

March 7, 2008

## More Immigrants Buy Property in Mexico

By THE ASSOCIATED PRESS

Filed at 5:45 p.m. ET

DENVER (AP) -- When the American Dream failed Arlin Gonzalez, the 31-year-old native of Mexico looked homeward for a second chance.

The divorced mother of two sold her Denver home after she could no longer afford the mortgage payments. Then she spotted a TV commercial advertising cross-the-border mortgages to people living in the U.S.

A house in Mexico, she thought, could be a good investment for her children's future. So Gonzalez bought a home in northern Mexico with a fixed interest rate, paying \$400 a month for 15 years. And she was able to stay in Denver by renting.

"The experience that I had here was that I could kill myself working four or five jobs and still end up with nothing," Gonzalez, a teacher's aide at an elementary school, said in Spanish.

Despite the nation's foreclosure crisis, such cross-border mortgages are becoming more common as companies seek to capitalize on the growing earning power of Mexican immigrants, who in January alone sent \$1.65 billion back to their homeland, according to Mexico's central bank.

The Denver company that provided Gonzalez's mortgage, called Su Casita, or "Your Little House," finances up to 90 percent of home costs and requires a down payment of at least 10 percent.

That's one reason its mortgages typically don't go into default, said Jose de Jesus Olivares, a spokesman for Sociedad Hipotecaria Federal, a Mexican federal agency that regulates and helps fund mortgage lenders doing business in Mexico.

"Our job is to serve the immigrant, to help them bring their dreams to life," said Ivan Funes, general director of Houston-based Conficasa, which offers cross-border mortgages catering to Mexicans in New York, Atlanta, Chicago, Dallas, California and Ohio. "A lot of Mexicans go to the United States dreaming that they will one day return to their beloved Mexico."

Mortgage interest rates are higher in Mexico than in the U.S., ranging from 9.5 percent to 14 percent, but they are fixed, another reason foreclosures aren't common, Olivares said.

Many U.S. homeowners slid into foreclosure when rising interest rates put monthly payments on their adjustable-rate mortgages out of their reach.

Mexicans in the U.S. typically earn double the wages of Mexican residents and are able to pay for their homes faster, Olivares said. The houses they buy are larger than what they could dream of buying if they had stayed in Mexico.

Su Casita and other cross-border mortgage companies don't require proof of legal status in the U.S. -- only that their clients have a job and can pass a credit check. Home prices typically start at \$30,000 for a small two-bedroom house.

Santiago Noriega Sanchez, a spokesman for the Mexican agency that regulates mortgages, said the requirements have the blessing of the Mexican government and that no one in the U.S. has complained about buyers' legal status going unchecked.

"The situation is completely transparent," Sanchez said, noting that Mexican consulates in the U.S. advertise the mortgage programs.

Immigrants have long been underserved by U.S. banks, most of which require a Social Security number for loans and other types of credit. Changing those policies has been difficult for lenders such as Bank of America, which faced calls for a customer boycott last year when it tested a credit card that did not require a Social Security number -- allowing illegal immigrants to apply.

Su Casita, which has 171 offices in Mexico, moved to Denver in 2003 after President Bush and Mexican President [Vicente Fox](#) signed an agreement to improve the Mexican economy by encouraging investment in housing, especially in areas with high [immigration](#) rates. The company also operates in Dallas and Chicago and plans to open offices in Houston and California later this year.

Most of the houses Su Casita sells are in the states of Jalisco, Michoacan, and Aguascalientes -- not popular tourist hot-spots like Acapulco or Puerto Vallarta.

As houses are built in low-income areas of Mexico and demand increases, jobs are created for construction workers, and that offers an incentive to stay in Mexico, said Francisco Aranda, Su Casita's regional manager.

The cross-border business extends to the building-materials industry, too. Houston-based Construmex lends money to U.S.-based immigrants so they can buy building supplies, then it delivers the materials throughout Mexico. The company serves cities from New York to Atlanta to Phoenix, and has done business with at least 60,000 customers in the United States.

Su Casita's first Denver customer was Ruben Sanchez, a native of Mexico who bought a house for his mother in his hometown of Las Trojes in the state of Michoacan. Pictures of the home are classic before-and-after advertising: A windowless, ramshackle house made mostly from sticks replaced by a new cement house with windows.

Arlin Gonzalez picked a house in Coahuila, a state that borders Texas, in a neighborhood near an airport. It has three bedrooms and a garage.

Gonzalez, a U.S. citizen who has lived in Denver for seven years, said she bought the home not for retirement

but because her ex-husband and father of her children, ages 3 and 11, has family there.

"They might want to go back home to visit or go to college there," she said.

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