



**NHC Solutions Advocacy Day
Suggested Talking Points on Key Housing Policy Issues**

Community Reinvestment Act

- The Community Reinvestment Act CRA encourages banks to invest in the communities they serve through sound lending, investments and business practices that are a win-win for both banks and their communities.
- Despite major changes in the banking industry over the past 40 years, CRA remains as important – if not more so – as when it was created. Financial institutions today continue to need encouragement and incentives to invest in low- and moderate-income and minority communities.
- One clear demonstration of the need for the CRA is the persistent gap in homeownership between white and minority households. In fact, minority homeownership has plummeted during the Great Recession. The homeownership rate among African-Americans was below 42% in 2016, lower than when the Fair Housing Act was passed in 1968.
- A modernized and strengthened CRA – one that provides fair, timely and accurate oversight – is critical to the success of our communities and will improve the lives of millions of Americans.
- The OCC’s suggestion that a one-size fits all approach can make CRA more effective is a fatally flawed approach. All three regulators, the OCC, FDIC and Federal Reserve, should work together to develop genuine CRA modernization that serve our communities as Congress intended.

Low-Income Housing Tax Credit

- The Low-Income Housing Tax Credit (LIHTC) is the is the most successful and effective affordable housing production tool in U.S. history. It has consistently enjoyed bipartisan support since its adoption in the 1986 tax reform bill and has produced over three million units of affordable rental housing located in every state in the nation.
- The Housing Credit is a proven, effective solution to producing affordable housing; strengthening and expanding it will help create and preserve more rental homes for families and individuals, revitalize neighborhoods, and spur private sector investment.
- An investment in the Housing Credit is an investment in people, communities, and the economy. It transforms the lives of millions of Americans, many of whom are able to afford their homes for the first time, and it helps transform their communities and local economies.
- The Affordable Housing Credit Improvement Act (S. 548/H.R. 1661) is a crucial piece of legislation and would increase Housing Credit authority, facilitate Housing Credit development in challenging markets and for hard-to-reach populations, support the preservation of existing affordable housing, and simplify program requirements. We hope that you will work with us to

ensure it is included in any lame duck tax bill, and if not, that it is passed when it is reintroduced next year.

GSE Reform

- Fannie Mae and Freddie Mac, the two housing Government Sponsored Enterprises (GSEs) that form the backbone of the secondary mortgage market in the U.S., have been held under conservatorship since the financial crisis of 2008.
- Reforms put in place during conservatorship have better positioned the GSEs to continue to play a vital role in facilitating mortgage liquidity. As policymakers consider options to remove the GSEs from conservatorship, there is a pressing need to ensure that the existing progress is reinforced rather than set aside.
- We urge policymakers to lock in recent reforms to the GSEs and complete the necessary additional reforms to protect taxpayers, provide liquidity and promote stability while taking care not to roll back aspects of the GSEs' operations that are supporting the foundation of the housing market.
- Housing is simply too important to our national economy and our local communities to risk disruption of the system by which it is financed.

National Flood Insurance

- The National Flood Insurance Program (NFIP) provides necessary insurance coverage to 5 million Americans but has borrowed \$36 billion (including \$16 billion Congress has forgiven) from taxpayers since 2005, and is not fiscally sustainable as currently structured.
- In September, Congress issued its seventh short-term extension of the NFIP since the program expired in 2017, and that expires on Nov. 30.
- The NFIP is about \$25 billion in debt and desperately in need of updated flood-risk mapping and changes to the incentive structures to preserve affordability while signaling risk and allowing homeowners to better mitigate against risk.
- The NFIP must be reformed to ensure the program can continue to function, to better protect people, their property and the environment, and to protect taxpayers. The House and Senate must work out their differences and pass permanent reform.

HUD Appropriations

- Housing assistance available through funding for HUD has tremendous positive impacts on people with low incomes, including families with children, seniors, people with disabilities, veterans and other vulnerable populations.
- Under current funding levels, only a quarter of people eligible for housing assistance actually receives it. The rest remain severely cost burdened – paying more than half their income for rent – or are forced into homelessness.
- The Administration has proposed significant funding cuts and policy changes in previous HUD budgets that, if enacted, would exacerbate our nation's affordable housing crisis.

- We strongly encourage you to fight for increased resources for FY 2020 so that HUD can help more people find an affordable and accessible place to call home.