

# **Financing Opportunities: Banks Assisting in Ending Homelessness**

## For the development of permanent supportive housing for homeless people:

- Banks providing Construction and/or Permanent Debt Financing
- Banks making Low-Income Housing Tax Credits Investments
- Bank investments in Pre-development or Acquisition Loan Funds
- EQ2's with Nonprofit Housing Development Organizations

## Additional Opportunities

- Bank leadership in local partnerships to address local affordable housing needs (nonprofit developers, local government agencies, etc.) for the homeless
- Bank officers serving on the boards of local affordable housing partnerships and/or nonprofit development corporations for the homeless
- Contributions to organizations addressing affordable housing needs for the homeless

# Regulatory Considerations

- Community Reinvestment Act
- Public Welfare Investment Authority

# CRA Consideration for LIHTC Investments

- Affordable housing: Fundamental CRA element
- CRA consideration: LIHTC funds facilitate affordable housing
- Positive CRA consideration for LIHTC investments that benefit:
  - The bank's assessment area, or
  - The broader statewide or regional area that includes the bank's assessment area

# CRA Consideration for Other Activities

- Positive CRA consideration for:
  - Qualified investments, provided they benefit:
    - The bank's assessment area, or
    - The broader statewide or regional area that includes the bank's assessment area
  - Community development services such as technical assistance to organizations that support affordable housing; examples include:
    - Participation on loan committees
    - Treasurer of the board

# National Bank: Public Welfare Investments

- National banks can make investments to promote the public welfare, such as affordable housing to reduce homelessness
- Investment authority: 12 USC 24 (Eleventh) and 12 CFR Part 24
- Part 24 authority limits raised to 15 percent of a bank's unimpaired capital and surplus, requires approval
- Banks make investments through a filing process with the OCC (At: [www.occ.gov/cdd/pt24toppage.htm](http://www.occ.gov/cdd/pt24toppage.htm))

# Federal Savings Associations: Public Welfare Investments

Federal Savings Associations (FSA) have the authority to make public welfare investments of the type permitted for a national bank under 12 CFR Part 24, including investments in affordable housing. FSAs:

- Are authorized to make de minimis public welfare investments— 12 CFR 160.36. These investments are limited in aggregate to the greater of 1% of capital or \$250,000.
- Are authorized under 12 CFR Part 159 to invest in service corporations engaged in a broad range of preapproved activities, including investments that promote the public welfare.
- May make certain equity investments in real estate under HOLA 5(c)(3)(A), particularly for affordable housing (see OTS legal opinion dated May 10, 1995).



- Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks  
<http://www.occ.gov/topics/community-affairs/publications/insights/insights-low-income-housing-tax-credits.pdf>
- Ending Homelessness – Financing Permanent Supportive Housing  
<http://www.occ.gov/publications/publications-by-type/other-publications-reports/cdi-newsletter/feb-2012/homeless-ezine-table-of-contents.html>
- Tax Credits Resource Directory  
<http://www.occ.gov/topics/community-affairs/resource-directories/tax-credits/tax-credits-lihtc.html>
- Community Development Investment Authority Guide (for FSAs)  
<http://www.occ.gov/static/news-issuances/ots/ceo-memos/ots-ceo-memo-102.pdf>
- OTS Op. Chief Counsel, May 10, 1995  
[http://www.ots.treas.gov/?p=LegalOpinions&ContentRecord\\_id=e8a6db27-46d4-41b6-8ab2-272d35609bd1](http://www.ots.treas.gov/?p=LegalOpinions&ContentRecord_id=e8a6db27-46d4-41b6-8ab2-272d35609bd1)



Barry R. Wides  
Deputy Comptroller  
Office of the Comptroller of the Currency  
(202) 874-5556  
[barry.wides@occ.treas.gov](mailto:barry.wides@occ.treas.gov)