

The urban education problem essay

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The Urban Education Problem The government-sponsored enterprise or the GSEs have set some affordable housing goals, however there has been a debate on their effects on lower-income and underserved housing markets. The main reason for the establishment of the government-sponsored enterprises was to provide liquidity to mortgage markets and to ease severe cyclical fluctuations in housing. Moreover, they are also there to support the provision of mortgage credit as well as to acquire homeownership in lower-income and minority communities. (An, Bostic, Deng & Gabriel, 2007).

The federal regulators have focused the performance of Fannie Mae and Freddie Mac in promoting the flow of funds in order to make available the mortgage credit for the people and the communities that are undeserved. Furthermore, the article talks about the effects of the GSE loan-purchase goals on local housing outcomes and also on the characteristics and performance of FHA-insured loans and this would further be done to conclude whether GSE mortgage-purchase activity among targeted tracts is associated with improvements in homeownership, housing conditions, and credit access. (Order, Vigdor & White, 2007). The major factors involving the Urban Affairs issue that has been discussed above in the article are the following.

- Borrowers who belong to a low income group, there is a low-moderate-income goal.
- Borrowers who reside in lower-income communities and also the ones who live in certain high-minority neighborhoods.

- Very low-income borrowers and low-income borrowers living in low-income areas come under the special affordable goal. The borrowers who have lower incomes are defined by the government-sponsored enterprises as

those having incomes less than the metropolitan area median income. Under the goal that were targeted geographically, lower-income neighborhoods are made distinct from the high minority neighborhoods as those that have median incomes that fall below 90 percent of the area median income, however the high-minority neighborhoods are defined as a minority population that is more or less 30 percent of the total population and a median income of less than 120 percent of the area median. In order to achieve this affordable goal, very low-income borrowers are those with incomes of less than 60 percent of the income of the people in an area, moreover this also includes borrowers living in low-income areas with incomes less than 80 percent of the income of the area. The policy issues that are being discussed in a local community setting are regarding the affordable housing goals for the people and this is a challenging goal that requires the allocation all annual redevelopment tax increment funds be used to create low- and moderate-income housing of all units built within all redevelopment areas must be affordable. Moreover, some more goals that have to be developed are mentioned below and these goals are further subdivided into more categories.

1. Provide Housing for All Income GroupsThe government can introduce studio apartments for those who belong to the low income group or those who are either just individuals living alone or couples. Areas of change must be recognized.
2. Preserve Existing Affordable HousingPlans for prevention of household displacement must be introduced.

3. Increase Affordable Housing Opportunities for Renters and HomebuyersAssistance must be provided to additional households. Rental

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housing facilities must be increased and this can be done through acquisition and rehabilitation of the houses that already exist or by constructing new ones.

Opportunities for home ownership must be increased by capitalizing. Multi-family housing plans should also be focused. 4. Ensure Redevelopment Funds for Affordable Housing Redevelopment of affordable housing funds must be introduced especially for come under the low income groups. Assistance must be provided to the developers especially insisting on the construction of one and two bedroom units for those families who consist of two to four persons. (Glandon & Roof,

2008).

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