



## NHC Member Brief



Weekly update from the National Housing Conference

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### Outlook for Housing: No end in sight to housing affordability crisis

It is said that a picture is worth a thousand words. That being the case, NHC's first annual webinar on the [Outlook for the 2020 Housing Economy](#) contributed a book's worth of insights on the housing economy and the growing shortage of affordable housing. The bottom line: there is no end in sight to the housing affordability crisis until we build more housing of every kind; for first time homebuyers, middle income and low income renters, and housing for extremely low-income and homeless Americans, struggling in every part of the country.

Three slides from the webinar make this case in the strongest possible terms. As Freddie Mac's Chief Economist Sam Khater noted, new housing supply is still at recession levels, 11 years into an economic expansion. This is a "huge, huge warning sign," Khater said. The impact:

- household formation has declined, more young people are living at home
- renters are scrambling for a shrinking inventory, and
- entry level home prices are rising much higher than other segments.

[Continue here](#)

## News from Washington | By Tristan Bréaux and Quinn Mulholland

### CFPB to extend QM patch for GSEs

In a letter to lawmakers, Consumer Financial Protection Bureau (CFPB) Director Kathy Kraninger [said the agency will extend for the short term](#) the Qualified Mortgage (QM) "patch" that exempts Fannie Mae and Freddie Mac from the agency's underwriting rule capping debt-to-income (DTI) ratios at 43 percent. The QM patch was set to expire in January 2021, and the CFPB [indicated in July of last year](#) that it would let the patch expire. At the time, NHC President and CEO David Dworkin [criticized this move](#) by the CFPB, saying it "could have a chilling impact on mortgages for first time homebuyers and working families throughout America." Kraninger's letter also indicated that the CFPB would issue a Notice of Proposed Rulemaking by May to, among other things, "move away from DTI and instead include an alternative, such as a pricing threshold." This is in line with the recommendations that a group of organizations, including NHC, made in [a comment letter](#) in September 2019.

**Homeless moms reach agreement to buy Oakland house**

**Bloomberg unveils housing-related plans**

In a story that has received national attention, a group of homeless moms [reached an agreement](#) to buy a West Oakland home that they have occupied since November to protest the affordability crisis in the Bay Area. The group, who call themselves “Moms 4 Housing,” [were evicted](#) on Jan. 14 after a judge ruled they could not continue to occupy the vacant house. They [gained the support](#) of local lawmakers and housing advocates across the country, however, as they made the case that housing is a fundamental human right. “It should be illegal to have mothers and children sleeping on the street in winter — working moms that are going to work, trying to provide and coming back to the street,” Dominique Walker, one of the homeless moms, [told Here & Now](#). A recent report from PolicyLink [detailed the extent of the housing crisis](#) in the Bay Area and its impact on displacement, showing that over 1.5 million residents left the Bay Area between 2011 and 2016 due at least in part to rising housing costs.

Democratic presidential candidate Mike Bloomberg’s campaign has released several policy platforms that touch on housing over the past few weeks. On Jan. 15 and 16, Bloomberg released his [clean buildings](#) and [climate change resilience](#) plans as part of his climate change platform. These plans call for, among other things, helping homeowners and tenants replace appliances and upgrade the efficiency of their homes, setting zero-carbon standards for new construction, and creating an Infrastructure Resilience Finance Corporation to help communities make investments in resilience. On Jan. 19, Bloomberg released his [Greenwood Initiative](#) for racial justice, which calls for helping black Americans build wealth through homeownership, committing \$70 billion to help 100 disadvantaged communities across the country, and tying federal housing funds to progress in reducing segregation. And on Wednesday, Bloomberg [unveiled his infrastructure plan](#), calling for universal broadband access by 2030. Meanwhile, another recently announced Democratic presidential candidate, Deval Patrick, also recently released housing-related plans, calling for the construction of more housing and the rollback of exclusionary zoning regulations as part of his [“Equity Agenda for Black Americans.”](#)



### **Market group releases consultation on LIBOR transition**

### **Enterprise launches 2020 Green Communities Criteria**

On Wednesday, Enterprise Community Partners launched its [2020 Green](#)

On Tuesday, the Alternative Reference Rates Committee (ARRC), a group of private-market participants convened by the Federal Reserve Board of which NHC is a part, released [a consultation](#) on spread adjustment methodologies for cash products referencing the London Interbank Offered Rate (LIBOR). The consultation is part of a broader effort by the ARRC to shift adjustable-rate mortgages and other products from LIBOR to a different reference rate, the Secured Overnight Financing Rate (SOFR). The spread adjustment methodologies are intended to minimize changes in value that would result from a transition from LIBOR to SOFR. Feedback on the ARRC's consultation is due by March 6.

[Communities Criteria](#), which provide guidelines to affordable housing developers for how to build more environmentally friendly and climate-resilient homes. The criteria, which Enterprise has issued since 2005, includes several new features, including the Path to Zero, an emissions-elimination strategy for multifamily housing, and provisions to help protect vulnerable communities from natural disasters. Enterprise also recently partnered with Wells Fargo [to launch the Affordable Housing Ideas Challenge](#), a competition to identify innovative solutions to the affordability crisis. The [application process](#) is now open, and responses for the first-round request for proposals are due Feb. 19.

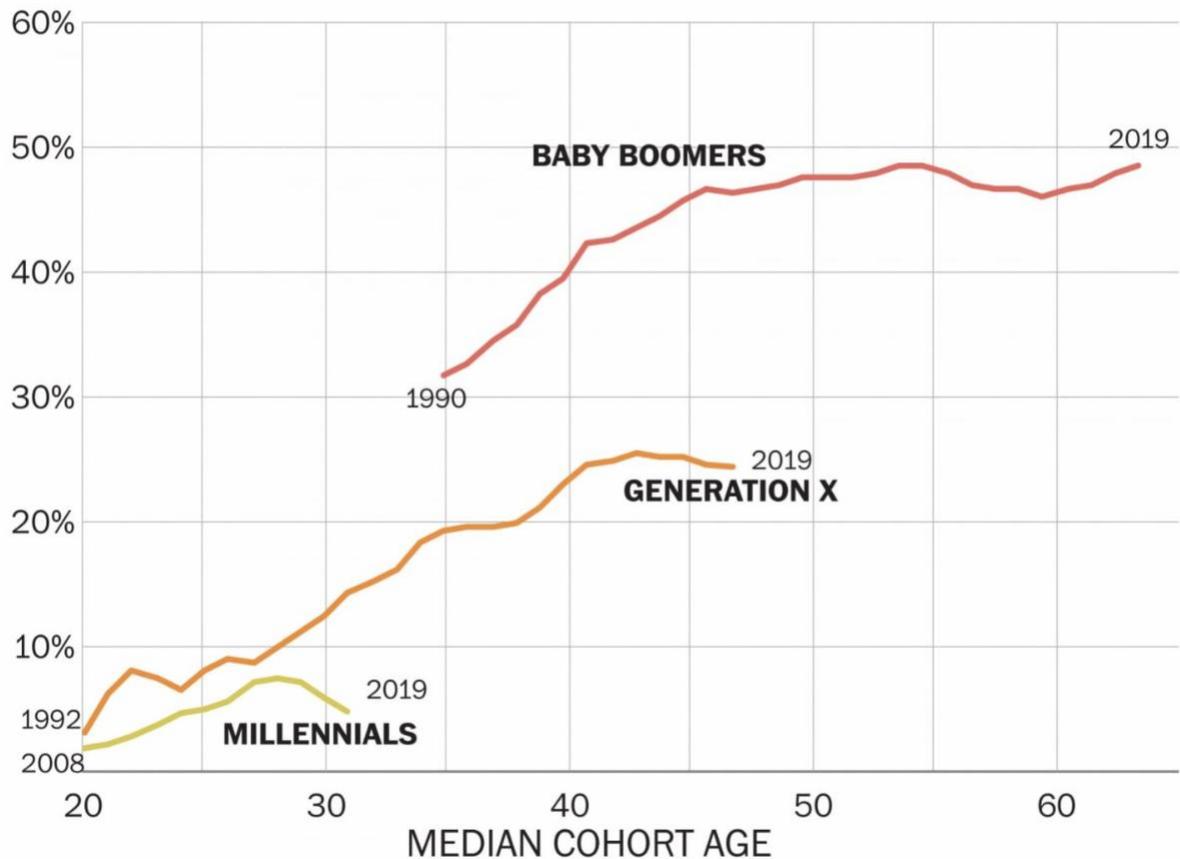
## Chart of the Week

### Millennials' share of the housing market is shrinking

Using data from the Federal Reserve, the **Washington Post** analyzed the real estate market share of different generations in [an article](#) published on Monday. According to the article, the millennial generation owned just 4 percent of American real estate by value in 2019, less than they owned in previous years and much less than Baby Boomers owned at the same age.

# The millennial homeownership slump

Share of American real estate owned by each generation, by median cohort age



Source: Federal Reserve Distributional Accounts

THE WASHINGTON POST

## What we're reading

In a Wednesday op-ed published in the **New York Times**, former HUD Secretary Shaun Donovan argued that HUD's recent regulatory rollbacks on the disparate impact and Affirmatively Furthering Fair Housing standards undermine the values established in the Fair Housing Act. Donovan wrote, "Instead of undermining these values, the Trump administration should honor Martin Luther King by withdrawing its proposed rules." [Read the op-ed here.](#)

A recent blog post from Laurie Goodman and Michael Neal at the **Urban Institute** identified labor conditions as a big factor in the housing affordability crisis. According to the blog post, difficulty filling construction job openings, stagnant labor productivity and increasing labor costs all contribute to high construction costs. [Read the blog post here.](#)

In an article for **MarketWatch** published on Tuesday, Caliber Home Loans CEO Sanjiv David and National Fair Housing Alliance (NFHA) President and CEO Lisa Rice identified four ways Americans can help curb housing discrimination. These include reporting discrimination to the NFHA, improving credit score modeling and advancing the Affirmatively Furthering Fair Housing mandate. [Read the article here.](#)

## The week ahead

**Monday, January 27**

· [Urban Institute webinar on using opportunity zones to advance community priorities](#), 1:30-2:30 p.m. ET

**Wednesday, January 29**

- [Affordable Housing Tax Credit Coalition 2020 Annual Meeting](#), Jan. 29-30
- [Brookings Institution event on boosting growth across more of America](#), 9:30-11:30 a.m. ET
- [House Financial Services Committee hearing on CRA](#), 10 a.m.-12 p.m. ET
- [NextCity webinar on proposed changes to the Community Reinvestment Act](#), 1-2 p.m. ET

**Thursday, January 30**

- [Novogradac 2020 New Markets Tax Credit Conference](#), Jan. 30-31

**Friday, January 31**

- [Harvard Joint Center for Housing Studies event on the release of the America's Rental Housing 2020 Report](#), 1-3 p.m.ET

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The National Housing Conference has been defending the American Home since 1931. We believe everyone in America should have equal opportunity to live in a quality, affordable home in a thriving community. NHC convenes and collaborates with our diverse membership and the broader housing and community development sectors to advance our policy, research and communications initiatives to effect positive change at the federal, state and local levels. Politically diverse and nonpartisan, NHC is a 501(c)3 nonprofit organization.

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National Housing Conference | 1900 M Street NW, Suite 550, Washington, DC 20036

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