

## Press Releases

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### OTS 07-040 - Experts Address Affordable Housing Shortages in High-Cost Urban Areas

#### Office of Thrift Supervision

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For further information

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### Experts Address Affordable Housing Shortages in High-Cost Urban Areas

**Washington, D.C.** -- Housing experts discussed challenges and success stories in establishing and maintaining affordable housing in the nation's highest-cost cities during a conference yesterday co-sponsored by the Office of Thrift Supervision (OTS) and Citi.

At the conference on "Affordable Housing Gaps in High Cost Urban Areas" in New York City, experts discussed innovative solutions, such as shared-equity mortgages, in which investors share the housing investment with homeowners. Incentives from local governments, such as increased housing density in a project in return for a percentage of housing units developed for low-income residents, were also mentioned as an approach to promoting affordable housing and community homeownership.

"We were privileged to have been able to bring together government agencies, nonprofit organizations, developers and lenders to the OTS-Citi Housing Summit in New York," said Marc Jahr, NY Regional Director, Citibank Community Development. "In dealing with the issue of affordable housing, what we all need to do, together, is to leverage our collective knowledge and experience and develop best in class programs and solutions that help support and build sustainable communities."

OTS Director John Reich noted that increases in the cost of owning a home have far exceeded the cost of renting over the past five years. The rise in the cost of homeownership has been accompanied by an increase in nontraditional mortgage products, he observed. The problem is that many of these new mortgages are specialized products best suited for certain types of borrowers. "These products are not for everyone and they should certainly not be marketed to everyone," Reich added. In some cases, nontraditional mortgages have allowed people to buy homes that they simply cannot afford.

The OTS has been hosting town meetings and other events around the country focusing on foreclosure prevention, homeownership and other housing issues. Reich noted that June is National Homeownership Month and pointed out that federally chartered thrifts lead the nation in providing mortgages for multifamily housing.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).