Financing Opportunities: Banks Assisting in Ending Homelessness
Tools for Bankers

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 (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).
OCC Resources

• Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks
  

• Ending Homelessness – Financing Permanent Supportive Housing
  

• Tax Credits Resource Directory
  

• Community Development Investment Authority Guide (for FSAs)
  

  
  http://www.ots.treas.gov/?p=LegalOpinions&ContentRecord_id=e8a6db27-46d4-41b6-8ab2-272d35609bd1
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