

# Asian Americans React to Obama's Historic Election

BY ANGELA PANG

Locally and nationwide, Asian American groups are excited about President-elect Barack Obama. Here are some thoughts on how Obama's historical election will affect the Asian American community in general and the work these organizations are doing in the community.

"The fact that he is the first African American, biracial and truly multicultural president brings a new dynamic to the national public-policy table. He has already named at least three Asian Americans on the Transition team, which signals that Asian Americans will be helping to confront the challenges not only of this country, but the AAPI community specifically."

— **Vida Benavides**, executive director, Asian Pacific Islander American Vote



"The historic nature of Obama's election to the presidency is symbolic in allowing minorities in general to be a full partner in the democratic process. It gives us and our children the hope that we can participate 100 percent in all aspects of our society and thus will motivate many to do and be more than they had ever imagined."

— **S. Floyd Mori**, national executive director, Japanese American Citizens League



"President-elect Obama will have a lot of challenges ahead: The financial crisis that has put such a damper on the U.S. economy, health care and weaning our dependence on foreign oil for energy. All these issues are Asian American issues; they are also top in mind of our members — Asian American business owners whose investments of time, talents and resources have contributed so much to the innovation, job creation, economy and vitality of the nation."

— **Susan Au Allen**, national president & CEO, U.S. Pan Asian American Chamber of Commerce Foundation



"I am looking forward to his foreign policies, particularly his resolve to establish peace treaties with other world leaders like Kim Jung Il in North Korea by personally meeting them. By undertaking crucial matters like nuclear war missiles and the division between the North and South in peaceful terms, Obama shows that there is a lot of truth embedded in his promises, and change will happen around the world as well as in the minority communities."

— **Suk Chan Lee**, president, Korean American Community Center of San Francisco & Bay Area



"President Obama's win in this time and day proves to show that the younger generation voices shined with a

greater voter turnout than in the previous years and we are more involved in the political process. Working for Filipino World War II Veterans, we are hopeful that with the new presidency, the long awaited, 'full recognition' will be restored very soon."

— **Juslyn C. Manalo**, community service worker, Veterans Equity Center



"The election of Barack Obama inspires a renewed faith in working across coalitions and within communities in order to bring about change. As advocates for civil rights and social justice, we welcome a new president who we believe has the vision and ability to make America work for everyone, including those whose voices often go unheard, such as immigrants and low-wage workers."

— **Karin Wang**, vice president of programs, Asian Pacific American Legal Center



"OCA looks forward to working with President Barack Obama and the new Congress, including continuing our work with Sen. John McCain around immigration reform and other important APA issues."

— **Michael C. Lin**, Organization of Chinese Americans executive director



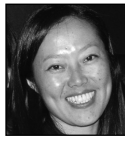
"This was the first major political campaign since the Bill Clinton campaign wherein Filipino community leaders and media outlets were tapped actively, not only to spread carefully tailored messages, but to continually engage our issues and questions as well. With a leader who is aware and engaged with our community, we can be assured that not only will our issues be represented in the halls of power, but that qualified and experienced candidates from our communities will be considered for federal commissions, agencies and possibly Cabinet positions."

— **The Filipinos for Obama Leadership Team**



"The Korean American community looks forward to working with the new administration and Congress in realizing policies that will lift up the quality of lives of all communities."

— **EunSook Lee**, executive director, National Korean American Service & Education Consortium



"With Obama's election being an event that virtually no one foresaw as recently as three years ago, we can now move forward with the hope that perhaps it won't be so long after all before we see a marked increase in the number of Fortune 100 CEOs who happen to be Asian Pacific Americans."

— **John Jin Lee**, chairman, Asian Business League of San Francisco



# Home Run

## Asian American homeowners and the subprime mortgage fallout



Asian Americans have weathered the housing crisis better than most

BY REX FENG

It is hard to imagine that it has been over a year since the American housing market first showed signs of collapse. July 2007 seems like a distant memory, when the Dow Jones Industrial Average hit an all-time record high, a mere month before financial institutions first began recognizing record losses related to high-risk mortgage write-downs.

Since then, the subprime mortgage-lending crisis has crushed venerable companies and snaked its tendrils into every American home as it slammed the brakes on economic growth.

How have Asian Americans fared in this environment? While no household has been immune from the effects of the economic downturn, Asian Americans have fared relatively well.

Only 17 percent of the mortgage loans made to Asian Americans in 2006 were subprime loans, compared to 30 percent for whites, according to a study conducted earlier this year by the Asian Real Estate Association of America (AREAA). Asian American homebuyers also have the highest median household income and buy higher-priced homes than other ethnic demographics.

This evidence would suggest that Asian Americans were an attractive target for mortgage lenders, when subprime options were widespread and heavily marketed. Indeed, according to the AREAA, Asian American home ownership experienced breakneck growth from 2000 to 2005, leaping from 53 percent to 60 percent in five years. This growth rate outpaced that of every other ethnic group in the country over the same time period and would appear to signal a healthy appetite for home purchases at precisely the wrong time.

And yet, something changed in 2006. According to a 2007 report on minority lending by Compliance Technologies Inc. and Genworth Financial, home buying among Asian Americans dropped a stunning 21.5 percent in a single year. After five years of relentless buying, new home ownership among Asian Americans quickly slowed right before the housing market burst.

Was it precognition? Actually, it was much simpler.

"The Asian community, from a finance point of view, on average, is much more conservative," said Jim Park, president and chief executive officer of AREAA, in an interview with the real estate finance magazine *Mortgage Banking* in April. "If you think about the 2006 book of business and the high number of [subprime] loans that made up the bulk of the originations in that year and on into 2007, it's really no surprise that the loan volumes were down in the Asian community. Those loans just don't match up well with this market."

Asian Americans were seemingly not attracted to the low introductory rates offered with many subprime loans; they prefer large down payments, thereby reducing their loan amount and interest payments. They also prefer fixed-rate mortgages over the more exotic adjustable-rate mortgages that have landed so many American homeowners in hot water.

While conservative borrowing practices have contributed significantly to shielding Asian American homeowners from the subprime fallout, there are also other factors at work. Language barriers, for one, are a difficult gap to bridge between potential homebuyers and their lenders. There is also a lack of understanding in regard to the credit system used in the homebuying process.

For better or for worse, these ob-

stacles have inadvertently provided protection in a hostile environment where new home ownership and mortgage-related borrowing have placed large segments of the American population at great financial risk.

"The Asian community wasn't really a big part of the feeding frenzy we've seen in the industry over the past couple of years, and I think that is going to serve borrowers in this segment well," Park told *Mortgage Banking*. "So I don't see the drop in loan volumes last year as a bad thing."

But considering the time delay on studies of this size and the volatile lending environment of the past year, data are constantly changing. A study released in late October by the Furman Center for Real Estate and Urban Policy at New York University showed the number of new mortgages extended to Asian Americans in the New York City area grew by 6 percent in 2007. Mortgage growth for non-Hispanic whites was flat over the same period and dropped for Hispanic and black borrowers. When controlling for subprime loans, the number of loans extended to Asian Americans grew by 18 percent. Yet, researchers expect a sharp drop across all demographics when 2008 data is released.

AREAA is still working hard to close the existing home-ownership gap for Asian Americans, which is its mission statement. The group, in collaboration with Bank of America, has developed a continuing education course for mortgage lenders and real estate agencies to ensure fair treatment for immigrant homebuyers, many of whom still face significant cultural and language barriers.

The most important thing that remains is to stay educated, and remember what a boon conservative-borrowing practices have proven to be.