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Affordable Housing Regulation Simplification Act of 2013

Tourism and travel play a critical role in job creation and economic growth throughout the United States and particularly in Colorado. Yet many hardworking Americans are unable to find affordable housing in high-tourism areas due to burdensome government regulations. As a result, homebuyers who would otherwise be qualified for a loan to purchase a condominium or similar property are unable to live in the areas where they work, depriving these areas of the workers who make their businesses run.

The Affordable Housing Regulation Simplification Act would:

- *Create a new category of “affordable workforce housing mortgage”* available only to potential homeowners whose income and work requirements meet certain standards. These mortgages would not be available to individuals looking to get a second or third home at a cheap price.
- *Ease the overly burdensome financing restrictions imposed by Fannie Mae, Freddie Mac and the Federal Housing Administration (FHA).* Fannie and Freddie have established guidelines stating that they will not purchase condominium mortgages unless these properties meet a litany of unrealistic standards, and FHA has matched these standards with similar restrictions on the loans it will insure. Without a commitment from Fannie and Freddie to buy these loans, or from FHA to insure them, banks are unwilling to lend, even to homebuyers who would otherwise be qualified.
- *Require FHA to reinstate “spot approvals” of mortgages for individual condominium units.* FHA’s “spot approval” process allowed the Agency to insure individual condominium mortgages without first assessing the entire property. But in early 2010, FHA eliminated “spot approvals” for individual condominium units, meaning that any property that wishes to have its individual units eligible to be insured by FHA must first have the entire building preapproved by the Agency. Properties that are approved by FHA must be reapproved every two years.
- *Require the Department of Commerce to create a definition of “high-tourism area”* to ensure that this legislation is focused on areas that depend on travel and tourism for their economic viability.