

THE HFA INSTITUTE 2019

Taking Stock During the Shutdown

January 17, 2019



HOME and
Housing Trust
Fund
JANUARY 13 – 15



MRBs and
Other Federal
Homeownership
Programs
JANUARY 16 – 18



Section 8 and
Other Federally
Assisted
Multifamily
Housing
JANUARY 16 – 18



Housing Credit
JANUARY 15 – 17



DISCUSSION LEADER

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Economic and Demographic Environment

- Demand for homeownership strong
- Down payment hurdle still significant obstacle
- Interest rates historically low but somewhat volatile
- Affordable housing supply shortage
- Prices outgrowing income
- Jobs and wages increasing

NCSHA 2019 Priorities

- Preserve and strengthen Housing Bonds
- Build HFA and affordable housing role in housing finance reform
- Foster deregulation and simplification
- Increase affordable housing supply
- Enable innovation
- Promote preferred relationships
- Develop and visualize data

Legislative Environment

- New House Democratic majority
- Preserved Senate Republican majority
- New Committee leaders and members
- Likely Legislative Priorities

Likely Legislative Priorities

- Ending the partial government shutdown
- Housing Finance Reform
- Affordable housing
- Infrastructure
- Community Reinvestment Act
- Banking reform
- Oversight

Regulatory Environment

- HUD
- Federal Housing Finance Agency
- Office of the Comptroller of the Currency
- Consumer Financial Protection Bureau
- Treasury
- USDA

Impact of the Government Shutdown

- Only essential activities continue
- 95 percent of HUD and 38 percent of USDA employees furloughed
- Many programs dormant, but single-family insurance still available
- Access to staff seriously limited
- Payments to servicers limited
- Agencies urging forbearance
- No speakers at conferences!

HUD—FHA 2018 Report to Congress

- Highlights concern about down payment assistance programs
- Especially DPA through government programs
- No differentiation between types of government DPA programs
- Raises concern about provider financial benefit and nationwide programs
- FHA planning to provide additional guidance, likely through rulemaking process

FHFA Under New Leadership

- Joseph Otting appointed acting Director
- Mark Calabria nominated for permanent position
- Potential Administration actions
 - Reducing GSE “footprint”
 - Modifying affordable housing goals and duty-to-serve obligations
 - Changing guarantee fees
 - Stopping the transfer of funds to the Housing Trust Fund
 - Limiting some program activities and restricting new ones
 - Maintaining credit risk transfers and common security efforts

OCC—Community Reinvestment Act (CRA) Revisions

- OCC solicited comments on a set of questions last year
 - Simplification
 - One overall metric
 - Broader assessment areas
- NCSHA and others submitted comments
 - Provide credit for Housing Bond purchases
 - Support for separate investment test
 - Ensure HFA help qualifies as community development activity
 - Provide credit for activities outside assessment areas
- FDIC and Federal Reserve expected to propose their own CRA reforms

Consumer Financial Protection Bureau

- Kathy Kraninger confirmed
- Likely to continue deregulatory efforts
- Lender compensation

Treasury

- Recently issued modifications to PAB public notice requirements
- Exemptions for MRBs
- Likely to play leading role in housing finance reform debate

USDA

- Focus on insured and guaranteed programs
- Manufactured housing pilot
- New construction
- Possible regulations on income eligibility standards, simplify loan limit-setting, and modifying family asset exclusions in underwriting