Prosperity Now’s mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
Housekeeping

- The webinar is being **recorded** and will be available online.

- **Ask a question** or make a comment at any time by typing it into text box of GoToWebinar Control Panel.

- If you experience any technical issues, email gotomeeting@prosperitynow.org.

- Follow us on **Twitter**: @ProsperityNow
Today’s Speakers

Vanna Cure
Senior Advocacy Manager

Anju Chopra
Senior Program Manager

Doug Ryan
Senior Fellow
Today’s Agenda

✓ New Housing Pathways Proposal
✓ Fair Housing and Manufactured Housing Priorities
✓ Group Discussion and Q&A
✓ Next Steps & Close
Poll Question

Are you currently working on housing policy?

- Yes, at the federal level
- Yes, at the state level
- Yes, at the municipal level
- No

(Use the poll tool on your screen to record your answer.)
Coming Home: Providing a Pathway to Housing for All

Anju Chopra
Senior Program Manager
Americans are Significantly Housing Cost Burdened

1960 – 2016

- Renters
  - 61% Median Rent
  - 5% Renter Income

- Homeowners
  - 112% Median Home Value
  - 50% Median Owner Income

By 2016 –

38 Million Households - Renters and Owners Alike - Were Cost Burdened

The Sharp Divergence in Housing Costs and Incomes Has Fueled a Long-Term Increase in Cost-Burdened Renters

Low-Income Families and Households of Color are Particularly Burdened

Low-Income Families

- Households with Worst Case Housing Needs **Grew by 66% between 2001 and 2015**
  - 50% AMI or Less who Spends > 50% of Income on Rent, Lives in Severely Inadequate Conditions, or Both

Households of Color

- Housing Cost Burdens – **10 Percentage Points Higher** for Black and Hispanic Renters and Homeowners

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**Households of Color Face Disproportionate Housing-Cost Burdens**

2017

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Black</th>
<th>Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter</td>
<td>46%</td>
<td>57%</td>
<td>56%</td>
</tr>
<tr>
<td>Homeowner</td>
<td>25%</td>
<td>37%</td>
<td>37%</td>
</tr>
</tbody>
</table>

*Source: Prosperity Now Scorecard, 2017*
Mortgage Interest (MID) and Property Tax (PTD) Deductions - Benefits and Costs

- The Mortgage Interest Deduction (MID)
  - Deduct the Interest on up to $750,000 in Home Value
  - Before Tax Cuts and Jobs Act (TCJA) - $1 Million
    - TCJA Cap Set to Expire – 2025

- The Property Tax Deduction (PTD)
  - Deduct Up to $10,000
  - Before TCJA – No Cap

- Costs
  - 2018 Estimates - $52.6 Billion
  - Before TCJA - $100 Billion
MID and PTD are *Upside Down*

**Wealthy**
- Top 20% - 78% of Benefits
- Top 0.1% - $4,880 Vs Bottom 20% - Zero
- Before TCJA – Even More *Upside Down*

**White Households**
- White – 78% of Benefits
- Black and Latino – 6-7% of Benefits

*Only for Itemizers*
Recommendation: Replace MID and PTD with Reforms that are *Right Side Up*

A Solution in Four Parts that Alleviates Housing Cost Burdens Throughout the Course of a Lifetime
A Comprehensive Housing and Tax Policy Package

- **The Low-Income Renters’ Credit** — Alleviates Rental Burdens to Save for Other Expenses, Including Closing Costs for Home Purchase
- **The Downpayment-Builder Matched Savings Program** – Savings for Pre-Purchase Costs
- **The First-Time Homeowners Credit** – Reduces Cost Burdens following Purchase
- **The Homeowners Post-Purchase Tax Credit** – For Ongoing Costs after Purchase
### Parts One and Two – Renters’ Credit and Downpayment Matched Savings

#### Low-Income Renters’ Credit

- **80% Area Median Income (AMI)**
- **Cost Burdened – 30% of Income or More**
- **$1000-$3000 – Gradual Phase-Up with Plateau at 80% Cost Burden**
- **Refundable**
- **Available Annually**

#### Downpayment-Builder Matched Savings Program

- **80% AMI**
- **Three Years Prior – No Homeownership**
- **Treasury Department**
- **1:1 Match**
- **Up to $2000 Matched**
- **Maximum - $4000**
- **Two Years Savings Period**

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# Parts Three and Four – First-Time Homeowners and Post-Purchase Credits

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<thead>
<tr>
<th>First-Time Homeowners Credit</th>
<th>Homeowners Post-Purchase Tax Credit</th>
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</thead>
<tbody>
<tr>
<td>80% AMI</td>
<td>All Tax Filers</td>
</tr>
<tr>
<td>Three Years Prior – No Homeownership</td>
<td>$1200 Flat Credit</td>
</tr>
<tr>
<td>$6000 Maximum</td>
<td>Available Annually</td>
</tr>
<tr>
<td>5% Purchase Price - Homes Valued at $60,000 or Less</td>
<td></td>
</tr>
<tr>
<td>Refundable</td>
<td></td>
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<tr>
<td>Can Take Only Once – During Tax Filing Season Following Purchase</td>
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2020 Advocacy Goals

- Comprehensive introduction in Congress
- June National Homeownership Month event
  - Similar event in your state?
- Field engagement and education
  - What would be helpful for state advocates?
- 2020 win: Additional cosponsors
Discussion Questions

1. Which parts of this proposal interest you the most?

2. What housing proposals are being considered in your state?

3. Have any candidate housing proposals piqued your interest?
Fair Housing and Manufactured Housing: What to Expect in 2020

Doug Ryan
Senior Fellow, Prosperity Now
Proposed changes to the Community Reinvestment Act

• Comments due March 9 – Very brief period

• Drafted by OCC and FDIC – Federal Reserve is not on board

• Banks could ignore up to half their assessment areas

• Favors large loans over small-dollar loans – hamstringing local credit needs

• Opportunity Zones and other safe harbors dilute community role
Proposed changes to the Community Reinvestment Act (continued)

- Low- and moderate-income definition is muddled

- CRA dollars would flow to non-LMI projects

- Essentially eliminates the retail services test – undercutting efforts to serve the under- and unbanked

- Prosperity Now will circulate sign-on letter by end of month, or

- Comment here
Proposed changes to Affirmatively Furthering Fair Housing Rule

• Comments due March 16 – Yet another very brief period

• Effectively eliminates the requirement that localities and PHAs analyze the barriers to fair housing

• Focuses on income and affordability – not protected classes

• Rule is effort to undercut labor, efficiency and other rules unrelated to the Fair Housing Act
Proposed changes to Affirmatively Furthering Fair Housing Rule (continued)

- Ranks localities on supply, affordability and other issues, not fair housing
- Considers outcomes of court and administrative law cases
- Eliminates meaningful public input opportunities
- Prosperity Now will circulate sign-on letter by end of month, or
- Comment here
Proposed changes to Affirmatively Furthering Fair Housing Rule (continued)

- CRA and AFFH rules follow trend
- Weak 2018 disparate impact rule
- HUD fair housing cases are down
- CFPB referrals to DOJ for fair lending violations have evaporated

![Graph showing CFPB fair-lending referrals to DOJ](National Mortgage News, January/February 2020)
Manufactured Housing Community Preservation Act (HR5547)

- Introduced by Reps. Axne (D-IA) and Khanna (D-CA)
- Requires long-term security
- Grants up to $1 million
- Match required
- Available to all types of buyers
Audience Q & A

What questions do you have?

Share them in the Questions box!
Stay in Touch!

**Anju Chopra** | Senior Policy Manager  
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**Vanna Cure** | Senior Advocacy Manager  
✉️ vcure@prosperitynow.org

**Doug Ryan** | Senior Fellow  
✉️ dryan@prosperitynow.org
Next Steps and Wrap Up

Vanna Cure
Senior Advocacy Manager
Prosperity Now
Next Steps

▪ Please complete the survey!

▪ Attend our next webinar in the series on Feb. 18th for a discussion on our Financial Security priorities!

▪ Explore new state and Congressional district Scorecard data: https://scorecard.prosperitynow.org/

▪ Visit our online Advocacy Center at https://prosperitynow.org/take-action
Thank You!

Please complete our survey and we’ll see you Feb. 18 for our next webinar!