

**The Rhode Island Home Purchase Process Initiative
CEO & Industry Leadership Breakfast Meeting**

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Federal Reserve Bank of Boston**

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Good Morning.

I am delighted to welcome each of you to this meeting of business, civic, and community leaders from Rhode Island who are involved in various aspects of the home purchase process.

I also want to thank you for joining me and my colleagues today to learn about and discuss a project that the Federal Reserve Bank of Boston will be undertaking with you here in Rhode Island in an effort to broaden opportunities for equal access to home ownership for all financially qualified Rhode Island residents.

As many of you know, the Federal Reserve Bank of Boston has had a longstanding and active commitment to equal credit opportunity and community economic development. The project that we will talk about here today is not one designed to give special treatment to particular groups or segments of our population. Rather, it is one aimed at identifying and breaking

down obstacles to home ownership that may and probably do exist for many consumers due to the complexity of the current home purchase process.

This project not only will benefit those qualified individuals who may have been left out of realizing the American dream of home ownership, but also will provide profitable business and lending opportunities for participants in the home purchase and related businesses.

The origin of this effort in Rhode Island stems from a highly successful undertaking initiated by the Federal Reserve Bank of Cleveland in 1993. That initiative, known as the Residential Housing & Mortgage Credit project, was conducted in partnership with the Cleveland Roundtable, a coalition of business, civic, labor, religious, and education leaders. [The project resulted in twenty industry recommendations to improve access to home ownership for minority residents in the Greater Cleveland area.]

The success of the Cleveland project led to a broader effort by Federal Reserve Banks across the country to develop a model for communities to use to work out local solutions to help reduce barriers to home ownership for qualified consumers generally, and qualified minority and low and moderate income consumers in particular.

In the spring of 1996, the Federal Reserve Bank of Boston, as well as the Reserve Banks in San Francisco, New York, Chicago, and St. Louis, each launched their own versions of the project. All five Reserve Banks have completed their local projects and compiled the results into a series of final reports.

With regards to the Boston Project some of the results of that project were that (a) a homebuyer's resource website was designed. This was a joint effort between the Citizen's Housing and Planning Association (CHAPA) and the Boston Reserve Bank, (b) the Boston Federal Reserve Bank and CHAPA have also developed a standard Massachusetts Homebuyer's Educational

Program curriculum which may be used by Fannie Mae as a national model; (c) the Federal Reserve Bank of Boston has also initiated the Good Neighbor's Cross Industry fair housing training program with the Greater Boston Real Estate Board; and (d) the Reserve Bank's, led by Chicago, is currently preparing a Credit Scoring Guide for Bankers. This guide is near completion and may be distributed this fall.

Enclosed in the packets you received today is a copy of the Report & Implementation Plan for The Greater Boston Home Purchase Process Initiative. Later this morning, Richard Walker will provide you with greater detail about the Boston project.

The Federal Reserve Bank of Boston's overall mission is to promote sound economic growth and financial stability throughout New England. I believe that economic stability and the fruits of economic growth should extend to all of our communities and neighborhoods. Home ownership -- and equal access to it -- is an important element of that stability. That is

why this Bank's Community Affairs Department has committed its resources to projects such as the Greater Boston Home Purchase Process Initiative and now the Rhode Island Home Purchase Process Initiative.

The Federal Reserve Bank of Boston will co-sponsor this project with interested home purchase-related associations and civic and community organizations - some of whom are in the audience today. I extend my sincere appreciation to those of you who have already agreed to participate with us in a leadership role, as well as to those of you who may subsequently come forward to join us in leading this important initiative for Rhode Island.

The success of our efforts will not be gauged by the amount of time spent or the number of meetings held. It will be judged by its ultimate effect on home ownership opportunities in Rhode Island. This project holds the promise of being a "win-win"

prospect for both the citizens of this state and for those who provide home purchase and related services to those citizens.

Thank you again for being here today and for working with us in support of this project. The early response to our outreach efforts has been very positive and we look forward to working with all of you here in Rhode Island.