

A Guide to HOME's 2009 Policy Priorities



Better Lives Through Housing Policy



Ensuring equal access to housing for all people.



Dear Virginians,

HOME is pleased to present our current policy priorities, which housing advocates and community leaders across the state helped shape and inform.

HOME's mission is to ensure equal access to housing for all people. Traditionally, HOME has worked toward the achievement of this mission one person at a time, through services such as housing counseling and financial assistance, as well as a range of fair housing services. Many people have been helped and many lives have been changed as a result of this focus on individuals, but the larger issues affecting equal access to housing have remained intractable. Countless Virginians still face barriers to housing choice not of their making and not within their power to resolve.

Policy improvements are essential to the success of our mission. Broad, sweeping, strategic changes at the state level can improve the lives of hundreds of thousands of Virginians. Even one piece of legislation can have a far-reaching impact.

Housing is not simply shelter. Where you live makes a difference in the quality of your life, what kind of schools your children will attend and the opportunities they will have, the kinds of jobs that will be open to you, and whether or not your investment will grow. Yet the barriers to housing choice are complex and deeply ingrained in our society, and will not be dismantled by solving only one individual problem at a time.

We hope this ambitious set of policy priorities can help guide and educate you on the steps we can take together to move towards fair housing across the Commonwealth. We invite you to join with HOME in advocating for yourself, your neighbors, your community, and your fellow Virginians to make equal access to housing a reality for all people.

Your partners in housing advocacy,



Connie Chamberlin,
President and CEO



Helen O'Beirne, Director,
Center for Housing Leadership

2009 Policy Priorities

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For more specific information on each of these priorities, including detailed policy briefs, action alerts, and a real-time bill tracker, please visit our website throughout the year at www.phoneHOME.org. Click on "Policy Action Center" for the latest policy information.

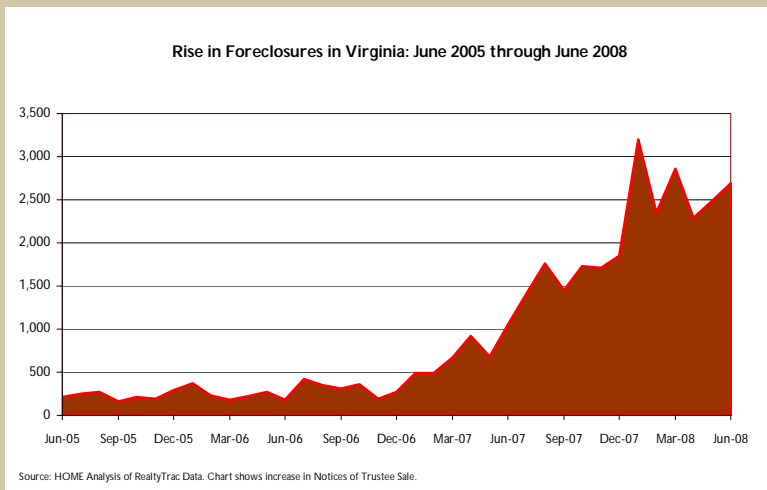
Fair Lending

Unfair, deceptive, and abusive lending practices are more than a newspaper headline, they are a pervasive problem affecting every community in Virginia.

Foreclosures affect us all – the family facing near financial ruin; neighbors who confront falling property values and vacant, blighted houses on their blocks; local governments that lose an important part of their tax base; and communities that may be forced to choose between reduced services or increased tax rates.

The current wave of foreclosures in Virginia is the result of many causes. One of the most prominent is the high percentage of failed loans in the subprime market. Many of these loans were originated by brokers who sold borrowers high cost loans rather than the prime loans for which they qualified because the broker got a larger commission as a result.

HOME applauds federal efforts to enact stronger consumer protections in the mortgage market on a national level, especially the Federal Reserve's amendments to the Truth in Lending Act published in June 2008. Several provisions of the new Rule address issues that HOME identified in last year's policy



priorities and brought to the General Assembly, including ability to repay, prepayment penalties, verified income, and escrowed taxes and insurance for high interest mortgage loans.

However, some of the causes of the foreclosure crisis remain unaddressed. Lawmakers in Virginia should take additional actions to promote and preserve homeownership in the Commonwealth.

Mortgage Broker Accountability

Virginians should be able to trust that their interests are fairly represented. Mortgage brokers who exploit the illusion of trust from their borrowers give a bad name to brokers who conduct business with skill, care, and diligence. Most mortgage brokers are honest individuals who take their profession and their clients seriously. However, honest brokers cannot successfully compete with dishonest colleagues who profit from deception and fraud by selling inappropriate loans.

HOME supports increased duties for mortgage brokers licensed in Virginia, which would lead to greater accountability and responsibility to the borrower. Other licensed professionals, such as lawyers, real estate agents, accountants, stock brokers and trustees have similar codified duties to their clients. Mortgage brokers in Virginia should be held to this standard as well.

“ *If a broker asserts or acts in a manner that indicates that he or she is shopping for the borrower, the broker should be subject to the duties of agency [fiduciary responsibility]. This would clarify that a broker is acting on the borrower’s behalf and has an obligation to act in the borrower’s best interests.* ”

*Mortgage Bankers and Mortgage Brokers:
Distinct Businesses Warranting Distinct Regulation*

Mortgage Bankers Association (May 2008)

Foreclosure Process Reform

Foreclosures in Virginia happen more rapidly than in most other states. In Virginia the typical foreclosure takes less than two months, and borrowers must be informed of a foreclosure sale just fourteen days in advance. Unlike most states, in most cases a borrower cannot delay the foreclosure while attempts are made to work out the loan with the lender.

HOME supports judicial foreclosures in Virginia to create additional opportunities to keep families in their homes as well as a reliable record of foreclosure proceedings. Because we recognize the goal of judicial foreclosures will take a long time to achieve, there are other procedural safeguards we should pursue in the meantime.

The creation and expanded use of the secondary market has made it harder to track who owns a Deed of Trust, as they are packaged and sold repeatedly up the financial chain. There are increasing instances of foreclosure in which it is unclear what entity is foreclosing and whether or not they actually have a right to do so. HOME supports a duty for the trustee (who facilitates the foreclosure) to make sure the foreclosing lender owns the Note and has the right to foreclose.

Similarly, it can be very difficult for a local government to determine who owns the property after a foreclosure occurs. This problem can prevent localities from taking advantage of programs and funding that will allow them to purchase, rehab, and resell foreclosed properties, leading to longer vacancies, increased blight, and continued erosion of the tax base. HOME recommends a foreclosed property registry maintained by each locality to which all foreclosing entities must report foreclosures.

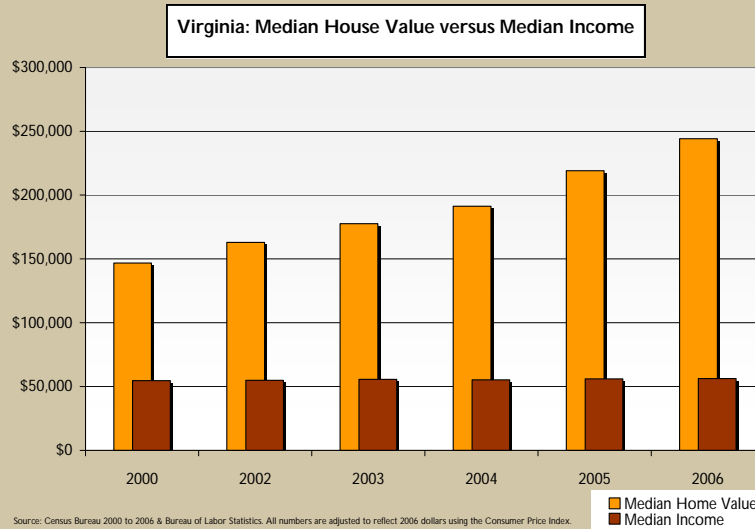


Affordable Housing

Rising housing costs continue to climb faster than incomes at an alarming rate. From 2000 to 2006, median household income in Virginia only increased by 3%, while median house value increased by over 66%. Virginians continue to struggle to afford the dream of homeownership.

A lack of affordable housing has a negative impact on Virginia's families and communities. Many workers must live far away from their jobs which in turn creates congested roadways, increases pollution, and limits the time people have to devote to their families and their communities. Business leaders acknowledge that a lack of housing choices limits productivity and can have an adverse effect on the local and state economy.

Affordable Housing



Virginia Housing Trust Fund

As the rising cost of housing has become a national concern, 39 states and the District of Columbia have already established housing trust funds. In 1989, the Virginia Housing Partnership Fund was codified and allocated \$20 million per year to support affordable and workforce housing. During its first six years, even with declining appropriations, the Partnership Fund produced 11,600 affordable rental units, shelter for 1,050 homeless and special needs individuals, and financing for 1,800 first time homebuyers. However, the Fund did not have a dedicated source of revenue and in 1996, funding dried up completely.

Renewing the Virginia Housing Trust Fund with a dedicated source of revenue would allow the Commonwealth to invest in its future by bringing the cost of housing back within reach. Capitalized annually with a dedicated source of revenue, the Trust Fund would address the diverse needs of Virginia's inner cities, suburbs, and rural areas. By committing to a stable source of long-term funding, Virginia can ensure that future generations will have more access to safe, decent, affordable homes.

Inclusionary Zoning

All Virginians should have affordable housing choices in neighborhoods with a mix of people and incomes, and that give them access to quality schools and employment. Affordable Dwelling Unit (ADU) zoning ordinances can be a valuable tool for local governments to ensure that the affordable housing needs of their communities are being met. HOME supports strong ADU enabling legislation and encourages localities to adopt their own ADU ordinances.

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By linking the production of affordable housing to private market development, [inclusionary zoning] expands the supply of affordable housing while dispersing affordable units throughout a city or county to broaden opportunity and foster mixed-income communities. (Policy Link, 2008)

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State Housing Policy

HOME supports the adoption of a formal housing policy for the Commonwealth that recognizes the interrelationship of housing to transportation, economic development, education, health, and human services. Such a policy is essential if we are to ensure that the housing needs of Virginians are met in a way which contributes to the overall economic and social health of the Commonwealth, and that the implications for housing are recognized in decisions made in other arenas.



“The interrelated challenges of housing affordability, sprawl, and transportation must be addressed if the Greater Richmond Area is to enjoy long term economic growth, vibrant and diverse communities, a healthy environment, and a strong quality of life for all citizens.”

Connections and Choices: Affordable Housing and Smarter Growth in the Greater Richmond Area
Southern Environmental Law Center and LISC Virginia

Fair Housing

Source of Income

Many landlords refuse to consider income from a variety of sources, even if the income is legal, reliable and well documented. Rejecting people on the basis of the source of their income can deprive the elderly, people with disabilities, veterans, women, and families with children of housing they need and for which they are qualified. HOME supports the addition of "source of income" to the protected classes in the Virginia Fair Housing Law. HOME also supports creating incentives through tax credits or other means for landlords in low-poverty communities to accept tenants with Housing Choice Vouchers.

Universal Design

Universal design is the design of products and environments to be usable by all people, including those with disabilities, without adaptation or specialized design. All residential construction that makes use of state or federal money should incorporate universal design features. Taxpayer dollars should not be spent on housing that excludes persons with disabilities.

National Origin

HOME opposes all efforts to limit occupancy in ways that would have an adverse impact on Virginia residents because of their national origin.



“Aside from the moral imperative and democratic ideals to create equitable environments for all people, demographic trends and societal demands create an economic incentive for universal design.”

– Louise Fontaine Ware, Former Director of the Virginia Department of Professional and Occupational Regulation



Fair Housing

Legislative Agenda Survey Results

Over the course of May 2008, 548 respondents from 86 localities across Virginia participated in our electronic Legislative Agenda Survey. The results are available in PDF on our website.

The table on the next page portrays the strength of responses to specific housing issues. To inform our legislative direction, HOME combined the results of both our Legislative Agenda Survey and second annual stakeholder event, Under One Roof. These initiatives help shape our focus – we learned what "on the ground" community advocates as well as opinion leaders and industry experts think are important issues in the housing arena.

Under One Roof Results

HOME's second annual Under One Roof event on July 17, 2008 hosted more than 40 participants for a half-day work session geared towards narrowing housing priorities and committing to common strategies to achieve them.

Advocates from the real estate, local and state government, anti-homelessness, for-profit and non-profit development, faith-based, corporate, academic, and financial communities came together to discuss pressing housing issues in their communities. By the end of the day, they categorized the universe of housing problems into the following main issue areas:

1. **Fair Housing**
2. **Sustainable Development Practices and Policies**
3. **Availability and Accessibility of Affordable Housing**
4. **Individual and Community Financial Accountability**
5. **Mortgage Lending**

The group then devised policy solutions for many of the problems that fell under each category. Many of these innovative ideas are included in HOME's Policy Priorities.



Under One Roof

% of Respondents who Agree or Strongly Agree	Questions
Affordable Housing	
69%	The cost of housing in my community has increased to a point where certain groups such as teachers, firemen and police officers have difficulty affording housing.
82%	Housing developers should be offered more incentives to provide affordable housing units.
79%	Building and maintaining affordable housing is an appropriate use of tax dollars.
Fair Housing	
39%	In your community, some families or individuals may encounter discrimination when trying to find safe and decent housing.
54%	Local zoning ordinances may place limits on the number of non-family members living in a household. It is inappropriate for government officials to enter a household in order to determine familial status.
78%	Landlords and property managers should not be allowed to turn away potential tenants based on how that renter would be paying for an apartment, such as with a housing voucher or social security income.
Fair Lending	
90%	Mortgage brokers should be required to offer the best and most appropriate loan product to a person borrowing money to purchase a home.
85%	A person should only be able to take out a mortgage loan if they are able to document their ability to repay.
86%	Adjustable rate mortgages (ARMs) are loan products that offer a low introductory interest rate for the first few years of a loan and then reset to a higher interest rate. It is unfair for an adjustable rate mortgage to charge a prepayment penalty before the reset date, thereby effectively "locking" the homeowner into the higher-interest ARM loan.

The 7 Stepping Stones to Equality:

- Eliminate Housing Discrimination
- Lower the Mortgage Default Rate
- Lower the Concentration of Poverty
- Reduce Segregated Housing Patterns
- Increase the Availability of Affordable Housing
- Increase the Homeownership Rates
- Eliminate the Racial and Ethnic Disparities in Homeownership Rates



Be Informed

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Take Action

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Tell Others



- Sign up for HOME's e-alert network
- Allow HOME to share your housing story
- Call or write your legislators on HOME's issues
- Invite HOME to speak to your church, civic association, or other community group
- Make a financial investment to HOME
- Attend HOME events
- Volunteer
 - join a committee
 - work in the office
 - advocate on HOME's behalf
 - help with events

How You Can Help

**For more information:
www.phoneHOME.org**

HOME's Center for Housing Leadership

Shelter is a fundamental human need, the building block for healthy families, and the cornerstone of economic and social stability and opportunity. However, many individuals and families are not able to reach their full potential because of the barriers that face them in finding and keeping the housing of their choice.

The Center for Housing Leadership at HOME creates change in the housing systems that drive economic, educational, and social opportunities. One of the major ways in which we work for such change is through policy advocacy.

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Our Mission:
*"Ensuring equal access to housing
for all people"*