



CONVERGENCE Philadelphia 2023 Success Report

CONVERGENCE Philadelphia is a place-based, collective initiative seeking to expand homeownership and the accompanying wealth-building opportunities among Black, Hispanic, and other diverse households.

260+
Stakeholders

Local Initiatives Support Corporation (LISC) Philadelphia and the Urban Affairs Coalition (UAC) co-lead this endeavor combatting structural racism. The initiative is supported by three Cornerstone Partners: Radian, TD Bank, and Wells Fargo Home Mortgage.

Event Highlights

CONVERGENCE Philadelphia stakeholders participated in events throughout 2023 to develop strategies, plan programs, and raise awareness about the initiative. Highlights include:

- Day-long launch event in March featuring 4 panel discussions with housing professionals, lenders, local non-profit and city government leaders, and other key industry stakeholders.
- Discussion in May with city council and legislative aides for engagement with pre-existing policy priorities and collaboration.
- Monthly (7) workstream meetings for goal-setting, interdisciplinary dialogue, and strategic direction.
- Monthly (9) leadership team meetings for strategic planning and collaboration, emphasizing first-year successes and long-term goals.
- Leadership highlighted initiative's current efforts at the Philadelphia Association of Community Development Corporations' (PACDC's) Forward Equitable Development Conference in October.
- Robust panel discussion featured the initiative at MBA's Annual Convention, and the article, "CONVERGENCE Initiative Expands into Philadelphia," was published in the Convention Show Guide and MBA's member newsletter.



Ernest Campbell, Ken Bigos, Michael Innis-Thompson, Will Gonzalez, and Annette Collier at the CONVERGENCE Philadelphia launch event.



Michael Shostek, Leslie Winder, Jimmy Gastner, and Abraham Reyes Pardo at the PACDC Forward Equitable Development Conference.

Workstream Highlights

CONVERGENCE Philadelphia stakeholders formed five Workstreams to develop and execute programs to advance its mission.

Outreach & Education

- Developing curriculum for consumers and real estate professionals in partnership with Fannie Mae for mid-2024 launch via virtual and in-person events.

Products & Programs

- Collecting affordable housing products and programs data on Down Payment Resources' (DPR's) matching tool. These products and programs include first mortgage products, DPA programs, closing cost grants, special purpose credit programs (SPCPs), and more.

Preservation & Sustainability

- Streamlining tangled title outreach and education and looking to create one-stop-shop resources for home repair and renovation programs.

[watch the video](#)

Housing Supply

- Identifying/building a platform for stacking multiple funding sources, including financing endowments, public bonds, and private financing for projects such as vacant land and rehabilitation acquisitions and/or last-mile funding for affordable units.

Research & Evaluation

- Developing Housing Professionals Survey for Spring 2024 to better understand the Philadelphia landscape.
- Supporting all workstreams in identifying data needs and resource gaps in target neighborhoods and tracking the overall initiative's success.

Workstream Leadership



Workstream co-leads provide strategic guidance and subject matter expertise. In addition, they build consensus about the workstreams' priorities. Co-leads met monthly with leaders from LISC, UAC, and the Cornerstone Partners to develop and refine strategic priorities. Lastly, co-leads run monthly workstream meetings to develop and plan projects, events, and initiatives.

Workstream co-leads meet for a planning session.

Workstream	Co-Lead Organizations
Outreach & Education <i>Inspire Consumers to Consider Homeownership</i>	Philadelphia Metropolitan Board of Realtist, Urban League of Philadelphia, and Affordable Housing Centers of Philadelphia
Products & Programs <i>Facilitate Homeownership Gains Among Consumers</i>	TD Bank, Wells Fargo Home Mortgage, and RiseUp Fund
Preservation & Sustainability <i>Prevent Homeownership Losses Among Consumers</i>	Clarifi and Philadelphia VIP
Housing Supply <i>Facilitate Creation of New Homes</i>	Ceiba, Radian Group, and LISC Philadelphia
Research & Evaluation <i>Track and Evaluate Overall Progress and Success</i>	Reinvestment Fund, iEmergent, and Radian Group

Data Snapshot

CONVERGENCE Philadelphia was officially launched in March 2023. The information included in this snapshot is intended to provide a baseline for future assessments of our impact in that market.

Based on 2021 and 2022 Home Mortgage Disclosure Act (HMDA) data:

ORIGINATIONS

- Originations in Philadelphia decreased from 70,614 in 2021 to 45,603 in 2022, representing a 35% decrease, while originations for Black/African American borrowers were down from 11,038 in 2021 to 8,628 in 2022. That is a 22% decrease.

OVERALL APPROVALS

- Overall approval rates fell from 78% to 72% and approval rates for Black/African American applicants fell from 67% to 60%. 2022 approval rates are higher than the rates in 2019, before the COVID-19 pandemic, when approval rates were 71% (overall) and 57% for Black/African American applicants.
- The top two reasons for loans to be denied to Black/African American households accounted for over six-in-ten of denials in 2022—credit history (35%) and debt-to-income ratio (28%).

Mortgage Application Approval Rates and Originations (Source: 2021 and 2022 HMDA Data)	2021 - All Loans	2021 - Purchase	2022 - All Loans	2022 - Purchase
Philadelphia Loans Originated	70,614	27,510	45,603	23,219
Loans Originated (B/AA)	11,038	4,924	8,628	4,052
Approval Rate (all)	78%	90%	72%	90%
Approval Rate (B/AA)	67%	85%	60%	83%

PURCHASE ORIGINATIONS

- Purchase origination counts fell by 16% in Philadelphia between 2021 and 2022. This was smaller than the 19% decrease nationally.
- They fell by 18% for Black/African American borrowers. For purchase loans, approval rates were 90% for 2021 and 2022.
- They were down by two points, from 85% to 83%, for Black/African American applicants.