

From: Ron Kutrieb [REDACTED]
Sent: Monday, March 09, 2020 2:45 PM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AF22

Merrimack Valley Habitat for Humanity appreciates the opportunity to comment on the proposed rule changes to the Community Reinvestment Act which we find very detrimental to our mission which is to provide affordable housing to lower income families and the communities we serve.

Our affiliate has been in business for 32 years has just completed its 100th home.

The scarcest resource in our business model is new capital for building homes. We recently initiated a plan to sell the mortgages we have been holding for many years in order to free up the capital which they represented for new home construction. We presented our program to several local banks and they have enthusiastically supported it. They were primarily persuaded to offer us attractive purchase prices for the loans largely based on the CRA credits they would receive as a result. This has enabled us to double the rate of home construction from 4 homes per year to 8. We have also initiated a program with the banks to fund the mortgages at closing so that there is no need for our Affiliate to hold mortgages for any length of time. We are also initiating a construction lending program that will free up working capital during the construction process so we can accelerate our home building even further. All of these benefits would not be possible without the incentive of CRA credits to the participating banks.

Any elimination or reduction in CRA credits would tragically impact the willingness of our local institutions to provide the support outlined above. The ability to carry out our mission would be significantly curtailed to the disadvantage of many families and communities we serve and wish to serve in the future. It has been repeatedly demonstrated that home ownership strengthens family finances, improves children's educational and career prospects and stabilizes neighborhoods.

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Ron Kutrieb, President & CEO
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