



UNTOLD STORIES OF THE FORECLOSURE CRISIS

SOUTHEAST ASIAN AMERICANS IN THE CENTRAL VALLEY

National Coalition for Asian Pacific American Community Development

The National Coalition for Asian Pacific Community Development (National CAPACD) is the first national advocacy organization dedicated to addressing the community development needs of diverse and rapidly growing Asian American and Pacific Islander (AAPI) communities throughout the country. The organization is a membership-based network of more than 100 organizations and individuals in 18 states that serve and represent Asian Americans, Pacific Islanders, Native Hawaiians, refugees, and immigrants nationwide. National CAPACD network groups have significant capacity in community building activities; have developed thousands of housing units in cities across the country; and have secured hundreds of millions of dollars from public agencies, foundations, financial institutions, and private investment companies for housing and commercial development projects, home mortgage loans and small business financing, social venture entrepreneurial projects, job training and workforce development, and social services programs.

To support its network organizations and advance the movement for AAPI community development, National CAPACD has developed strategic partnerships with intermediaries, financial institutions, policymakers, immigrant workers' rights groups, and other social change networks that enable us to conduct policy research, develop and support new leaders, engage in national policy advocacy, and support network organizations to build their capacity to serve diverse AAPIs through annual National Convenings, the Community in the Capital (CITC) Leadership program, the AAPI Communities Taking Initiative in Our Neighborhoods (ACTION) Technical Assistance program, and, in response to rising foreclosures, a HUD-certified National Housing Counseling program.

Southeast Asia Resource Action Center

The Southeast Asia Resource Action Center is a national organization that advances the interests of Cambodian, Laotian, and Vietnamese Americans by empowering communities through advocacy, leadership development, and capacity building to create a socially just and equitable society. SEARAC was founded in 1979 to foster the development of nonprofit organizations led by and for Southeast Asian Americans. Today, SEARAC strengthens the capacity of community-based organizations led by refugees from around the world, serves as a coalition builder and leader among diverse refugee communities, carries out action-oriented research projects, fosters civic engagement among refugees, and represents refugee communities at the national level in Washington, DC and at the state level in California.

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Executive Summary

The impact of the foreclosure crisis has been felt throughout the country, and the disproportionate impact on communities of color has been well documented by researchers and service providers. The Central Valley in California is among the communities that has been most devastated by the foreclosure crisis. In fact, five of the top twenty cities with the highest foreclosure rates in the nation are located in the Central Valley. The Central Valley is also home to one of the largest concentrations of Southeast Asian Americans in the country. Given the large community of Southeast Asian American residents that settled in the Central Valley beginning in the 1970s, the Central Valley is of great importance to housing counseling practitioners, policy makers, and stakeholders in the field.

The purpose of this study is to better document the housing counseling needs of Southeast Asian American residents in the Central Valley and to propose recommendations for addressing the gaps in the existing housing counseling and service network to meet the foreclosure intervention needs of this community. This is the first comprehensive study looking at the impact on Asian Americans and Pacific Islanders (AAPIs), and more specifically, Southeast Asian Americans in the Central Valley.

Previous studies have documented the impact of foreclosures more generally in the Central Valley, and efforts have been made to more clearly document the impact of foreclosures on AAPIs. However, because the data on the general population and the data on AAPIs is aggregated, the experience of Southeast Asian Americans in the Central Valley is often obscured and subsequently ignored.

The Southeast Asian American community as a whole has continued to experience multiple barriers in achieving economic independence. With generally lower median incomes, high concentrations in low-wage sectors, and lower education levels than the general population and the broader Asian American community, Southeast Asian Americans tend to be more vulnerable to foreclosure and its impact. The challenges of providing effective and comprehensive services to Southeast Asian Americans is also heightened when between 39-52% of the population is linguistically isolated.

While the data on foreclosures among Southeast Asian American families has been all but missing in the national conversation, we found that Southeast Asian American homeowners and renters in the Central Valley live in greater concentrations in neighborhoods with high foreclosures and are therefore more likely to experience the direct and indirect impacts of foreclosures. Further, within a four-month period in 2010, at least 840 Southeast Asian American homeowners received a Notice of Default, representing, in many cases, a higher percentage of foreclosures than Southeast Asian Americans represented in that county. The high number of Southeast Asian American renters experiencing displacement as a result of foreclosure in the Central Valley also warrants greater attention.

Existing organizational capacity for addressing the housing needs of Southeast Asian Americans throughout the Central Valley has been inconsistent. Due to the lack of culturally competent and language accessible housing counseling services, many Southeast Asian American families were not adequately empowered to make sound financial decisions regarding their housing. The onset of the foreclosure crisis further magnified the issues resulting from this lack of housing counseling infrastructure for Southeast Asian Americans. While some mainstream housing counseling organizations have attempted partnerships and expanded their capacity to better serve Southeast Asian Americans, their success has been marginal given the complexity of barriers facing the Southeast Asian American community and the vastness of the Central Valley. Further, their success has often been hampered by the dearth of continuous resources.

Other Southeast Asian American-serving community-based organizations (CBOs) have important roles as ambassadors for Southeast Asian Americans and often provide critical social services to support affected communities; however, they have also been limited by the lack of ongoing investment in the region. Moreover, the absence of a coordinated comprehensive strategy and lack of regular coordination between organizations in the housing counseling sector and Southeast Asian American-serving community-based organizations heightens the challenge of adequately meeting the needs of this underserved community.

Increased success in serving Southeast Asian Americans in the Central Valley will require leveraging the existing capacity in the Central Valley and addressing immediate needs, as well as a longer-term strategy that strengthens the infrastructure of organizations engaged in providing safety net services in the region. The report recommends the following strategies to strengthen the Central Valley's capacity to effectively serve the Southeast Asian American community:

1. Strengthen working relationships and networks in the Central Valley through convenings and ongoing communication.
2. Engage and invest in existing Southeast Asian American-serving CBOs broadly to conduct culturally and linguistically appropriate public education and outreach regarding foreclosure intervention for both impacted homeowners and tenants.
3. Grow capacity among housing counseling agencies and CBOs to serve all Southeast Asian American groups.
4. Encourage active and sustainable partnerships between housing counseling agencies and CBOs for cross-training to expand housing counseling capacity so that all subgroups within the Southeast Asian American community can be reached.
5. Identify organizationally stable Southeast Asian American-serving CBOs and assist them to develop the capacity to provide housing counseling services for both homeowners and renters.
6. Invest in the Central Valley on a larger scale.

Introduction

The National Coalition for Asian Pacific American Community Development (National CAPACD) and the Southeast Asia Resource Action Center (SEARAC) have undertaken this study with support from NeighborWorks America Pacific District to better understand the impact of the foreclosure crisis on Southeast Asian Americans in California's Central Valley region and to identify trends and patterns that will help housing counseling and other community-based organizations, financial institutions, and public agencies develop more effective strategies for reaching and serving this marginalized population. Information from this report will be used to help stakeholders better target their limited resources to assist Southeast Asian American homeowners and renters in the region. Recommendations regarding strategies and potential partnerships between AAPI-serving organizations and other stakeholders will be used to increase levels and overall effectiveness of services to Hmong, Laotian, Cambodian, and Vietnamese American residents in neighborhoods hit hard by foreclosures. Additionally, data from this report will be used to support local, statewide, and national foreclosure and housing policy advocacy efforts.

Methodology

This study examines the impact of foreclosures on Southeast Asian Americans residing in the Central Valley of California. For the purposes of this publication, Southeast Asian Americans are people in the United States whose heritage stems from Cambodia, Laos, or Vietnam. Southeast Asian Americans now number approximately two million in the United States, and most of them either arrived in the U.S. as refugees or are the children of refugees. They include people from the following ethnic and language groups:¹

Cambodia:

- Cham, a Muslim minority group
- Khmer, or “Cambodian”
- Khmer Loeu, or Highland Khmer

Laos:

- Hmong, or Mong²
- Lu Mien, or Mien
- Khmu
- Lao, otherwise referred to as Lao Loum or Lowland Lao
- Taidam

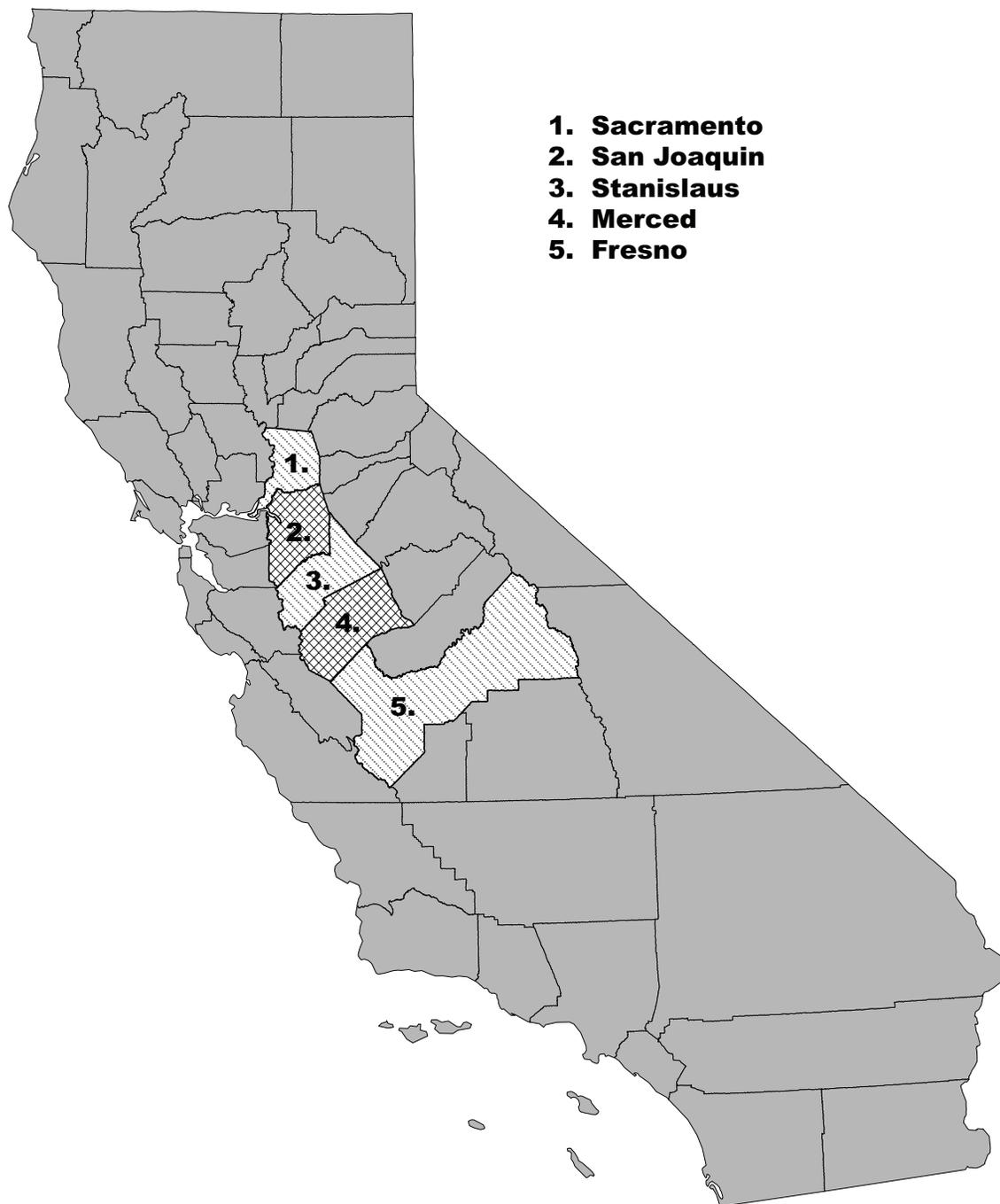
Vietnam:

- Khmer Kampuchea Krom, or ethnic Khmer
- Montagnards, or Highlanders of several different ethnic groups
- Vietnamese

Certain ethnic Chinese groups also have heritage in Cambodia, Laos, and Vietnam.

For the purposes of this study and depicted in **Figure 1**, the Central Valley region is defined by the following five California counties: Fresno, Merced, Sacramento, San Joaquin, and Stanislaus.

Figure 1: The California Central Valley region is defined by the following five counties:



Source: U.S. Department of Natural Resources, 2010.

Southeast Asian American Demographic Data Review and Analysis

A basic characteristic profile of Southeast Asian American communities was created using a mixture of the 2000 Decennial Census and the latest 1-year and 3-year American Community Survey (ACS) data.³ Although 2000 Decennial Census data offers a complete count of communities across the nation, the characteristics of many communities since 2000 have changed significantly, especially in terms of housing and employment. As such, estimates of Southeast Asian American communities in the U.S. and the Central Valley from the more current ACS profiles are used when possible. For 1-year estimates, the population threshold for data reporting is 65,000; for 3-year estimates, the threshold for data reporting is 20,000. Thus, for this report 1-year 2009 estimates are used for Southeast Asian Americans nationally. Consequently, only characteristic profiles for the Hmong community of Fresno and Sacramento can be included, as these communities are the only Southeast Asian American communities in the Central Valley to reach the 20,000 population threshold.

2008-2009 Foreclosure and 2010 Pre-Foreclosure Data Collection, Review, and Analysis

The research team gathered historic foreclosure data from 2008 and 2009 by reviewing and analyzing Neighborhood Stabilization Program (NSP) Substantial Amendments to identify census tracts in each county's areas of greatest need. The research team also reviewed and analyzed May-August 2010 Notices of Default data provided on Pre-Foreclosures.com, a private foreclosure listing website used by real estate agents, investors, and prospective homebuyers across the country. A database of homeowners in default with Southeast Asian American surnames was established for each county for this timeframe.

Interviews with Local Stakeholders and Service Providers⁴

The research team interviewed representatives from 14 mainstream housing counseling organizations and public agencies, and the staff and leadership of 5 Southeast Asian American community-based organizations in the region. Based on initial discussions with stakeholders, the team developed questionnaires to facilitate interviews and gathered information on the impact of foreclosures on Southeast Asian American homeowners and renters and these organizations' capacity to serve this community.

Focus Groups with Southeast Asian American Community Members

SEARAC reached out to local Southeast Asian American community organizations to organize and co-host focus groups with community members in each county. Focus groups were conducted throughout September 2010 in Fresno, Merced, Modesto, Stockton, and South and North Sacramento. In total, 83 Southeast Asian Americans participated in 6 focus groups hosted by Fresno Interdenominational Refugee Ministries (FIRM), Merced Lao Family Community, Hmong Women's Heritage Association in Sacramento, The BRIDGE in Modesto, and Lao Family Community of Stockton. Of these participants, 71% were Hmong, 24% Lao, 2% Mien, and 1% Cambodian.⁵ Higher numbers of Hmong participants can be attributed to the higher number of Hmong and Hmong-serving CBOs in the Central Valley which allowed for easier outreach and accessibility to Hmong community members undergoing foreclosure.

The Foreclosure Crisis and Southeast Asian Americans in the Central Valley

California's Central Valley

Southeast Asian Americans living in California's Central Valley face multiple barriers that compound and further complicate the impact of the foreclosure crisis in the region. Southeast Asian Americans have historically struggled with economic and other systemic challenges due to their experience as refugees, living in an area of the state where fewer economic opportunities exist, and where unemployment rates are traditionally higher than national and state averages. The economic downturn of 2008, foreclosures, related higher unemployment rates, and declining property values are creating even more barriers for the Southeast Asian American community in the region.

Limited Economic Opportunities

Unlike coastal California communities, the Central Valley economy relies on few industry sectors to provide employment in the region. In addition to agriculture, education and government are the main industries in the area. Large public school districts, state universities and several private colleges employ a significant percentage of the regional population. City, county, and state government agencies, such as the U.S. Internal Revenue Service in Fresno, are major employers while manufacturing companies and the logistical operations of many corporate entities are also located in the region. Due to the economic crisis, all employers have downsized their operations by cutting thousands of jobs. State budget cuts have deeply impacted workers in the region who have had to take pay cuts associated with work furloughs.

"It's difficult to find jobs now, many have lost their jobs... We are all stressed right now; we are all in difficult financial situations."

-Fresno Focus Group Participant

High Rates of Unemployment

With a less diversified regional economy, the Central Valley region has always experienced higher unemployment rates than other communities in the state. The current state of the economy and high rates of foreclosures in the region have pushed these rates to record levels as most employers have downsized or relocated to other states. The region's reliance on state government agencies for jobs has also contributed to higher unemployment rates and decreased income that continue to impact the housing market. According to August 2010 data released by the U.S. Bureau of Labor Statistics, unemployment rates for Central Valley counties included in this study, with the exception of Sacramento, were higher than the national rate of 9.2% and higher than the state rate of 12.4%. At 17.7% Merced has the highest unemployment rate. San Joaquin's rate is 16.6%, Fresno is 15.4%, and Stanislaus' is 14.8%.

High Foreclosure Rates

Along with the Inland Empire area of Southern California, Central Valley counties continue to have the highest concentration of foreclosed/Real Estate Owned (REO) properties and loans at risk of foreclosure in the state. In January 2010, MarketWatch released a report of the country's 20 cities with the highest foreclosure rates. Five Central Valley cities—Merced, Stockton, Modesto, Sacramento metro area, and Fresno—made the list with 3 among the top 10. With a foreclosure rate of 10.9%, Merced ranked 3rd in the country, Stockton (8.6%) ranked 5th, and Modesto (8.5%) 6th among the top 20 cities impacted. Sacramento had a foreclosure rate of 5.6%, putting it at 15 on the list, and Fresno, with nearly 5% of all homes in

foreclosure, ranked 19th in the nation. More foreclosures are anticipated in the Central Valley throughout 2011; between 7–9% of all mortgage loans in Fresno and Sacramento counties and over 9% of loans in Merced, San Joaquin, and Stanislaus are seriously delinquent.⁶

Declining Property Values

Homeowners in the Central Valley have been particularly hit hard by the foreclosure crisis, losing significant amount of equity in their homes during the peak of the foreclosure crisis in 2008 and 2009. According to the Federal Housing Finance Agency (FHFA) Price Index, home values in Fresno declined nearly \$100,000 between 2007 and mid-2010. Stockton home values declined approximately \$120,000 during this period while Merced, at \$160,000, experienced the greatest decline in home values. Sacramento experienced a 47% decline in property values between January 2006 and November 2009 while Fresno County home prices dropped 5%-10%, and Merced County home prices dropped over 10% between April 2006 and October 2009. During this same period, changes in home prices in San Joaquin and Stanislaus were as high as 5%.⁹

Southeast Asian American Communities

According to the 2009 American Community Survey (ACS), there are 2,397,993 Southeast Asian Americans living in the United States. The largest Southeast Asian American ethnic group in the country is the Vietnamese who represent 69% of the Southeast Asian American population. Cambodian, Hmong, and Lao Americans each represent approximately 10% of all Southeast Asian Americans in the country. California is home to the largest population of Southeast Asian Americans in the nation with the Central Valley home to the largest Hmong community.

"We need people who understand where we are coming from and try to help us. We don't always know the forms we need or the process, and we need people who speak Hmong to help us understand what we need to do."

-Stockton Focus Group Participant

Educational Attainment

Nationally, Southeast Asian Americans have less formal education than the general population. Arriving from mainly rural, agrarian, and mountainous communities of Southeast Asia where they practiced traditional and indigenous ways of life, many Hmong, especially those over 50 years old, have less than a high school education. Nearly 40% of Hmong, Cambodian, and Lao Americans have completed high school. Vietnamese Americans also experience low educational attainment rates with 30% of community members lacking a high school education. Comparatively, only 14% of the general population has less than a high school education level. In Fresno County, over 50% of Hmong residents over 25 years old have less than a high school education. This rate is 42% in Sacramento County among Hmong residents.

Linguistic Isolation

In addition to low education attainment rates, Southeast Asian Americans are more linguistically isolated than the general population. According to 2009 American Community Survey Census data, approximately 52% of Vietnamese in the United States speak English less than "very well." About 41% of Cambodians and Hmong and nearly 39% of Lao are linguistically isolated, compared to only 8.6% of the general population that is estimated to speak English less than "very well."

The percentage of Hmong living in Fresno and Sacramento counties that speak English less than very well are 45.2% and 49.4%, respectively (2006-2008 3-year average ACS county level data).¹⁰

Without sufficient language capacity, Southeast Asian Americans are more likely to rely heavily on family and community for information on how to navigate the housing market or access services intended to assist with providing housing information. As such, Southeast Asian Americans are far less likely to receive housing counseling and education from mainstream organizations and government agencies when making housing decisions. Furthermore, because of linguistic isolation, Southeast Asian Americans are more likely to rely heavily on mortgage brokers and other real estate professionals from their own community and are therefore more susceptible to predatory practices and other scams.

Income and Employment

Due to the difficulty of adjustment and integration, Southeast Asian American families report lower median family income than the average U.S. family. With less formal education and significant language barriers, Southeast Asian Americans tend to work in lower wage service jobs. Nationwide, Cambodian Americans reported earning a median income of \$49,609, and Hmong Americans reported a median income of \$45,608 compared to a median household income of \$50,221 for the general population in 2009. In Fresno County, median household income for Hmong Americans drops to \$36,043 compared to \$45,805 for the general population. The poverty rate for the community is 31.6% compared to 16.5% for the general population. Hmong Americans in Sacramento also earn lower household incomes (\$47,568) in comparison to the general population (\$57,779). The poverty rate for the community is 23.1%—over twice the rate for the general population (9.2%). Median household income for this community is \$47,946 compared to \$57,779 for the general population, and the community's poverty rate is higher (13.3% vs. 9.2%). Southeast Asian Americans are more likely to pool their resources and live collectively, so

"My dad's auto mechanic business started going downhill, and that made it difficult for him. We couldn't keep up with the payments while business was slow and we were losing money."

-South Sacramento Focus Group Participant

household income for this population most often reflects the earnings of several working adults.

Southeast Asian Americans are also more likely to work in low paying manufacturing jobs than the general population. According to 2009 ACS data, over 20% of Southeast Asian Americans representing all ethnic groups worked in manufacturing in comparison to just 10.5% of the general population. This concentration in the manufacturing, service, and agricultural sectors places Southeast Asian Americans in the Central Valley at greater risk for unemployment and underemployment as many employers in these sectors have been impacted by the economic downturn and are laying-off workers and reducing work hours. This leads to the increasing likelihood that Southeast Asian American homeowners cannot continue to make mortgage payments.

In the wake of the economic recession, Southeast Asian American small businesses in the Central Valley have been heavily impacted by decreasing revenue and continue to struggle to stay afloat. Hardest hit are specialty and novelty shops such as print shops and restaurants that cater to high-end customers. The economic recession compounds the difficulties of many families who now struggle to maintain their businesses and make their monthly mortgage payments. For all participants in the focus groups who have lost their small businesses in addition to experiencing foreclosure, personal savings were used to keep their businesses running. Ultimately, when families lost their businesses and primary source of income, they were unable to continue paying their mortgages, resulting in foreclosure on their homes.

Due to lower incomes and the fact that they work in low wage service jobs that cannot always be documented with traditional pay stubs, many homeowners were more likely to be qualified for mortgages using stated income products or other high risk loan products. In many cases, mortgage brokers, many from the same cultural and ethnic group, misled borrowers into high cost loan products. Further, low wage jobs and self-employment offer no or few health care benefits leaving families at greater risk of defaulting on mortgage obligations due to costly medical emergencies.

Homeownership Rates and Housing Burden

Only 35% of Fresno Hmong residents are homeowners. Of these, 64.2% pay more than 30% of their income towards mortgages. In Sacramento County, just 40% of Hmong community members are homeowners, compared to 60% of the general population. Of these, nearly 70% of Hmong homeowners pay more than 30% of their income towards housing.

As reflected in this data, more so than other populations, Southeast Asian Americans are more likely to be in homes that were unaffordable and were likely more at risk of default as incomes changed and mortgage rates adjusted upwards.

Disproportionate Renter Population

Southeast Asian American communities have higher percentages of households who rent in comparison to the general population. According to ACS 2009 data, 49.6% of Cambodian, 52.4% of Hmong, and 37.5% of Lao households rent their homes, as opposed to 34.1% of the general population. As such, Southeast Asian Americans stand to be more adversely affected by evictions as a result of foreclosed rental properties. In one instance, Tyrol Lane Village, an apartment complex in San Joaquin County, was foreclosed in 2000 displacing 100 tenant households, 95% of whom were second generation Southeast Asian Americans. Unaware of their tenant rights and lacking support in navigating legal and housing procedures compounded with language and cultural barriers, Southeast

Asian Americans are vulnerable to abuse and fraud from landlords as well as real estate companies.

With generally lower levels of educational attainment and lower overall incomes, Southeast Asian Americans are at greater risk of obtaining unsustainable home mortgages and are more likely to be at risk of foreclosure. Further, high rates of linguistic isolation means that many Southeast Asian American families are unable to access education and resources in order to make informed decisions about the home-buying process and less likely to access housing counseling services when problems arise. The high concentration of Southeast Asian Americans in service jobs and the high overall unemployment rates in the Central Valley further exacerbate the potential risks of Southeast Asian Americans experiencing default and eventually foreclosure.

"Just the other day, I had a client who came in who was dealing with foreclosure on the home he is renting. Even though he knows the home is under-going foreclosure, he still continues to pay rent."

**-Mee Yang,
Administrative Service Officer
at Lao Family Community of Stockton**

Rates of Foreclosure and Homeowner Defaults

2008-2009 Foreclosures

While Southeast Asian Americans represent between 2-5% of the overall population of each Central Valley county, they tend to be concentrated in a few zip codes. Southeast Asian Americans of the Central Valley primarily live in lower and moderate income communities that have been hit hard by foreclosures. An analysis of demographic and foreclosure data from the Neighborhood Stabilization Program (NSP) Substantial Amendments for each county indicates that Southeast Asian Americans are concentrated in “areas of greatest need.” County agencies identify “areas of greatest need” as lower and moderate income census tract areas in their jurisdictions with high numbers of foreclosures.

Sacramento

Vietnamese and Lao community members represent 5-19% of residents in foreclosure impacted “areas of greatest need” in Sacramento (95828), Elk Grove (95828), South Sacramento (95822, 95823), and Foothill Farms (95630).

Fresno

Hmong, Lao, and Cambodians represent up to 35% of residents in Fresno neighborhoods impacted by foreclosures and identified as “areas of greatest need,” specifically neighborhoods within the 93701, 93702, 93703, 93705, 93706, 93710, 93726, 93727, and 93728 zip codes.

Merced

In the City of Merced, Hmong and Lao make up 25% of residents in the 95340 and 95348 zip codes which were identified by the county for foreclosure programs. In neighboring Atwater, these communities are 5% of residents in the 95301 area, and in Riverbank, they make up 3% of residents in the 95367 zip code area.

San Joaquin

Cambodian, Hmong, Lao, and smaller populations of Vietnamese are concentrated in Stockton (95205, 95206, 95207, 95209, and 95212) and Garden Acres (95215)

communities impacted by foreclosures and identified as “areas of greatest need.” Southeast Asian Americans are 3% to 18% of the residents living in these zip code areas.

Stanislaus

Cambodian, Lao, and smaller numbers of Hmong live in Stanislaus communities identified as “areas of greatest need.” In Modesto, Southeast Asian Americans live in the 95350, 95354, and 95358 zip code areas and in the Ceres 95307 zip code area. The community represents up to 13% of the resident population.

As identified, Southeast Asian Americans are often more likely to live in neighborhoods that were impacted by foreclosures from 2006 to 2009. We can infer that many Southeast Asian American households in these neighborhoods have already lost their homes to foreclosure, or are at risk of losing their homes. We can also infer that Southeast Asian Americans may also be at risk of renting a home that is at risk of foreclosure.

2010 Notices of Default

Due to high regional unemployment rates and adjusting mortgages, Southeast Asian Americans continue to experience economic hardship and foreclosure. While high cost subprime loans were the main cause of foreclosures in 2008 and 2009, in 2010, unemployment and reduced work hours prevented Central Valley residents of all backgrounds, including Southeast Asian Americans, from making their mortgage payments and caused them to slip into default. The section below provides a summary of pre-foreclosure data on Southeast Asian American Notices of Default (NOD) in each county between May and August 2010.

Because specific data on Southeast Asian American held mortgages is unavailable, we conducted a search of Southeast Asian American surnames identified in the Notices of Default in each county between May and August 2010. The surname search is limited because it may not capture all Southeast Asian Americans impacted and there is the possibility some names may not be assigned correctly. However, it does allow us to parse out potential Southeast Asian Americans that have been issued an NOD.

Figure 2: Number of Homeowners in Default by County (May-August 2010)

Ethnicity	County					Total
	Sacramento	Fresno	Merced	San Joaquin	Stanislaus	
Cambodian*	4	-	-	-	6	10
Hmong	59	70	22	9	3	163
Lao	6	-	-	-	-	6
Mien*	11	2	4	-	1	18
Vietnamese	205	20	25	70	28	348
Other SEAAs*	100	58	26	79	32	295
Total	385	150	77	158	70	840

*Cambodian and Mien statistics were difficult to ascertain as the variety of last names in both communities prevented a clear identification of ethnicity. Those homeowners whose ethnicities were difficult to determine by surnames were categorized as "Other Southeast Asian Americans."

Figure 2 presents our findings from that 4-month period. There were 398 Southeast Asian American homeowners in default in the cities of Sacramento and Elk Grove. These loans represent 5% of all Notices of Default in Sacramento County during this period while Southeast Asian Americans represent only 4% of the population of the county. The majority of defaulting homeowners are Vietnamese, Hmong, and Cambodian Americans. The 77 Southeast Asian Americans who were in default in Merced County represent 5% of all Notices of Default, while Southeast Asian Americans only account for 3% of the county's population. The majority of Southeast Asian Americans receiving Notices of Default are Hmong, Vietnamese, and Mien Americans concentrated in the cities of Merced, Atwater, and Los Banos. In Fresno and Stanislaus county, Southeast Asian American homeowners are defaulting at rates comparable to their representation in the county. In San Joaquin County, Southeast Asian American default rates are one percentage point lower than their representation in the county.

Top Five Lenders of Southeast Asian American Homeowner Loans in Default

Figure 3 lists the top five lenders servicing Southeast Asian American homeowner loans that were in default between May and August 2010 in the Central Valley study area. Loan servicers that were absorbed by other entities are clustered with the major financial institutions that purchased them in the first column entitled "Lender/Servicer." For example, Countrywide Loans is clustered with Bank of America, and Wachovia and World Savings with Wells Fargo. The amount of Southeast Asian American homeowner loans in default for each county is provided in the columns headed by the counties' names, while the total amount of these loans for all the counties during this time period are listed in the column titled "Total Amount of Top Lender Loans in Default." The last column provides the number of loans in default by each loan originator.

Figure 3: Southeast Asian American Loan Volume for Top Five Lenders/Serviceers by County

Lender/ Servicer	County					Total Amount of Top Lender Loans in Default	Number of Southeast Asian American Homeowner Loans
	Sacramento	Fresno	Merced	San Joaquin	Stanislaus		
Bank of America/BAC Home Loan Servicing Corporation	\$31,288,604	\$1,894,050	\$8,579,677	\$9,772,113	\$4,429,124	\$55,963,568	202
Countrywide Loans		\$6,833,793				\$6,833,793	27
Bank of America Total	\$31,288,604	\$8,727,843	\$8,579,677	\$9,772,113	\$4,429,124	\$62,797,361	229
Wells Fargo	\$8,889,530	\$4,206,642	\$1,997,250	\$3,986,414	\$3,977,034	\$23,056,870	80
Wachovia		\$1,752,799				\$1,752,799	7
World Savings	\$4,520,667			\$4,422,305		\$8,942,972	28
Wells Fargo Total	\$13,410,197	\$5,959,441	\$1,997,250	\$8,408,719	\$3,977,034	\$33,752,641	87
JP Morgan Chase			\$1,435,453		\$2,197,643	\$3,633,096	10
Washington Mutual	\$7,944,806		\$1,075,400	\$4,237,262		\$13,257,468	43
JP Morgan Chase Total	\$7,944,806		\$2,510,853	\$4,237,262	\$2,197,643	\$16,890,564	53
Citi	\$3,973,200	\$1,320,430				\$5,293,630	14
Bank of New York Trust					\$1,843,792	\$1,843,792	5
TOTAL	\$9,260,414	\$30,694,998	\$26,175,560	\$44,836,188	\$23,051,394	\$234,018,554	388

Existing Social Service and Housing Counseling Capacity for Southeast Asian Americans

The Value of Southeast Asian American CBOs and Leadership in the Central Valley

Southeast Asian American community-based organizations (CBOs) are often the first point of contact and sometimes the only institutions that many Southeast Asian Americans go to for assistance. For the purposes of this report, we will focus on community-based 501(c)(3) organizations but recognize that these CBOs often work with other entities such as faith-based groups, student organizations, and professional trade associations to distribute information and engage community members. Our most conservative estimate for the Central Valley is that there are at least 16 Southeast Asian American-serving CBOs and agencies in the region.¹¹ For the past 30 years, CBOs have provided many culturally competent services to the community, including language translation and interpretation, health education and care, employment assistance, youth development, benefits enrollment, and naturalization services. Southeast Asian American CBOs have become an integral part of the Central Valley by providing critical services that support the integration and advancement of Southeast Asian Americans.

In addition to providing their own services, many CBOs assist other non-profit organizations, government agencies, and mainstream social service organizations as brokers that provide language translation support and cultural competence consultation. This often takes place when other organizations need help educating and reaching out to Southeast Asian American communities about important issues.

The sizes of CBOs in the Central Valley vary depending on the scope of their services and the size and make-up of their staff. For example, in 2008, one of the largest CBOs, Fresno Center for New Americans (FCNA), had a budget of \$1,818,477. More frequently, CBOs in the Central Valley are

much smaller and have fewer full-time staff; for example, in 2008 United Lu-Mien had a budget of \$51,638 and was supported in large part by community volunteers. Despite their limited budget and staff, CBOs remain the primary access point for Southeast Asian American communities and engage in much more community service than is often recognized or documented.

CBOs have also created networks or coalitions to address larger regional and systemic issues. This allows CBOs to act as a collective that utilizes fewer resources and increases effectiveness. The Hmong Health Collaborative (HHC), a coalition of eight CBOs from Fresno to Sacramento, has collectively advocated for policies that improve the health of Hmong refugees in the Central Valley. It has translated materials, provided interpretation services, and increased access for Hmong spiritual healers to hospitals across the Central Valley. CBOs have the capacity to adapt and utilize existing partnerships and relationships to mobilize and rise to the challenge of the changing needs of their communities.

During the 2010 Census, five organizations in the City of Stockton: Lao Family Community of Stockton, Asian Pacific Self Development and Residential Association, Lao Khmu Association, Vietnamese Voluntary Foundation, and United Cambodian Families formed a Southeast Asian American Complete Count Committee to ensure that all Southeast Asian Americans in the Stockton area were effectively reached and informed about being counted in the 2010 Census. The organizations ran an outreach campaign in collaboration with 2010 Census staff in the Spring of 2010 that consisted of outreach documents, public service announcements, and community events. Flexible and responsive to changing needs and trends, these CBOs

"Organizations that are rooted in the community and are involved on a day-to-day basis are trusted."

**-Darryl Rutherford,
Regional Manager,
Federal Reserve Bank**

bridged the gaps between larger efforts and resources where Southeast Asian American communities were often overlooked or considered too difficult to include. As stakeholders in the community, these CBOs played a critical role in participating as community experts and brokers and ensured that larger efforts took into consideration the particular needs and dynamics of the Southeast Asian American community.

The staff of many CBOs serve their community not only through their positions within their respective organizations, but also by simultaneously serving as broad leaders in the community. Thus, the extent of community outreach done by CBOs in the Central Valley cannot just be measured by the work done by the programs and services offered through these groups but also by staff in their capacity as community leaders. For example, Porchoua Her of Fresno Center for New Americans works as a caseworker at the organization but is also a known radio personality, a position that allows him to reach a much broader audience. In the Cambodian community, Jean Kea helped found the group Khmer Youth of Modesto, he provides language and translation support for clients navigating housing and health services, and he directs youth development programming at another community-based organization, The BRIDGE, in Modesto. Khmer Youth of Modesto continues to develop leaders that become actively involved in bridging the gaps in services for the Cambodian community. Councilmember Blong Xiong in Fresno was previously the Deputy Director of Fresno Center for New Americans for six years, actively engaging the Hmong community, before taking on his current role as chair of the Fresno City Council. CBOs and the individuals they employ are incredibly valuable in delivering tools and reliable information to communities.

Existing Housing Counseling Services for Southeast Asian Americans

The financial and foreclosure crisis affected communities across the country in ways that many CBOs and many mainstream organizations were not prepared to address. For most Southeast Asian American CBOs in

"There is a community housing shelter in downtown Modesto; they have foreclosure counseling services there, but I know they don't have culturally competent staff who can speak any languages except English."

**-Jean Kea,
Youth Activities Supervisor at The Bridge**

the Central Valley, housing counseling was not a part of their traditional set of services. Many lacked funded long-term programming and infrastructure to adequately deal with the issue. Clearpoint, one mainstream housing counseling agency in the Central Valley, has been able to provide some in-language foreclosure counseling to Southeast Asian American communities. In an effort to increase its outreach to Southeast Asian Americans in Fresno, Clearpoint partnered with Fresno Center for New Americans (FCNA). Staff from FCNA translated for Hmong and other Southeast Asian American individuals seeking services and conducted outreach activities in order to increase awareness of existing foreclosure counseling services at Clearpoint. In the last two years, Clearpoint served almost 2,000 Hmong in the Central Valley with two Hmong-speaking housing foreclosure counselors. Unfortunately, Clearpoint had to decrease its efforts due to lack of funding. While positive, their efforts were limited to the Hmong community and did not reach other Southeast Asian American ethnic groups in other cities in the Central Valley. Other mainstream housing counseling organizations, such as Community Housing Corporation of Fresno, have also attempted to grow their capacity to serve Southeast Asian Americans, but have similarly been challenged by resource limitations and staff turnover.

Partnerships between Southeast Asian American CBOs and mainstream organizations with housing counseling experience have also proved to be difficult because of the lack of targeted resources. Some mainstream

organizations have developed partnerships with Southeast Asian American CBOs but have not had the funding to engage in long-term partnerships throughout this economic crisis. Partnerships that did form to assist those with limited English proficiency were often ad-hoc, informal, and volunteer-based. As a result, clients relied heavily on family members for translation and interpretation which resulted in service gaps and misunderstandings since foreclosure and loan modification terminology can be quite technical and confuse informal translators.

The Central Valley in general remains an underfunded region of California overall. The San Joaquin Valley sub-region that includes Kern, Kings, Madera, Tulare, Fresno, Merced, San Joaquin, and Stanislaus counties—four of the five counties researched in this report—averages only 16 foundation grant dollars given per capita, in comparison to the Bay Area region and the Los Angeles region, which average \$250 and \$108, respectively.¹² In terms of support in specific areas such as foreclosure counseling or community development, we estimate that the share is even smaller. The impact of the foreclosure crisis on the Southeast Asian American community will remain unaddressed without adequate increase in funding targeted at developing infrastructure and encouraging collaboration between organizations.

Impact of Foreclosures on Southeast Asian Americans

Although the overall number of foreclosures have declined since 2009, Southeast Asian Americans continue to lose their homes. Adjusting mortgages, double digit unemployment rates, and the lack of culturally and linguistically appropriate housing counseling services in the region are placing families and individuals from this community at greater risk of losing their homes. Already vulnerable families are also susceptible to loan modification scams, predatory real estate practices, family separation, and displacement. The large population of Southeast Asian Americans in the Central Valley that are renters also warrants attention given the proportion of this community living in neighborhoods with high rates of foreclosure. The

following are the major impacts that are experienced by Southeast Asian American homeowners and renters in the Central Valley as a result of the foreclosure crisis.

Homeowners

Southeast Asian American homeowners are more culturally and linguistically isolated than other populations of homeowners and forced to rely on family and friends for assistance when facing foreclosures.

Due to linguistic isolation, most Southeast Asian American homeowners in the community have no idea that free help is available from nonprofit organizations. Although several housing counseling organizations conduct radio and other outreach strategies targeting the community, the majority of these organizations lack the linguistic and cultural capacity to perform outreach to and serve Southeast Asian Americans. Without access to housing counseling services, the majority of Southeast Asian Americans are completely unaware of the foreclosure process, their rights as homeowners, and the programs that could potentially help them. When faced with foreclosures, most Southeast Asian Americans turn to family and friends for assistance.

Cultural values and negative historic experiences make many Southeast Asian Americans wary of government agencies and other institutions outside of their community. Government institutions are most often perceived to be unhelpful and difficult to approach. These perceptions have been reinforced by decades of experience among community members who have struggled to navigate federal, state, and local government bureaucracies.

**"I just go to my family.
I don't know where else to go."**

-San Joaquin Focus Group Participant

"Many times, different people in the bank say different things that confuse us. Sometimes they need different forms, or one person says a modification is possible but another says it's not."

**-San Joaquin
Focus Group Participant**

Language barriers and lower literacy rates among community members also make it more challenging for them to navigate complicated loan modification processes when they do reach out to their lenders for assistance. Most do not understand the forms and documents sent to them and what steps they need to take to move forward. Most often, incomes of Southeast Asian American homeowners, even with multiple borrowers in a household, are usually too low for them to qualify for loan modifications. As a result, many Southeast Asian American homeowners often do not even try to negotiate loan modifications, especially after they hear about friends and family members who were unsuccessful due to having insufficient incomes or other issues.

The lack of culturally and linguistically appropriate services for Southeast Asian Americans make them more susceptible to becoming victims of loan modification scams and paying more for foreclosure prevention assistance than other populations.

With limited knowledge and understanding of the foreclosure process and greater trust in individuals and companies referred by family and friends, Southeast Asian American homeowners are more likely to pay higher fees to individuals and companies for loan modification services. Some homeowners who have sought assistance from HUD reported to have paid as much as \$12,000. Despite announcements on Hmong radio programs warning homeowners not to pay for foreclosure prevention assistance, homeowners from this community are more

likely to tap into the last of their savings to pay for services provided by "known" individuals and companies.

As a result of these factors, Southeast Asian Americans are more likely to lose their homes when faced with foreclosure than the general population.

Southeast Asian Americans have less access to information about housing counseling services and subsequently, they have fewer options than other populations when faced with foreclosures. Due to limited knowledge of the foreclosure process and options, cultural values that emphasize reliance on family and friends rather than outside institutions, and higher percentages of working in service and manufacturing sector jobs impacted by the economic crisis, the vast majority of Southeast Asian Americans facing foreclosure end up losing their homes. One housing counseling group in Fresno indicated that 90% of the Hmong homeowners that they tried to assist lost their homes.

"I have a friend who paid \$3,000 dollars to refinance his home but to no avail. The person took the money and disappeared. My cousin had three homes he was struggling to pay off. He attempted to modify the loans on all of them, but was scammed and eventually lost all his homes."

**-North Sacramento
Focus Group Participant**

Impact on Renters

According to Tenants Together, 37% of foreclosed properties in California were rental units. Over the last 3 years, half a million tenants have been displaced across the country. All tenants of properties in foreclosure share similar experiences regardless of their ethnicity. However, linguistic isolation and cultural values create challenges for Southeast Asian Americans that other populations are less likely to experience. This puts them at an increased risk of experiencing foreclosure-related evictions and predatory real estate practices.

Southeast Asian American renter households are more vulnerable to becoming victims of fraud, abuse, and unlawful evictions from foreclosed properties than other populations.

Most Southeast Asian American tenants are unaware of or have difficulty accessing renter protections, and they are less likely to seek recourse for losses or for help against fraud. Southeast Asian American tenants are also less likely to be aware that the properties they are living in have been foreclosed and continue to pay rent to their landlords. When Southeast Asian Americans discover they are being scammed by their landlords, they are less likely to take action and try to get their funds back.

"The bank...gave them 21 days to vacate the house. They called the landlord and asked him why he didn't notify them. It turns out that the landlord had stopped paying for the home, but continued to ask for rent."

**-San Joaquin
Focus Group Participant**

"People in our community don't like to be confrontational... We don't like to push or sue for our rights; it's not part of our culture."

**-Merced
Focus Group Participant**

Southeast Asian American tenants also tend to be unfamiliar with laws that protect their rights and are less likely to seek information about these laws. They tend to approach the government as a last resort and often only after they have fallen victim to fraud.

Most cities in the region and throughout the state lack "just cause for eviction" laws so real estate agents representing banks and new property owners often use any excuse to evict tenants. Southeast Asian Americans with larger families are more susceptible to being evicted for overcrowding issues. More recently, people have been breaking into foreclosed homes and renting them out to unsuspecting families. Former homeowners with poor credit histories are more vulnerable to falling victim to these property management scams. There are also fraudulent Section 8 housing scams where people are misled to rent homes in foreclosure and forced to leave after only a few months of tenancy. Tenants, especially Southeast Asian Americans who are less familiar with their rights, are extremely vulnerable to these predatory real estate practices.

Compounding the lack of knowledge about their tenant rights and access to tenant counseling services, cultural values that emphasize avoidance of conflict and confrontation also make Southeast Asian Americans more likely to experience abuse and unlawful displacement.

Long-term Impact of Foreclosures on Southeast Asian Americans

Overall, Southeast Asian American communities may experience greater and longer-term impacts, specifically community displacement and family separation, associated with foreclosures than other populations.

Southeast Asian Americans may face greater challenges recovering from the foreclosure crisis and economic downturn. Homeownership rates were very low for community members prior to the foreclosure crisis; disproportionate numbers of Southeast Asian American homeowners have lost homes in comparison to other populations so the rate has fallen even lower. More so than other populations in the Central Valley, Southeast Asian American family members with lower incomes pooled their resources and purchased homes collectively. Southeast Asian Americans also relied on extended family members or friends to co-sign mortgages in order to afford homeownership. For these reasons, the impact of any individual foreclosure in the Southeast Asian American community may impact many more members of a family than in the general population where only individuals or the nuclear family are impacted by the consequences of foreclosure.

In the Southeast Asian American community, the foreclosure crisis has impacted multiple generations of family members, creating even greater barriers for them to help each other through difficult financial times. In many instances, the multi-generational familial “safety net” that

"Rent is very high right now. I have a friend who lives in a garage and has a hard time getting a place that he can afford."

**-South Sacramento
Focus Group Participant**

"One Southeast Asian homeowner experienced a lot of stress and even went to the emergency room when he realized he couldn't pay off his new house and had made a mistake on his old home. He had to take time off of work because he was so stressed."

**-Modesto
Focus Group Participant**

Southeast Asian Americans have relied on to survive in the U.S. for decades is under threat of breaking apart. Additionally, foreclosure related financial losses are more devastating for Southeast Asian Americans who have lower incomes and fewer resources to invest in finding new housing.

Foreclosures are displacing Southeast Asian Americans, breaking up their families, creating greater housing burdens for them, and forcing them to live in overcrowded conditions. After foreclosures, most Southeast Asian Americans seek and move into rental housing but experience barriers to finding affordable units for their larger, multi-generational families. Rents for larger homes are nearly as high as the mortgages they were unable to afford. After foreclosures, most former homeowners have credit issues that prevent them from qualifying for any rental housing. The lack of affordable family rental housing in the Central Valley forces Southeast Asian American families, more so than other populations, to separate in order to find housing.

Southeast Asian Americans are more likely to experience long-term health and wellness issues.

Like other populations, the foreclosure crisis is creating greater stress and depression among Southeast Asian Americans of all ages and backgrounds. Southeast Asian American service organizations are reporting more incidences of anxiety attacks, depression, and stress related health issues among individuals and their family

members dealing with foreclosures. Sleeplessness, anger, and lower self esteem as a result of losing their homes are common conditions among these individuals. Foreclosures also disrupt the education of children who have to change schools whenever their families are forced to move. Although the need for counseling, social services, and support has increased due to foreclosures and the economic downturn, there are fewer resources available to Southeast Asian American community-based organizations to provide culturally and linguistically appropriate assistance.

Recommendations

In light of the multitude of factors that have contributed to the difficulty of Southeast Asian Americans in the Central Valley accessing housing counseling services and tenant protections, a comprehensive strategy must be developed to address the obstacles facing organizations serving this population. A strategy needs to address education about protections and services, the gaps in foreclosure counseling and language interpretation services, and the overall lack of funding and capacity to support housing and community-based organizations to collaborate in the Central Valley region. As the foreclosure crisis has already had significant impact on communities in the Central Valley, issues of sustainability, improving existing infrastructure, and community education remain paramount in any long term effort.

To better serve the needs of Southeast Asian Americans in the Central Valley, the existing infrastructure and capacity within established Southeast Asian American-serving CBOs and mainstream housing counseling agencies should be leveraged and expanded. There are already well established housing counseling agencies that provide services to the region with relatively strong infrastructure and a cadre of trained and certified housing counselors. Southeast Asian American CBOs in the five-county area have decades of experience within the community, have deep understanding of the histories and cultural sensitivities of the specific regions and communities, and can provide an array of wrap-around social services that these families may need. As such, Southeast Asian American CBOs can

be key partners to assist housing counseling organizations in relief efforts and can provide expertise in conducting outreach, public education, and marketing.

Given the urgency for assistance to the Southeast Asian American community, we recommend a short-term plan that can be implemented quickly to address immediate needs. This plan's longer-term goal will be to build a sustainable infrastructure that is able to meet the challenges of the current foreclosure crisis as well as the future housing counseling needs of the Southeast Asian American community. Recommendations for short-term action and long-term strategy to support the Southeast Asian American community in the Central Valley should include the following components:

1. Strengthen working relationships and networks in the Central Valley through convenings and ongoing communication.

A first step towards developing working relationships and networks is to organize a convening of Southeast Asian American CBOs, mainstream housing counseling agencies, and other stakeholders. The purpose of such a convening would be to facilitate relationship development between Southeast Asian American CBOs and other mainstream housing counseling organizations and housing and community development stakeholders. While multiple networks and taskforces exist in the Central Valley that deal specifically with developing strategies for addressing foreclosures in the region, few have been successful in engaging Southeast Asian American CBOs effectively. In many instances, Southeast Asian American CBOs are unaware of the networks that exist and how to participate.

As mentioned earlier in this report, most Southeast Asian American CBOs have strong cultural and language capacity but lack technical expertise to provide adequate foreclosure counseling services. Most mainstream housing counseling organizations, on the other hand, have the technical expertise, but lack the language capacity and cultural competency to effectively serve and conduct outreach to Southeast Asian American communities. A

"I think it would be good to start building relationships or partnerships to have resources on hand to refer people to. We are definitely interested in learning more about the resources available."

**-Blia Cha,
Program Manager,
Hmong Women's Heritage Association**

convening would provide the opportunity for all groups to be able to share best practices and information about their expertise.

Possible outcomes of a convening could be training and understanding of the housing counseling field, best practices for providing services to the Southeast Asian American community, and the development of a work plan based on other recommendations in this study for how all groups can collaboratively participate to better serve this community in the region. A work plan would also ensure that relationships developed through the convening have continued relevance in the future.

2. Engage and invest in existing Southeast Asian American CBOs broadly to conduct culturally and linguistically appropriate public education and outreach regarding foreclosure intervention for both impacted homeowners and tenants.

Central Valley housing counseling agencies, government stakeholders, and local funders should actively engage and partner with Southeast Asian American-serving CBOs to provide public education and outreach to the Southeast Asian American community. Because misinformation regarding the foreclosure process for homeowners and tenants is so rampant within the Southeast Asian American community, it is critical that these CBOs are actively engaged to provide not only referrals to housing counseling agencies, but that they are also fully invested

in the process of disseminating information regarding homeowner and tenant rights, loan scams, fraudulent real estate practices, and other predatory situations to avoid. Existing partnerships, like those developed between Clearpoint and Fresno Center for New Americans, should be built upon and expanded.

Southeast Asian American CBOs can provide much-needed expertise to the housing counseling field on effective strategies for conducting outreach in the Southeast Asian American community such as suggesting the appropriate television and radio outlets for advertisements, the relevant civic associations to partner with, and the Southeast Asian American community and cultural events to attend. CBOs also have valuable relationships and contacts with community ambassadors in churches and other civic and cultural associations. Given their years of experience serving Southeast Asian Americans, these organizations are also able to provide valuable insight to housing counselors about effective and culturally appropriate strategies for working with the Southeast Asian American community in ways that reflect its unique history and characteristics.

3. Grow capacity among housing counseling agencies and CBOs to serve all Southeast Asian American groups.

As reflected in the focus group demographics, there exists a relatively strong social service infrastructure among Hmong-serving CBOs. This same infrastructure does not exist to serve the Cambodian, Lao, Mien, and Vietnamese communities throughout the region. To be effective in thoroughly addressing the needs of Southeast Asian Americans in the Central Valley, capacity will need to be expanded beyond the Hmong to include other Southeast Asian American ethnic groups. Stockton, which has the most diverse Southeast Asian American population, has several organizations with the capacity and structure that could be supported and enhanced through partnerships with other groups across the region to ensure all ethnicities represented in this community are served.

4. Encourage active and sustainable partnerships between housing counseling agencies and CBOs for cross-training to expand housing counseling capacity so that all subgroups within the Southeast Asian American community can be reached.

Outreach and public education can only be effective if there are resources available to provide counseling. As such, we encourage partnerships that promote collaborative activities and leverage the strengths and relative positioning of the organizations within the partnership. These partnerships should combine the expertise of CBOs, especially their culturally and linguistically competent services for Southeast Asian American communities, to the expertise and capacity of mainstream housing counseling agencies, in order to provide the most effective counseling. Examples of activities within this strategy could include joint presentations of foreclosure intervention and tenant rights education workshops with translation into Southeast Asian languages; housing counselors conducting intake at CBO offices and making referrals to housing counseling agencies that will perform financial analysis, that will negotiate with mortgage servicers, and that will provide or make referrals to tenant legal guidance and counseling. Another example could include CBO staff providing interpretation at the housing counseling agency during individual counseling sessions.

Southeast Asian American CBOs and agencies such as Clearpoint have expressed interest in working together and learning from each other; however, both need more capacity to engage in housing counseling consistently with Southeast Asian American populations. With Fresno, Merced, Modesto, Stockton, and Sacramento cities in the top 20 of those with the highest foreclosure rates in this country, and a Southeast Asian American population of at least 118,249 in Central Valley's major cities, the need for more services in this area is critical (Source: U.S. Census, 2000).

5. Identify organizationally stable Southeast Asian American-serving CBOs and assist them to develop the capacity to provide housing counseling services for both homeowners and renters.

For more established CBOs that have stronger organizational infrastructures, we recommend expanded levels of partnerships that build on basic outreach, public education, and collaborative strategies which involve cross-training and mentorship of CBOs by housing counseling agencies. CBO staff can be trained and mentored to conduct initial intake and help families develop their household budget as an initial step for this strategy. As CBOs gain greater understanding of the foreclosure process and housing counseling through intake and financial counseling activities, their staff could participate in joint-counseling and conduct follow-up with clients alongside trained and experienced housing counselors.

Given the high start-up costs associated with initiating housing counseling services, Southeast Asian American-serving organizations should be identified as having some level of basic infrastructure that makes them “housing counseling ready” through a rigorous assessment process prior to investing in building their capacity. National housing counseling intermediaries such as NeighborWorks America, National CAPACD, and Rural Community Assistance Corporation (RCAC) could assist in developing these partnerships and assist with performing assessments of local CBOs to identify those Southeast Asian American-serving organizations most appropriate and in the best position to develop their housing counseling capacity. Further, national intermediaries could provide the necessary trainings, technical assistance, and resources to ensure the success of these groups.

6. Invest in the Central Valley on a larger scale.

During interviews, organizations and agencies identified lack of targeted funding as a major barrier to engaging the Southeast Asian American community, particularly because it means there are limited funds for outreach, language interpretation, and translation. For example, a staff from San Joaquin Fair Housing reports that despite the fact that San Joaquin county is the fifth top ranked county in the country impacted by foreclosures, where every one in ten homes is currently in foreclosure, San Joaquin Fair Housing is only currently able to fund three full-time and one part-time staff. A staff of the Federal Reserve Bank notes that the lack of funding often pushes social service and foreclosure counseling organizations toward chasing funding rather than focusing on providing quality services. The lack of adequate funding compromises the quality of services not only for hard-to-reach populations within the Southeast Asian American community, but services to the general community overall.

In general, the limited infrastructure of CBOs and housing/foreclosure counseling organizations and the loose network of collaboration among the groups to deal with this specific issue has led to gaps in foreclosure counseling services to vulnerable Southeast Asian American communities in the Central Valley. These issues have led to the under-utilization of free counseling services and, in some cases, Southeast Asian American families and households vacating their homes unnecessarily without being aware of the available services that already exist. Working strategically, funders, foreclosure counseling organizations, and CBOs can develop the necessary infrastructure to provide culturally competent services and build the capacity to effectively address the needs of Southeast Asian American communities.

Appendix A

Key Stakeholders and Service Providers Interviewed

Southeast Asian American CBOs

- Fresno Interdenominational Refugee Ministries (FIRM)
- Merced Lao Family Community
- Hmong Women's Heritage Association
- The BRIDGE Community Center
- Lao Family Community of Stockton

Housing Counseling Organizations

- Clearpoint
- California Coalition for Rural Housing
- Community Housing Council of Fresno
- NeighborWorks Sacramento
- Project Sentinel
- Rural Community Assistance Corporation
- San Joaquin Fair Housing
- Self-Help Enterprises
- Senior Legal Hotline
- Springboard
- Tenants Together

Public Agencies

- Office of Housing and Urban Development, Fresno Regional Office
- Federal Reserve Bank of San Francisco
- San Joaquin County Community Development Department

Appendix B

Focus Group Demographics

County	Fresno		Merced		Modesto		Stockton		S. Sacramento		N. Sacramento			
Host Organizations	FIRM		Merced Lao Family Community		The BRIDGE		Lao Family Community of Stockton		Hmong Women's Heritage Association		Lao Family Community of Stockton (Sacramento Branch)		Total	%
Participant Demographics														
Ethnicities														
Lao	17	81%			3	33%							20	24%
Hmong	4	19%	25	100%	5	56%	12	100%	3	50%	10	100%	59	71%
Cambodian					1	11%							1	1%
Mien									2	33%			2	2%
Vietnamese									1	17%			1	1%
Total	21		25		9		12		6		10		83	
Age Groups														
20 - 29	2	10%	1	4%	6	67%			1	17%	1	10%	11	13%
30 - 39	2	10%	5	20%			1	8%	2	33%	2	20%	12	14%
40 - 49	5	24%	6	24%	2	22%	4	33%	2	33%	5	50%	24	29%
50 - 59	5	24%	9	36%	1	11%	7	58%			2	20%	24	29%
60 - 69	4	19%	3	12%					1	17%			8	10%
70+	3	14%	1	4%									4	5%
Total	21		25		9		12		6		10		83	
Gender													0	
Male	2	10%	4	16%	5	56%	12	100%	3	50%	7	70%	33	40%
Female	19	90%	21	84%	4	44%			3	50%	3	30%	50	60%
Total	21		25		9		12		6		10		83	
Housing Status													0	
Homeowners	1	5%	4	16%	4	44%	6	50%	3	50%	8	0.8	26	31%
Renters	15	71%	16	64%	5	56%	4	33%	2	33%	2	0.2	44	53%
Other	5	24%	5	20%			2	17%	1	17%			13	16%
Total	21		25		9		12		6		10		83	
Marital Status														
Single	4	19%	2	8%	3	33%	1	8%			2	20%	12	14%
Married	15	71%	21	84%	6	67%	11	92%	4	67%	8	80%	65	78%
Divorced	2	10%	2	8%					2	33%			6	7%
Total	21		25		9		12		6		10		83	

Endnotes

¹For data on Southeast Asian Americans, see: Niedzwiecki, Max and TC Duong. 2004. Southeast Asian American Statistical Profile. Washington, DC: Southeast Asia Resource Action Center. Accessible at <http://www.searac.org/seastatprofilemay04.pdf>.

²This report follows the convention of the U.S. Census Bureau in referring to this group as “Hmong.” This report also follows the Census Bureau in referring to all people with roots in Laos as “Laotian,” except for the Hmong, who are disaggregated separately because of their large population size.

³The American Community Survey (ACS) is a relatively new source of data made readily available by the Census Bureau. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data. The Census Bureau integrates these survey results with estimates of intercensal populations as independent controls to produce characteristic data of populations. Data are collected throughout the year to produce 1-year, 3-year, and 5-year estimates. The trade off among these data sets is between larger sample size and more current data.

⁴See Appendix A for full list of stakeholders and service providers interviewed for the report.

⁵See Appendix B for focus group demographics.

⁶Federal Reserve Bank of San Francisco, Community Development Research. “Trends in Delinquencies and Foreclosures in Central Valley California.” September 2010.

⁷Ibid.

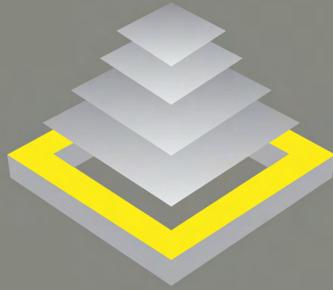
⁸Ibid.

⁹Ibid.

¹⁰2006-2008 3-year ACS estimates are not available for other ethnicities since the population threshold for a 3-year average is 20,000.

¹¹From SEARAC’s “Directory of Southeast Asian American Community Based Organizations,” groups that actively serve throughout the five counties researched. Unfortunately this only includes 501(c)(3) nonprofit organizations and some faith-based organizations. Other groups such as clan organizations exist but are difficult to count and assess.

¹²“Foundation Giving in California: A Snapshot of overall giving, asset distribution and regional disparities among private and community foundations,” 2006, The James Irvine Foundation. 27 Oct. 2010.



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Innovating Together from the Ground Up

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