

CONGRESSMAN JARED POLIS

2nd District, Colorado | 501 Cannon HOB, Washington, D.C. 20515 | (202) 225-2161 | polis.house.gov

AFFORDABLE HOUSING REGULATION SIMPLIFICATION ACT

Tourism and travel play a critical role in American job creation and economic growth, particularly in Colorado. Yet burdensome regulations prevent many hardworking Americans from financing affordable homes in high-tourism areas, making it more difficult for tourism businesses to hire and retain the workers they need to grow.

To address these issues, the Affordable Housing Regulation Simplification Act would:

- **Create a new category of “affordable workforce housing mortgage”**

These mortgages would not be available to individuals looking to get a second or third home at a cheap price. Rather, the bill applies to potential homeowners who:

- Work and live full-time in high-tourism areas for at least 8 months of the year;
- Generate at least 75 percent of their income from their tourism-related job; and,
- Have an income that falls below 160 percent of the area median income.

- **Ease the overly burdensome financing restrictions imposed by Fannie, Freddie and FHA**

Fannie Mae and Freddie Mac will not purchase condominium mortgages unless these properties meet unrealistic standards, and the Federal Housing Administration (FHA) has similar restrictions on the loans it will insure. Without a commitment from Fannie and Freddie to buy these loans, or from FHA to insure them, banks are unwilling to lend, even to otherwise qualified homebuyers. For affordable workforce housing mortgages only, this bill would alter some of these unnecessary requirements by:

- Relaxing the commercial space restriction to no more than 50 percent of the property units;
- Easing the owner-occupancy requirement to no less than 25 percent of the property units;
- Allowing properties to utilize individualized or central energy metering;
- Letting properties include short-term rental units, as well as a front desk, concierge, marketing services and other components necessary for rental properties; and,
- Preventing properties from being declared ineligible based solely on the name or title of the property.

- **Require FHA to reinstate “spot approvals” of mortgages for individual condominium units**

FHA’s “spot approval” process allowed the Agency to insure individual condominium mortgages without first assessing the entire property. But in early 2010, FHA eliminated “spot approvals” for individual condominium units, meaning that any property that wishes to have its individual units eligible to be insured by FHA must first have the entire building preapproved by the Agency. Properties that are approved by FHA must be reapproved every two years. This legislation would establish FHA’s permanent authority to execute spot approvals for single-family units.

- **Require the Department of Commerce to create a definition of “high-tourism area”**

In order to ensure that this legislation is focused on areas that depend on travel and tourism for their economic viability, the provisions in this bill would only apply to counties that are designated as “high-tourism areas” by the Department of Commerce.