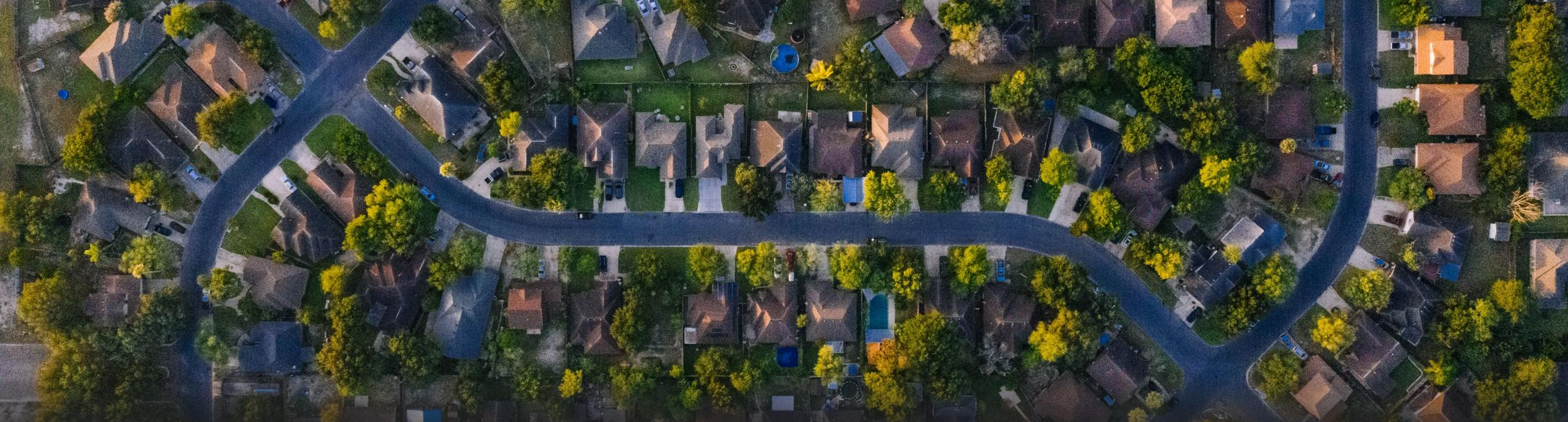




Innovations Designed to Deliver the Promise of Homeownership





MARCH 16, 2026

Innovations Designed to Deliver the Promise of Homeownership

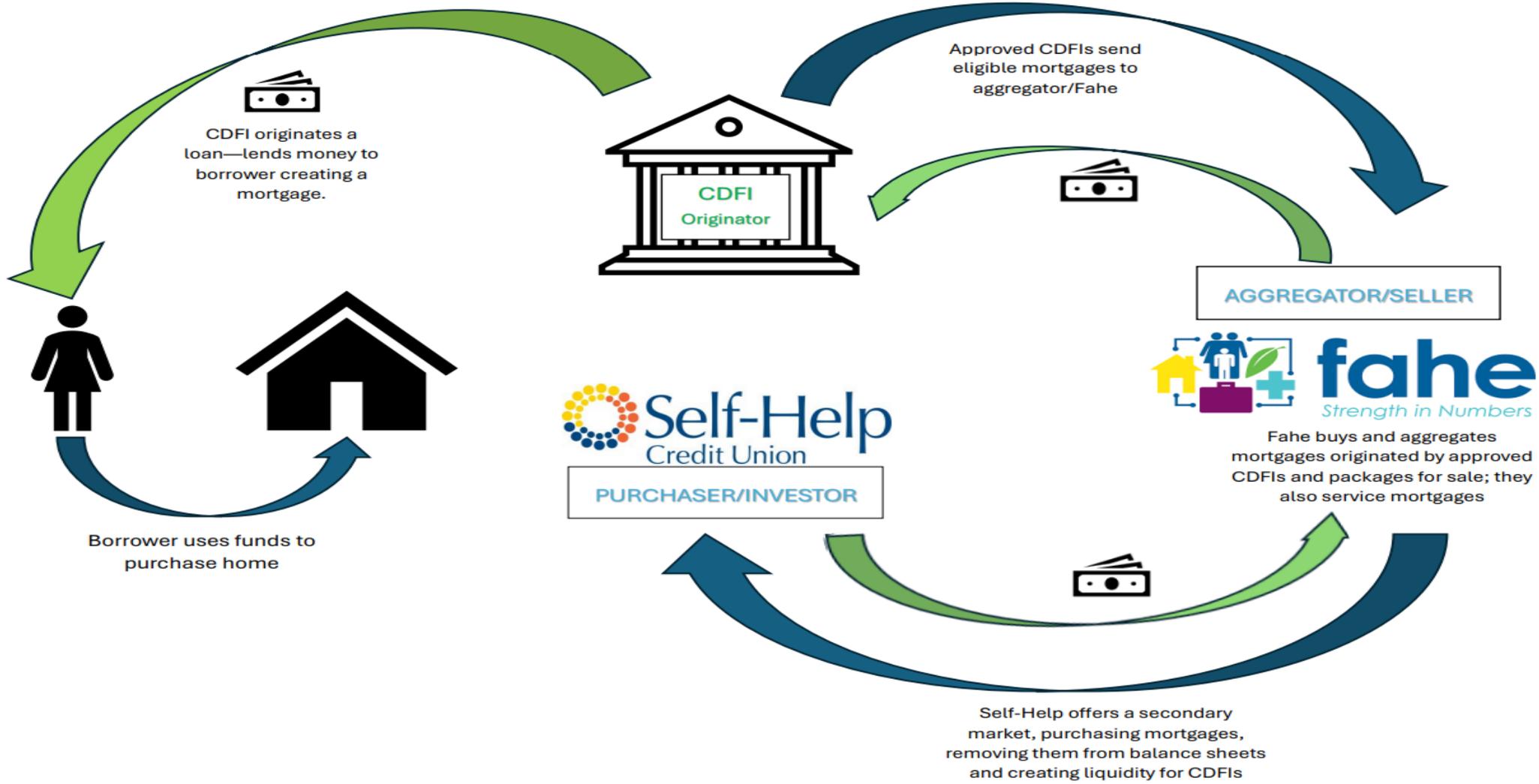
Michael Neal, Aniket Mehrotra and Bryson Berry



**THE HOUSING FINANCE
POLICY CENTER AT
THE URBAN INSTITUTE**

*Celebrating Ten Years of
Data and Innovation for
a More Equitable Future*

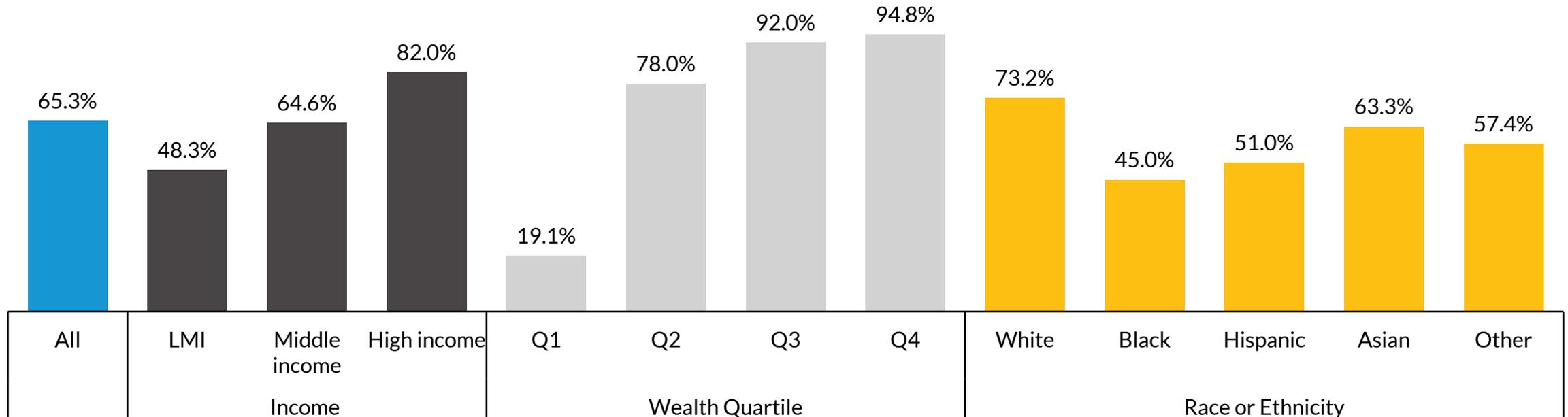
Equitable Homeownership Collaborative/Inspire100 Loan Flow



Theory of Change

*Underserved communities, including financially underserved rural areas, low wealth renters, and communities and demographic groups that experience significant barriers to accessing credit and capital, often find it difficult to access the affordable mortgage products needed to enter and sustain homeownership. **By providing a low-cost mortgage product with critical supports to ensure repayment, expanding our CDFI lender partner network, and scaling our secondary market liquidity strategy, more sustainable purchase loans can be made to low-wealth borrowers.** This way, we can boost intergenerational homeownership in these communities, expand their financial inclusion, support neighborhood investment, and ultimately reduce wealth gaps.*

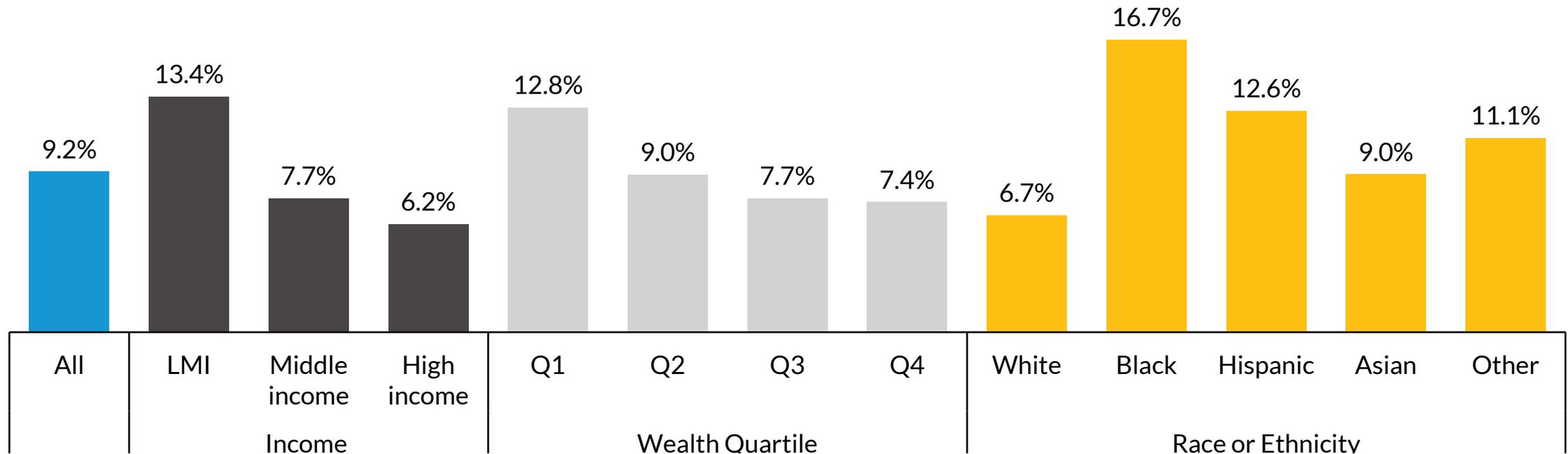
Homeownership Rates by Economic and Demographic Characteristics



Source: Urban Institute calculations of 2023 American Community Survey data and 2022 Survey of Consumer Finances data.

Notes: AMI = area median income; LMI = low and moderate income. LMI households earn up to 80 percent of the AMI, middle-income households earn between 80 percent and 120 percent of the AMI, and high-income households earn above 120 percent of the AMI. Quartiles are distributed as follows: \$0 to \$76,367 (Q1), \$76,368 to \$513,669 (Q2), \$513,670 to \$7,473,162 (Q3), and greater than \$7,473,162 (Q4).

Mortgage Denial Rates



Source: Urban Institute calculations of 2024 Home Mortgage Disclosure Act data.

Notes: AMI = area median income; LMI = low and moderate income. LMI households earn up to 80 percent of the AMI, middle-income households earn between 80 percent and 120 percent of the AMI, and high-income households earn above 120 percent of the AMI. Property value is used as a proxy for wealth, which is not available in Home Mortgage Disclosure Act data. Quartiles are distributed as follows: \$0 to \$264,999 (Q1), \$265,000 to \$384,999 (Q2), \$385,000 to \$555,000 (Q3), and greater than \$555,000 (Q4).

Implementation Hurdles and Solutions

Challenge: The Inspire100 product not necessarily more affordable than other market products due to adjustment in the mortgage rate used to compensate for credit risk.

Solution: If mortgage non-performance remains low, the need for the subsidy is lessened because the risk premium could be reduced, helping to lower the mortgage rate obtained by Inspire100 borrowers.

Challenge: The philanthropically-supported interest rate subsidy was reduced due to rising house prices – and thus loan amounts.

Solution: The subsidy was reduced from 75 to 50 basis points and potential beneficiaries were narrowed to borrowers with incomes below 150% of area median income.

Challenge: The limited expertise and administrative and technological capacity of existing and prospective CDFI members of the EHC slowed the Inspire100 products' deployment.

Solution: FAHE provided technical assistance (TA) to lenders.

Implementation Hurdles and Solutions

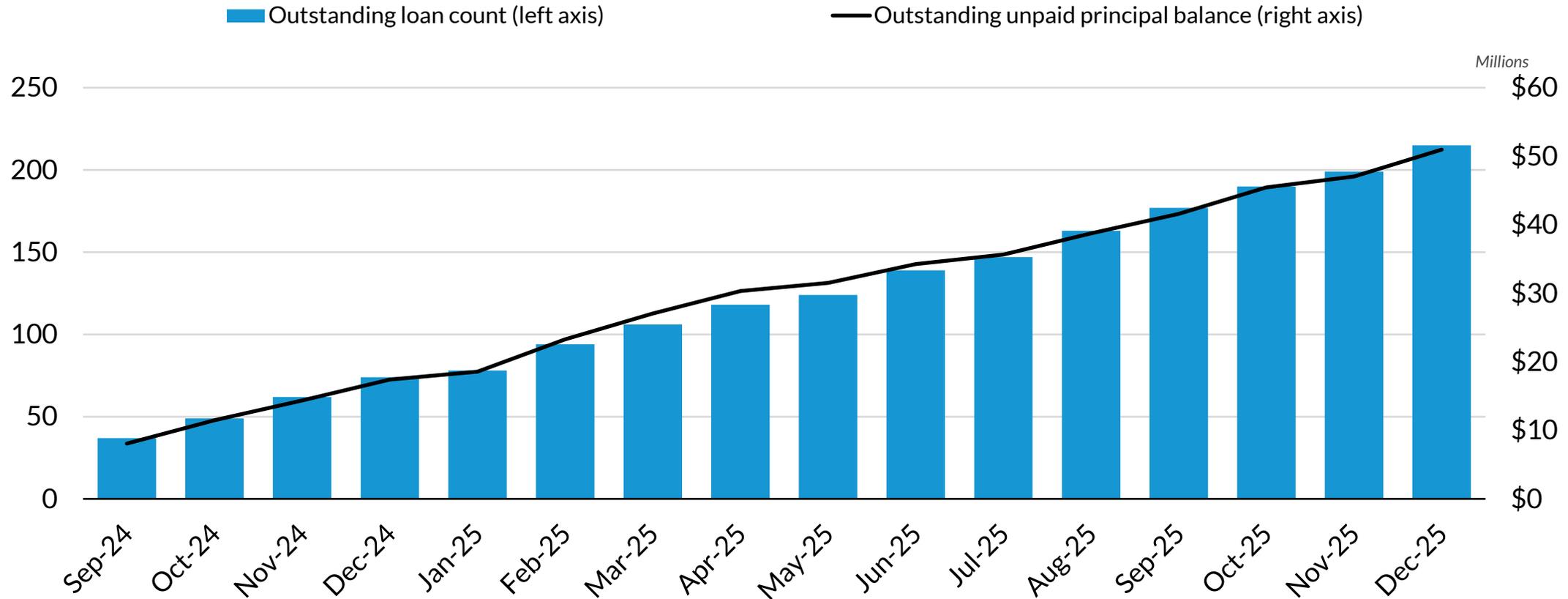
Challenge: Financing manufactured homes is nuanced and may be riskier than traditional 1-4 family properties. But manufactured homes may be a source of affordable supply.

Solution: Manufactured homes were included in the types of properties that could be financed.

Challenge: Economic recessions could dampen mortgage performance.

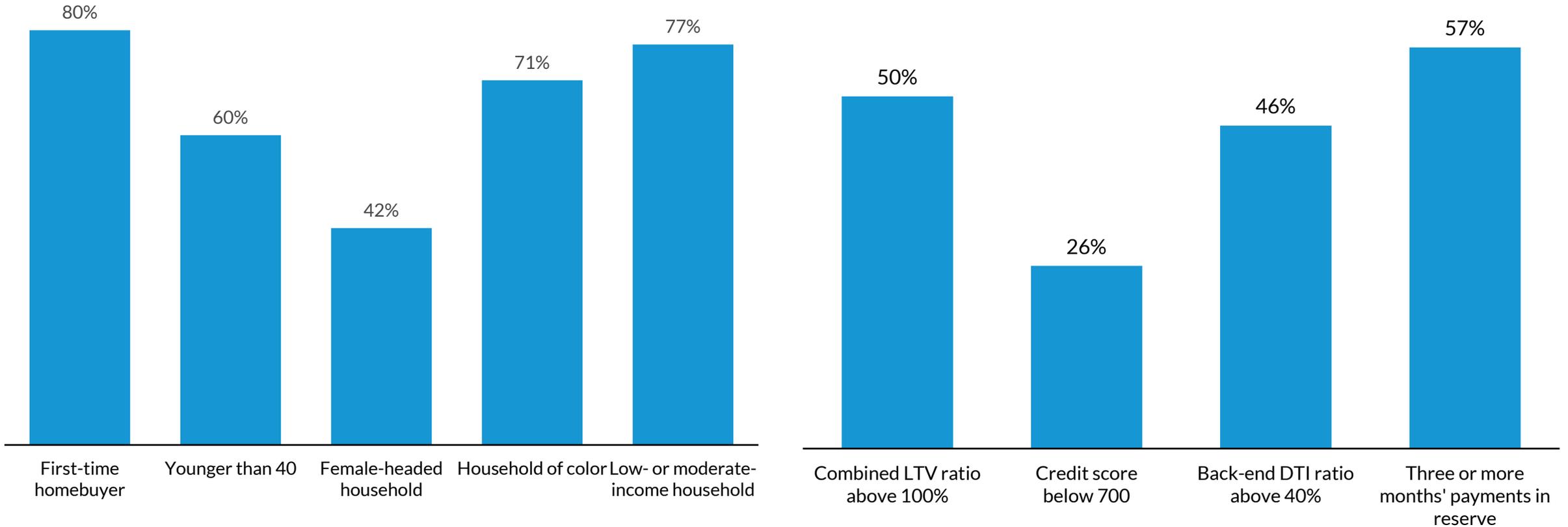
Solution: Many EHC lenders provide pre-purchase counseling, developing a borrower's financial literacy and credit profile and improving their resilience to financial shocks. In addition, the EHC is currently considering the use of post-purchase counseling to provide additional supports to Inspire100 borrowers.

Inspire100 Borrowers Are Mostly First-Time Homebuyers



Source: Self-Help Credit Union.

Inspire100 Borrowers Are Mostly First-Time Homebuyers



Source: Self-Help Credit Union.

Inspire100 Delinquency Rates Remain Manageable

	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Inspire100 loans	0.0%	0.0%	0.5%	0.0%	0.0%	0.6%
FHA loans	2.7%	3.1%	3.1%	2.9%	3.1%	3.8%
VA loans	1.7%	2.0%	1.7%	1.5%	1.5%	1.7%
All loans	1.1%	1.2%	1.2%	1.1%	1.1%	1.3%

Source: Self-Help Credit Union, Mortgage Bankers Association.

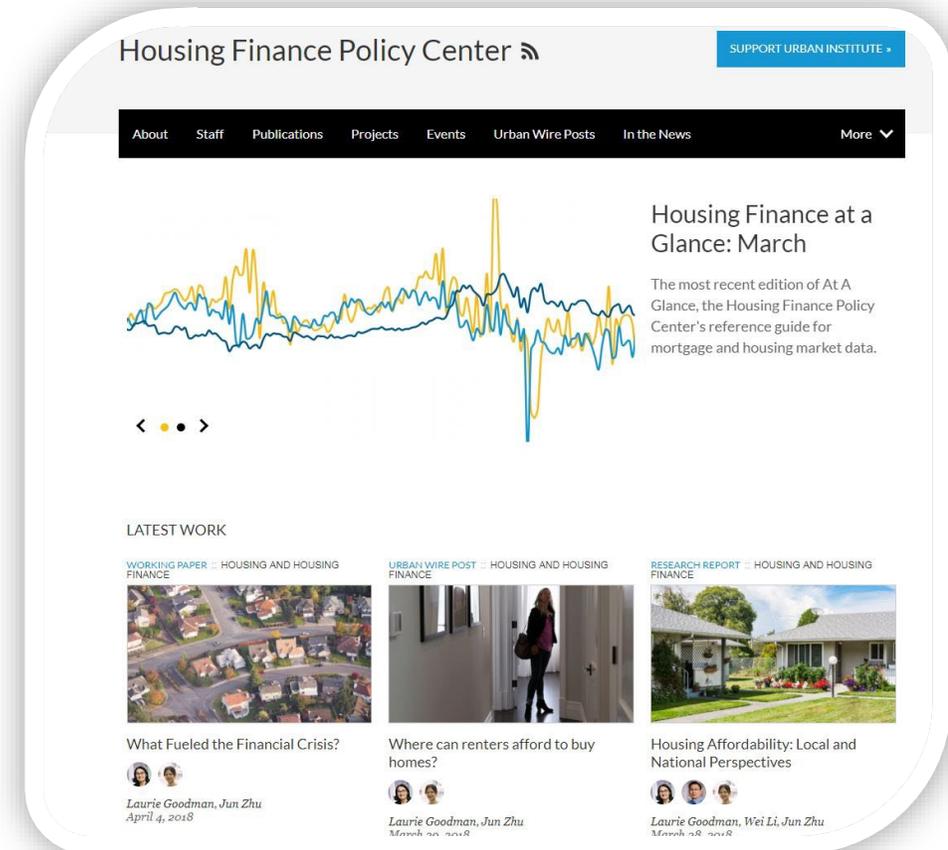
Note: 90+ day delinquency rates for Inspire100 loans are rates from the last month of each quarter. 90+ day delinquency rates for FHA, VA and All loans are quarterly. 90+ day delinquency rates on Inspire100 loans occurred between September 2024 and December 2025. Interpret this table with caution as 90+ day delinquency rates on FHA, VA and All loans occur at any time.

Looking Forward

- **EHC:** Continue to find strategies that can expand credit access and build the housing finance infrastructure while provide opportunities for scale.
- **Policy:** Continuing financial and administrative support for the CDFI fund would provide a baseline of certainty for CDFI lenders. The GSEs and Ginnie Mae should explore opening up secondary markets to the Inspire100 mortgage to enhance its liquidity and broaden its impact.
- **Philanthropy:** Continued strong mortgage performance could reduce the reliance of the Inspire100 Pilot on philanthropic support. At the same time, low trends in delinquencies may attract greater philanthropic support.
- **Research:** Additional research should continue to build the evidence of the Inspire100 Pilot.

Stay Connected to the Housing Finance Policy Center

- Learn more about HFPC on our [webpage](#)
- For questions on membership to our Housing Finance Innovation Forum (HFIF) email us: HFIF@urban.org
- View this [webpage](#) to learn more about our *Future of Homeownership and Housing Finance* Initiative
- [Subscribe](#) to HFPC's bi-monthly newsletter (*click on the banner on the top of our webpage*)
- [Download](#) our monthly *Housing Finance At-a-Glance* Chartbook or contact us with questions: ataglance@urban.org
- Contact me: mneal@urban.org





Innovations Designed to Deliver the Promise of Homeownership





Innovations Designed to Deliver the Promise of Homeownership

