



HOW DOES SMALL-DOLLAR MORTGAGES

PREVENT AMERICANS FROM PURCHASING AFFORDABLE HOMES



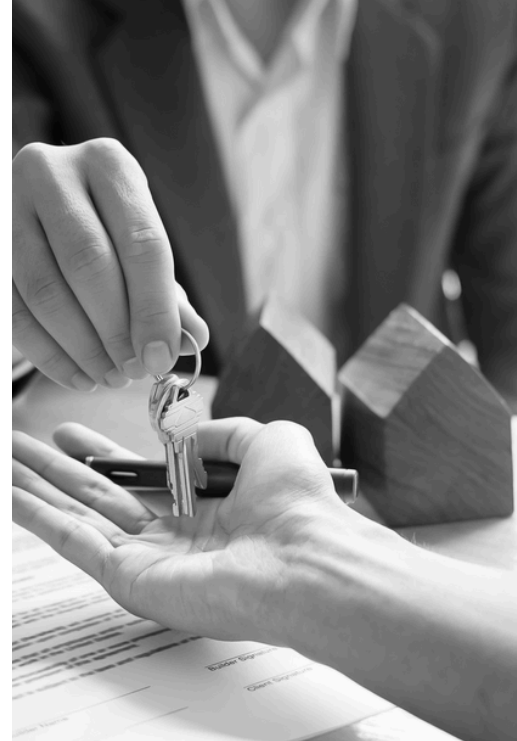
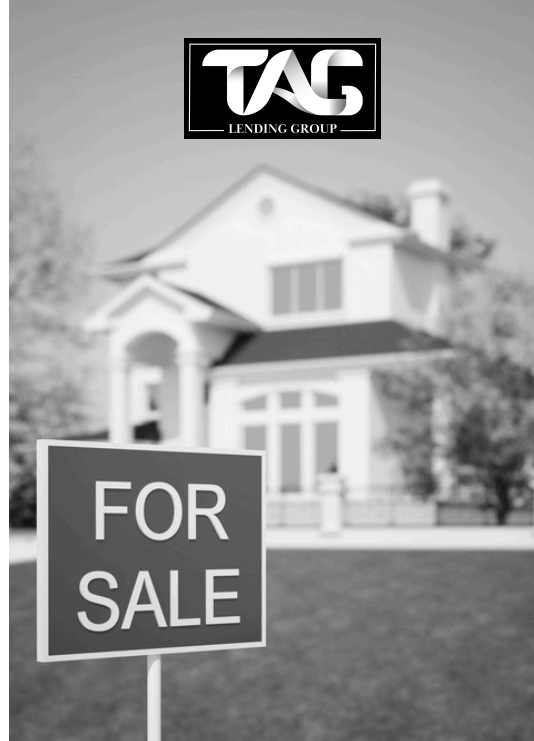
Banks and financial institutions aren't issuing enough small-dollar mortgages that help families with modest incomes to purchase a property.

The Urban Institute is recalculating its proprietary data after an error was discovered. A similar analysis from the National Association of Realtors shows that the 2019 figure was 8.4%.

High home prices aren't the only reason behind dwindling homeownership in the U.S. Banks and financial institutions aren't issuing enough small-dollar mortgages that help families with **modest incomes to purchase a property.**

It is particularly hard for people who are buying smaller houses with smaller mortgages to find a lender and to get that mortgage. And they also surprisingly are more expensive.

The value of mortgage loans between \$10,000 and \$70,000 and between \$70,000 and \$150,000 dropped by more than 53% and over 21%, respectively, from 2011 to 2021, according to research by Attom Data Solutions.



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Small dollar loans vs larger loans

Meanwhile, the value for loans exceeding \$150,000 rose by a staggering 240% plus in the same period.

Another study found that denial rates for small-dollar loans were notably higher than denial rates for larger loans. And it's not because these loans are riskier.

Accompanying research found that applicants for small-dollar loans had similar credit profiles to applicants for larger loans.

The real reason is profit.

One barrier to small-dollar mortgages is that it's just not as profitable for lenders to do them

"Lenders get all their fees and interest based on the loan amount so they're going to get a lot less revenue on a \$70,000 mortgage than they are on a \$700,000 mortgage."

The end result is that the Tag Team will entertain **any** loan size.