



Congress Focuses on Homeownership Proposals

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The proposal for a single family tax credit contained within the Bush Administration's proposed 2003 budget has drawn significant attention from several sectors. In addition to the request for a five-year, \$1.7 billion homeownership credit intended to support the rehabilitation or new construction and sale of about 100,000 homes to low-income households, the critical need for affordable housing has generated the introduction of other important homeownership assistance legislation. On April 17, Rep. Michael J. Rogers (R-Mich.) introduced H.R. 4446, the American Dream Downpayment Act. Rogers' bill would authorize the American Dream Downpayment Fund, an assistance initiative under the HOME Program that would reauthorize the Self-Help Homeownership Opportunity Program for fiscal years 2003 and 2004, and the HOPE VI Program for 2003. The American Dream Downpayment Assistance Fund was the recipient of a \$50 million appropriation in the 2002 HUD appropriations bill that is contingent on the passage of authorizing legislation by June 30, 2002. Hearings have been held on H.R. 3995, the Housing Affordability for America Act, an initiative to increase affordable housing opportunities for working Americans. Among its key provisions is the permanent extension of the simplified downpayment formula for single-family mortgages; the repeal of the increase in the Ginnie Mae guarantee fee schedule for FY 2004, which the Mortgage Bankers Association estimates would result in a cost saving to borrowers of \$30 million a year; and requires that the FHA limits for multifamily mortgages be limited to the annual construction costs indices of the Department of Commerce.

John Courson, the MBAs chairman-elect, echoed the feeling of many in the affordable housing industry when in his testimony before Congress he noted that the MBA "would like to see every American living in decent, safe and affordable housing." Earlier in April, Michael Pitchford, president of the National Housing Conference, told the subcommittee on VA, HUD and Independent Agencies that NHC's research using 1999 data had found that 13 million families had a critical housing need and that low- and moderate-income families made up 28.5 percent of the total number of working families with critical housing needs, up from 23 percent from 1997 numbers. These proposals are a start in addressing the nation's affordable housing crisis and it behooves the industry to heed Pitchford's call that in this, a time of record homeownership rates, increased housing starts and the overall strength of the private housing industry, that the plight of families at the bottom of the income ladder is brought to the attention of those who have the ability to act as agents of change. For more information on the proposals that will help bring homeownership to more U.S. citizens, please visit www.taxcredithousing.com. ❖

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