

About Us

This newsletter is written by undergraduate students in the Border Research class (LABS 3301) at UTEP. The class and project is coordinated by Dr Silvia Torezani and sponsored by the Center for Inter-American and Border Studies (CIBS) and COURI. We aim at bringing relevant homeownership articles from El Paso and Ciudad Juarez once every semester.

GET IN TOUCH

If you have any questions, comments or are interested in collaborating with us, please email Silvia Torezani:
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Welcome

March 2020 surprised us with a pandemic that altered our lives and we had to embrace living virtually for a while. For many, however, the health concerns were secondary to experiencing loss of business, jobs, housing, and supply shortages. Remember the race for toilet paper and disinfectants? While that race is over, the material shortages in the homebuilding industry continues, resulting in a limited availability and higher prices of homes to buy. The real estate industry has certainly been busy tending to a sellers market. Potential buyers find themselves increasing their offers for homes, even writing “love letters” to the sellers.

In a region that lives and breathes of the contributions of immigrants, *Homeownership Times: a border perspective*, invites you to explore them through the gaze of homeownership in connection to our border culture and economy.

On behalf of all our contributors, we hope you enjoy our first issue!

Bienvenidos

Marzo 2020 nos sorprendió con la pandemia que alteró nuestras vidas y tuvimos que adaptarnos a vivir virtualmente. Para muchos, sin embargo, las preocupaciones de salud fueron secundarias a la pérdida de negocios, trabajos, vivienda, y escasez de insumos. ¿Recuerdan la contienda por el papel de baño y los desinfectantes? Aunque la contienda haya terminado, la escasez de materiales en la industria de construcción de viviendas continúa, resultando en la falta de viviendas disponibles para comprar, y la suba de precios. La industria de bienes raíces ciertamente ha estado ocupada en un mercado de vendedores. Los que buscan comprar vivienda recurren a elevar sus ofertas por encima del precio de venta, incluso escriben “cartas de amor” a los vendedores.

En una región que vive y respira de las contribuciones de los inmigrantes, *Homeownership Times: a border perspective*, los invita a explorarlas desde una mirada a la propiedad de vivienda en conexión con la cultural y economía de nuestra frontera.

En nombre de todos los contribuyentes, esperamos que disfruten nuestra primera edición!

Silvia Torezani and Victoria De Anda



Reaching beyond our borders: immigrant homeownership in Mexico and the United States

Gabriel Olave, Alan Lizarraga and Arleen Vigil



Whether standing in front of the UTEP library or sitting in your car at Scenic Drive, you can see two cities, two nations, although separated by a fence, breathing as one. The vibrant El Paso- Ciudad Juárez Border Region sits along the Rio Grande and is home to approximately 2.7 million people. Yet, there are divergent and complex processes to immigrant homeownership beyond our region's mountain ranges, beautiful sunsets, and the mysterious Chihuahuan Desert.

In the United States, homeownership reveals a sense of accomplishment, responsibility, and the fulfillment of the American Dream. This complicated and profound process subjects individuals to meet eligibility criteria and submit documents that validate and prove financial responsibility and worthiness, all while navigating complex technical terminology. Perhaps, this arduous process drives many U.S. Citizens to reach beyond the border and attain homeownership in Mexico. Immigrant homeownership in Mexico has increased in the last decades by foreigners. According to The Migration Policy Institute of the United States (MPI), there was an increase in American immigration to Mexico from 1990-2000. With an estimated 1,036,300 American citizens living in Mexico. A recent study conducted at the University of Sinaloa revealed that many immigrants are retirees from the United States, migrating due to environmental reasons, tranquility, and seeking proximity to the ocean.

American homeownership in Mexico peaked in 2006 as did the nation's. Since then, both immigrants and native-born rates have dropped, especially for the latter group, narrowing the gap in homeownership between the two groups. In 2017 the difference was only 16.4% (46.5% immigrant rate vs 62.9% native-born) compared to the 22.2% gap in 2000.

El Paso municipal data, shows a gap between white homeownership and Hispanic homeownership rates. In this city, where 77% of households are Hispanic, the gap is negative and Hispanic homeownership rate is 4% higher than that of the white population. Comparing that to a city far from the border land, Worcester MA, where only 9% of households are Hispanic and the gap in rate is 46% in favor of white homeowners.

All these data show that there is still progress to be made when it comes to homeownership for immigrants, especially those of Hispanic descent. However, there has been significant improvements when it comes to the gap compared to other demographics for these individuals.

Unsurprisingly, when it comes to homeownership, the scale tips in favor of is more favorable to immigrants in the border region compared to the rest of the country.

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Photo by Gabriel Olave



MONEY TALK THE LOWDOWN

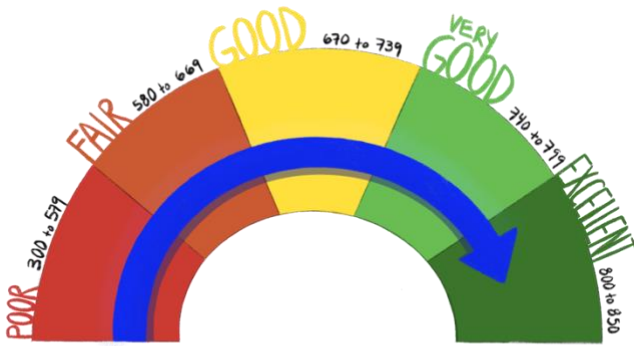
Andrew Muno, Valeria Alanis and Daniel Miranda

Some practical knowledge you need to keep in mind if you'd like to, one day, live in the house of your dreams, so let's get started.

Are you familiar with this range of numbers? If your answer is yes, congratulations. If you answered no, then hang on to your wallet/purse cause you're about to find out.

A credit score is like a phone, everyone has one and it is with you everywhere you go. A bad phone gives you problems just like a bad credit score. It is better to start on it early than when it is too late. It is harder to fix it when it is bad, and more problems pile up. If you want the finer things in life, a good credit score can make your life easier and more enjoyable by helping you put you into your dream car or home.

Many young adults in high school are unfamiliar with what a credit score is and what it's used for, even though it's one of the most important numbers in many adults' lives. The information below will give you a snapshot of how credit works and why you should pay attention to it ASAP



THE BREAKDOWN

WHAT IS A CREDIT SCORE? A credit score is a number that classifies how likely you are to repay a loan and make payments on time.

WHAT IS THE RANGE? The credit range is between 300-800. In addition, 300 being the lowest and 720 and above is a good credit score.

WHAT AFFECTS IT? What affects your credit score is your payment history by missing a payment and your credit usage you shouldn't spend too much of your available credit. If you apply for a lot of credit in a short time this can also affect your credit, every time that you apply the lender checks your score and when they do that your score goes down.

WHY IS IT IMPORTANT FOR HIGH SCHOOL STUDENTS TO KNOW ABOUT THIS? It's important for you to know about credit scores because when you get older it could be hard to build a good credit score if you don't begin learning as early as possible. Understanding how to monitor your credit can help you avoid the trap of debt and fraud.

The sooner you start learning about financial literacy the sooner you'll be able to take control of your finances and future, like a pro. Don't forget, learning about credit will help you understand asset ownership in a different way and will give you a good advantage when managing your personal finances.

"Housing is an important source of social and economic well-being. Physical and psychological health, privacy, social status, and current and long-term financial security accrue from living in higher-quality and less crowded housing" (Adams 1987).

THE TAKEAWAY

What happens with homeownership in relation to young adults or high schoolers is nothing. When you're in high school you don't really think about owning a home since they tend to see that goal, if it is a goal to them, they see it as so far away. They are barely starting their lives, and most don't have any responsibilities just living day by day wanting to see their friends and having fun and there is nothing wrong with that because everyone goes at their own pace.

On the other hand, if you would like to get a head start on life understanding credit would help in the long run. The message we are trying to convey that is important is that at some point in your life you must grow up. Thus, the importance of building your credit early on and having financial literacy brings you an easier life, also giving you social status and prestige by having access to the finer things in life such as the ability to purchase your dream home and becoming a homeowner.

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Graph by Valeria Alanis and Victoria De Anda



The Fork in the Road to Homeownership in El Paso: Home Loans

Derek Hernandez, Ashley Castañeda and Alan Rubalcava

For prospective homebuyers in the El Paso area, getting a home loan is a process and can be the most important step in getting a home, and doing so is not always simple. There are many things to keep in mind when looking for a home loan. Not all loans are the same and it's important to know the differences as a homebuyer in El Paso.

The time it takes to pay off the loan, or loan term, can be either 15 or 30 years, and can affect the interest rate of the loan. The interest rate can be fixed, meaning it won't change over time, or variable, meaning it will go up and down over time. If your loan has a fixed rate, your monthly payment will always be the same, but it will vary monthly with variable interest. The interest rate for some people can be different due to poor or no credit history.

Different kinds of institutions offer home loans including private lenders, banks, and credit unions. Private lenders may be beneficial for some because they specialize in mortgages and are easier to work with, but they are more expensive. Banks generally offer better interest rates than private lenders but are harder to work with because they are subject to more regulations, and it is harder to have your application approved and can sometimes take longer. Credit unions offer even better rates than banks, but it may be hard to get a loan from a credit union because they may have membership requirements that may pertain to certain occupation or geographic location. For example, the Greater El Paso Credit Union (GECU) primarily serves El Paso County and adjacent areas of New Mexico.

Owning a home is something extremely important that most of us desire. Knowing the different options available and finding the one that is right for you will make the process smoother, and your financing more suitable. Finding the right home loan is crucial because it will make your home more affordable and can impact your future financial stability. It is key that homebuyers in El Paso know that they all have access to different affordable financing opportunities. There's something out there for everyone, knowing the details as well as the positive and negative things about each financing opportunity will only benefit you today and in the long run.

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Image: Derek Hernandez



What you need to know before buying a home from INFONAVIT

Frida Sanchez, Laura Gonzalez and Marie Boscher

Happily married, looking for your perfect home and you don't know where to start? Here is some important information that you will need...

Looking for a home in Mexico might be a timeless loop in which you would get stuck for hours and hours looking for accurate information in order to get a house through your preferred housing program. In this article, we will help you get a heads up with Infonavit, and the many options it provides!

Before requesting a credit...

We have to consider the place where you would want to live in: whether if it is a brand new home, an older home; if the house is in a more urban location or if it is free from dangerous locations; you also have to consider if all the basic amenities are available such as water, electricity, sewer system and that the property is up to date with tax imports (*i.e. predial*). You also have to think about what type of credit you would need depending on the house or economic situation. Therefore, it is good to know that INFONAVIT provides three different sub-programs that accommodate your needs!

Crédito INFONAVIT is the traditional mortgage that INFONAVIT normally offers. This is usually used by families looking for their first house. The tax rate is fixed according to your salary and you can request it regardless of your salary as well. The process expenses of buying the property may cover the 3% of your credit. However, if your monthly income is less than \$7,628.54 MXN, you will not be charged for this. INFONAVIT can give you up to \$2,217,700.67 MXN for your credit and your monthly rate and payment will depend on your salary. Your monthly payment would also depend on your salary and the amount of credit. You also have the option to apply with your spouse or family in order to obtain a higher amount. Your spouse can also get a quote with INFONAVIT or FOVISSSTE!

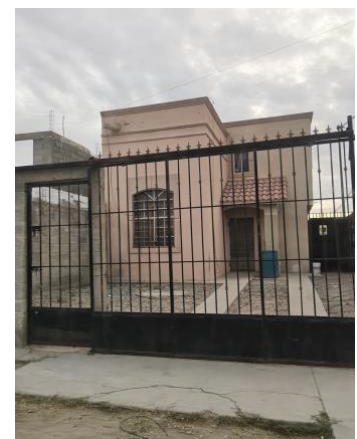
CONFINAVIT is a mortgage loan that works with INFONAVIT and institutions, like banks, to obtain a higher loan amount.

One of the advantages of obtaining a cofinavit credit is that by acquiring a higher credit you have the opportunity to buy a more expensive house; however, a disadvantage is that the credit is more expensive. Some important requirements are that you must: be an INFONAVIT beneficiary, have a job, have 116 points in INFONAVIT pre-qualification, be the first credit with this institution and obtain the credit approval with the banking institution. It should be noted that the INFONAVIT loan is deducted from your paycheck, while the mortgage loan is paid directly to the bank.

The last program, **APOYO INFONAVIT**, consists of a mortgage loan from a financial institution, like a bank. In this case, INFONAVIT helps you by guaranteeing that you will pay for your house even if you have lost your employment. It does so by showing your previous employer contributions or by using the balance of your housing sub-account. A sub-account is linked to your primary account but it has a specific purpose. However, you cannot apply to this program if you are still paying another INFONAVIT credit.

We hope that this article was helpful to you! If you need more specific information, you can ask for an appointment with an INFONAVIT's counselor on their website or offices.

https://portal.mx.infonavit.org.mx/wps/portal/infonavit.web/trabajadores/quiero-un-credito/quiero-comprar/lut/p/z/1/iZDNCoJQEEafpYXLnO9ailWzqFvRLvTabELDboJ5wvzp7ZOIRVDW7GY452NmiCkqzsJrosli0VmYv2G7a0tgVG_Leaw1324w8kKs4W00Ab5D8ByANmDmEtn5FTAYDzoTFuW9ATxPz6-llv_BqA6-N94qiv7YKI-AEI_AC8V0LNFhNlero-XA3i1qOIs7ifZzHuXnJa_GhKE7nrgEDZVmaSmuVxuZOHw18Ug76XFDwTtLp6HkBknGTotvpNhp3k9iOaw!!dz/d5/LZdBISEvZofBIS9nQSEh/



Photos: Frida Sanchez





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Stay tuned for our next issue!