

New Research Funded by Living Cities Finds Liquid Reserves Could Help More Families Stay in Their Homes

WASHINGTON, DC, UNITED STATES, October 12, 2026 /EINPresswire.com/ -- For 35 years, Living Cities has worked to expand pathways to homeownership and help families build wealth. New research funded by Living Cities and conducted by Urban Institute housing finance researchers points to the next challenge: making sure families can stay in the homes they worked so hard to buy. The research will inform Living Cities' broader work to identify and advance capital and policy solutions that help families not only access ownership, but sustain it and build wealth over time.

The new brief, *Building Liquid Reserves to Strengthen Homeownership for Households of Color: A Path Forward for Innovation*, by Janneke Ratcliffe, Katie Visalli, and Rita Ballesteros,

includes an examination of how homebuying costs can leave families with limited savings to weather unexpected financial shocks. The research finds that access to short-term liquidity could help homeowners manage unexpected expenses or temporary income disruptions before those shocks put their mortgages at risk.

"We have spent decades working with partners to widen the front door to homeownership. Now we need to make sure families aren't left exposed once they cross it," said Joe Scantlebury, President and CEO of Living Cities. "Access to ownership is not the same thing as durable ownership. If buying a home leaves a family with little financial cushion, the first unexpected expense or disruption in income can put that hard-earned asset at risk. The question now is how we build and test solutions that give homeowners greater financial resilience after closing."

The research finds the need is particularly important for households of color, which are disproportionately likely to enter homeownership as first-time or first-generation buyers and have historically had less access to intergenerational wealth for a down payment and to draw on



later when unexpected expenses or income disruptions arise.

Key Findings

1. Mortgage payment reserves could help first-time and first-generation homeowners with limited wealth and savings while reducing lender risk and potentially expanding access to mortgage credit.
2. Existing loss-mitigation tools do not reach every borrower who needs them. Additional funds could help homeowners manage financial disruptions and remain in their homes.
3. Mortgage reserve accounts and similar tools show promise, with interest from the industry and regulators growing, but more testing and research are needed to understand how to expand them effectively.

“This research underscores the value of bringing evidence and new ideas together to address persistent challenges in homeownership,” said Michael Neal, who leads Urban’s housing finance practice area. “We hope it helps inform continued innovation and testing across the housing finance system that contributes to solutions that help more families sustain homeownership over time.”

Living Cities will use the research to inform work with financial institutions, housing leaders, policymakers, and other partners to explore and test approaches that strengthen household liquidity and help families sustain homeownership. The organization sees sustaining homeownership as an essential part of building lasting wealth—and an important next step in creating pathways to economic mobility.

About Living Cities

Living Cities is 35—and looking forward. Since 1991, Living Cities has brought together foundations and financial institutions and worked with local governments, community organizations, and civic leaders to tackle some of the most consequential challenges facing America’s cities. For three and a half decades, the organization has helped move ideas beyond conversation—into investment, policy, practice, and measurable action.

That history matters. And the more important question is what the next 35 years will require.

As the nation confronts profound shifts in its economy, democracy, technology, demographics, and the geography of opportunity, Living Cities is helping leaders move from reacting to change to shaping it. We work to change how capital flows and behaves, aligning capital, policy, and place to create stronger local economies where every resident can thrive.

Thirty-five years is not the finish line. It is the foundation. Living Cities is working to help build the cities and the America the next generation deserves.

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