



HOMELESS NO MORE

putting families first

On August 26, our President & CEO, Dr. Lila Anna Sauls, was one of four individuals asked to present to the Acting Comptroller of the Currency, the administrator of the federal banking system in the United States, Michael J. Hsu, during a visit to South Carolina hosted by the SC Association of Community Economic Development (SCACED), on which Dr. Sauls also serves on the board.

The meeting, held in Charleston, was Mr. Hsu's only visit to South Carolina as his agency begins to fine tune proposed changes to the Community Reinvestment Act (CRA). The CRA, in short, is a 1977 federal law, updated last in 1995, which requires banking institutions in the US to participate in investment, lending, and service activities that meet the credit needs of communities in their region(s) - particularly in low to moderate-income communities, small businesses, and farms.

As a leading service provider for the families experiencing homeless in South Carolina, as well as a unique nonprofit developer of affordable housing, Homeless No More was asked to share our insights into how the CRA can be improved through our unique lens and help provide systemic solutions to homelessness and housing. Additionally, Homeless No More has not only been a recipient of CRA grant funding for financial literacy and other outreach programs, but we have also had to navigate the lending side of the CRA due to our role as a developer of affordable housing.

There are four key changes to the CRA that Homeless No More has identified which would help create better, and more, affordable housing opportunities that meet the needs of many communities where there is little to no public investment into housing, and private developers must work within the financial marketplace to provide options.

1. **Capacity Building & Education for Rural/Small Organizations**
Agencies, and banking institutions, should make a concerted effort to help small and rural organizations to navigate the financial system's labyrinth of regulation and opportunities.
2. **Incentivize "Junior Partner" Programs**
Using the CRA, developers can sometimes get "rate breaks" in their interest rates - one of these breaks should be for including smaller developers and organizations as "junior partners" on projects, creating a mentorship-like program while also getting capital to key target groups intended under the CRA. This would also empower entities closer to the community to take action and work to solve their hometown's needs.
3. **Smaller Developments & Rehabilitation Projects**
In the CRA, banks are currently incentivized to focus on scale and new construction. We need to provide accessible capital to entities looking to do smaller projects in communities. Transformation is relative to the community you serve - sometimes a 10 home project in rural South Carolina can have just as much as an impact as a 100 unit building in a large city.
4. **Make Grants, Not Just Loans**
Outside of existing grant programs that focus on programs and operational support for nonprofits, investments in affordable housing should come not only through loans to those communities, but also through grants.

Homeless No More will continue to monitor updates to the CRA, and advocate for these and many other changes that will make capital more accessible to communities that need investment, and that there is a focus on making housing possible for families who need it.