providing services for housing assistance, which suggests that housing may not be the top priority for immigrant families.

Conclusion

As our research and current practices reveal, ITIN lending has the potential to impact large portions of the immigrant population in New Jersey. As this growing demographic continues to be largely underserved in the state, providing financial opportunities to immigrant families can potentially better integrate these communities. Case studies involving ITIN lending also reinforce this motion. As we have noted, in the areas that do provide loans to undocumented immigrants the outcome has been resoundingly positive; lenders are able to make money off of these loans.

This presents a critical imperative to financial institutions in the state. As immigrant populations grow, banks and credit unions will be unable to ignore the financial needs of these communities. As our site visits and key interviews show, many of these immigrant clusters are tied to local community-based organizations and they tend to promote the services of CBOs through word of mouth after an organization gains their trust. Therefore, financial institutions that begin the process of creating products and services for ITINS will be at a distinct advantage. A key component must be that these institutions are able to leverage the connection CBOs have with these immigrant communities.

Recommendations

In order to maximize the efficacy of this opportunity, our team proposes the following recommendations:

1. Create strong ties between CBOs and lenders to improve the financial industry.

As previously mentioned, CBOs service a host of immigrants in their respective communities. Due to this, they have intricate knowledge of the immigrant communities and the specific needs that they have. Furthermore, since many CBOs already have an established connection within the community, they can serve as a valuable source of lead generation for the financial services offered by the financial institution.

Banks and credit unions should consider efforts to address the lack of sufficient financial knowledge within immigrant communities. As we learned through our interviews, some of

the CBOs are not focused on immigrant lending and some lack the knowledge of the current financial climate to accurately advise their constituents. We recommend that banks and credit unions fill this gap by providing key information about finances. In our research we encountered a local credit union that hosts CBOs to learn more about the needs of the immigrant families in the community. Additionally, this credit union and another financial institution provided financial literacy courses to these populations to not only promote better financial practices, but also gain trust in the community.

2. Educate lenders on evolving demographics and immigrant misperceptions.

Our interviews highlight that there is considerable skepticism on the part of lenders to provide loans to undocumented immigrants. We recommend that lenders evaluate research (including ours, past research and case studies) to understand how current positions and policies concerning immigrants preclude lenders from profiting from this demographic. Census data suggest that the immigrant population has been growing steadily since the early 20th century and is projected to drive population growth in the future. Evidence suggests this trend will continue. Therefore banks and credit unions have

the opportunity to service a population that is significantly underserved. Moreover, there are unwarranted misconceptions regarding these immigrant populations. Representatives from financial institutions and CBOs cited that one of the reasons there is hesitation to serve ITINs stems from the fear that immigrants carry a large amount of risk and may default on their loans. Overall, we learned from case studies and key interviews that immigrants are likely to pay off loans quickly for many reasons, one of which is to maintain a clean record.

3. Build trust within immigrant communities through outreach and education initiatives.

As we have found, breaking into the knit of these immigrant communities is essential but challenging. Nevertheless, an integral step for financial institutions is to seek out immigrants in the community (preferably in conjunction with CBOs) and demonstrate value to these communities. There are a number

of financial institutions that we interviewed that provided education and outreach to the community. Some of these institutions were also cited by CBOs during our interviews, showing how working with immigrants in the community can foster a network among immigrants, financial institutions, and CBOs.

From our research, we learned from CBOs that immigrants tend to be wary of financial institutions and lack the knowledge to comfortably navigate the system. Banks and credit unions can alleviate this uneasiness by providing better accommodations

to these communities. This can come in the form of education programs and seminars, services and marketing material offered in the immigrant language of origin, as well as having bank personnel with ties to the community

4. Engage in direct, personal, grassroots outreach with immigrant communities.

Marketing to immigrant communities cannot be passive. Interviews with CBOs outlined the challenges associated with gaining the trust of the immigrant communities. Information generally spreads via word of mouth in several of these communities.

Therefore, much of the outreach must happen on the ground within in community. We recommend that financial institutions accomplish direct, grassroots outreach through local campaigns and community engagement.

5. Make immigrants bankable.

One of the major first steps in tapping into this underserved market is to make undocumented immigrants bankable. Our interviews highlighted a number of financial institutions that did provide basic financial services to ITINs. The two-factor I.D. policy has been effective for these specific communities and can be adopted by other institutions across the state. Additionally,

providing alternative forms of credit checks such as paid cell-phone bills can encourage many immigrants to turn towards more traditional forms of banking. We recommend that banks and credit unions begin to institute policies that allow for immigrants who may be limited by lack of an SSN to use banking services.

6. Explore ITIN mortgages.

Case studies suggest that ITIN lending is a profitable endeavor for financial institutions. We recommend banks and credit unions in New Jersey begin planning policies and practices to facilitate ITIN mortgages. As our research shows, there are some immigrant communities that are ready and able to afford mortgages. In order to access this market, banks and credit unions should

put the mechanisms in place to service this need. The important first step would be to gain a better understanding of the current market for ITIN lending, not only in terms of the profit from keeping these loans on the books, but also the secondary market of selling the loans to other lenders.

7. Get community leaders involved.

During our research, we aimed to gain insight from community leaders. However, due to a variety of factors, we did not gain much interaction with many. Involving community leaders can enhance community engagement and accelerate outreach efforts.

We recommend that financial institutions work in conjunction with CBOs to incorporate community leaders in their effort to reach as many immigrants in the community as possible.

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Appendix

1. Methodology
2. Questionnaire
3. Advance Letter
4. State and Community Data
5. Community Infographics
6. Location of New Jersey Credit Unions
7. Research Site Visits & Contact Database

Appendix 1: Methodology

After identifying the spatial distribution of foreign-born residents across New Jersey, the practicum team identified four communities to conduct field research to assess existing service providers, public entities and other CBOs. The communities were selected using the following criteria:

- Population of Foreign Born Residents
- Income Level – Moderate and Middle (This is the 80%-120% AMI Range)
- Variation in Immigrant Place of Origin
- Proximity to Credit Unions

Criteria

Population of foreign-born residents was the principal criterion used in identifying suitable communities to conduct the community organization inventory in addition to analyzing the relationship between the concentration of specific foreign-born populations and the credit needs of middle- to moderate- income immigrant families. First, the Practicum Team used 2014 American Community Survey data provided by the US Census Bureau and identified all census tracts in New Jersey with foreign-born populations that exceeded thirty percent. In an effort to ensure selected communities held a significant foreign-born population, the culled census tracts were also required to have a minimum foreign-born population of 2,500.

As a second criterion, the Practicum used data provided by the FFIEC (Federal Financial Institutions Examination Council) to extract census tracts that were designated as moderate and middle income. The rationale in using this income measure was twofold. First, the primary purpose of this study is to assess the availability of sustainable homeownership opportunities for immigrant families across NJ, especially among middle-and moderate- income families. By identifying moderate- and middle- income census tracts (50% to 120% of the area median income), communities were qualified as fitting this essential goal. Note, the selection of suitable census tracts was limited to moderate- and middle- income tracts and did not extend to very low and low-income communities (less than 50% of the area median income). Although the housing needs of low-income families are substantial and possibly more urgent than the moderate- and middle- income families targeted in this study, in most cases lower income families are not in an appropriate position to purchase a home. Since this study ex-

clusively focuses on assessing the availability of homeownership opportunities, only moderate- and middle- income census tracts were included. Second, the identification of moderate-income census tracts also highlights opportunities for CRA (Community Reinvestment Act) investments. CRA, which is administered by the Federal Financial Institutions Examination Council (FFIEC), is intended to encourage lending in these underserved areas. In an effort to extend credit to low income areas, the FFIEC periodically identifies geographic areas that are underserved by lenders. Overlaying the underserved/distressed geographies identified by the CRA and foreign-born population analysis provides a targeted investment approach for lenders observing CRA requirements.

Lastly, each community's proximity to credit unions was observed. Credit unions are member-owned, not-for-profits committed to serving and assisting their members, who are also customers. All the members are owners of their credit union and can vote for its volunteer board of directors. Instead of providing profits to its shareholders, Credit Unions reinvest revenue to support their members. Due to their member-oriented structure, Credit Unions are oftentimes best suited to meet the mortgage needs of immigrant families which makes access to credit union locations important.

This pool of communities also offers a wide range of places of origin and languages. Places of origin include India, Pakistan, Korea, Mexico, Caribbean nations and South American nations. Languages include Spanish, Korean, Hindi, and Urdu.

Interviews and Field Work

Members of the practicum team visited each target community to better understand the residents, community dynamics and overall existing environments. In preparation for the site visits, key organizations were identified using Housing and Urban Development's (HUD) approved housing counseling agencies list (<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=NJ>). Team members also identified organizations through referrals and internet searches. The practicum team focused on identifying credit unions, housing-oriented community organizations, immigrant advocacy groups and community leaders.

After developing a list of target contacts, the practicum team conducted extensive outreach efforts to these contacts. The goal was to better understand, first-hand, the housing needs of immigrants in the selected communities. The practicum team established initial contact with the target organizations using a template letter (Appendix 3) and scheduled interviews with appropriate personnel. All interviews followed a questionnaire guide (Appendix 2). Key questions included: which immigrant advocacy or service or legal organizations that provide direct language and/or culturally appropriate family or credit counseling services are already working to serve these targeted communities? What services are they providing? What credit gaps exist in the communities served? Sources included a literature search; a review of organizational websites and documents found online; telephone or in-person interviews with individuals involved with these programs; and interviews with staff of community-based organizations. An inventory of all organizations is attached (Appendix 7).

Appendix 2: Questionnaire

This interview script is one of a series for the different groups of individuals we seek to speak with in our communities. The ultimate goal of this script and the entire project as a whole is to help us conclude that foreign-born families who are not being served are not credit risks and can and will be and become valuable members of credit unions. We are seeking to understand what may be preventing foreign-born families from gaining access to financial products and services, including mortgages. In addition, does the organization provide support or services to help implement these goals. We will also need to look at nontraditional ways to support get these immigrants gaining access to financial products and services, specifically and ultimately, mortgages.

We would like to ask CBOs, credit unions and community leaders the following questions:

1. Can you tell me about immigrants and housing in your community?

- What is the origin of the main foreign born population in your community?
- What challenges do immigrants in your community face in securing quality affordable housing?
- Where do most immigrants in your community reside?
- Do you work with these immigrants and does your staff have language skills to support your efforts, or do you rely on translation services from family members or others?

2. What financial issues do immigrants in your community face? What are the issues about access to financial products and services for the immigrants in your community?

- What is the general income level?
- What is the average credit score (credit unions or counselling orgs)?
- What are the credit gaps immigrants face for mortgages or other types of products (credit cards, car loans, etc.)?
- Do these immigrants typically have savings? If so, how much and how is it saved (through bank accounts, cash at home, other)?
- Are immigrants in your community employed? Is there one main breadwinner or is it a joint effort? What employment sector are most immigrants working for?
- Do immigrants in your community own/lease cars or do they rely on public transportation or support from others?
- Are immigrants able to open bank accounts and secure access to financial products?
- Are immigrants afraid of banks?
- Do they use check cashing places?

3. What homeownership resources/services are currently available? Do you work with ITIN (Individual Taxpayer Identification Number) families? If an immigrant in your community wants to purchase a home, where and who would they go to? What would they do?

- **If CBO**, what services does your organization provide to immigrants to help them prepare for homeownership?
- **If community leader**, what services are offered by local community organizations, counseling organizations or legal service providers to help prepare immigrant families for homeownership?
- **If credit union**, do you provide outreach efforts to serve these communities? What homeownership counseling resources are available to your members? What resources, if any, are specifically geared towards immigrant families?
- What level of interaction does your organization have with other CBOs, credit unions, or community leaders in the area? Are there any current partnerships or articulated agreements between/among other service providers for immigrant families?

4. What does the existing housing market for immigrants in your community look like?

- In what types of homes do immigrant families currently reside (i.e. single family units, multi-family units, number of rooms, etc.)?
- Can you estimate how many families may be doubling up in one unit?
- How do your current market rents compare to home purchase options if such mortgage financing were available?
- Lower/affordable priced homes: What's the typical purchase price? What's the current inventory? What is the demand? What is demand among immigrant populations?
- Moderate priced homes: What's the typical purchase price? What's the current inventory? What is the demand? What is demand among immigrant populations?
- Higher priced homes: What's the typical purchase price? What's the current inventory? What is the demand? What is demand among immigrant populations?

5. How many immigrants are ready right now to buy a home?

- If they are not ready, where do they need to begin to become ready to buy a home?
- What is the biggest barrier(s) to immigrants owning housing in the community?

6. Do you make loans to ITINs? If you don't, would you in the future? If you did, what would be the process? (question for credit unions)

- If you do not make loans to ITINs - why do you currently not provide this option? Would you be open to providing loans in the future given our platform?
- Would you be willing to participate in a Webinar to learn about this opportunity presently offered by other NJ credit unions?
- If you do make loans to ITINs - What is your experience with ITIN loans? What is the aggregate rate of default? What is your experience working with these families? Has this been an overall profitable venture?

7. Is there anything I have not asked you that I should have asked you? Who else should I talk to? Do you mind if we reference you in our report?

Note: We won't reference your name without permission. We may reference by position and type of organization, but if we would like to cite you by name we will check back with you beforehand.

Appendix 3: Advance Letter



Sunday, February 28, 2016

Dear XXXXX,

We are a team of graduate students at the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, New Brunswick. We are working with New Jersey Community Capital (NJCC), the largest community development financial institution in the state of New Jersey, to create policy initiatives that will connect immigrant families in your community with affordable housing services through NJCC's Address Yourself program.

This letter is to request a phone call to prep for an in person meeting about the current housing climate for immigrant families in your community. Your responses will be used to gain a clear understanding of what the prevalent housing issues are for immigrant families in your community, and identify areas for linking community-based organizations (CBOs) with credit unions in the hopes of establishing a medium for foreign-born families to receive mortgages.

Your participation in this effort is important. As a key stakeholder in the community, we believe your input is highly valuable to our research efforts. The information that you provide will assist our team in assessing and analyzing the nature and extent of services provided for the foreign-born population in the community, as well as any opportunities or gaps that exist between financial service-providers and CBOs.

We would greatly appreciate speaking with you regarding this topic and plan to reach out to you to schedule a meeting within the next couple of days? Additionally, please note that you will find attached to this message a copy of our questionnaire to better prepare you for our meeting.

If you feel there is someone else more appropriate to speak with regarding the immigrant community and housing needs in your office can you please forward this message to that individual and copy us on the correspondence?

If you have any questions about this project, please feel free to call us at xxx-xxx-xxxx or send an email to 2016njcc@googlegroups.com. Thank you for your participation.

Sincerely,

NJCC Practicum Team

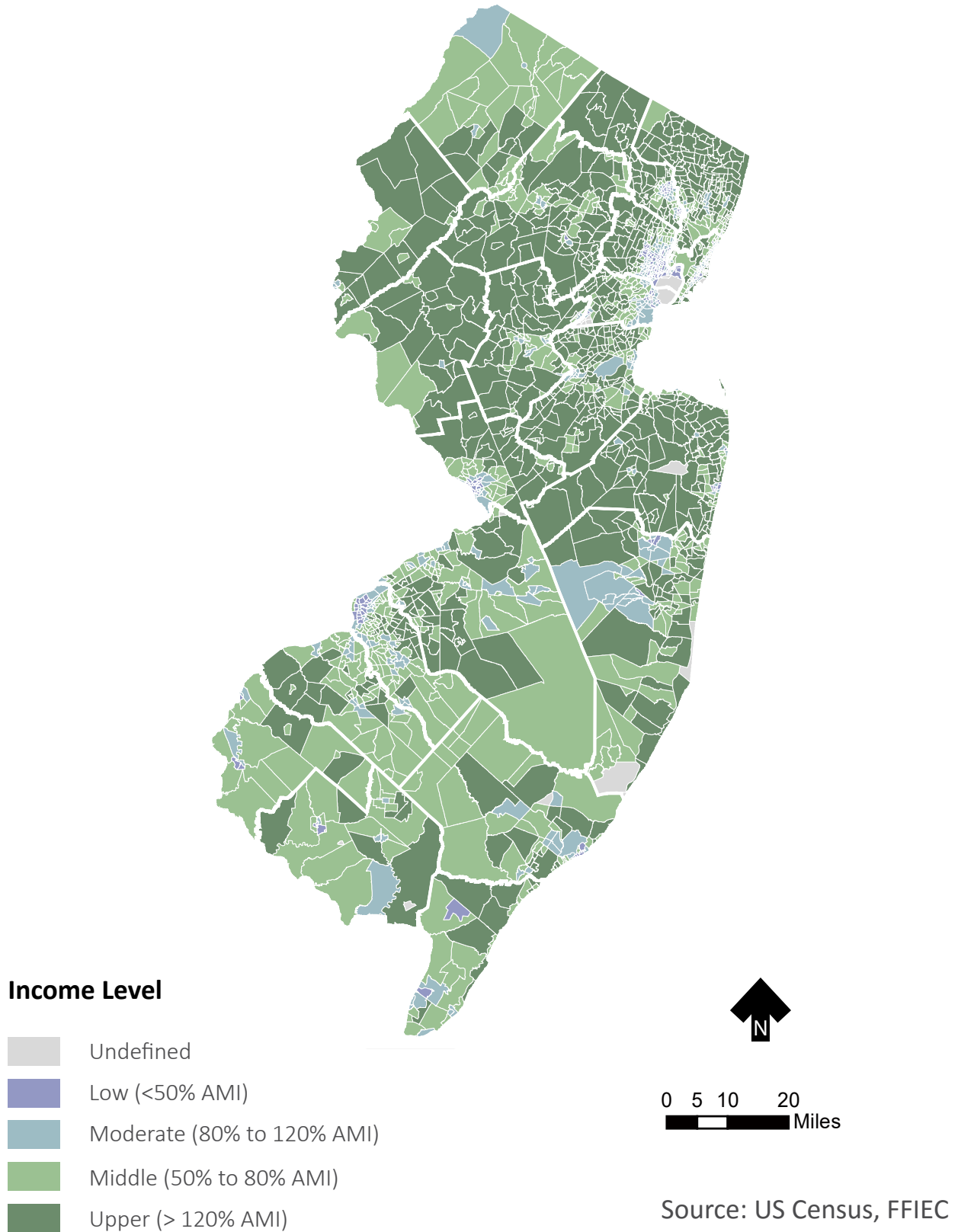
Appendix 4: State and Community Data

Initial Data: Social Explorer-ACS 2014 5-Year Estimates
CRA/HMDA Maps: Income Level

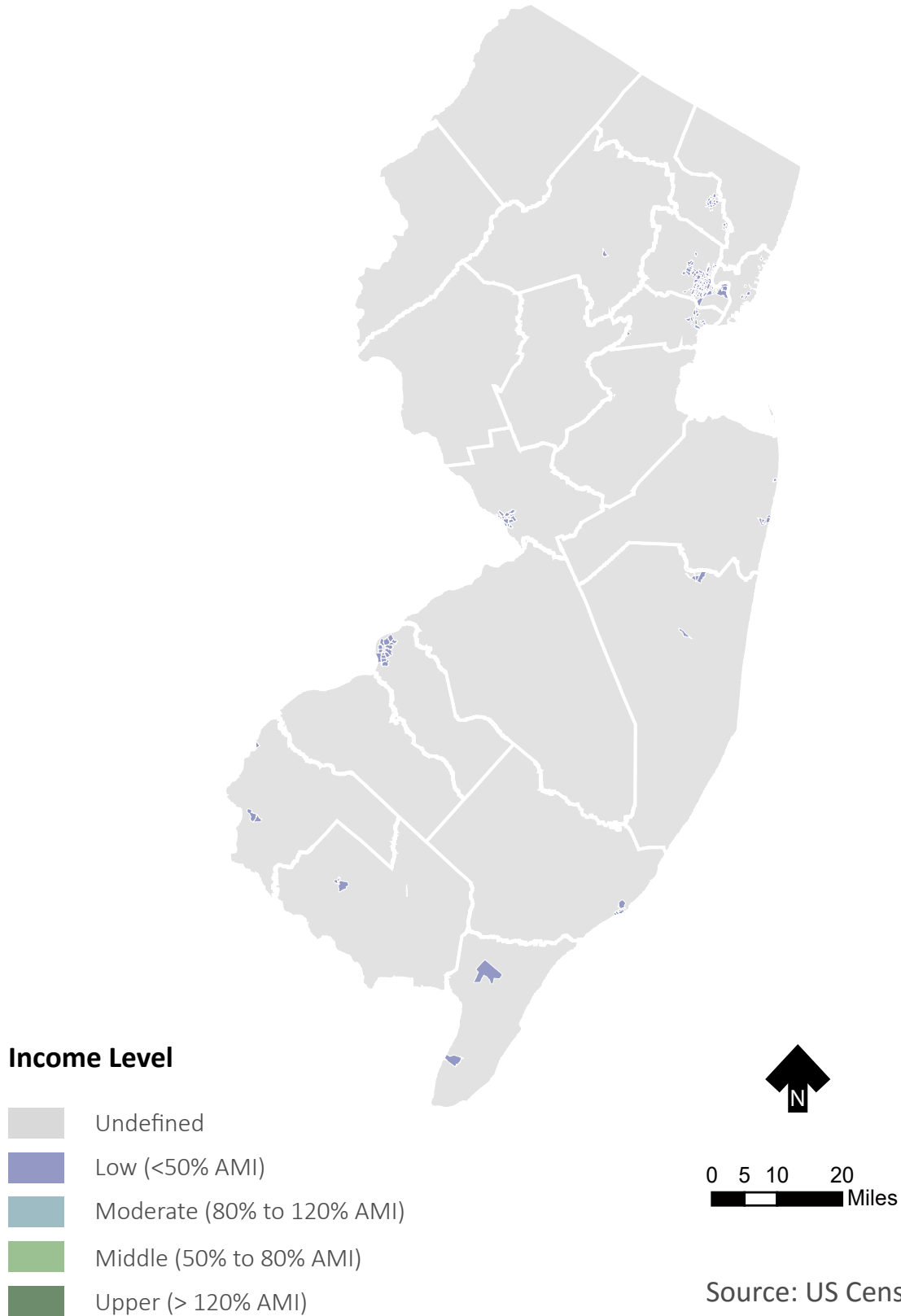
Statistics	NORTH HUDSON COUNTY									TOTAL (All Selected Communities)	New Jersey	
	Edison township, Middlesex County, New Jersey	Paterson city, Passaic County, New Jersey	Jersey City city, Hudson County, New Jersey	Guttenberg town, Hudson County, New Jersey	North Bergen township, Hudson County, New Jersey	Union City city, Hudson County, New Jersey	West New York town, Hudson County, New Jersey	North Hudson County Total				
SE:T24. Group Quarters Population												
Total Population:	101,051	146,341	255,861	11,397	62,114	68,001	51,511	193,023	696,276		8,874,374	
Population in group quarters	1,741 1.7%	2,247 1.5%	2,756 1.1%	109 1.0%	617 1.0%	452 0.7%	16 0.0%	1,194 0.6%	7,938 1.1%		186,539 2.1%	
Population NOT in group quarters	99,310 98.3%	144,094 98.5%	253,105 98.9%	11,288 99.0%	61,497 99.0%	67,549 99.3%	51,495 100.0%	191,829 99.4%	688,338 98.9%		8,687,835 97.9%	
SE:T30. School Dropout Rate for Population 16 To 19 Years												
Civilian Population 16 to 19 Years:	4,203	8,794	11,133	577	2,745	3,707	2,122	9,151	33,281		468,758	
Not high school graduate, not enrolled (dropped out)	136 3.2%	577 6.6%	378 3.4%	114 19.8%	218 7.9%	144 3.9%	48 2.3%	524 5.7%	1,615 4.9%		14,511 3.1%	
High school graduate, or enrolled (in school)	4,067 96.8%	8,217 93.4%	10,755 96.6%	463 80.2%	2,527 92.1%	3,563 96.1%	2,074 97.7%	8,627 94.3%	31,666 95.2%		454,247 96.9%	
SE:T56. Household Income (In 2014 Inflation Adjusted Dollars)												
Households:	34,420	43,462	96,634	4,524	21,968	22,786	19,034	68,312	242,828		3,188,498	
Less than \$10,000	1,068 3.1%	6,922 15.9%	8,157 8.4%	332 7.3%	1,553 7.1%	2,312 10.2%	1,979 10.4%	6,176 9.0%	22,323 9.2%		172,623 5.4%	
\$10,000 to \$14,999	644 1.9%	3,727 8.6%	5,697 5.9%	207 4.6%	1,486 6.8%	1,649 7.2%	1,262 6.6%	4,604 6.7%	14,672 6.0%		121,595 3.8%	
\$15,000 to \$19,999	943 2.7%	3,050 7.0%	5,259 5.4%	369 8.2%	1,345 6.1%	1,484 6.5%	1,318 6.9%	4,516 6.6%	13,768 5.7%		130,454 4.1%	
\$20,000 to \$24,999	941 2.7%	2,563 5.9%	4,960 5.1%	376 8.3%	1,168 5.3%	1,697 7.5%	1,025 5.4%	4,266 6.2%	12,730 5.2%		127,991 4.0%	
\$25,000 to \$29,999	1,035 3.0%	3,238 7.5%	3,969 4.1%	172 3.8%	1,111 5.1%	1,569 6.9%	990 5.2%	3,842 5.6%	12,084 5.0%		124,518 3.9%	
\$30,000 to \$34,999	963 2.8%	2,755 6.3%	3,888 4.0%	178 3.9%	1,248 5.7%	1,364 6.0%	914 4.8%	3,704 5.4%	11,310 4.7%		124,160 3.9%	
\$35,000 to \$39,999	944 2.7%	2,113 4.9%	3,476 3.6%	159 3.5%	799 3.6%	1,093 4.8%	987 5.2%	3,038 4.5%	9,571 3.9%		113,287 3.6%	
\$40,000 to \$44,999	937 2.7%	2,133 4.9%	3,477 3.6%	197 4.4%	785 3.6%	1,044 4.6%	977 5.1%	3,003 4.4%	9,550 3.9%		116,068 3.6%	
\$45,000 to \$49,999	942 2.7%	1,686 3.9%	3,515 3.6%	57 1.3%	951 4.3%	925 4.1%	816 4.3%	2,749 4.0%	8,892 3.7%		106,782 3.4%	
\$50,000 to \$59,999	2,159 6.3%	2,777 6.4%	6,445 6.7%	503 11.1%	1,336 6.1%	2,051 9.0%	1,358 7.1%	5,248 7.7%	16,629 6.9%		219,093 6.9%	
\$60,000 to \$74,999	3,258 9.5%	3,560 8.2%	8,622 8.9%	368 8.1%	2,405 11.0%	1,937 8.5%	1,881 9.9%	6,591 9.7%	22,031 9.1%		290,506 9.1%	
\$75,000 to \$99,999	4,744 13.8%	3,689 8.5%	10,711 11.1%	642 14.2%	3,150 14.3%	2,386 10.5%	1,914 10.1%	8,092 11.9%	27,236 11.2%		406,137 12.7%	
\$100,000 to \$124,999	4,386 12.7%	2,581 5.9%	8,193 8.5%	259 5.7%	1,765 8.0%	1,440 6.3%	967 5.1%	4,431 6.5%	19,591 8.1%		321,269 10.1%	
\$125,000 to \$149,999	3,247 9.4%	1,112 2.6%	5,255 5.4%	164 3.6%	1,021 4.7%	709 3.1%	885 4.7%	2,779 4.1%	12,393 5.1%		225,264 7.1%	
\$150,000 to \$199,999	4,095 11.9%	1,026 2.4%	7,050 7.3%	155 3.4%	1,029 4.7%	667 2.9%	872 4.6%	2,723 4.0%	14,894 6.1%		276,523 8.7%	
\$200,000 or More	4,114 12.0%	530 1.2%	7,960 8.2%	386 8.5%	816 3.7%	459 2.0%	889 4.7%	2,550 3.7%	15,154 6.2%		312,228 9.8%	
SE:T57. Median Household Income (In 2014 Inflation Adjusted Dollars)	\$91,881	\$33,964	\$58,907	\$52,466	\$54,365	\$40,939	\$45,412	\$46,725	\$53,541		\$72,062	
SE:T58. Median Household Income By Race (In 2014 Inflation Adjusted Dollars)												
Median household income (In 2014 Inflation Adjusted Dollars):	\$91,881	\$33,964	\$58,907	\$52,466	\$54,365	\$40,939	\$45,412	\$46,725	\$53,541		\$72,062	
White Alone Householder	\$77,792	\$36,141	\$62,118	\$51,394	\$52,094	\$40,021	\$44,157	\$45,161	\$52,364		\$77,446	
Black or African American Alone Householder	\$50,761	\$31,942	\$42,105	\$32,500	\$89,191	\$54,602	\$44,960	\$54,709	\$39,709		\$46,640	
American Indian and Alaska Native Alone Householder	\$23,750	\$36,071	\$63,090	\$60,270		\$19,750	\$14,624	\$19,108	\$36,434		\$36,663	
Asian Alone	\$117,138	\$41,618	\$90,318	\$92,128	\$78,468	\$77,045	\$127,983	\$87,774	\$98,079		\$103,101	
Native Hawaiian and Other Pacific Islander Alone Householder								\$87,500	\$81,401		\$74,375	
Some Other Race Alone Householder	\$68,266	\$33,026	\$36,049	\$45,536	\$53,576	\$40,972	\$41,552	\$44,387	\$40,017		\$45,137	
Two or More Races Householder	\$77,697	\$30,169	\$61,722	\$51,389	\$75,549	\$38,276	\$45,206	\$50,502	\$46,794		\$59,161	
Hispanic or Latino Householder	\$69,900	\$35,383	\$39,571	\$43,140	\$54,032	\$38,153	\$39,067	\$41,874	\$40,236		\$49,097	
White Alone Householder, not Hispanic or Latino	\$77,570	\$33,516	\$75,809	\$60,270	\$48,844	\$55,974	\$71,572	\$56,860	\$67,691		\$81,644	
SE:T59. Average Household Income (In 2014 Inflation Adjusted Dollars)												
Average household income (In 2014 Inflation Adjusted Dollars)	\$111,954	\$48,213	\$83,238	\$78,388	\$69,885	\$55,416	\$67,477	\$64,887	\$75,877		\$98,286	
SE:T61. Median Family Income (In 2014 Inflation Adjusted Dollars)												
Median Family Income (In 2014 Inflation adjusted dollars)	\$105,670	\$38,377	\$64,419	\$55,522	\$56,751	\$41,121	\$45,960	\$47,999	\$59,149		\$87,999	
SE:T62. Average Family Income (In 2014 Inflation Adjusted Dollars)												
Average Family Income (In 2014 Inflation adjusted dollars)	\$126,090	\$51,797	\$89,401	\$86,586	\$75,090	\$55,555	\$69,105	\$67,361	\$81,876		\$114,618	
SE:T63. Median Nonfamily Household Income (In 2014 Inflation Adjusted Dollars)												
Median Nonfamily Household Income (In 2014 Inflation Adjusted Dollars)	\$45,870	\$17,673	\$47,354	\$43,071	\$34,149	\$29,368	\$34,534	\$33,052	\$37,187		\$40,065	
SE:T64. Average Nonfamily Income (In 2014 Inflation Adjusted Dollars)												
Average Nonfamily Income (In 2014 Inflation Adjusted Dollars)	\$60,232	\$31,048	\$70,137	\$64,103	\$52,484	\$47,678	\$59,063	\$53,891	\$58,914		\$57,421	
SE:T65. Median Income By Sex By Work Experience (In 2014 Inflation Adjusted Dollars) (For Population Age 15+)												
Median Income For Population 15 years and over:	\$42,273	\$20,559	\$31,846	\$25,378	\$26,279	\$20,658	\$22,750				\$33,450	
Male:	\$54,893	\$24,141	\$38,005	\$31,210	\$33,678	\$24,806	\$27,443				\$42,313	
Worked full-time, year-round in the past 12 months	\$79,241	\$33,541	\$57,199	\$48,469	\$47,316	\$35,579	\$37,828	\$39,756	\$48,464		\$63,852	
Other	\$22,837	\$11,630	\$14,545	\$16,973	\$16,592	\$13,251	\$16,128	\$14,034	\$14,243		\$19,652	
Female:	\$31,349	\$17,415	\$25,548	\$21,043	\$20,626	\$16,667	\$17,496				\$26,476	
Worked full-time, year-round in the past 12 months	\$54,419	\$28,909	\$47,706	\$39,043	\$39,830	\$30,535	\$34,798	\$34,028	\$40,048		\$50,828	
Other	\$14,794	\$9,514	\$12,188	\$14,277	\$12,006	\$10,466	\$10,473	\$11,120	\$11,415		\$14,724	
SE:T66. Median Earnings By Sex By Educational Attainment (In 2014 Inflation Adjusted Dollars) (For Population Age 25+)												
Median Earnings:	\$54,525	\$28,284	\$42,921	\$31,910	\$35,609	\$25,804	\$29,197	\$30,298	\$38,346		\$45,785	
Less than high school graduate	\$21,488	\$21,618	\$22,566	\$13,672	\$21,411	\$19,830	\$19,795	\$19,899	\$21,237		\$22,030	
High school graduate (includes equivalency)	\$35,006	\$26,973	\$28,946	\$25,822	\$26,181	\$22,643	\$24,013	\$24,325	\$27,679		\$32,820	
Some college or associate's degree	\$43,651	\$30,840	\$32,996	\$31,753	\$38,267	\$29,782	\$30,247	\$33,270	\$34,095		\$40,951	
Bachelor's degree	\$61,246	\$41,708	\$57,138	\$72,414	\$46,509	\$45,030	\$50,144	\$49,176	\$55,277		\$61,179	
Graduate or professional degree	\$90,491	\$49,870	\$75,446	\$63,877	\$66,281	\$62,250	\$76,901	\$62,500	\$76,901		\$83,346	
Male:	\$68,691	\$30,983	\$49,009	\$38,295	\$40,420	\$30,340	\$32,029	\$34,426	\$44,526		\$53,764	
Less than high school graduate	\$30,000	\$26,797	\$26,394	\$20,769	\$27,894	\$23,750	\$22,889	\$24,209	\$25,885		\$25,874	
High school graduate (includes equivalency)	\$46,465	\$30,041	\$33,191	\$29,483	\$31,168	\$27,901	\$27,664	\$28,966	\$32,266		\$40,295	
Some college or associate's degree	\$50,000	\$35,491	\$36,363	\$41,250	\$45,955	\$33,467	\$33,724	\$38,647	\$38,807		\$50,256	
Bachelor's degree	\$77,367	\$44,057	\$66,165	\$76,458	\$54,000	\$50,000	\$53,864	\$54,626	\$64,762		\$75,047	
Graduate or professional degree	\$102,433	\$35,980	\$85,403	\$70,000	\$65,760	\$65,592	\$87,893	\$83,647	\$83,647		\$102,643	
Female:	\$43,019	\$25,824	\$37,030	\$26,032	\$30,734	\$20,970	\$24,944	\$25,646	\$32,556		\$37,887	
Less than high school graduate	\$18,531	\$16,962	\$19,192	\$11,617	\$16,352	\$14,614	\$14,944	\$15,031	\$17,007		\$17,316	
High school graduate (includes equivalency)	\$30,278	\$24,191	\$22,924	\$20,309	\$20,309	\$18,172	\$17,669	\$19,063	\$23,059		\$26,199	
Some college or associate's degree	\$37,958	\$28,346	\$30,364	\$17,383	\$30,571	\$25,553	\$23,872	\$26,487	\$29,833		\$34,192	
Bachelor's degree	\$48,169	\$39,834	\$50,703	\$65,875	\$41,163	\$40,360	\$48,350	\$45,033	\$48,042		\$51,538	
Graduate or professional degree	\$69,756	\$60,070	\$66,311	\$63,030	\$66,655	\$58,897	\$71,726				\$68,656	

Table with columns for Statistics, local municipalities (Edison township, Paterson city, Jersey City), NORTH HUDSON COUNTY (Guttenberg town, North Bergen township, Union City, West New York town, North Hudson County), TOTAL (All Selected Communities), and New Jersey. Rows include Unemployed, SE:T44. Unemployment Rate for the Population 16 Years and Over (Native Hawaiian and Other Pacific Islander Alone), SE:T45. Unemployment Rate for the Population 16 Years and Over (Some Other Race Alone), SE:T46. Unemployment Rate for the Population 16 Years and Over (Two or More Races), SE:T47. Unemployment Rate for the Population 16 Years and Over (Hispanic or Latino), SE:T48. Unemployment Rate for the Population 16 Years and Over (White Alone, Not Hispanic Or Latino), SE:T51. Occupation for Male Employed Civilian Population 16 Years and Over, SE:T52. Occupation for Female Employed Civilian Population 16 Years and Over, SE:T54. Employment Sector for Male Employed Civilian Population 16 Years and Over, SE:T55. Employment Sector for Female Employed Civilian Population 16 Years and Over, SE:T93. Housing Units, and SE:T94. Tenure.

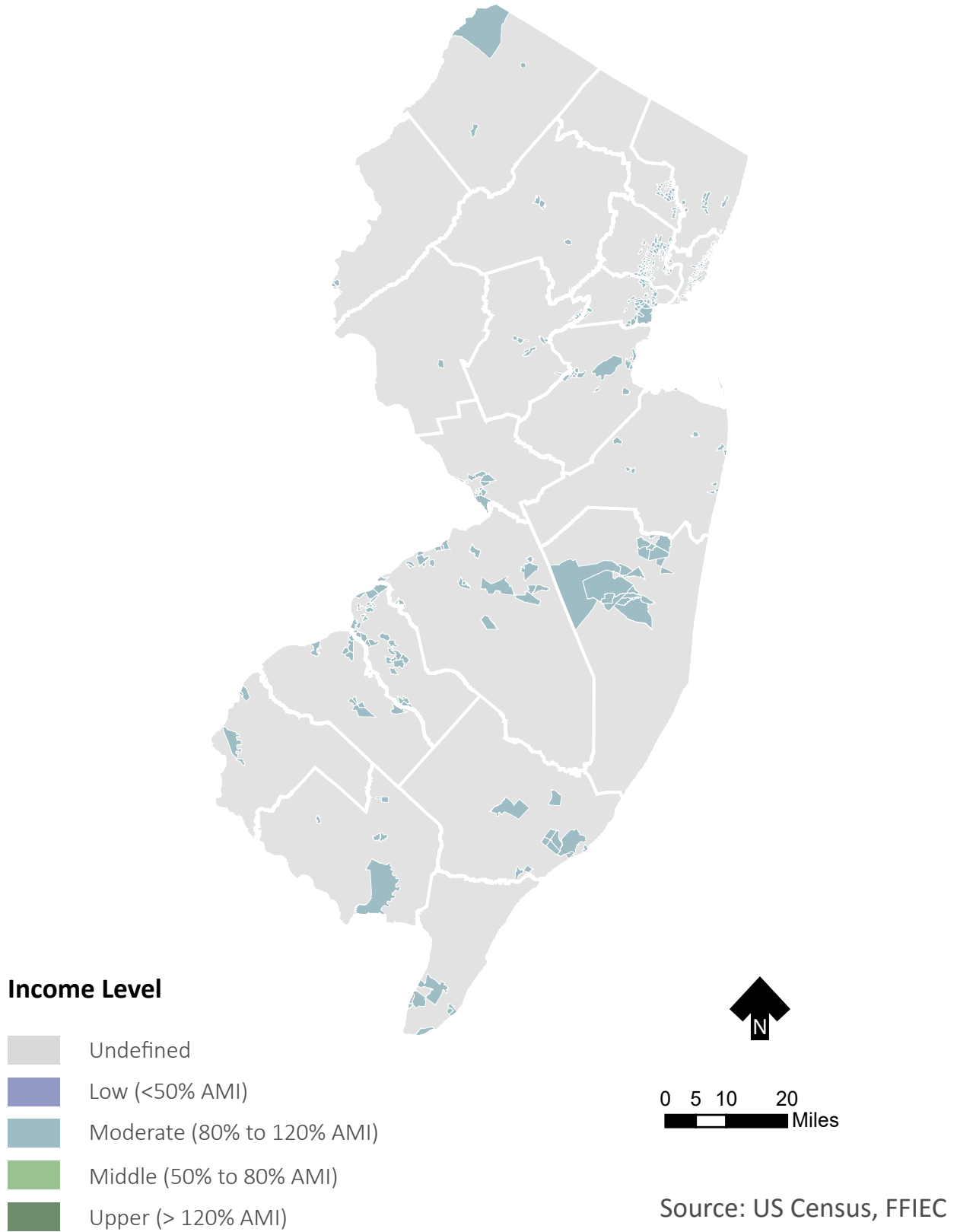
Income level by census tracts as defined by HMDA and CRA regulations



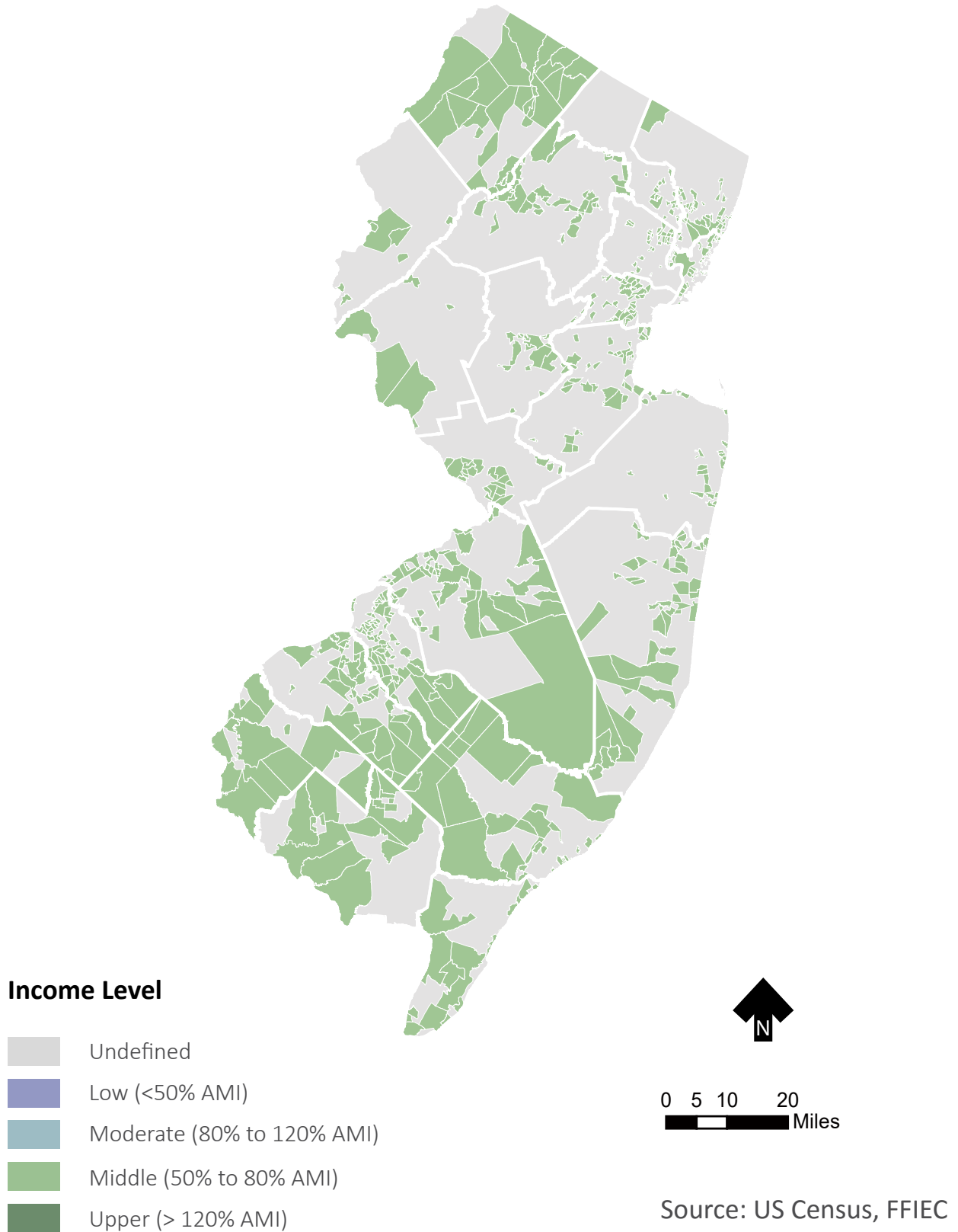
Low-income census tracts as defined by HMDA and CRA regulations



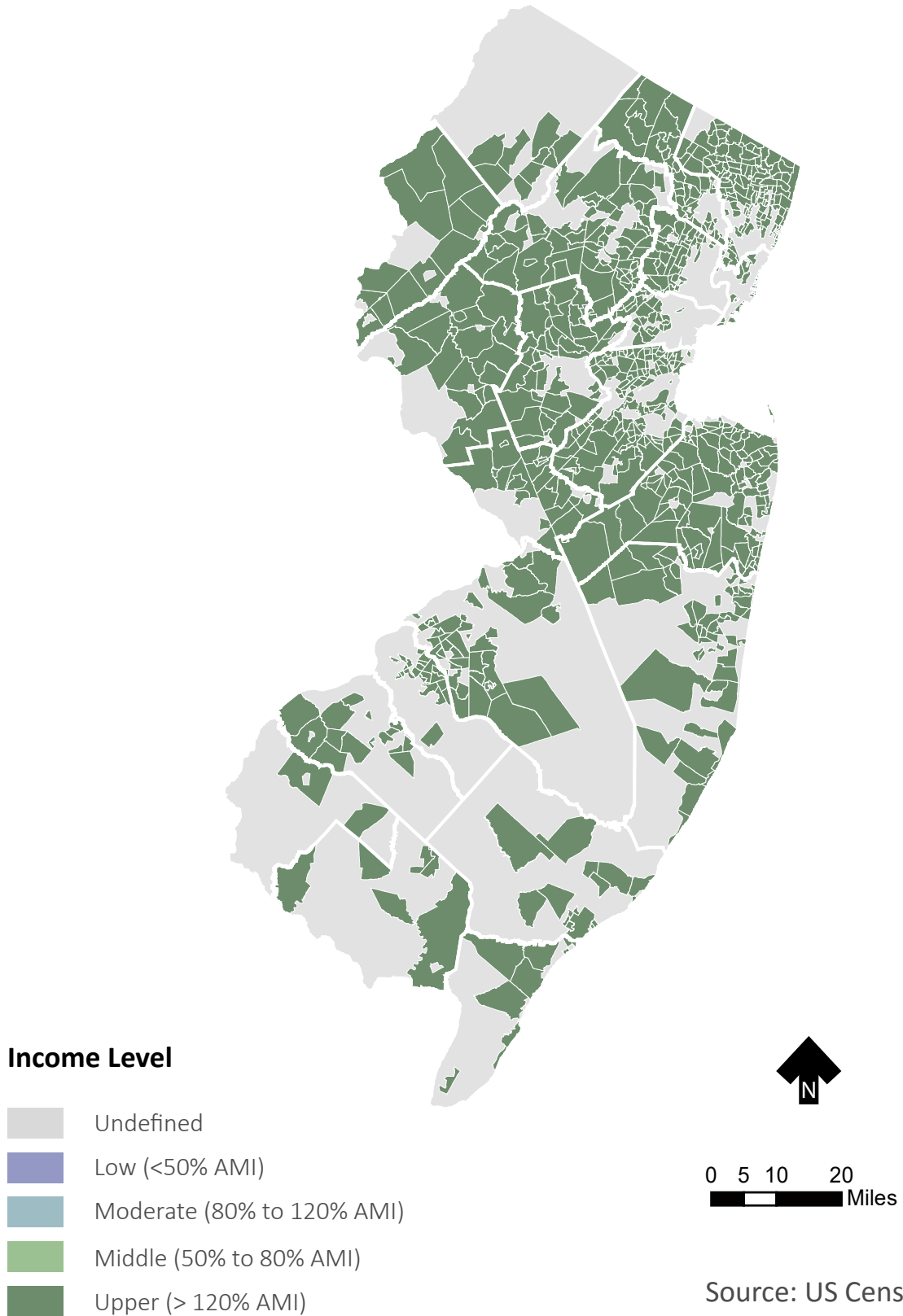
Moderate-income census tracts as defined by HMDA and CRA regulations



Middle-income census tracts as defined by HMDA and CRA regulations



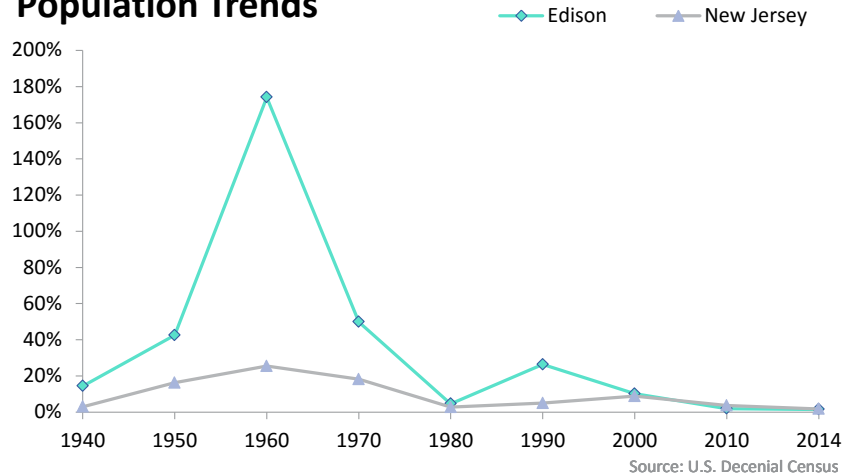
Upper-income census tracts as defined by HMDA and CRA regulations



Appendix 5: Community Infographics

Edison at a Glance

Population Trends



Top Place of Origin - 2014

Edison	Number	Percent
India	23,227	53.1%
China	5,033	11.5%
Philippines	1,712	3.9%

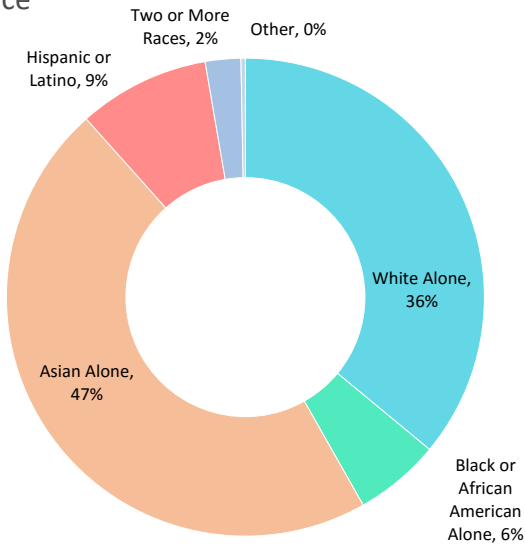
Population by Age & Sex - 2014

Edison	Number	Percent
Total Population:	101,051	
Male:	49,318	48.8%
Under 18 Years	12,022	11.9%
18 to 34 Years	11,067	11.0%
35 to 64 Years	20,634	20.4%
65 Years and Over	5,595	5.5%
Female:	51,733	51.2%
Under 18 Years	10,864	10.8%
18 to 34 Years	11,773	11.7%
35 to 64 Years	21,561	21.3%
65 Years and Over	7,535	7.5%

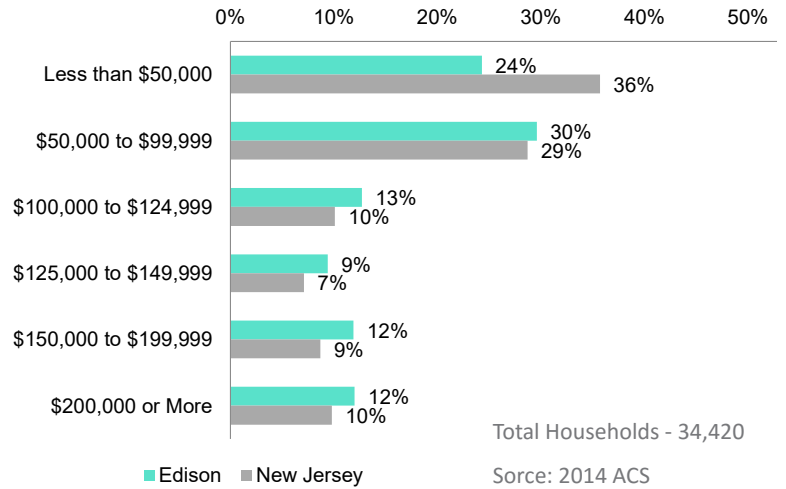
Immigration Population 1980 to 2014

Edison	Number	Percent
1980 Total Population:	70,193	
Native:	63,604	90.6%
Born in State of residence	44,487	63.4%
Born in different State	18,605	26.5%
Born abroad, at sea, etc.	512	0.7%
Foreign born	6,589	9.4%
1990 Total Population:	88,680	
Native	72,898	82.2%
Foreign born:	15,782	17.8%
Naturalized citizen	7,223	8.2%
Not a citizen	8,559	9.7%
2000 Total Population:	97,687	
Native Born	65,336	66.9%
Foreign Born:	32,351	33.1%
Naturalized Citizen	14,460	14.8%
Not a Citizen	17,891	18.3%
2010 Total Population:	99,557	
Native Born	60,794	61.1%
Foreign Born:	38,763	38.9%
Naturalized Citizen	18,517	18.6%
Not a Citizen	20,246	20.3%
2014 Total Population:	101,051	
Native Born	57,271	56.7%
Foreign Born:	43,780	43.3%
Naturalized Citizen	22,442	22.2%
Not a Citizen	21,338	21.1%

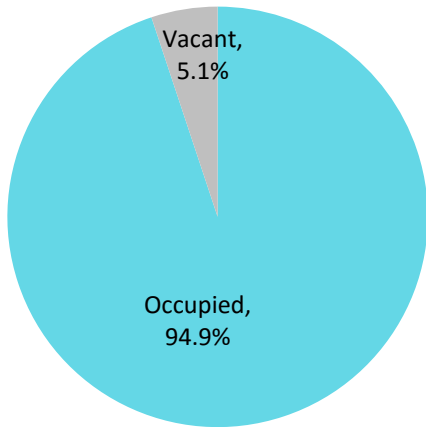
Race



Household Income

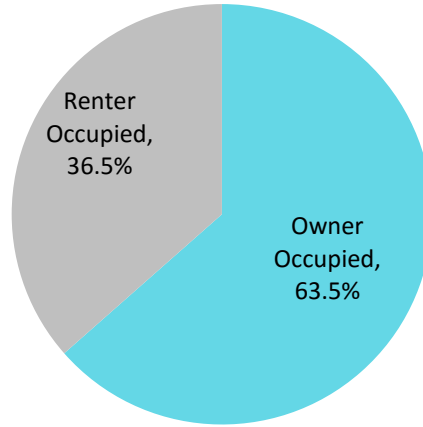


Vacancy



Housing Units - 36,277

Housing Tenure



Occupied Housing Units - 34,420

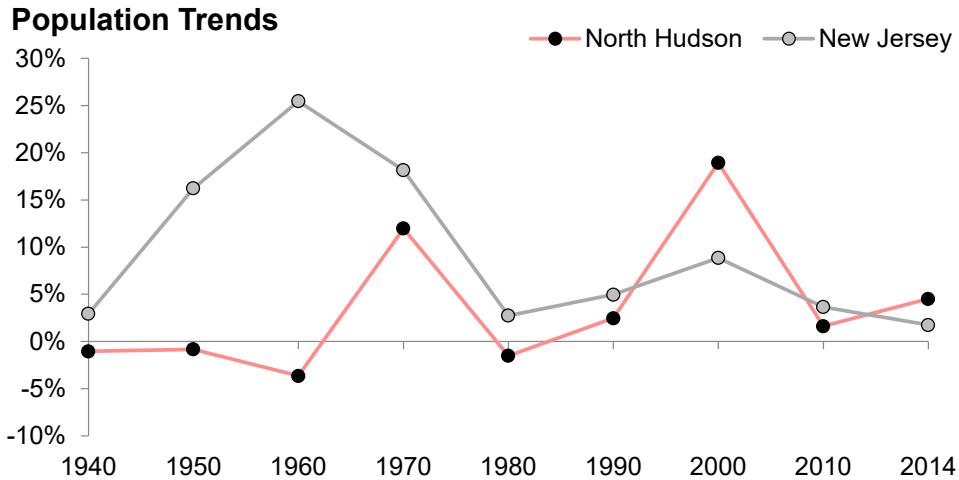
Housing Costs As a Percentage of Household Income

Edison	Number	Percent
Owner-occupied housing units:	21,872	
Housing units with a mortgage:	15,011	68.6%
Less than 30 percent	9,213	42.1%
30 percent or More	5,733	26.2%
50 percent or More	2,122	9.7%
Not computed	65	0.3%
Housing units without a mortgage:	6,861	31.4%
Less than 30 percent	5,175	23.7%
30 percent or More	1,644	7.5%
50 percent or More	693	3.2%
Not computed	42	0.2%

House Value for Owner Occupied Units - 2014

Edison	Number	Percent
Owner-occupied housing units:	21,872	
Less than \$20,000	275	1.3%
\$20,000 to \$49,999	269	1.2%
\$50,000 to \$99,999	545	2.5%
\$100,000 to \$149,999	409	1.9%
\$150,000 to \$299,999	5,383	24.6%
\$300,000 to \$499,999	10,402	47.6%
\$500,000 to \$749,999	3,706	16.9%
\$750,000 to \$999,999	641	2.9%
\$1,000,000 or More	242	1.1%
Median Value	\$361,700	

North Hudson at a Glance



Source: U.S. Decennial Census

Top Place of Origin - 2014

North Hudson	Number	Percent
Cuba	16,452	15.3%
Dominican Republic	16,163	15.1%
Ecuador	12,029	11.2%

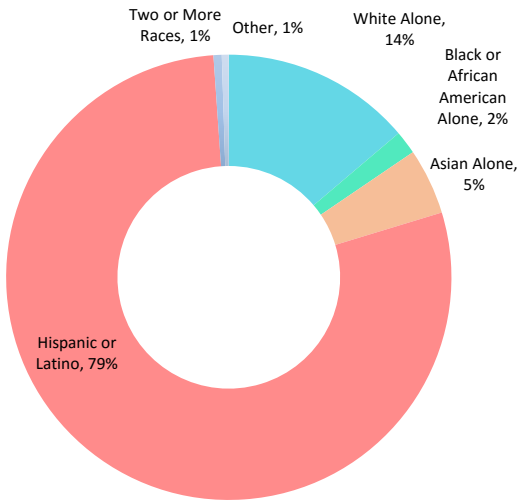
Immigration Population 1980 to 2014

North Hudson	Number	Percent
1980 Total Population:	149,146	
Native:	80,116	53.7%
Born in State of residence	51,831	34.8%
Born in different State	20,869	14.0%
Born abroad, at sea, etc.	7,416	5.0%
Foreign born	61,690	41.4%
1990 Total Population:	152,819	
Native	75,469	49.4%
Foreign born:	77,350	50.6%
Naturalized citizen	31,381	20.5%
Not a citizen	45,969	30.1%
2000 Total Population:	181,755	
Native Born	80,071	44.1%
Foreign Born:	101,684	55.9%
Naturalized Citizen	42,148	23.2%
Not a Citizen	59,536	32.8%
2010 Total Population:	184,687	
Native Born	82,940	44.9%
Foreign Born:	101,747	55.1%
Naturalized Citizen	45,154	24.4%
Not a Citizen	56,593	30.6%
2014 Total Population:	193,023	
Native Born	85,795	44.5%
Foreign Born:	107,228	55.6%
Naturalized Citizen	47,734	24.7%
Not a Citizen	59,494	30.8%

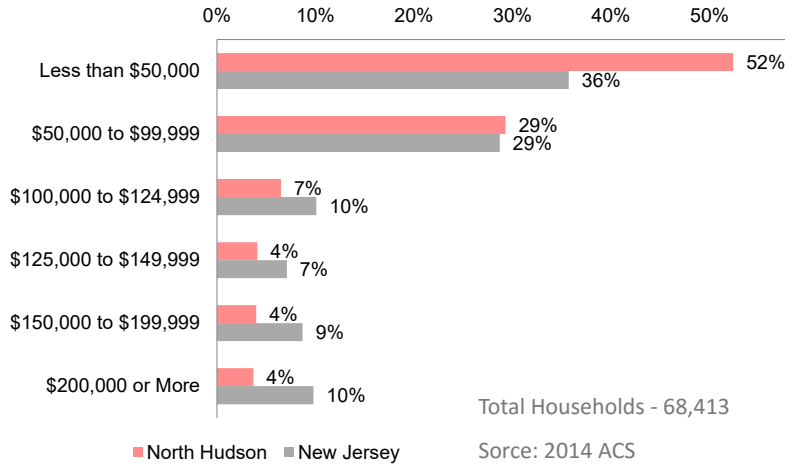
Population by Age & Sex - 2014

North Hudson	Number	Percent
Total Population:	193,023	
Male:	95,708	49.6%
Under 18 Years	22,241	11.5%
18 to 34 Years	27,493	14.2%
35 to 64 Years	36,732	19.0%
65 Years and Over	9,242	4.8%
Female:	97,315	50.4%
Under 18 Years	19,734	10.2%
18 to 34 Years	25,856	13.4%
35 to 64 Years	38,105	19.7%
65 Years and Over	13,620	7.1%

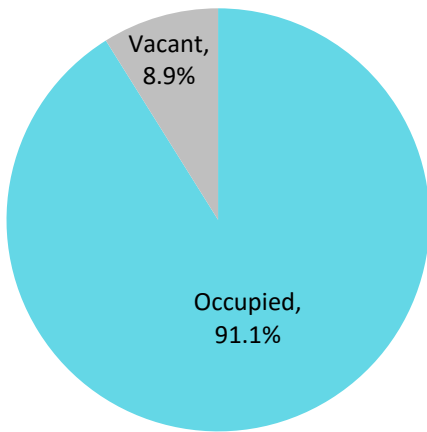
Race



Household Income

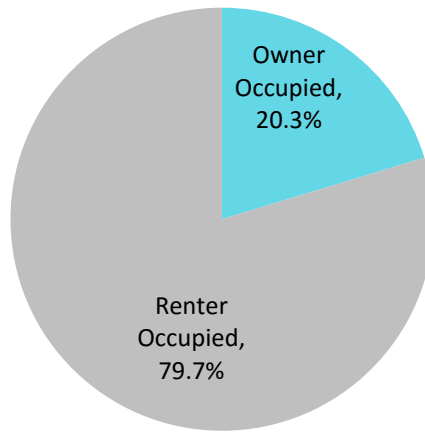


Vacancy



Housing Units - 5,067

Housing Tenure



Occupied Housing Units - 68,312

Housing Costs As a Percentage of Household Income

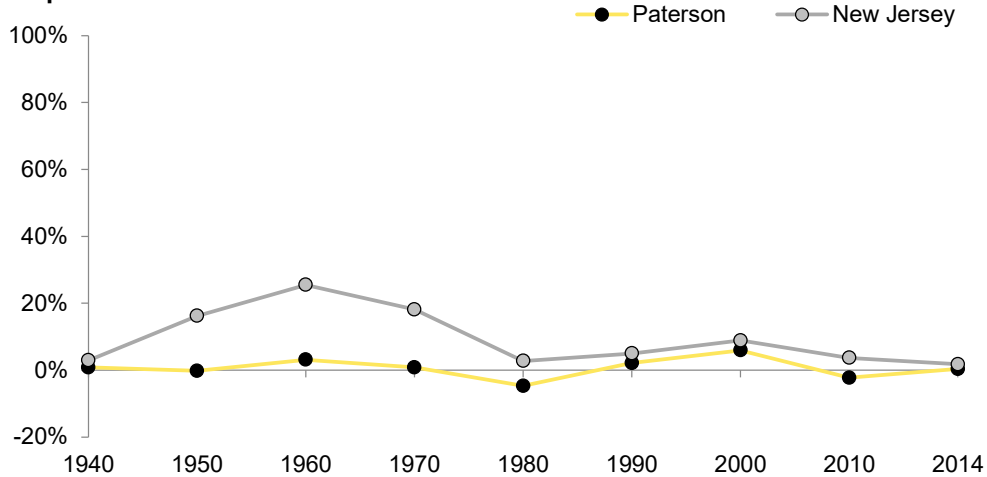
North Hudson County	Number	Percent
Owner-occupied housing units:	19,003	
Housing units with a mortgage:	13,055	68.7%
Less than 30 percent	5,344	28.1%
30 percent or More	7,651	40.3%
50 percent or More	3,692	19.4%
Not computed	60	0.3%
Housing units without a mortgage:	5,948	31.3%
Less than 30 percent	3,240	17.1%
30 percent or More	2,569	13.5%
50 percent or More	1,461	7.7%
Not computed	139	0.7%

House Value for Owner Occupied Units - 2014

North Hudson County	Number	Percent
Owner-occupied housing units:	19,003	
Less than \$20,000	254	1.3%
\$20,000 to \$49,999	191	1.0%
\$50,000 to \$99,999	388	2.0%
\$100,000 to \$149,999	1,121	5.9%
\$150,000 to \$299,999	7,750	40.8%
\$300,000 to \$499,999	6,544	34.4%
\$500,000 to \$749,999	2,186	11.5%
\$750,000 to \$999,999	356	1.9%
\$1,000,000 or More	213	1.1%
Median Value	\$295,901	

Paterson at a Glance

Population Trends



Source: U.S. Decennial Census

Top Place of Origin - 2014

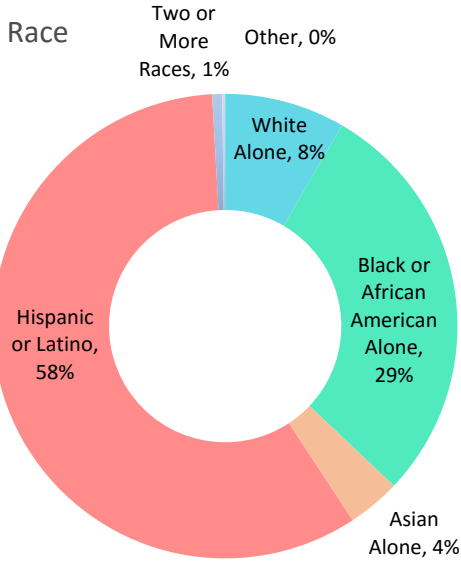
Paterson	Number	Percent
Dominican Republic	18,548	38.3%
Peru	6,746	13.9%
Mexico	4,006	8.3%

Population by Age & Sex - 2014

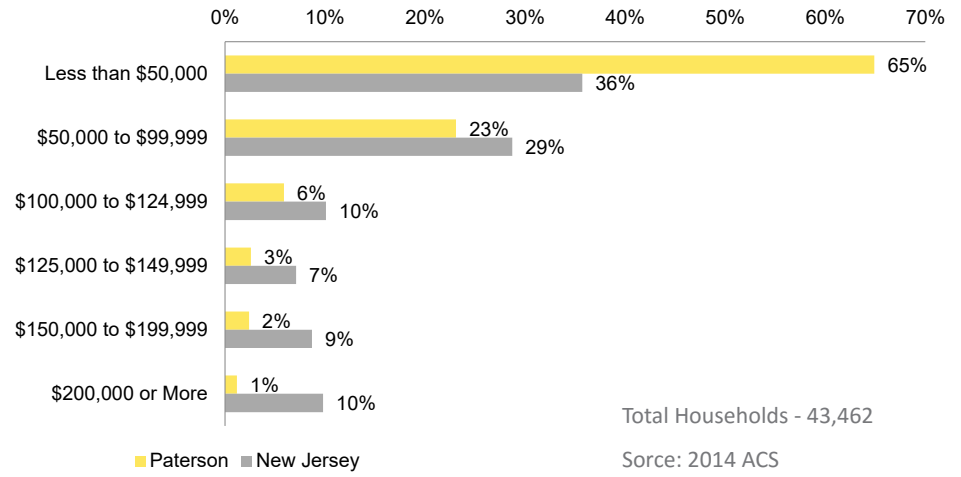
Paterson	Number	Percent
Total Population:	146,341	
Male:	69,857	47.7%
Under 18 Years	20,000	13.7%
18 to 34 Years	19,014	13.0%
35 to 64 Years	25,230	17.2%
65 Years and Over	5,613	3.8%
Female:	76,484	52.3%
Under 18 Years	19,877	13.6%
18 to 34 Years	20,065	13.7%
35 to 64 Years	28,447	19.4%
65 Years and Over	8,095	5.5%

Immigration Population 1980 to 2014

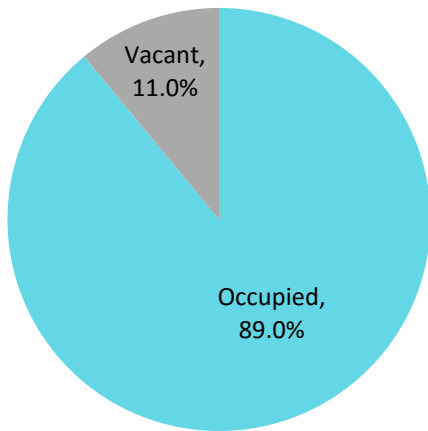
Paterson	Number	P
1980 Total Population:	137,970	
Native:	112,433	
Born in State of residence	68,219	
Born in different State	29,409	
Born abroad, at sea, etc.	14,805	
Foreign born	25,537	
1990 Total Population:	140,891	
Native	105,536	
Foreign born:	35,355	
Naturalized citizen	12,280	
Not a citizen	23,075	
2000 Total Population:	149,222	
Native Born	100,298	
Foreign Born:	48,924	
Naturalized Citizen	17,263	
Not a Citizen	31,661	
2010 Total Population:	145,836	
Native Born	103,431	
Foreign Born:	42,405	
Naturalized Citizen	19,388	
Not a Citizen	23,017	
2014 Total Population:	146,341	
Native Born	97,941	
Foreign Born:	48,400	
Naturalized Citizen	21,771	
Not a Citizen	26,629	



Household Income

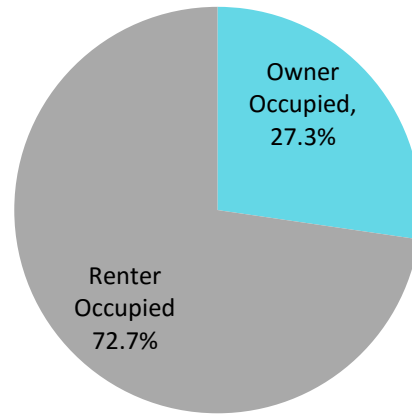


Vacancy



Housing Units - 48,855

Housing Tenure



Occupied Housing Units - 43,462

Housing Costs as a Percentage of Household Income

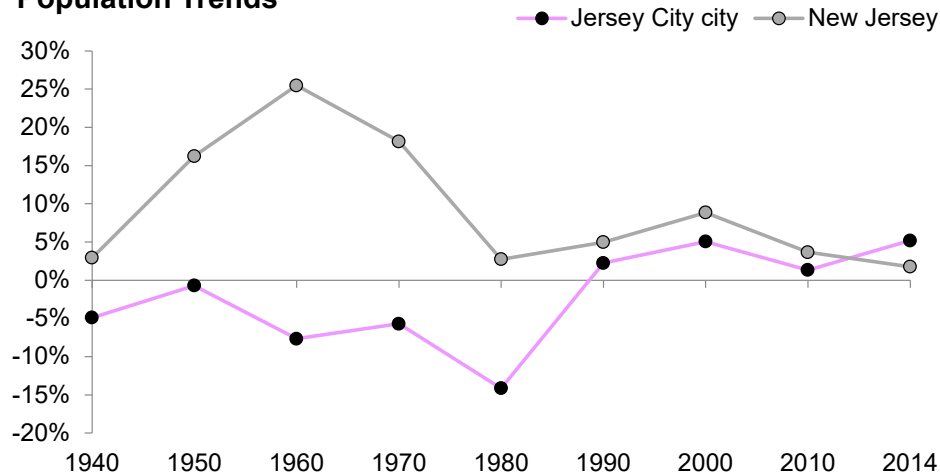
Paterson	Number	Percent
Owner-occupied housing units:	11,864	
Housing units with a mortgage:	8,817	74.3%
Less than 30 percent	2,717	22.9%
30 percent or More	6,035	50.9%
50 percent or More	3,760	31.7%
Not computed	65	0.6%
Housing units without a mortgage:	3,047	25.7%
Less than 30 percent	1,900	16.0%
30 percent or More	1,082	9.1%
50 percent or More	720	6.1%
Not computed	65	0.6%

House Value for Owner Occupied Units

Paterson	Number	Percent
Owner-occupied housing units:	11,864	
Less than \$20,000	115	1.0%
\$20,000 to \$49,999	252	2.1%
\$50,000 to \$99,999	408	3.4%
\$100,000 to \$149,999	757	6.4%
\$150,000 to \$299,999	6,089	51.3%
\$300,000 to \$499,999	3,926	33.1%
\$500,000 to \$749,999	280	2.4%
\$750,000 to \$999,999	24	0.2%
\$1,000,000 or More	13	0.1%
Median Value	\$262,200	

Jersey City at a Glance

Population Trends



Source: U.S. Decennial Census

Top Place of Origin - 2014

Jersey City	Number	Percent
India	20,885	20.5%
Philippines	12,572	12.4%
Dominican Republic	8,867	8.7%

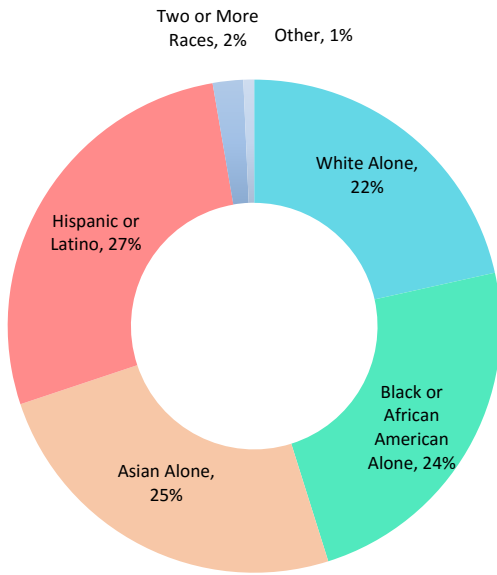
Population by Age & Sex - 2014

Jersey City	Number	Percent
Total Population:	255,861	
Male:	126,435	49.4%
Under 18 Years	26,258	10.3%
18 to 34 Years	42,115	16.5%
35 to 64 Years	48,650	19.0%
65 Years and Over	9,412	3.7%
Female:	129,426	50.6%
Under 18 Years	26,898	10.5%
18 to 34 Years	40,253	15.7%
35 to 64 Years	47,818	18.7%
65 Years and Over	14,457	5.7%

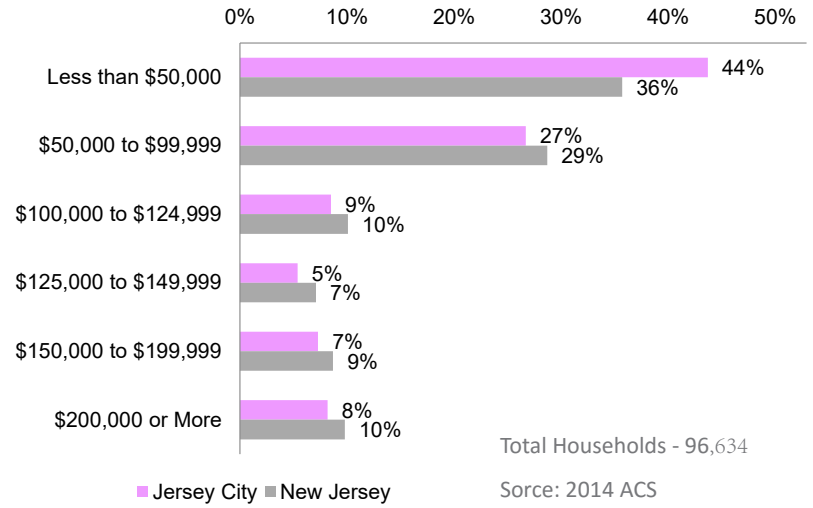
Immigration Population 1980 to 2014

Jersey City	Number	Percent
1980 Total Population:	223,532	
Native:	187,180	83.7%
Born in State of residence	126,917	56.8%
Born in different State	44,874	20.1%
Born abroad, at sea, etc.	15,389	6.9%
Foreign born	36,352	16.3%
1990 Total Population:	228,537	
Native	172,211	75.4%
Foreign born:	56,326	24.7%
Naturalized citizen	21,664	9.5%
Not a citizen	34,662	15.2%
2000 Total Population:	240,055	
Native Born	158,501	66.0%
Foreign Born:	81,554	34.0%
Naturalized Citizen	33,609	14.0%
Not a Citizen	47,945	20.0%
2010 Total Population:	243,257	
Native Born	150,234	61.8%
Foreign Born:	93,023	38.2%
Naturalized Citizen	41,578	17.1%
Not a Citizen	51,445	21.2%
2014 Total Population:	255,861	
Native Born	154,036	60.2%
Foreign Born:	101,825	39.8%
Naturalized Citizen	45,671	17.9%
Not a Citizen	56,154	22.0%

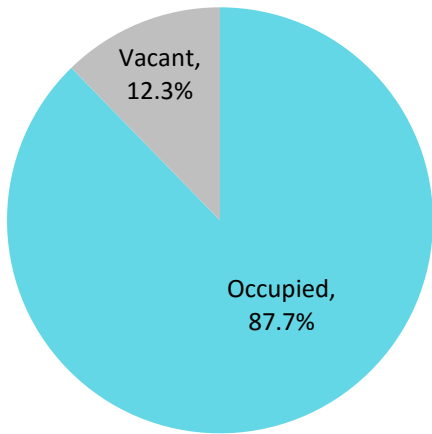
Race



Household Income

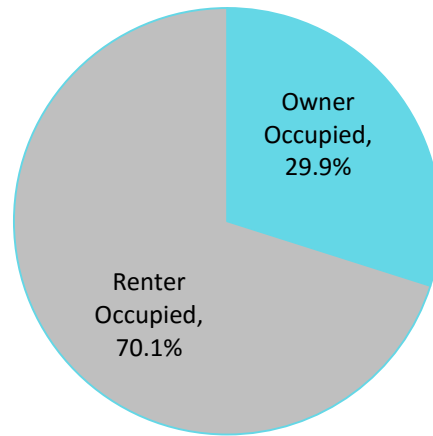


Vacancy



Housing Units - 110,140

Housing Tenure



Occupied Housing Units - 96,634

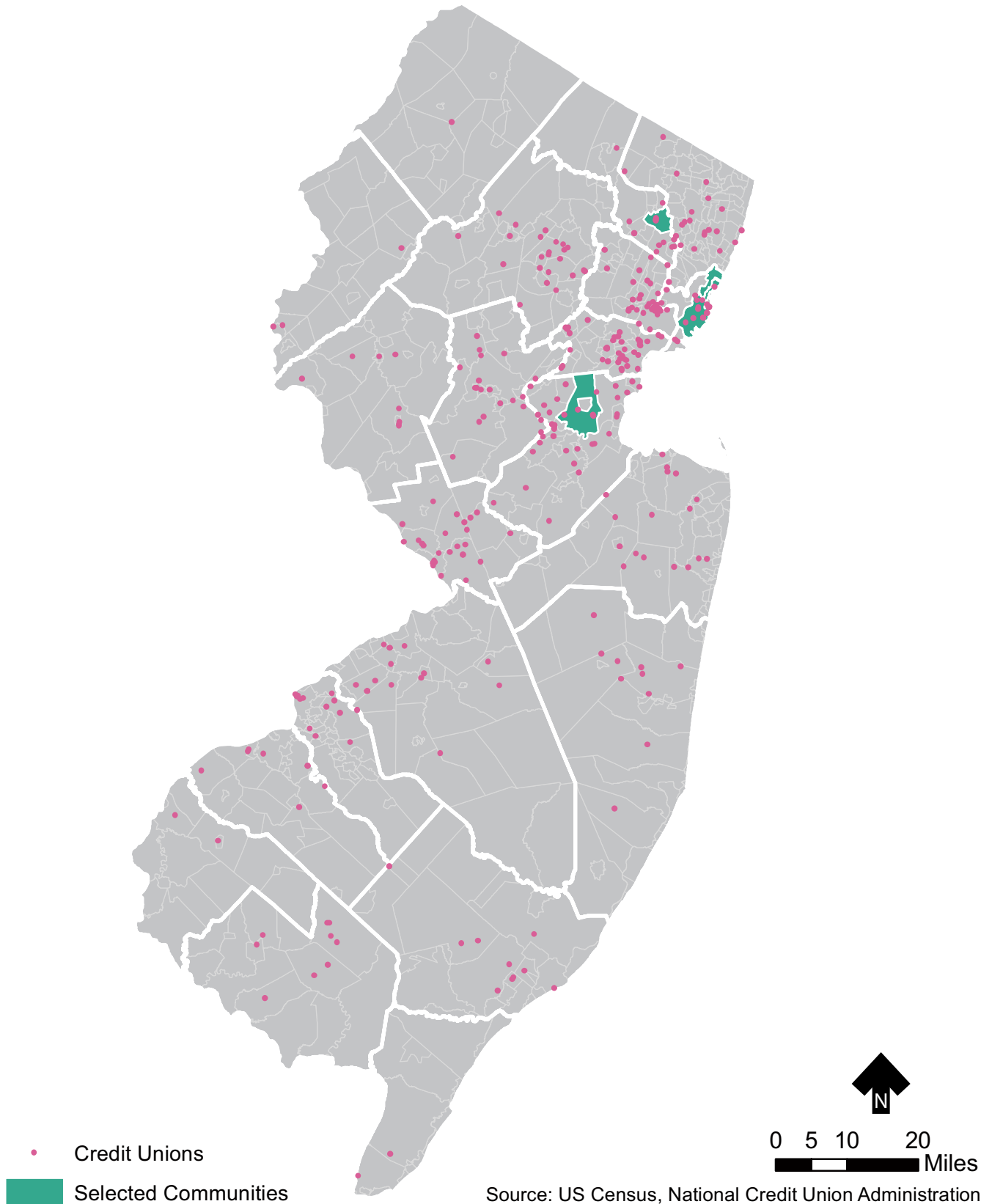
Housing Costs As a Percentage of Household Income

Jersey City	Number	Percent
Owner-occupied housing units:	28,888	
Housing units with a mortgage:	21,269	73.6%
Less than 30 percent	10,517	36.4%
30 percent or More	10,716	37.1%
50 percent or More	5,241	18.1%
Not computed	36	0.1%
Housing units without a mortgage:	7,619	26.4%
Less than 30 percent	5,024	17.4%
30 percent or More	2,522	8.7%
50 percent or More	1,363	4.7%
Not computed	73	0.3%

House Value for Owner Occupied Units - 2014

Jersey City	Number	Percent
Owner-occupied housing units:	28,888	
Less than \$20,000	487	1.7%
\$20,000 to \$49,999	146	0.5%
\$50,000 to \$99,999	741	2.6%
\$100,000 to \$149,999	1,059	3.7%
\$150,000 to \$299,999	10,270	35.6%
\$300,000 to \$499,999	11,253	39.0%
\$500,000 to \$749,999	3,299	11.4%
\$750,000 to \$999,999	1,020	3.5%
\$1,000,000 or More	613	2.1%
Median Value	\$323,800	

Appendix 6: Location of New Jersey Credit Unions



Appendix 7 : Research Site Visits & Contact Database

This database of relevant banks, credit unions, and community organizations was sourced through research of data available in the Public Domain.

Target Community	Contact Organization	Contact Name	Phone	Email	Website
Bridgeton	NAACP GREATER VINELAND UNIT #2115	N/A	N/A	N/A	http://naacp.org/
Bridgeton	REVIVE NJ	Jonathan Cummings	856-725-2715	N/A	http://revivesj.org/
Bridgeton	TRI-COUNTY COMMUNITY ACTION AGENCY	N/A	856-451-6330	N/A	http://gatewaycap.org/
Bridgeton	ZAGAMEX COMMUNITY SERVICES	N/A	856-453-9925	N/A	N/A
Edison	CU AFFINITY	Nicole Costa	908-860-3571	nicolec@affinityfcu.com	https://affinityfcu.com/
Edison	CU AFFINITY FEDERAL CREDIT UNION	Oscar Cordova	908-458-3061	oscarc@affinityfcu.com	N/A
Edison	CU PINNACLE	N/A	732-225-1505	info@pinnaclefcu.com	https://pinnaclefcu.com/
Edison	FAITH FELLOWSHIP COMMUNITY DEVELOPMENT CORPORATION	Rev. Clarence Bulluck	732-727-9500	contact@ffcdc.net	http://ffcdc.net/
Edison	JEWISH RENAISSANCE FOUNDATION	Alexandra Mansonet-Cross	732-324-2114	alexandra.cross@jrfnj.org	N/A
Edison	NAACP METUCHEN (EDISON) BRANCH UNIT #2089	N/A	732-205-9888	N/A	http://naacp.org/
Edison	NAACP NEW BRUNSWICK BRANCH UNIT #2094	N/A	732-828-5363	N/A	http://naacp.org/
Edison	NEW JERSEY CITIZEN ACTION	Theresa Dempewolf	732-246-4772	theresa@njcizenaction.org	http://njcizenaction.org/
Edison	PRAHD (PERTH AMBOY)	Yvonne Lopez	732-638-2816	ylopez@prahd.org	http://prahd.org/
Edison	PUERTO RICAN ACTION BOARD, INC. (HOUSING COALITION UNIT)	Henry Gorman	732-249-9700	jmontes@prab.org	http://prab.org/
Edison	THE NEW BRUNSWICK HOUSING AUTHORITY	John Clarke	732-745-5157	jclarke@nbhja.org	http://newbrunswickhousing.org
Edison	UNITED WAY OF CENTRAL JERSEY	Jag Vasudev	732 247 -3727	jagvasudev@gmail.com	http://uwjc.org/
Edison	UNITY SQUARE CATHOLIC CHARITIES	Jason Rowe	N/A	jrowe@cddom.org	http://cddom.org/
Jersey City	CU JERSEY CITY POLICE	N/A	201-547-5388	N/A	N/A
Jersey City	CU LIBERTY SAVINGS	N/A	201-659-3900	N/A	http://isfcu.org/
Jersey City	CU N.Y. B & FMC	N/A	201-659-2610	N/A	N/A
Jersey City	CU P.S. LOCAL 821	N/A	201-432-4441	N/A	N/A
Jersey City	CU SALEM BAPTIST	N/A	201-324-2828	N/A	N/A
Jersey City	CU SELF-RELIANCE UKRAINIAN AMERICAN	N/A	201-795-4061	N/A	http://selfreliance.org/
Jersey City	CU USALLIANCE	N/A	800-431-2754	N/A	https://usalliance.org/
Jersey City	CWS JERSEY CITY	Mahmoud Mahmoud	201-659-9468	mmahmoud@cwsglobal.org	https://www.facebook.com/CWSJerseyCity/
Jersey City	GARDEN STATE EPISCOPAL	John Restrepo	201-209-9361	jrestrepo@gseccd.org	http://gseccd.org/
Jersey City	HORIZON HEALTH CENTER	Ms. Lozano	201-451-4767	zlozano@horizonhealth.org	http://horizonhealth.org/
Jersey City	HOUSING AUTHORITY CITY OF JERSEY CITY	Marvin Walton	201-706-4600	mwalton@jcha.us	http://jcha-gov.us/
Jersey City	NEW COMMUNITY FCU	Atul Shah	973-286-5481	atul.shah@newcommunity.org	http://www.newcommunityfcu.org/
North Hudson	NORTH HUDSON COMMUNITY ACTION	Pedro Pimienta	201-210-0333	N/A	http://nhcac.org/
Palisades Park	KOREAN AMERICAN ASSOCIATION	N/A	201-945-9456	kaanjoffice@gmail.com	N/A
Palisades Park	KOREAN COMMUNITY CHURCH	N/A	201-816-1284	N/A	http://kccnj.com/
Palisades Park	NAACP BERGEN COUNTY BRANCH UNIT #2079	N/A	201-227-1875	N/A	http://naacp.org/
Palisades Park	PNC BANK - PALISADES PARK	N/A	N/A	N/A	N/A
Palisades Park	PNC BANK - PALISADES PARK	N/A	N/A	N/A	N/A
Palisades Park	URBAN LEAGUE FOR BERGEN COUNTY	N/A	201-568-4988	info@ulbcnj.org	http://ulbcnj.org/
Palisades Park	WILKSHIRE BANK	N/A	201-582-1101	N/A	N/A
Paterson	HOME CORP	Victoria Lindsey	973-744-4141	vlindsey@homecorp.org	http://homecorp.org/
Paterson	CATHOLIC FAMILY AND COMMUNITY SERVICES	Delia Rosario	973-279-7100	drosario@catholiccharities.org	http://catholiccharities.org/
Paterson	CU GREATER ALLIANCE	N/A	201-599-5500	N/A	https://greateralliance.org/
Paterson	CU NORTH JERSEY FEDERAL CREDIT UNION	N/A	973-972-6459	N/A	N/A
Paterson	PATERSON HOUSING AUTHORITY	Irma Gorham	973-345-5085	N/A	http://patersonhousingauthority.org/
Paterson	PATERSON TASK FORCE FOR COMMUNITY ACTION, INC	N/A	973-279-2333	N/A	http://facebook.com/PatersonTaskForce/
Paterson	ST. PAUL'S CDC	Richard Williams	973-710-3900	rcwilliams@stpaulsdcnj.org	http://stpaulsdcnj.org/
Paterson	UNITED WAY OF PASSAIC COUNTY	Yvonne Zuidema	973 279-8900	yvonnez@unitedwaypassaic.org	http://unitedwaypassaic.org/
Union City	CU LIBERTY SAVINGS	N/A	201-659-3900	N/A	http://isfcu.org/
Union City	SAVING LATIN AMERICA	Johnny Torres	201-271-7474	jtorres@savelatinamerica.org	N/A
West New York	CATHOLIC COMMUNITY SERVICES	John Westervelt	201-902-0656	CEO-Office@ccannj.org	http://ccannj.org/
West New York	CUBAN AMERICAN NATIONAL COUNCIL, INC. - NEW JERSEY	Gladys Pera	201-325-8840	gpera@cnc.org	http://cnc.org/
West New York	HELPING IMMIGRANT COMMUNITY	N/A	201-902-9199	N/A	N/A
West New York	NORTH HUDSON COMMUNITY ACTION CORPORATION	N/A	201-210-0100	N/A	http://nhcac.org/

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