



**NATIONAL LOW INCOME
HOUSING COALITION**

*Dedicated solely to ending America's
affordable housing crisis*

January 24, 2005

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552

Attention: No. 2004-53

To Whom It May Concern:

The National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. We believe that this is achievable, that the affordable housing crisis is a problem that Americans are capable of solving. While we are concerned about the housing circumstances of all low income people, we focus our advocacy on those with the most serious housing problems, the lowest income households.

On behalf of our Board of Directors and the membership of the National Low Income Housing Coalition, which includes non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, housing researchers, private property owners and developers, state and local government agencies, faith-based organizations, residents of public and assisted housing, and other people and organizations concerned about low income housing across the country, I express our strong opposition to your November 24 proposal (No. 2004-53).

We believe that the proposal would weaken the Community Reinvestment Act and its obligation to meet community needs, especially its role in improving affordable housing options for low income people across the United States. The proposal would allow large savings and loans to opt out of complying with investment and banking services examinations under the CRA. Ending CRA requirements for investments and services would jeopardize billions of dollars invested annually into low income housing, economic development and much-needed services like "basic" checking accounts and convenient bank branches. These exams have been very useful in encouraging investment in low income housing and services to low income people. Given the impact that these requirements have had on increasing the supply of affordable housing products, we ask you to withdraw this proposal.

By choosing to ignore the investment test under the CRA, a large thrift with more than \$1 billion in assets will have no incentive to participate in low income housing tax credits, which produce more than 100,000 units of low income housing annually. This would represent a tremendous loss to new affordable housing development.

The proposal would also allow thrifts in rural areas to serve any income population, while the CRA was established to direct resources to low and moderate income communities. Redirecting CRA's benefits to non-low income populations is contrary to the purpose of the CRA and would funnel scarce resources away from populations with the greatest need for affordable housing.

In *Out of Reach: 2004*, a December 2004 report released by NLIHC, we found that working families, the elderly, and people with disabilities struggle to pay for their homes and are left to make impossible choices among necessities. Families with extremely low incomes (those at 30% or below the area's median income) continue to face the most severe affordability problems. There is not a single metropolitan area where an extremely low income family can be assured of finding a modest two bedroom rental home that is affordable.

This report and numerous other data sources indicate what too many very low income families know first hand: that nearly 65 million low income people - 24% of the entire U.S. population - are experiencing problems including cost burdens, substandard conditions, overcrowding, or homelessness (*America's Neighbors: The Affordable Housing Crisis and the People it Affects, 2004, NLIHC*).

Given the severity of our nation's affordable housing crisis and the importance of the Community Reinvestment Act's attention to investments, services and low income people, we urge you to withdraw your November 24 proposed rule.

Thank you for considering our comments.

Sincerely,

Sheila Crowley
President