



## REGULATORY INTERPRETATION 2005-RI-03

October 19, 2005

### ***Subject:***

“Promotion of Empowerment” Scoring Criterion Under the Affordable Housing Program (AHP): Youth and Health Care Programs or Services.

### ***Request Summary:***

A Federal Home Loan Bank (Bank) has requested a Regulatory Interpretation regarding whether certain types of youth and health care programs or services to be offered by AHP project applicants qualify as economic empowerment programs or services under the “Promotion of Empowerment” scoring criterion in the AHP regulation.

### ***Conclusion:***

Projects that provide youth programs to residents’ children that serve as a substitute for childcare, enabling the youths’ parents or guardians to find or sustain employment, qualify under the “Promotion of Empowerment” scoring criterion. Projects that provide on-site primary health care services or programs including vaccination and screening programs, or on-site health care case management programs that support residents’ ability to find or sustain employment or be self-sufficient, qualify under the “Promotion of Empowerment” scoring criterion.

### ***Background:***

Youth programs. The Bank maintains that projects providing after-school or weekend youth programs to residents’ children should qualify under the “Promotion of Empowerment” scoring criterion, because such programs alleviate the need for families to find alternative after-school activities or childcare at a cost to the household and facilitate the parents’ ability to sustain gainful employment. The Bank also argues that such youth programs directly benefit youths’ own personal well being and development, which will increase the youths’ potential for personal and financial success.

Health care services or programs. The Bank maintains that projects providing on-site health care services or programs to residents such as vaccinations and screenings or on-site health care case management programs should qualify under the “Promotion of Empowerment” scoring criterion, because such services and programs promote the on-going health of residents, thereby better enabling and supporting such residents in obtaining and sustaining employment.

***Discussion:***

The AHP regulation provides that a Bank may allocate scoring points under the “Promotion of Empowerment” scoring criterion for:

The provision of housing in combination with a program offering: employment; education; training; homebuyer, homeownership or tenant counseling; daycare services; resident involvement in decisionmaking affecting the creation or operation of the project; or other services that assist residents to move toward better economic opportunities, such as welfare to work initiatives.

12 C.F.R. § 951.6(b)(4)(iv)(E). In short, based on the plain language of this scoring criterion, only programs or services that promote economic empowerment of project residents qualify for scoring points under this scoring criterion. Project programs or services that promote residents’ quality of life or personal well being but not their economic betterment do not qualify under the plain language of this scoring criterion.

Youth programs. Projects that provide youth programs to residents’ children that serve as a substitute for childcare, enabling the youths’ parents or guardians to find or sustain employment, promote the economic betterment of such residents and, therefore, qualify under the “Promotion of Empowerment” scoring criterion. Youth programs for children, such as teenagers, who do not need to be under an adult’s care while their parents or guardians are at work, do not promote economic betterment of such residents and, therefore, do not qualify under this scoring criterion. Youth programs that do not serve as a substitute for childcare may contribute to youths’ quality of life and personal well being, but do not directly promote economic empowerment, and the fact that such benefits may ultimately increase the youths’ potential for financial success in the future is too indirectly related to economic empowerment to qualify under this scoring criterion.

Health care services or programs. Projects that provide on-site primary health care services or programs including vaccination and screening programs, or on-site health care case management programs, that support residents’ ability to find or sustain employment or be self-sufficient, promote the economic betterment of residents and, therefore, qualify under the “Promotion of Empowerment” scoring criterion. Vaccination and screening programs for residents’ children qualify as economic empowerment programs because they may reduce the likelihood or frequency of children’s illnesses that could cause parents or guardians to miss work. Merely providing health information or education to residents is too indirectly related to economic empowerment of residents to qualify under this scoring criterion.

A Regulatory Interpretation is subject to modification or rescission by action of the Board of Directors of the Finance Board. 12 C.F.R. part 907.
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