



New Hampshire Housing

Bringing You Home

August 30, 2010

Department of the Treasury, Office of the Comptroller of the Currency
Docket ID OCC-2010-0011
Federal Reserve System
Docket No. R-136
Federal Deposit Insurance Corporation
RIN 3064-AD60
Department of the Treasury, Office of Thrift Supervision
Docket ID OTS-2010-0019

To Whom It May Concern:

The New Hampshire Housing Finance Authority (NHHFA) is offering its comments on the above-cited dockets, which concern the listed agencies' regulations governing procedures for assessing a financial institution's performance under the Community Reinvestment Act (CRA).

The Federal agencies' review of the effectiveness of the CRA is both welcome and timely. It is clear that there have been instances in which CRA regulations have imposed unnecessary barriers to what might be regarded as common-sense investments in community development projects that are highly aligned with the purposes of the CRA; these barriers can thwart financial institution's best efforts at meeting community needs.

We recommend that the regulators should define the LIHTC assessment areas as the state. This state designation better aligns CRA LIHTC investment capital with other state and Federal community development programs, including aligning with how tax credits are allocated through Qualified Allocation Plans.

While we recognize that there is some logic to using metropolitan statistical areas as the basis for CRA assessment areas, in an MSA that crosses state boundaries this may have the effect of siphoning off the potential investment in one state and directing it toward another. This would be especially true where one state contains a dominant urban core and its neighboring state is more rural, because LIHTC investors will tend to favor equity investments in larger, more urban developments, often at the expense of the smaller developments that are common in rural areas.

Although this may be cost effective for the financial institutions involved, it does not seem to honor the spirit and purpose of the Community Reinvestment Act.

NHHFA is a public benefit corporation formed under the authority of the State of New Hampshire to help ensure that all of the State's residents have a safe, decent, and affordable place to live. NHHFA is responsible for developing the State's Consolidated Plan, and it administers a variety of programs, including the State's allocation of Low-Income Housing Tax Credits (LIHTC), the Section 8 Housing Choice Voucher Program, and the HOME Investment Partnerships Program; it also issue mortgage revenue bonds for the purpose of assisting first-time home buyers.

Thank you for this opportunity to provide comment. If you have any questions, please feel free to contact me at (603) 310-9361 or bfrost@nhhfa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin D. Frost". The signature is fluid and cursive, with the first name being the most prominent.

Benjamin D. Frost, Esq., AICP
Director, Public Affairs