



RHD Rural Delivery

New York State Rural Housing Coalition, Inc.

March, 2004

HUD Announces \$31.3 Billion Budget For FY 2005

President Bush's proposed budget for fiscal year 2005 includes \$31.3 billion for the Department of Housing and Urban Development. The spending plan continues to emphasize HUD's commitment to promote affordable housing, strengthen communities and increase home ownership across America.

In releasing details of the funding request, Acting Secretary Alphonso Jackson said the budget blueprint will continue to provide high levels of support to thousands of local programs that house and serve the nation's homeless.

"These are times for hard choices, yet this budget shows just how committed this Administration is to the people and places who need help," said Jackson. "Whether it's promoting home ownership and affordable housing or serving our most vulnerable citizens, the resources we are requesting signal a strong investment in neighborhoods throughout America."

President Bush remains committed to increasing home ownership, particularly among minority families. Census data continues to show that while nearly 70 percent of all American households own their own homes, less than half of African-American and Hispanic families are homeowners. Intent on closing this "home ownership gap," President Bush announced "America's Home

Ownership Challenge," committing the nation to adding 5.5 million minority homeowners by the end of the decade. In fact, more than 1 million new minority homeowners were created in the United States since June of 2002 when the challenge was issued. The budget proposal includes the following initiatives to increase home ownership and affordable housing opportunities for low-income Americans:

- **Zero Down payment Mortgage.** HUD is seeking legislation to offer a new No Down Payment mortgage product to help an estimated 150,000 families a year to purchase their first home. Currently FHA requires at least a three percent down payment.

- **American Dream Down Payment Initiative.** For the third consecutive year, the President's spending plan includes \$200 million for the American Dream Down Payment Initiative to help tens of thousands of low-income families a year to become first-time homeowners.

- **HOME Investment Partnerships Program (HOME).** HUD is proposing more than \$2 billion for the HOME program to be allocated to 630 state and local governments. HOME funds support production of affordable housing by financing the cost of land acquisition, new construction, rehabilitation, down payment assistance and rental subsidies.

- **Housing Counseling.** The spending plan includes a record \$45 million to support 550,000 families with home purchase and home ownership counseling and about 250,000 families with rental counseling.

- **Flexible Voucher Program.** HUD is proposing sweeping reform of the nation's rental assistance voucher program that will allow public housing authorities (PHAs) to set rents using local rental market data.

- **Flexible Voucher Program - Homeownership.** HUD is also encouraging local housing agencies to use rental assistance vouchers toward moving low-income families into homeownership. The housing agencies may either provide mortgage assistance in lieu of a rental subsidy or offer families a one-time down payment grant equaling up to one-year's worth of their rental assistance.

- **Single-Family Affordable Housing Tax Credit.** To stimulate the production of affordable homes in distressed communities where such housing is scarce, the Administration will again propose a tax credit of up to 50 percent of the cost of new construction or rehabilitation. This tax credit targets low-income households earning less than 80 percent of an area's median income.

For more on the proposed budget, see www.hud.gov/news/release.cfm?content=pr04-010.cfm.

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Rural Delivery is published by the New York State Rural Housing Coalition, Inc. a nonprofit membership organization. The Coalition is a statewide membership organization dedicated to strengthening and revitalizing rural New York by assisting housing and community development providers. Rural Delivery has a distribution of 255 copies per issue.

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Bits and Pieces...

Save the Date!

The Supportive Housing Innovations Conference will be held in San Diego, California from March 17-19, 2004 at the Red Lion Hanalei Hotel. This conference will bring together experts in the supportive housing field to discuss innovative practices in program design and operations, financing and housing development, creating rental assistance programs, organizational development and management, and policy advocacy strategies. Speakers will present on cutting-edge issues such as leveraging state and mainstream resources for supportive housing, addressing chronic homelessness, creating partnerships between housing developers and service providers, and community acceptance strategies. Executive and senior staff of supportive housing, housing development and social service organizations as well as advocates and government representatives will find the conference of interest. For Conference Registration, call the Center for Urban Community Services (CUCS) at 800-533-4449. For hotel reservations, go to www.hanaleihotel.com (password CUCS2004) or call 800-882-0858 (mention CUCS). This conference is sponsored by the Housing Innovations Partnership with support from the U.S. Department of Housing and Urban Development.

LISC Has Moved

The national headquarters of LISC have moved. The new address is 501 Seventh Avenue, New York, NY 10018. The phone number has not changed. LISC can still be reached at (212) 455-9800.

Preservation Conference In Saratoga

Saratoga Springs will be the site of a conference on historic preservation on the weekend of March 12th and 13th. The conference, to be held at Skidmore College, is themed "Creating Liveable Communities and Fostering Historic Preservation". Workshops will include 'Preservation Solutions for Communities', 'Introduction to Historic Preservation Law', 'Small Projects, Big Impact', and case studies from around the state. The keynote speaker will be Roberta Brandes Gratz. For more information call (518) 587-5030, or visit the website at www.saratogapreservation.org.

HUD Proposes Rule To Remedy Nonprofits' Defaulting On Mortgages

HUD's Office of Housing is inviting comment on a proposed regulation to change the way nonprofit organizations participate in Federal Housing Administration (FHA) single-family mortgage insurance programs.

The proposed regulation would require nonprofits that get FHA financing for "10 or more properties in a Federal fiscal year to prepay at least 80 percent" of the "total number of FHA-insured mortgages" by the end of the next fiscal year, the Office of Housing stated in a recent Federal Register.

Nonprofits would not be allowed to get "FHA insurance for mortgages" for "single-family properties with more than 2 living units" under the proposed regulation, and there would be additional underwriting requirements on such properties.

The proposed rule would "codify the existing practice" the Office of Housing uses to approve nonprofits' participation in single-family mortgage insurance programs. The existing process includes verifying that an organization has held tax-exempt status for 2 years and has "2 consecutive years of housing development experience within the previous 5 years."

The Office of Housing explained in the Federal Register that the proposed regulation is needed because "nonprofit organizations have significantly higher default rates than other program participants."

The deadline for comment on the proposed rule is April 13, 2004.

House Passes Bill To Promote Energy Efficiency In Homes

The House of Representatives passed HR 3724 on February 3rd. This bill promotes energy efficiency in housing by raising the FHA mortgage limits on housing developments that promote energy efficiency. The bill was introduced by Chris Shays (R-CT), and has been referred to the Senate Banking, Housing, and Urban Affairs Committee.

Preliminary information about the 2004 Rural Housing Coalition Conference in Binghamton is available on our website, including lodging reservation information.

Feel free to check it out at www.ruralhousing.org.

See you in Binghamton in October for our Silver Jubilee Conference!

Wisconsin City Adopts Inclusionary Zoning

The City of Madison, Wisconsin adopted an Inclusionary Zoning Code in late January, becoming the second city in the midwest to do so. The measure, sponsored by Mayor Dave Cieslewicz, will increase the number of housing units affordable to working class families. Developers of rental projects of 10 units or more that require rezoning will be required to provide affordable units. Mayor Cieslewicz believes that the ordinance could serve as a national model.

The ordinance was opposed by local business interests that claimed that it was tantamount to rent control, which is illegal under Wisconsin laws. Mr. Cieslewicz countered that it does not equate to rent control because the inclusionary provisions are triggered by the developer's request for a zoning change.

For more information, contact Mayor Cieslewicz at mayor@cityofmadison.com.

HUD Unveils Online Energy Savings Evaluation System

Your clients' remodeling projects just got easier. Increasing energy efficiency lowers utility bills and is good for the environment but until now, it has been difficult for them to evaluate their options and balance savings from increased energy efficiency against their remodeling budget. HUD has now developed the Energy Efficient Rehab Advisor in cooperation with the ENERGY STAR program. In 6 clicks this web-based tool will give them cost effective recommendations for increasing the en-

ergy efficiency of any rehab project they are considering. These recommendations are based on the building type, location, and specific rehab project-and they are free!

After you discover how your clients can cost effectively reduce operating costs and include energy efficiency as a facility management strategy, spend a little more time and explore the other resources we have put together for you to share and pass on. For more information, check in at <http://rehabadvisor.com>.

Watch your mail for information on the Rural Housing Coalition's upcoming Spring training series.

IRS Permits Electronic Filing Of Credit Allocation Certification

In a notice published in the Federal Register on January 27th, the Internal Revenue Service announced that prior prohibition on electronic filing of Form 8609, Low-income Housing Credit Allocation Certification, has been eased. The IRS has amended 26 CFR Part 1 to allow taxpayers to file this form electronically. For more information, see www.access.gpo.gov/su_docs/fedreg/a040127c.html.

Save The Date

The 2004 New York State Quality Communities, Quality Coasts, and Smart Growth Conference will be held in Albany on May 25th and 26th. The conference will be at the Empire State Plaza.

The conference program will include workshops on the 'how to' of smart growth and downtown revitalization, as well as a business trade show and community showcase.

For more information and conference updates, go to www.dos.state.ny.us.

Upcoming Grant Workshops

Zocklein & Associates will host workshops on grantwriting in Rochester on April 21st and 22nd and in Poughkeepsie on May 5th and 6th. Attendees may take either a one day or 2 day course. The cost is \$199 for the 1 day session and \$299 for the 2 day session. For more information, visit www.zockgrant.com, or call (800) 371-5703. Zocklein & Associates has offered grant writing training nationwide since 1995.

Federal Commission On Financial Literacy Meets For First Time

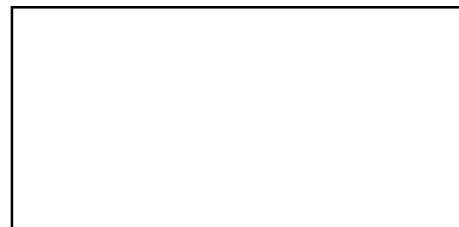
A new, high-level, interagency panel is working to improve the financial literacy of Americans struggling with credit problems.

Chaired by U.S. Secretary of the Treasury John Snow, the Financial Literacy and Education Commission will work to encourage Government and private-sector efforts to promote financial literacy and will coordinate financial education efforts of the Federal Government, including the identification and promotion of best practices. The Commission is comprised of the leaders of 20 Federal departments (including HUD), agencies, and commissions.

At the Commission's first meeting on January 29th, the members formed subcommittees to engage in two activities: setting up a toll-free call center for financial education and starting a financial education Web site to serve as a central clearinghouse for citizens in search of financial education information and programs.

The Commission was authorized by Title V of the Fair and Accurate Credit Transactions Act, which was signed by President Bush on December 4, 2003.

The Treasury Department's Office of Financial Education was designated by Congress to lend its expertise and help the Commission fulfill its functions and duties. The Web site for the Office is <http://www.treasury.gov/financialeducation>.



Dutchess County Executive Calls Upon Business Community To Help Remedy Housing Problems

Dutchess County Executive William Steinhaus called for the creation of a "Workforce Housing Coalition" to address the rapid increase of housing costs in early February at a meeting of the Greater Southern Dutchess Chamber of Commerce. Dutchess County has experienced a tremendous increase in home prices in recent years. Mr. Steinhaus noted that "all of us desire to see adequate housing supply so that nurses, teachers, day-care workers and store clerks can afford to live close to work."

"I'm hopeful that the Chamber will become closely involved in this effort," said Steinhaus. The County Executive singled out several initiatives as good examples worth replicating, including the use of density bonus incentives for developers in the Town of East Fishkill that include affordable units. Fishkill has a law encouraging development of affordable senior housing, according to published reports.

"I am hopeful that you believe as I do that we cannot sit idly by while the young adult population of the county is forced to look outside our borders for a place to live," stated Steinhaus. He singled out two projects developed by Community Services Program, the RPC in southern Dutchess, Meadow Ridge and Meadow Ridge II, as good examples of affordable housing that addresses the problems facing the county.

For more information on the Meadow Ridge projects or other developments of CSP, contact Peg O'Leary at csphvhdfc@aol.com.

Career Opportunities

Urban Analyst

A unique opportunity exists for an URBAN ANALYST / CRA ANALYST to work in our Community Affairs Unit. 3 positions are available (2 Urban Analyst 3 and 1 Urban Analyst 4). Use your expertise to evaluate the CRA performance of supervised institutions, set up conferences and promote community development/financial education through outreach to community-based organizations and financial service providers. Involves some travel within NYS. Strong writing and computer skills required. CRA experience preferred. Minimum qualifications for the *Urban Analyst 3* position is: BA/BS degree with 24 credits in urban planning, city & regional planning, economics, public administration, business administration, or political science; and 2 years of post BA/BS experience in a State/municipally supported community-based organization performing research, planning, administration, or analysis of community preservation and economic development programs focusing on the preservation, revitalization, and development of low to moderate income areas. Substitution: A Masters degree in urban, city or regional planning, economics, public administration, business administration, political science or a Juris doctor degree may substitute for one year of the experience. For the *Urban Analyst 4* position you need one additional year of post BA/BS experience. Salary: Urban Analyst 3: \$53,104 - \$65,388 plus \$1,200 NYC Location Pay; Urban Analyst 4: \$65,662 - \$80,235 plus \$1,200 NYC Location Pay.

To apply: send your resume to: Joanne McAuley, NYS Banking Department, 1 State Street - 2 Floor New York, NY 10004-1417. E-mail: joanne.mcauley@banking.state.ny.us. Fax #: (212) 709-5450. www.banking.state.ny.us. EOE

Executive Director

Western Catskills Community Revitalization Council Inc. seeks candidates for the position of Executive Director. Western Catskills CRC Inc. is based in Stamford, New York and has been serving the housing and community development needs of eighteen townships in Delaware, Greene, and Schoharie counties since 1981.

The Executive Director's responsibilities include supervision of a staff of five, grant writing, development of diverse funding sources, working with State and Federal funding sources such as NYS Division of Housing and Community Renewal, NYS Affordable Housing Corporation, NYS Housing Trust Fund Corporation, Governor's Office for Small Cities, NYS Rural Development, USDA Rural Housing and Economic Development, and others. Additionally carry out the contractual work programs, including research and analysis, interpretation, writing, and presenting information on a wide variety of programs/projects. This includes organizing and facilitating grassroots activities, representing the organization at local meetings, working with the Townships, Villages, Hamlets, and Organizations within the Western Catskills service area, attending regional events, and acting as liaison to the Board of Directors.

Qualifications: a Bachelors Degree in Business or Economic Development or five years experience in related fields. Demonstration of project management, writing, and communication skills required.

Please send letter of interest, resume, and writing sample to John E. Wright, Executive Director, Western Catskills CRC Inc., 125 Main Street, Box A, Stamford New York 12167. Interviews will begin in mid march of 2004. (Mark envelope Confidential). EOE

The New York State Rural Housing Coalition is happy to be able to provide help wanted advertising opportunities for our members and non-profit community development agencies. Ad copy must be provided in Microsoft Word format, and may be transmitted by email to rhc@ruralhousing.org. Ad copy must comply with federal and state equal opportunity requirements to be published, and must be received by the 25th of the month to ensure placement in the succeeding issue of *Rural Delivery*. Ads provided in this fashion will also be posted in the Career Opportunities page of the Coalition's website, unless a request is specifically made not to place the advertisement on-line.

Director of Economic Development

ROI is currently looking for a Director of Economic Development (DED). ROECI, a not-for-profit affiliate of ROI, has been certified by the US Department of the Treasury as a Community Development Finance Institution (CDFI) and as a Community Development Entity (CDE) for purposes of the New Market Tax Credit program.

This position is highly challenging and will require someone who is a self-starter, has an attention to details, can keep a focus on our mission and will be able to maintain and enhance the collaborative and funding relationships that are in place. Candidates must be capable of "visionary" thinking as we move forward to grow our economic development program in both scope and geography.

Viable candidates will have experience in business finance, program administration and personnel supervision. Experience working in a non-profit environment is a "plus", but not required.

The DED will directly supervise the Deputy, Economic Development and several loan officers. The DED is designated as the President of ROECI and is responsible for the development of an annual budget for the Economic Development Program and, in conjunction with the Sr. VP of HED, is responsible for securing the operating funds that are required to operate the program. Submit resumes to: lbeaulac@ruralinc.org or to: Lee Beaulac, Sr. VP, Division of Housing and Economic Development, ROI, 400 East Avenue, Rochester, New York 14607. EOE

Pratt Institute To Offer Workshop On Collaboration

Pratt Institute will host a workshop on Organizational and Leadership Development: Building Collaboration on March 10th. The workshop will begin at 9:30 AM and conclude at 4:30 PM. The workshop will be held at the Pratt Institute Manhattan Center, 144 West 14th St., Room 706, New York City.

We often find ourselves involved in collaborations and coalitions or looking to collaborate with other groups and agencies. Unfortunately, it is rarely a positive experience. This course will focus on how to build collaborations that really work. The session will tackle the hard stuff including how to deal with turf issues and

hidden agendas, structuring a collaborative to maximize participation and “buy-in,” as well as how to identify and clarify roles and responsibilities. The training will go light on theory and heavy on practical ways to create successful, functioning collaborations.

This training will be repeated on June 2nd. For more information, visit www.picced.org/lowres/dycd.html, or contact Katie Taylor at (718) 636-3486. Email to: PICCED@Pratt.edu. Enquire regarding course fees.

Pratt is also offering a course on strategic planning on May 5th and May 26th.

DHCR Seminar Series

The goal of the first seminar is to expand the capacity of nonprofits to identify and plan projects that are suitable for DHCR/HTFC’s initiative to fund smaller rental projects. The seminar will address the development process, requirements for being successful as a developer, selecting and managing the development team, choosing good projects, and conducting basic financial feasibility analysis. It will set the stage for upcoming seminars on rental housing finance and ongoing property management and compliance. The trainer will be Monte Franke. The trainings will take place in the Capital District on March 11th; Buffalo on March 17th; Syracuse on March 18th; and New York City on March 25th. For info, visit: www.dhcr.state.ny.us/ocd/apps/seminar/seminar_intro.asp.

Visit Our Website At WWW.ruralhousing.org

Don't Be A Victim Of Phone Hacking

Compasspoint recommends that agencies protect themselves from phone hackers stealing service: have secure unusual passwords that are changed regularly, restrict international calling with your phone company, and have your phone vendor restrict international calls within your phone system. This will help avoid excessive phone bills that have been experienced by some agencies over the past 2 years. For more tips, visit www.calling-plans.com/voice-mail-fraud.html.

USDA Applications For Energy Savings Due

Applications for the USDA's 'Assistance to High Energy Cost Rural Communities' program are due on March 5th. This program provides grant funds for projects to support a broad range of energy facilities, equipment and related activities to offset the impacts of extremely high residential energy costs on eligible communities.

This program is administered by the Rural Utilities Service of USDA, and is designed to serve communities where the average residential expenditure for home energy is at least 275% of the national average. Eligible applicants include municipalities, non-profit agencies, and tribal entities. No matching funds are required for this program, although matched funds will improve competitiveness of proposals.

For more information, contact the Rural Utilities Service, USDA, South Building, 1400 Independence Avenue, SW, Washington, DC 20250, or email: energy.grants@usda.gov.

Tenant's Rights Manual Published

The third edition of the National Housing Law Project's *HUD Housing Programs: Tenants' Rights*, will be released in March. The manual was researched and written by NHLP staff attorneys as well as outside contributors, and explains and analyzes all applicable laws for representation of tenants assisted under HUD programs. The third edition is updated with recent changes from Congress, HUD, and the courts.

The manual covers public housing, project-based Section 8, Housing Choice vouchers, and HUD-subsidized mortgage programs. It has comprehensive chapters on issues such as admissions, rents, maintenance, leases, security, management and tenant participation.

The third edition of *Tenants' Rights* includes a bonus CD-ROM with the texts of many documents referenced in the manual but not available on the web.

To order a copy of the manual, visit the National Housing Law Project at www.nhlp.org, or call (510) 251-9400, ext. 108, or email to kcludio@nhlp.org.

Advisory Committee On Homeless Vets To Meet In DC

The Advisory Committee on Homeless Veterans will hold a public meeting in Washington, DC, this March 22nd to 24th for the purpose of compiling recommendations for the U.S. Secretary of Veterans Affairs. There will not be an opportunity for oral testimony, but the public may submit written comments. For more information, contact Pete Dougherty, Committee Manager, at pete.dougherty@mail.va.gov.

Enterprise Foundation To Reward Achievements In Community Development

If you think your community-based or regional nonprofit organization has an exceptional record for developing housing for low-income families, then you should consider applying for the 2004 Jim and Patty Rouse Award.

The Enterprise Foundation says the award program seeks "to broaden understanding of success in community development by disseminating best practices by nonprofit organizations and to provide unrestricted funds to deserving organizations." The Jim and Patty Rouse Award comes with a \$5,000 grant. Only one or two awards are given out each year. The application deadline is April 5. Applications are available from the Foundation's website at www.enterprisefoundation.org.

CD Venture Capital Subject of NYC Conference

The Community Development Venture Capital Association's Annual Conference, held this year in Times Square from March 3rd to 5th, is the premier training and networking event for anyone interested in community development venture capital. The opening session will include a thought provoking panel presentation and discussion on CDVC's place in the larger economic environment and the role it can play in generating real economic opportunities. A one-day Introduction to Community Development Venture Capital will precede the conference. For info, visit www.cdvca.org/.

Fannie Mae Exceeds Low/Mod Goals

Fannie Mae, the nation's largest source of financing for home mortgages, announced earlier last month that, in an historic year for refinancing, it exceeded the Department of Housing and Urban Development's (HUD's) statutory goals in 2003, and also exceeded its corporate lending goals. Preliminary results show that last year, more than 51.8 percent of the company's business went to serve 4.5 million low- and moderate-income families, 32.0 percent served 2.8 million families living in underserved areas, and 20.9 percent served 1.8 million very low-income families and low-income families living in low-income areas.

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 requires Fannie Mae to meet annual percent-of-business housing goals established by HUD for three categories: low- and moderate-income, underserved, and special affordable.

"Fannie Mae exceeded our affordable housing goals because minority and lower-income Americans are the core of our mission-driven business," said Franklin D. Raines, Chairman and Chief Executive Officer of Fannie Mae. "By joining with our partners to bring our low-cost, consumer-friendly home financing to people and places typically overlooked, Fannie Mae continues to devote over half of our total business to lower-income families."

Fannie Mae also set a voluntary goal of leading the mortgage market in serving minorities, and last year financing for minority families increased to record levels. In 2003, the company financed over \$246 billion in loans to more than 1.64 million minority families. This was an 81

percent increase in financing over the previous record set in 2002, and an increase of 67 percent in the number of families served.

The company financed nearly \$44 billion in loans to nearly 350,000 African American families last year, an 82 percent increase in financing and 64 percent increase in families served over 2002. It financed nearly \$91 billion to over 656,000 Hispanic families in 2003, a 79 percent increase in financing over the previous year and a 66 percent increase in the number of families served.

While Fannie Mae's lending overall in 2003 increased by 205 percent when compared to 1993, the company's service to African Americans increased by 434 percent, to Hispanics by 470 percent, and to minorities overall by 363 percent in that same timeframe. For 2003, Fannie Mae exceeded the regulatory goals in each category. Preliminary results for Fannie Mae's 2003 business activity shows that:

- low- and moderate-income households (those with incomes less than or equal to 100 percent of an area's median income) represented over 51.8 percent of the units the company financed compared with a HUD goal of 50 percent for the year;
- underserved areas accounted for over 32.0 percent of the units that Fannie Mae financed; the company's HUD goal was 31 percent for the year; and
- special affordable housing (low- and very low-income households living in both single-family and multifamily residences) accounted for

20.9 percent of total units financed in 2003, exceeding the HUD goal of 20 percent. Fannie Mae delivered \$11.6 billion in multifamily special affordable financing against a HUD goal of \$2.85 billion.

Fannie Mae further reported that of the low- and moderate-income units it financed last year: 68.3 percent went to those with incomes at or below 80 percent of their area's median income; 34.9 percent went to those with incomes between 60 and 80 percent of the median; and 33.4 percent went to those with incomes at or below 60 percent of the median.

Fed Chairman Calls For Increased GSE Oversight

In testimony before the Senate Banking Committee on February 24th, Federal Reserve Chairman Alan Greenspan called for reforms in the operation of Freddie Mac and Fannie Mae, and stated that he supports the creation of a new government agency to replace the Office of Federal Housing Enterprise Oversight, and more effectively supervise the two corporations. The new regulator should have powers similar to federal banking regulators, including the authority to set minimum capital standards.

Together, Fannie Mae and Freddie Mac back three fourths of all single family mortgages in the nation, representing \$4 trillion in home debt. Greenspan noted that this portfolio does not currently represent a threat to the financial system, but warned that it could down the road if the explosive growth in debt held by the two GSE's is not restrained.