

Proposal: 1769(AG29) Regulation BB: Community Reinvestment Act

Description:

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From: Golden Valley Affordable Housing Coalition, Ruth Paradise

Proposal: 1769(AG29) Regulation BB: Community Reinvestment Act

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Comments:

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Your comment: "Community Reinvestment Act" Expansion of CRA Guidelines To quote from an article from "Local Housing Solutions: "Private financing may be unavailable for loans that do not fall within CRA guidelines or where there are few CRA lenders in the community."

<https://localhousingsolutions.org/housing-policy-library/below-market-financing-of-affordable-housing-development/> <https://localhousingsolutions.org/housing-policy-library/below-market-financing-of-affordable-housing-development/> The revision of CRA guidelines needs to be expanded to include the types of loans necessary to enable the building of more affordable housing. There needs to be coordination between the federal banking sector and those making policy decisions that affect the building of much needed affordable housing. I am referring specifically to the type of loans and the rates charged when developers apply for loans for new property development. It is my understanding that the larger and "denser" an affordable housing development, the lower the rate charged for the loan and the more likely the developer will be to secure a loan. The best rates are found for loans in mixed-income properties, with the market rate units helping to fund the affordable units in the development. This reality makes it very difficult to secure the funding needed for the development of an adequate number of affordable housing units across our nation. There should to be a special category of loans, developed in conjunction with the Federal Housing Finance Agency and the Department of Housing & Urban Development, in order to meet the affordable housing crises faced by the nation. Loans have to be developed that consider housing as infrastructure and not only as "business, yet fall under the purview of the CRA guidelines". The Department of Housing & Urban Development stated that "'A re-envisioning of our national housing policy must include intentional measures to expand geographic choice and foster diverse communities, while at the same time making community investments where they are needed most.'" This recommended redesign of the guidelines regarding loans for affordable housing development would increase the number of developers willing to commit to building affordable housing. With the availability of such loans, smaller cities would expand the availability of geographic choice for lower and mid- income individuals.

Thank you for your consideration of my comments,
Ruth Paradise