MEMO TO MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

Volume 8, Issue No. 29• July 25, 2003

***Reminder:* All NLIHC memberships expired June 30**

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Capitol Hill

VA-HUD Appropriations Bill Passes House, Vouchers Get $150 Million More

The VA-HUD Appropriations legislation was the final major piece of legislation debated by the House on July 25 before the August recess. The full Appropriations Committee considered the bill at a markup on July 21, with only minor changes compared to the legislative language that had passed the Subcommittee on July 15 (described in last week's *Memo to Members*).

To the surprise and delight of housing advocates, an amendment offered on the House floor by Representatives Jerrold Nadler (D-NY) and Nydia Velazquez (D-NY) that would add $150 million to the Housing Certificate Fund for Section 8 vouchers passed by a 217-208 roll call vote, with 24 Republicans voting in favor and 8 Democrats voting against. The amendment would be funded by an offset from HUD's Working Capital Fund, which supports information technology upgrades for the agency. Speaking on behalf of the amendment, Mr. Nadler noted the extreme length of the waiting list for housing assistance in New York City and the extent of worst case housing needs. Mr. Nadler cited research by the Center on Budget and Policy Priorities (CBPP) that determined that the VA-HUD appropriations bill approved by the Committee would fail to fund 85,000 vouchers in use. Representatives Artur Davis (D-AL) and Joseph Crowley (D-NY) also spoke in support of the amendment. Representative Jim Walsh (R-NY), Chair of the VA-HUD Appropriations Subcommittee, criticized the effect of amendment's offset on HUD's information technology systems and, without identifying CBPP by name, disparaged its analysis.

Representative Chaka Fattah (D-PA), a member of the VA-HUD Appropriations Subcommittee, offered an amendment that would provide a $4.5 million increase in funds to be used for technical assistance funds for HOPE VI, from $500,000 to $5 million. HUD had justified its request to zero out the program on the basis of HOPE VI funds appropriated in prior years but not yet spent. Mr. Fattah said that to the extent the lack of technical expertise was to blame for the slow expenditures, he wanted to remove that rationale for not funding the program in the future. The amendment passed on a voice vote. Also passing on a voice vote was an amendment by Mr. Nadler to add $5 million to HOPWA.

The spending bill as it passed the Committee would fund housing programs by

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POINT OF VIEW

by Sheila Crowley, President

In the final hours before its summer recess, glimpses of hope for low income housing emerged from the U.S. House of Representatives. First of all, the number of cosponsors of H.R. 1102, the National Affordable Housing Trust Fund Act, grew to 205 this week with the addition of two Members from Louisiana. Support from Representatives Chris John (D) and Rodney Alexander (D) was a particularly happy outcome for one NLIHC summer intern who hails from Louisiana and who has now experienced firsthand the power of an activated grassroots. As H.R. 1102 sponsor Representative Bernie Sanders (I-VT) frequently says, the National Housing Trust Fund Campaign is the way democracy is supposed to work.

The outlook for HUD appropriations was very bleak as the week began. The House VA-HUD Appropriations Subcommittee and the full Appropriations Committee failed to heed the warnings that they were breaking their contract with 85,000 low income families who rely on housing vouchers by underfunding the voucher program. But lots of constituents made their displeasure known and enough Members of Congress got the message to vote to restore some voucher funding when the bill went to the floor. The spectacle of thousands of poor families losing their housing as a direct result of callous budgeting by the Administration has not yet been averted, but the chances they will keep their homes are considerably improved.

Of course, it is ridiculous that we have to spend any time arguing to keep vouchers

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A note to *Memo* readers who read the .pdf version:

The .pdf of *Memo* works best with Adobe Acrobat versions 5.* and we recommend that our readers continue to use version 5 of the Acrobat reader. Printing is very slow in Acrobat Reader version 6.0 for .pdfs not made with the most recent version of Adobe Distiller or made with other .pdf software.

NATIONAL LOW INCOME HOUSING COALITION

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$83 million less than requested by the President. Representatives Barbara Lee (D-CA) and Jan Schakowsky (D-IL) offered an amendment that would move $83 million from the Working Capital Fund to homelessness programs. They both described the extent of homelessness among children and the problems of housing affordability generally, as well as noting that the underfunding of the voucher program could add to homelessness. Their amendment failed on a vote of 192 to 232, with Mr. Walsh again criticizing the proposed redirecting of funds from the Working Capital Fund. Representative Danny Davis (D-IL) said he had planned to offer an amendment to add funds to Section 8 and HOPE VI, but since the money to increase those programs had been given away in tax cuts, he was forced to withdraw his amendment.

Representative Barney Frank (D-MA) made brief general comments about the inadequacy of housing funding in the bill and entered into the record NLIHC's press release describing the shortcomings of the House bill as it emerged from Committee. Representative David Obey (D-WI) chastised the leadership of the House for putting tax cuts ahead of everything else and leaving insufficient resources for veterans' and other programs.

The Senate has yet to take up the VA-HUD appropriations bill in Subcommittee and there are predictions that a markup may not occur until after the August recess.

Appropriations Clarifications

In rounding out the report on the VA-HUD appropriations bill, it should be clarified that HUD would not be required to limit use of funds for Housing Opportunities for People with AIDS (HOPWA) to housing, not services, as stated in *Memo*. Rather, the Committee adopted the Subcommittee's recommendation that HUD provide a report by August 31, 2003, on the distribution of HOPWA funds for housing compared to services over the last three fiscal years, because the Committee is concerned about whether HOPWA funding is being used for services that could be provided by other government agencies rather than for housing. Also, Fair Housing funding would receive an increase of almost $400,000 (not $4 million, as reported in *Memo)* compared to FY03, but the funding level would be $4 million below the President's request. It should also be noted that the Committee, following the Subcommittee's lead, did not fund the HUD's Colonias Gateway Initiative, for which $16 million had been requested, due to the lack of enacted authorizing legislation.

The full Committee added language that was in the FY03 appropriations legislation, but not in the Subcommittee's bill for FY04, that would exempt public housing agencies (PHAs) in Alaska, Iowa, and Mississippi from including a public housing resident or Section 8 voucher holder on their boards, as otherwise required by federal law. Rather, PHAs in those states would be required to establish an advisory board of at least six public housing residents or voucher holders that would meet at least quarterly.

FHA Loan Limit Raise Passes Subcommittee

On July 22, the House Financial Services Subcommittee on Housing and Community Opportunity passed H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003. H.R. 1985 was introduced by Representative Gary Miller (R-CA) to raise limits on loans that HUD provides developers through the FHA multifamily loan program.

At the hearing before the vote on H.R. 1985, Members heard from two panels representing developers and the Administration. During Members' opening statements, Representatives Bernie Sanders (I-VT) and Barbara Lee (D-CA) took the opportunity to speak about the National Housing Trust Fund. Mr. Sanders submitted into the record a letter requesting a hearing on the Trust Fund that was signed by more than half of the subcommittee Members. Ms. Lee discussed the affordability gap in her district and said that raising the FHA limits was not the only answer to solving the affordability problems in her district. She asserted that the National Housing Trust Fund should be passed and that doing so would truly help those in need. "We need to take affordable housing to the next step and the Trust Fund would do that," Ms. Lee said.

The Financial Services Committee passed legislation last Congress to increase FHA loan limits by 25%, allowing HUD to approve loans up to 110% of the statutory base limits, but many feel that the increase is not enough for high-cost housing areas. H.R. 1985 would address this problem by allowing loan limits to be increased up to 170% of the statutory base limits. Ranking Member Maxine Waters (D-CA) said in her opening statement that the FHA is a critical source of affordable housing and said that in her Los Angeles district and across the country, last year's 25% increase was not enough. In the last year, Los Angeles had no new construction for multifamily rental units financed through the FHA program, and the entire state of California had only one FHA multifamily rental project developed, Ms. Waters said.

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Update from the Field

Groups Create Inclusionary Zoning Resource

On July 14, the California Coalition for Rural Housing (CCRH) and the Non-Profit Housing Association of Northern California (NPH) released the report *Inclusionary Housing in California: 30 Years of Innovation.* The report is the result of a survey of planning and housing departments across California.

The report finds that 107 cities and counties in California have some type of inclusionary zoning policy to help ensure that a portion of new residential developments are reserved for lower income households. Of these jurisdiction, 62% have adopted their policies recently—within the past decade. Also cited in the report are the top 15 local jurisdictions using inclusionary zoning to create affordable housing opportunities. Those cities include Carlsbad, Chula Vista, Davis, Emeryville, Huntington Beach, Irvine, Petaluma, Roseville, Sacramento, Salinas, San Diego, San Rafael and Santa Rosa as well as the counties of Monterey and Santa Barbara.

"The fact that 20% of cities and counties, clustered around the tightest housing markets in California, are telling us these inclusionary housing policies can work, means that other locales, especially growth magnets, could take control of housing affordability today and preempt a housing catastrophe tomorrow," said CCRH Director Robert Weiner.

"I've been doing this for a long time and I can't remember a time in the history of California when we've had an opportunity of this scale. If the 80% of jurisdictions without inclusionary policies adopted even a moderately aggressive requirement, California could double its production of affordable housing. That means twice as many homes for young families, seniors and even our teachers and nurses," said Dianne Spaulding of NPH.

While it focuses on California, the report's findings, recommendations and conclusions can also be used by other jurisdictions across the country as a resource in developing inclusionary zoning policies.

For more information contact the California Coalition for Rural Housing at 916-443-4448 or www.calruralhousing.org/, or the Non-Profit Association of Northern California at 415-989-8160 or www.nonprofithousing.org/index.atomic.

National Housing Trust Fund

Two Louisiana Members Join H.R. 1102; Bringing America Home Act Introduced

Two additional Members of Congress joined National Housing Trust Fund legislation this week, bringing the total number of cosponsors of H.R. 1102 to 205. Representatives Chris John and Rodney Alexander, both Democrats of Louisiana, are the newest cosponsors.

In addition, a comprehensive bill aiming to end homelessness in America was introduced by Representative Julia Carson (D-IN) on Friday, July 25. The bill, H.R. 2897, includes a provision to establish a National Housing Trust Fund, as well as provisions addressing health, income, and civil rights. The legislation was introduced with 28 cosponsors. The National Coalition for the Homeless is leading the Bringing America Home Campaign to pass the legislation; more information is available at www.bringingamericahome.org.

A complete list of cosponsors is available at www.nhtf.org.

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Tell Your Friends...

NLIHC membership is the best way to stay informed about affordable housing issues, keep in touch with advocates around the country, and support NLIHC's work. Membership information is available at www.nlihc.org, or e-mail membership@nlihc.org or call 202-662-1530 to request membership materials to distribute.

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Mr. Miller agreed with Ms. Waters that FHA loans are not meeting costs. "This is the last hurdle to provide affordable rental units," Mr. Miller said, quoting statistics that 50% of Americans cannot afford a home. Mr. Miller called these people—this group of public servants, such as police officers and teachers, who on a combined income still cannot afford a one-bedroom apartment in his district—the "new homeless."

The first witness to testify at the hearing was HUD's Assistant Secretary John Weicher, who testified that HUD could not support the bill at this time, as HUD is in the process of conducting a study to examine the impacts of the last increase and would not be able to support additional increases until they have the results of the study, which are due in the fall. The Assistant Secretary asserted in his testimony that HUD has done a lot to improve the FHA program and that several high-cost areas, such as Washington, D.C., and Seattle, have begun participating in the program again. He mentioned improvements such as accelerated application processing and indexing of the FHA mortgage limits. Mr. Weicher asserted that in 2002 the FHA program produced $7 billion in affordable housing, and he said he hopes the amount will increase this year.

Representative William Clay (D-MO) asked the Assistant Secretary what could be done to address the affordable housing crisis. Mr. Weicher said that NIMBYism (Not In My Back Yard) was the problem because it creates supply constraints on rental housing, but he offered no suggestion on how to address the issue.

The second panel included mortgage bankers and developers, each of whom agreed that the current loan limits were a barrier to the FHA program and should be increased.

Housing Programs Attacked in Waste, Fraud, and Abuse Report

The House Financial Services Committee issued a report this week complying with the directive in the FY03 budget resolution that charged chairs of committees to find areas of waste, fraud, and abuse in mandatory programs that are under their committee's jurisdiction. The Administration asserts that this process is a way to save taxpayer money.

The Financial Services Committee's report on waste, fraud, and abuse targets housing programs, despite the fact that these programs are discretionary, not mandatory. The Committee concluded in its report that the best way to save money was to target unliquidated obligations, which are funds that have been appropriated for purposes such as long-term contracts, but which have not been disbursed. The report asserts that the programs under the committee's jurisdiction that are most likely to have unliquidated obligations are the Section 8 and Section 236 rental assistance programs under HUD and the rural rental assistance program at the Rural Housing Service of the U.S. Department of Agriculture (USDA). Included in the report is a summary of testimony from both HUD and USDA officials given at a waste, fraud, and abuse hearing held in the Subcommittee on Oversight and Investigations in June, which was previously reported in the June 27th issue of *Memo*.

The report summarized HUD's findings that there is approximately $1.7 billion in unliquidated obligations in the FY04 budget, and $108 billion total. There is also a report from HUD's Inspector General, summarized in the committee's report, stating that HUD is not recapturing unliquidated obligations in a timely manner. The Inspector General also noted that HUD has identified errors in its billing process that had resulted in rental subsidy overpayments. The Inspector General announced a new effort to detect and prevent fraud in housing assistance programs.

The report also summarizes USDA officials' testimony in which they identified $737 million in unobligated funds. The funds are outstanding from active contracts that were obligated between 1978 and 1998. At the hearing in June, Representative Sue Kelly (R-NY), Chair of the Oversight Subcommittee, announced that the General Accounting Office has been asked to review the contracts and determine how much of the obligated funds can be deobligated through legal action or legislation.

In response to this report, the minority Members have issued dissenting views, in which they state that housing programs are not mandatory. They also assert that the resolution asked for changes in law to address waste, fraud, and abuse, which the committee did not do. Instead, it directed departments only to rescind unspent money, which is already mandated in existing laws.

Despite majority claims that there would be no cuts to programs, the minority asserts that targeting unobligated funds and directing departments to do more rescissions will only cut already underfunded housing programs. They point out that the Section 8 program received a rescission of more than $1 billion in unobligated funds in the FY04 budget. The report also includes an assessment of preliminary data from the Congressional Budget Office asserting that Congress

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has rescinded $6.85 billion from the Section 8 program from FY97 through FY02. The minority also pointed out that cuts to these programs adversely affect low income families, seniors and people with disabilities, while further contributing to the decline of the affordable housing stock.

Representative Gregory Meeks (D-NY) offered an amendment to the committee's report to strike the recently reinstated public housing community service requirement. Mr. Meeks asserted that this requirement is a form of waste, fraud, and abuse as it is a waste of HUD's resources to enforce such a requirement. He also asserted that the requirement was discriminatory in that it targets only public housing residents; beneficiaries of other federal programs are not required to perform community service. The amendment failed 30-29 on a party line vote.

Superwaiver May Surface in Senate

While it is appearing less and less likely that the Senate Finance Committee will take up TANF reauthorization before it leaves for recess at the end of the week of July 25, there appear to be some efforts to have the Committee include the "superwaiver" in its TANF mark up. The superwaiver, as embodied in H.R. 4, the House TANF reauthorization bill that passed the full House on February 13, would give unprecedented power to governors and Cabinet secretaries to reconfigure a variety of federal programs serving low income people, including public housing and homelessness programs.

There is talk of presenting a more limited superwaiver provision in the Senate that would not include food stamps, although the status of housing programs is unclear. Advocates are expressing concern about the superwaiver concept generally, even in modified form, and are weighing in with key Senators who care about housing particularly.

In addition, on July 25, Senators Tom Harkin (D-IA), Robert Byrd (D-WV), Paul Sarbanes (D-MD), and Edward Kennedy (D-MA) sent a letter to Senator Max Baucus (D-MT), ranking member of the Senate Finance Committee, expressing serious concerns about the superwaiver. Senators Harkin, Byrd, Sarbanes and Kennedy are, respectively, ranking members of four committees with jurisdiction over many programs that could be affected by the superwaiver: the Agriculture, Nutrition and Forestry Committee; the Appropriations Committee; the Banking, Housing and Urban Affairs Committee and the Health, Education, Labor and Pensions Committee. These Senators told Senator Baucus that the superwaiver "constitutes a full frontal assault on the fundamental principle of separation of powers" and should be "categorically rejected."

Nominee to Head OFHEO Faces Tough Questions

On July 22, the Senate Banking Committee held a hearing on the nomination of Mark C. Brickell to be director of the Office of Federal Housing Enterprise Oversight (OFHEO). OFHEO, the office within HUD that oversees Fannie Mae and Freddie Mac, has come under more intense scrutiny following the news that Freddie Mac replaced its top three executives over accounting problems last month.

Mr. Brickell, who worked at JP Morgan for 25 years and has been the CEO of Blackbird Holdings, Inc., since 2001, received a barrage of questions during the hearing from Ranking Member Paul Sarbanes (D-MD) over his past actions concerning government oversight of financial institutions. Senator Sarbanes pointed out that others have raised serious questions over Mr. Brickell's nomination. Citing a *Washington Post* editorial in his opening statement, Senator Sarbanes said, "The nominee…has a long track record of opposing government regulation of financial services and leaving most of the work to market forces."

Central to Senator Sarbanes's concerns was Mr. Brickell's role as a leader in lobbying to prevent the regulation of derivatives, financial tools that are critical to Fannie Mae and Freddie Mac and are at the center of the Freddie Mac controversy. In 2000, Mr. Brickell suggested that OFHEO let Fannie and Freddie rely on their own internal models to set capital standards. This remark led Senator Sarbanes to question later whether Mr. Brickell would be willing to work under the current federal framework. "Is it your view that you cannot be an effective regulator of these GSEs without substantial statutory change?...Is it your position that you need significant statutory changes in order to be an effective regulator?" asked Senator Sarbanes.

Senator Sarbanes subjected Mr. Brickell to repeated questioning he would adhere to the rule on derivatives, Financial Accounting Standard (FAS) No. 133, because of the importance of the rule to Fannie Mae and Freddie Mac. Mr. Brickell answered, "I would pursue it eagerly as part of the OFHEO mission. FAS 133 is law of the land… Fannie Mae and Freddie Mac don't have a choice about this. They have to comply with FAS 133."

Other nominees joining Mr. Brickell on the panel were Alicia R. Castaneda, a candidate for the Board of Di-

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rectors of the Federal Housing Finance Board, and Thomas J. Curry, candidate for the Board of Directors of the Federal Deposit Insurance Corporation.

Child Tax Credit Debate Continues

As recess nears, Members of Congress are still wrangling over the child tax credit bill. On July 22, Senate Republican leaders sent a letter to House Majority Leader Tom Delay (R-TX) and House Ways and Means Chairman Bill Thomas (R-CA) offering to compromise on the child tax credit legislation by moving the Senate closer to the current House bill.

The problem with the proposed compromise is that it would provide more benefits for higher income families than for low income families. Originally, the purpose of the bill was to offer child care relief to low income families; however, the Center on Budget and Policy Priorities (CBPP) reports that the Senate offer would provide nearly $11 billion in new tax cuts to families with incomes exceeding $110,000, while providing just $3.5 billion to low income families.

The Senate offer keeps the provision in the House and Senate bills that moves the increase in the child tax credit for low income families to 2003 instead of 2005, which is when it is currently slated to take effect. As reported by CBPP, low income families would receive increases in their credits by $150 per child in both 2003 and 2004.

In addition to the fact that the proposal does not truly benefit low income families, advocates are also concerned that there are no offsets being offered to counter the lost tax revenues. Even with the changes to the bill, the tax credit would cost approximately $50 billion and contribute to worsening the budget deficit. As the deficit continues to worsen, Members of Congress would likely be forced to look for offsets to the deficit by reducing funding to social service programs, programs that primarily benefit children, the elderly, and people with disabilities.

CBPP's paper on the new Senate offer is available at www.cbpp.org/7-23-03tax.htm.

New Legislation

On July 21, Representative Edward Royce (R-CA) introduced H.R. 2803. The bill would establish the Office of Housing Finance Oversight in the Department of the Treasury to ensure the financial safety and soundness of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. The bill was referred to the Financial Services Committee.

S. 1451 was introduced by Senator Orrin Hatch (R-UT) on July 24. The bill reauthorizes programs under the Runaway and Homeless Youth Act and the Missing Children's Assistance Act and has been referred to the Committee on the Judiciary.

Representative Ed Case (HI-D) introduced H.R. 2805 on July 21. The bill allows the counties of Hawaii, Maui, and Kauai to distribute grant funds received under section 106(d) of the Housing and Community Development Act of 1974. The bill has been referred to the House Financial Services Committee.

Bills at a Glance

Current information on legislation being tracked by NLIHC is now available through NLIHC's new legislative action center, at http://capwiz.com/nlihc/issues/bills/.

HUD

HUDClips

On Friday, July 25, HUD's Office of the Assistant Secretary for Community Planning and Development issued notice number FR-4848-N-01, which states HUD's intent to implement Homeless Management Information Systems (HMIS). HMIS is designed to capture information, using computerized data collection, about the clients of homeless service providers over time to expand information about the characteristics and service needs of people experiencing homelessness. The notice describes the benefits and technological requirements of HMIS implementation. The notice informs continuum of care planning bodies, homeless service providers, local and state governments, advocates, and homeless clients about an opportunity to review and comment on the proposed standards for HMIS. Comments are due by September 22.

HUD also issued Directive number FR-4867-N-02 on Friday, which effectively rejected the Consumer Complaint Handling Proposal submitted by the Manufactured Housing Consensus Committee. The proposal suggested revisions to current regulations concerning how manufacturers deal with reports of problems with manufactured homes. The Secretary determined that the proposal conflicted with requirements already in law.

All notices are available at www.hudclips.org.

Resources

Transforming Mental Health Care

A recent comprehensive report from the President's Mental Health Commission, "Achieving the Promise: Transforming Mental Health Care in America," looks at the state of funding for people with serious mental disabilities and considers how to improve their situations. As a part of the study, the Commission finds it is imperative to deal with the issues surrounding provision of affordable housing to people with severe mental illnesses with extremely low incomes. The study also calls for a more coherent program for dealing with issues surrounding mental health and housing.

The lack of adequate, affordable housing is discussed as a major failing of the current system for helping those with mental illnesses. First, the lack of such housing for people with serious mental illnesses causes increased and unnecessary costs as people "cycle" between institutions, shelters, jails, and the streets. Second, many are living in seriously substandard housing or unnecessarily in institutions. Finally, people with serious mental illnesses are over-represented among the homeless.

Adding to the problems of providing adequate housing to people with serious mental illness is that they are often ineligible for housing under current federal affordable housing programs due to their often-poor tenant histories. Housing providers themselves may discriminate against those with mental illness, making it even more difficult for people to obtain decent and affordable housing. Add to this the fact that communities often oppose supportive housing programs in their neighborhoods, and it has become very difficult to adequately house people with serious mental illnesses.

The Commission recommends that HUD, along with the Interagency Council on Homelessness, create and implement a plan designed to facilitate access to 150,000 units of permanent supportive housing for the chronically homeless over the next ten years. The study also stresses that individuals with a history of serious mental illness should be given fair access to these units, and that actions on the federal, state, and local levels should ensure a full continuum of housing services.

While the Commission's report focuses on the whole spectrum of treatment for those with mental health problems, it is notable that it places such an emphasis on the importance of adequate and affordable housing. The report makes some interesting recommendations – especially in its call for 150,000 funded permanent supportive housing units. HUD and the Department of Labor recently announced a collaborative program to offer $13.5 million to local employment centers and housing providers to contribute to this goal. However, this initiative represents just a fraction of the need, and considerable effort and funding will be required to meet the Commission's goals.

Background on the Commission is available at www.mentalhealthcommission.gov.
The report itself is downloadable from: www.mentalhealthcommission.gov/reports/FinalReport/downloads/FinalReport.pdf.

Information on the HUD and DOL announcement is available at www.hud.gov/news/release.cfm?content=pr03-080.cfm.

A Review of the Nation's First State Anti-Predatory Lending Law

A new study looking at the nation's first anti-predatory lending law in North Carolina has found that the law has been effective at countering predatory lending while still allowing for access to subprime credit for those borrowers who need it. The study was written by the Center for Community Capitalism at the University of North Carolina at Chapel Hill. While previous studies noted a decrease in overall subprime lending in the state, this study argues that the loans not being made are the sort of predatory loans that the law was enacted to stop.

The Impact of North Carolina's Anti-Predatory Lending Law: A Descriptive Assessment finds that the share of loans containing prepayment penalties of 3 years or more dropped by 72% since the law's passage, while the total volume of subprime loans to borrowers with less-than-perfect credit has increased by 31%. Subprime home purchase loans have increased by 43%—a figure comparable to that of surrounding states without anti-predatory laws. Subprime refinances have actually decreased by 20%, which the authors point to as a sign that the law has been successful in 'weeding out' predatory loans. While there has been discussion of how effective anti-predatory lending legislation can be, this study seems to show that these laws can have the desired effect without drying up access to capital for those who need it.

The North Carolina anti-predatory lending law was passed in 1999 in an attempt curb predatory lending in the state. It prohibits financing single premium credit insurance, refinancing an existing home loan with no tangible benefit to the borrower, and charging prepayment penalties on loans of less than $150,000. Additionally, the law provides borrower protections on high-cost loans and requires borrowers to receive financial counseling before closing these loans.

The study and related materials are available at www.ccc.unc.edu.

Point of View *(cont'd from p. 1)*

that people are relying on today funded next year. As I wrote to HUD Secretary Martinez this week, "it is stunning to me that we have moved so quickly from a time when I would be writing to you and Congress to urge the funding of more *incremental* vouchers to a time when I am writing to urge you to take steps to prevent thousands and thousands of existing voucher holders from losing their homes." By forcing this funding crisis for the voucher program, the Administration seems intent on destabilizing the program. The success of the program depends upon the ability of landlords and tenants to trust that funding will be stable, and HUD is doing its best to disabuse them of that notion.

Nonetheless, low income housing advocates can take heart from an important victory today.

I want to close with a special acknowledgement of the dedication of veteran NLIHC staffer Harry Lawson, Jr. After nearly four years at NLIHC wearing more hats than I can count, Harry has decided to apply his social work skills to direct work with teens once again. All social workers who go into policy advocacy feel the pull to direct service, where the work is much harder, but the results more tangible. The best social workers figure out where their talents will do the most good, and that is what Harry is doing. Harry has earned the respect and gratitude of his colleagues and NLIHC members. I will miss him sorely.

News & Events

Enterprise Foundation Network Conference

The Enterprise Foundation will hold its Annual Network Conference, Reinventing Community Development, November 5-7 in Baltimore. The conference will include more than 60 workshops that will look at best practices and the latest innovations in community development. Also featured will be an American Town Meeting at which government officials, developers and bankers will look at "Alternative Approaches for Community Development." More information is available at www.enterprisefoundation.org.

Fact of the Week

Housing Choice Voucher Cuts

Estimated reduction in average number of households assisted through the Housing Choice Voucher program during FY04 if House bill's funding level is enacted:

Total Reduction: 85,000
Working Families: 26,000
Elderly Households: 14,000
Disabled Households: 19,000
Other Households: 26,000

Number of vouchers projected to be in use in October 2003: 2,019,232

Source: Center on Budget and Policy Priorities, *Funding Level Approved By House Subcommittee Would Reduce, But Not Eliminate, Shortfall In Housing Voucher Funding*, July 24, 2003.

NLIHC Staff

NLIHC Seeks Legislative Director

NLIHC is seeking an experienced advocate with in-depth knowledge of federal housing programs and well-developed analytical and communication skills to serve as legislative director. Requires direct experience with the legislative process and a demonstrated commitment to social justice. JD or master's degree required. Salary commensurate with experience. Send cover letter and resume to Deputy Director, National Low Income Housing Coalition, 1012 14th St. NW Suite 610, Washington, DC 20005, or fax to 202-393-1973. AA/EEO. Applications accepted until position is filled.

NLIHC Interns

NLIHC is seeking legislative, field and communications interns for the fall semester who are passionate about social justice issues and who have excellent writing and interpersonal skills. Detailed job descriptions are available at www.nlihc.org.

Send a resume and cover letter to:
Internship Coordinator, NLIHC
1012 14th Street NW, Suite 610, Washington DC 20005
or to info@nlihc.org. Questions? 202-662-1530 x228.

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About NLIHC: Established in 1974, the National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone. NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions.