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REINVESTMENT
COALITION



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California Reinvestment Coalition

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April 24, 2014

The Honorable Timothy Johnson
Chairman

U.S. Senate Committee on Banking, Housing and Urban Affairs
Washington, DC 20510

The Honorable Michael Crapo
Ranking Member

U.S. Senate Committee on Banking, Housing and Urban Affairs
Washington, DC 20510

Re: Including a Strong Access Mechanism in Housing Finance Reform

Dear Chairman Johnson and Ranking Member Crapo:

Housing finance reform must ensure access to mortgage credit for all creditworthy borrowers and affordable rental housing for renters of all incomes. While the proposal you have set forth takes important steps toward achieving that goal, the undersigned organizations have very serious concerns that the legislation in its current form would harm the ability of working families to access credit.

We are encouraged that the Johnson-Crapo proposal includes an incentive mechanism to reward institutions that provide access to conventional mortgage credit in underserved communities, but we are concerned that the proposal falls short in a number of crucial ways. In order for the proposal to create a housing finance system that ensures broad access, the following concerns with the Johnson-Crapo bill must be addressed:

- **Identify Communities of Color as a Traditionally Underserved Market Segment.** Johnson-Crapo fails to identify communities of color as a traditionally underserved market segment despite the long-standing history of difficulty that minority neighborhoods have experienced in obtaining access to conventional mortgage credit.
- **Remove the Unnecessary and Harmful Down Payment Requirements.** Down payment requirements have consistently been proven to restrict the ability of communities of color, millennials, and low- and moderate-income borrowers to access mortgage credit, and should be removed from this legislation.

- **Require All Market Participants to Provide Fair Credit Access.** Johnson-Crapo does not contain any language explicitly requiring institutions that benefit from the government guarantee or securitization platform to provide fair access for all creditworthy borrowers.
- **Eliminate the Ability to “Opt Out” of Serving Communities.** Secondary market entities can choose to opt out of the incentive-based affordable housing access mechanism, undermining its ability to drive competition between actors in the market to meet unmet housing needs.
- **Ensure Existing Anti-Discrimination Laws are Not Harmed.** When it comes to serving traditionally underserved communities, Johnson-Crapo prohibits the regulator from interfering with an institution’s business decisions on a loan level. This is problematic not only because it may deprive the regulator of the ability to enforce existing anti-discrimination laws with the entities it is required to regulate, but also because it may weaken the ability of discrimination victims to protect themselves.
- **Maintain and Protect Support for Affordable Housing.** The regulator is allowed to temporarily suspend contributions to the National Housing Trust Fund, the Capital Magnet Fund, and the Market Access Fund in times of market instability. These funds are meant to serve communities in need, and suspending contributions during times of crisis will further hurt populations that are already most vulnerable.

As Congress evaluates proposals for reforming or replacing GSEs, we ask that you press for the creation of a secondary-market system that will increase access to affordable homeownership and rental housing opportunities for all Americans. Any reforms to the secondary market must include a strong, enforceable access mechanism that guarantees that creditworthy first-time homebuyers, low- and moderate-income families, and communities of color will have the opportunity to build wealth over generations by securing safe, affordable mortgage credit.

The undersigned organizations urge you to support changes to the current proposals that address the above concerns and create a strong, mandatory access mechanism. American families need your leadership to ensure that reforms to the housing finance system support the ability of all hardworking, creditworthy borrowers and renters to access affordable housing.

Sincerely,



John Taylor
National Community Reinvestment Coalition

Advocates for Basic Legal Equality

Affordable Homes of South Texas, Inc.

Affordable Housing Services

African Immigrant Services

Agora Community Services Corporation NFP

AIDS Foundation of Chicago's AIDS Housing Advisory Council

Alabama A&M University Community Development Corporation

American Consumer Credit Counseling

American Debt Resources, Inc

Anacostia Economic Development Corporation

Association for Neighborhood & Housing Development, Inc.

Atlanta Neighborhood Development Partnership, Inc

Baltimore Neighborhoods, Inc.

BAME Renaissance Community Development Corporation

Baraga-Houghton-Keweenaw Community Action Agency

Beaulac Associates LLC

BEE Coalition

Birmingham Business Development Initiative

Birmingham Business Resource Center

Breaking Chains

Brick Capital Community Development Corporation

Bridge Communities

Bridgeport Neighborhood Trust

Brio Management

Brooklyn-wide Interagency Council on Aging, Education Fund, Inc.

Buffalo Urban League

Building Alabama Reinvestment

California Capital Financial Development Corporation

California Coalition for Rural Housing

California Community Economic Development Association

California Reinvestment Coalition

California Resources and Training

Calvert Foundation

Calvert Investments

Carnegie Community Development Corporation

CASA of Oregon

Catalyst Miami

CEI Maine

Center for Changing Lives

Center for Fair Housing

Center for NYC Neighborhoods

Center for Sustainable Neighborhoods

Centre for Homeownership and Economic Development Corporation

Centro Hispano of Milwaukee

Chicago Alliance to End Homelessness

Chicago Area Fair Housing Alliance

Chicago Community Loan Fund

Chicanos Por La Causa

Chosen Journeys

Citizens' Housing and Planning Association

City Heights Community Development Corporation

Civic Center Barrio Housing Corp.

Clarifi

Coalition for Equitable Community Development

Common Wealth Development, Inc.

Community Action Agency of St. Louis County

Community Action Committee of the Lehigh Valley, Inc.

Community Action Duluth

Community and Economic Development Association of Cook County

Community Development Corporation Resource Consortium

Community Development Council of Greater Memphis Tennessee

Community First Milwaukee

Community Housing Council of Fresno

Community Housing Fund

Community Housing Innovations, Inc

Community Improvement Program

Community Legal Services of East Palo Alto

Community Service Programs of West Alabama, Inc.

Consumer Action

Consumer Education Services, Inc.

Consumers Council of Missouri

Cornerstone Services Inc.

Covenant Faith Outreach Ministries/Covenant Community Development Corporation

Dean Lovelace, Dayton City Commissioner

Debt Counseling Corporation

Delaware Community Reinvestment Action Council, Inc.

Detroit Community Initiative

Dickerson Management

Dominion Financial Management, Inc.

Durham Regional Financial Center

East Bay Housing Organizations

East Los Angeles Community Corporation

Elder Law of Michigan

Emerging ChangeMakers Network

Empowering and Strengthening Ohio's People

Escambia County Housing Finance Authority

ESR Advisors

Fair Finance Watch

Fair Housing Center of Metropolitan Detroit

Fair Housing Council of Northern New Jersey

Fair Housing Council of San Diego

Fair Housing Napa Valley

Fair Housing of Marin

Fair Share Housing Center

Faith Action for Community Equity Hawaii

Family Management Credit Counselors, Inc./Iowa Mortgage Help

First Community Christian Pentecostal Church of God Inc.

Ford Heights Community Service Organization

Foundational Capital

Frameworks Community Development Corporation

G and H Environmental Consulting

Gamaliel Foundation

Gem City-Hilltop Community Development and Housing, Inc.

Genesis Housing Development Corporation

Georgia State Trade Association of Nonprofit Developers

Global Network Community Development Corporation

GO- Northwest Housing Resource Center

Good Neighbor Foundation

Governance & Accountability Institute

Grace at Jerusalem Community Development Corporation

Greater Beverly Chamber of Commerce

Greater Rochester Housing Partnership

Habitat for Humanity Golden Empire

Habitat for Humanity Philadelphia

Haitian American Community Development Corporation

Hamilton County Community Reinvestment Group

Harlingen Community Development Organization

Hartford Community Loan Fund

Havenwoods Economic Development Corporation

Hazel Joyce Wiley Career & Financial Literacy Institute, Inc.

Heights Community Congress

Helping Hands Community Outreach

Henderson and Company

High Plains Community Development Corporation

Hill Community Development Corporation

Hilltown Community Development Corporation

Hmong American Partnership

Home City Housing, Inc.

Home Preservation and Prevention, HPP Cares

Home Repair Resource Center

Homes on the Hill Community Development Corporation

Homestead Consulting Services

HOPE of Evansville

Housing & Community Development Network of New Jersey

Housing Action Illinois

Housing Alliance of Pennsylvania

Housing and Economic Rights Advocates

Housing Corporation of Arlington

Housing Education and Economic Development

Housing Opportunities for Excellence

Housing Services of Central Florida

Housing, Options & Planning Enterprises Inc.

Hyde Park Transitional Housing Project

Illinois Iowa Center for Independent Living

Indiana Association for Community Economic Development

InGenius

Inland Fair Housing and Mediation Board

Inner City Christian Federation

Ironbound Community Corporation

ISAIAH

Jamaica Plain Neighborhood Development Corporation

JC Visions and Associates

Jewish Community Action

Kenneth Young Center

Korean Churches for Community Development

La Casa de Don Pedro

Latino Action Network

Law Foundation of Silicon Valley

Lawrence CommunityWorks, Inc.

Legal Aid Society of Milwaukee

Little Zion Baptist Church

Long Island Housing Services

Louisiana Community Reinvestment Coalition

Maine Center, Inc.

Manna, Inc.

Maryland Consumer Rights Coalition

Massachusetts Affordable Housing Alliance

Massachusetts Association of Community Development Corporations

Metro St. Louis Coalition for Inclusion & Equity

Metropolitan Milwaukee Fair Housing Council

Metropolitan St. Louis Equal Housing Opportunity Council

Metropolitan Tenants Organization

Miami Coalition for the Homeless

Miami Valley Fair Housing Center

Michigan Community Reinvestment Coalition

Milwaukee Realist Association

Mississippi Valley Neighborhood Housing Services

Mobile Home Owners Association of Illinois

MoKan Construction Contractors Assistance Center

Movin' Out, Inc.

Mt. Zion Developments Corporation

Mutual Housing California

National Alliance of Community Economic Development Associations

National Housing Counseling Agency

National Housing Law Project

National Trust Community Investment Corporation

Nazareth Housing

Neighborhood Housing Services of Greater Cleveland

Neighborhood Housing Services of South Florida

Neighborhood Housing Services of the Inland Empire

Neighborhood Recovery Community Development Corporation

Neighborhood Service Organization

Nevada Fair Housing Center, Inc.

New Economy Project

New Frontier Community Development Corporation

New Hampshire Community Loan Fund

New Jersey Citizen Action

New Jersey Community Capital

New Jersey State Industrial Union Council

New Orleans Neighborhood Development Foundation

New York Mortgage Coalition

New York State Rural Housing Coalition

New York StateWide Senior Action Council

North County Churches Uniting for Racial Harmony and Justice

North Shore Community Development Corporation

North/Northwest Suburban Task Force on Supportive Housing for Individuals with Mental Illness

Northbay Family Homes

Northern New England Housing Investment Fund

Northern Ohio Affordable Housing

Northwest Counseling Service, Inc.

Northwest Indian Opportunities Industrialization Center

Northwest Indiana Reinvestment Alliance

Northwest Side Housing Center

Northwestern Housing Enterprises, Incorporated

Norwalk Fair Housing Office

NW HomeStart, Inc.

Oak Park Regional Housing Center

Ohio Community Development Corporation Association

Open Communities

Oregon Opportunity Network

Our Casas Resident Council, Inc

Pacific Asian Consortium in Employment, Business Development Center

Partners in Charity

Partners in Community Building

PathStone Corporation

Peoples' Self-Help Housing

Philadelphia Association of Community Development Corporations

Philadelphia Council for Community Advancement

Pittsburgh Community Reinvestment Group

Plymouth Redevelopment Authority

Project IRENE

Project LIFT

Prosperity Unlimited Inc.

Public Counsel Law Center

Public Justice Center

R.A.A - Ready, Aim, Advocate

Regional Housing Legal Services

Reinvestment Partners North Carolina

Remax Cityview

Renaissance Entrepreneurship Center

Renewed, Inc.

Respond Now

REVA Development Corporation

Revival Center

River Cities Development Services

River City Community Development Corporation

Roberts Law Firm

Robeson County DC

Rural Community Assistance Corporation

Rural Housing, Inc.

Sacramento Housing Alliance

Schoolcraft County Economic Development Corporation

Scott County Housing Council

Select Milwaukee

Self Help Enterprises

South Philadelphia H.O.M.E.S

Southeast Arizona Governments Organization

Southern Regional Community Reinvestment Corporation

Southwest Community Development Corporation

Southwest Fair Housing Corporation

Southwest Michigan Community Action Agency

Southwest Neighborhood Housing Services

Spanish Coalition for Housing

Springfield Center for Independent Living

St. Louis Equal Housing and Community Reinvestment Alliance

St. Petersburg Neighborhood Housing Services, Inc. dba Neighborhood Home Solutions

Tennessee Human Rights Commission

Texas Small Farmers and Ranchers Community Based Organization

Thai Community Development Center

The Arc of Hilo

The Center for Working Families, Inc.

The Fair Housing Center of Greater Boston

The Fair Housing Center of Northern Alabama

The Midas Collaborative

The National Consumer Reporting Association

The PERICO Institute for Development and Entrepreneurship

The Pride Through Empowerment Foundation, Inc.

The Victoria Foundation

Toledo Fair Housing Center

Totally Free

Training Grounds Inc.

Union of Pan Asian Communities

United Housing Connections

United Neighborhood Centers of Northeastern Pennsylvania

United Neighbors, Inc.

United South Broadway Corporation

Unity Council

Urban Housing Alliance

Urban League of Greater Miami

Vermont Slauson Economic Development Corporation

Washington East Development Alliance

Watts/Century Latino Organization

We Help Community Development Corporation

Western Egyptian Economic Opportunity Council

Western New York Law Center

Will Grundy Center for Independent Living

Wilson Community Improvement Association

Windmon Windy City Family & Community Resource Center

Wisconsin Council on Children and Families

Wisconsin Partnership for Housing Development



Woodstock Institute

Working In Neighborhoods

Yolo Mutual Housing Association

YWCA of Madison