

Castle Amendment Included in National Affordable Housing Trust Fund Bill -- July 31, 2007

Washington, D.C. -- Today, Delaware Congressman Mike Castle's amendment was incorporated into the Committee version of H.R. 2895, the National Affordable Housing Trust Fund Act. This amendment revises the trust fund's income targeting provisions to allow a small portion of the fund to serve individuals earning up to 60% of area medium income. This revision gives states and local jurisdictions the flexibility to use trust fund grants to assist low-income homeownership organizations. Currently, the bill allows funds to be used for extremely low-income households -- those earning less than 30% of area median income. Rep. Castle believes this change will help non-profit organizations provide housing opportunities for low-income families.

"This amendment would make the funds available for many non-profit affordable homeownership organizations, like Habitat for Humanity. By allowing the trust fund to serve those earning up to 60% of area median income, local jurisdictions will have greater flexibility to support their affordable housing needs. This will allow the trust fund to support both rental housing and homeownership for those who are most in need.

"While it is true that government should always seek to assist those least able to assist themselves, it is also important to help families and individuals achieve a level of self-sufficiency that eliminates their need for ongoing public assistance. Studies have shown the tremendous benefits homeownership has for families. Children who spend all of their childhoods in a home owned by their parents are 19% more likely to obtain a college degree than children whose parents always rented, and every additional year a child lives in a home owned by their families, the probability that they will obtain a college degree increases," Castle said.

Specifically, Rep. Castle's amendment will:

- Gives states and local jurisdictions the flexibility to use trust fund grants to assist low-income homeownership providers, such as Habitat for Humanity;
- Assist families with a permanent path out of government subsidized housing and into financial security; and
- Help families eliminate the need for continuing public assistance.

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