

1441 I Street, NW  
Suite 700  
Washington, DC 20005

P 202.737.0797  
F 202.216.9646  
www.nahc.coop

January 26, 2015

Secretary Julian Castro  
Department of Housing and Urban Development  
Room 10000, Mail Stop S  
451 7th St SW  
Washington, DC 20410

Dear Secretary Castro:

We were quite pleased with your recent remarks to the National Press Club in support of homeownership opportunity for low income families.

The National Association of Housing Cooperatives (NAHC) represents over two million housing cooperative homeowners nationwide. We know that housing cooperatives are an affordable option for low income people who want to get their foot into the housing market and we urge you to consider the cooperative model as you pursue home ownership initiatives.

Limited equity housing cooperatives require only a small initial investment, yet provide an affordable, resident-controlled homeownership opportunity. Co-ops can be flexible for serving affordable housing goals and secure because of the sharing of responsibilities and liabilities.

In a limited equity housing cooperative, individual share purchase prices are very low. Co-op share ownership entitles one to a long-term lease on a unit and a vote in corporate governance. The individual is both a "tenant" because of their lease with the corporation, and an "owner", because of their stock ownership and participation in group governance. The co-op members elect a Board of Directors who make most decisions about the co-op.

In a co-op, many members stay for decades. When residents leave they sell their share(s) of stock (and not their unit, as condominium owners would). In a limited equity cooperative, the value one can obtain for one's stock at sale is restricted by a specific formula, to make the housing affordable for current and future residents. Limited equity co-ops are non-speculative homeownership.

Co-ops provide many of the benefits of property ownership to their members. They provide direct control over one's housing. There is no landlord profit. Limited equity cooperatives are a uniquely accessible form of property ownership. Share purchase prices are typically much less than down payments on comparable condominiums. Therefore, co-ops can service a broad range of income groups.

1441 I Street, NW  
Suite 700  
Washington, DC 20005

P 202.737.0797  
F 202.216.9646  
[www.nahc.coop](http://www.nahc.coop)

Again, we applaud HUD's renewed interest in home ownership opportunity for low income people and we urge you to consider including housing cooperatives as a viable home ownership model.

Best regards,

A handwritten signature in blue ink, appearing to read "Greg J. Carlson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gregory J. Carlson  
President