



EXECUTIVE SPOTLIGHT

Rick Thornberry, Chief Executive Officer, Radian

The pandemic has seen soaring home prices and record housing insecurity. How can housing professionals work to make homeownership more accessible and sustainable?

The recent home price appreciation boom has been welcome news for homeowners (about 65 percent of American households are owner-occupied), but it's troubling for the growing number of Americans who are being shut out of the housing market altogether. The pandemic has exacerbated the supply and demand imbalance, especially for entry-level homes. While there are no simple solutions to the housing supply shortage and affordability crisis, our industry must address these challenges to find solutions that make homeownership more accessible and equitable for all Americans. Expanding access to affordable and sustainable homeownership will require a variety of approaches and a coordinated effort.

We must support sensible regulatory reform and policy that creates more affordable housing. Municipal regulations, such as zoning restrictions, costly permitting and minimum lot sizes, must be reformed to expand developable land and reduce timelines and costs. Allowing for more manufactured housing and better incorporation of innovative construction approaches such as 3-D printing technology, and panelized and container construction can help cut costs. Additionally, there is an opportunity to create more entry-level homes with incentives for rehabilitation and remodeling of abandoned and distressed properties.

In conjunction with these efforts to increase the affordable housing supply, there needs to be a focus on assistance for first-time and minority homebuyers. Programs to help renters work towards homeownership and assist with downpayment, especially those that are structured to avoid overleveraging, will help buyers who are struggling to save. Our industry should also advocate for a regulatory framework that makes it easier and more sustainable for banks to provide low-dollar loans and for builders to profitably build smaller, more affordable, homes. And, federal policymakers need to recognize the importance of low-downpayment lending in this market, especially for minority, low-income, millennial, and first-time homebuyers.

What do you see as a big opportunity or a big challenge for the mortgage industry in the next three years and where do you see mortgage insurance as fitting into that opportunity or challenge?

The biggest opportunity and challenge for the mortgage industry is to develop solutions to expand the supply of affordable housing. Today, housing demand far exceeds supply, and the lack of affordable housing supply is the biggest gap. The private mortgage insurance industry is well aligned with HPC's mission to foster and facilitate a practical and purposeful evolution for our housing finance system. Our industry's products have enabled lenders to provide homeowners with financing to purchase a home with less than 20% down payments for many decades.

At Radian, beyond our existing mortgage insurance products and services, we are focused on developing innovative solutions to improve access and affordability across the housing finance system by working with our industry partners. At the same time, we are focused on driving the transformation of the mortgage and real estate markets through our innovative digital products and services fueled by data, analytics and technology, which we believe will provide greater access, transparency and affordability to all market participants.

We all know the challenge to creating a real solution to achieve equal access to affordable housing is significant. Given how central affordable and sustainable homeownership is to achieving economic equality, the opportunity to solve the challenge of affordable housing can drive enormous societal and economic benefits for generations. That is why at Radian we are focused on being part of the solution.