



STATEMENT REGARDING
Senate Bill 160: AAC the S.A.F.E. Mortgage Licensing Act
Banks Committee
March 6, 2012

The MetroHartford Alliance is the Region's economic development leader and the City's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, institutions of higher education, and municipalities. All of these investors share a common interest in the full economic and employment recovery of Connecticut, in a dynamic Capital City, and in the enhanced ability for the Region to compete for jobs, capital, and talent.

As Connecticut continues to recognize the importance of retaining and attracting a young and diverse workforce, we must think of unique approaches to encourage long-term homeownership in the state's urban areas in particular. Specifically, we are currently working with the Department of Banking to draft possible substitute language for Senate Bill 160, which would allow a bona fide non-profit organization the opportunity to administer a homeownership incentive program while being exempt from licensing as a mortgage lender or mortgage correspondent lender. The goal is to allow a qualified non-profit the ability to administer such a program on behalf of another party, such as an employer who is willing to offer a conditional forgivable grant at closing to assist employees in their pursuit of homeownership.

Similar to the successful homeownership programs already in practice at Yale in New Haven and MassMutual in Springfield, Massachusetts, this type of initiative would help make homeownership a reality for qualified employees who wish to purchase a home in the city where their employer is located. It is a creative way

for employers to encourage their employees to live close to work, with all the ancillary environmental and quality of life benefits associated with a walkable commute, while bolstering overall recruitment and retention efforts to support job and economic stability. It also strengthens an engaged residency, stabilizing the housing market and encouraging civic participation. Finally, this program has the potential to encourage more employers to participate in a homeownership incentive program as a result of having the option to defer the time consuming administrative burden by engaging a bona fide non-profit for implementation of the program.

Therefore, we respectfully ask the committee to support this concept when it comes before you this session. Thank you.