The September 2024 Underwriting for Racial Justice (URJ) quarterly meeting was a rich discussion on the challenges and opportunities in lending within the Latinx community, featuring guest speakers Marisa Calderon, then Executive Director of NCRC and now CEO and President of Prosperity Now, and Yery Olivares, COO of Confia, the expanding Fresno Area Hispanic Foundation’s CDFI. Marisa and Yery Olivares engaged in a thought-provoking conversation about the unique hurdles faced by the Latinx community in accessing capital. The meeting provided valuable insights into the nuanced landscape of financial services for the Latinx population for those passionate about fostering financial inclusion and addressing this community’s specific needs.

Insights:

* There is a need for comprehensive change. Systemic change requires more than just tweaking existing models - it necessitates a fundamental rethink of how underwriting is conducted.
* Lenders can move beyond traditional metrics to include a more holistic and broader range of borrower characteristics that can lead to more equitable outcomes.
* Collecting and analyzing data on the impact of new underwriting practices is crucial to demonstrating their effectiveness and scalability.

Actionable Steps:

* Adopt alternative underwriting models: Integrate non-traditional data sources to create a more comprehensive assessment of borrower risk and potential.
* Invest in training and education: Provide ongoing learning opportunities for staff to understand and mitigate racial biases in lending.
* Meet borrowers where they are. Taking the time to accommodate varied schedules or set meetings at alternative locations can help bridge the accessibility gap.
* Participate in Collaborative Initiatives: Engage with other lenders and stakeholders in communities of practice to share insights and best practices.
* Monitor and Evaluate Impact: Continuously collect and analyze data to measure the impact of changes and identify areas for improvement.