

Resolution No. 3

Date: 10/12/2013

City: Colorado Springs, CO

NAHB Resolution

Title: Crowd Funding for AD&C Financing
Sponsor: EB-5/Crowd Funding Working Group
Submitted by: Randy Lee

WHEREAS, home builders have experienced a sharp contraction in credit from commercial banks and savings and loan associations, which historically have accounted for more than 90 percent of residential acquisition, development and construction (AD&C) loans;

WHEREAS, the outstanding stock of AD&C loans made by FDIC-insured institutions for 1-4 unit home building is down 80 percent from mid-2008, and therefore, builders are looking for alternative sources of AD&C credit;

WHEREAS, NAHB forecasts more than one million housing starts annually for the next several years;

WHEREAS, innovative financing solutions are emerging to fill the funding gap for builders;

WHEREAS, crowd funding may be a viable option for some builders and developers to raise capital;

WHEREAS, “crowd funding” refers to the funding of a company or project by selling equity in small amounts to many investors;

WHEREAS, President Obama signed the Jumpstart Our Business Startups (JOBS) Act in April 2012 to help startup companies and small businesses raise capital;

WHEREAS, the JOBS Act contains provisions to facilitate crowd funding;

WHEREAS, the Securities and Exchange Commission (SEC) is currently finalizing rules to implement the JOBS Act, including establishing crowd funding regulations; and

WHEREAS, the SEC’s existing Regulations A and D provide opportunities for AD&C financing,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge the Securities and Exchange Commission to develop crowd funding regulations that allow builders to use crowd funding to obtain acquisition, development and construction (AD&C) financing for real estate, land development and home building ventures and to improve opportunities to provide AD&C financing through other existing regulations.

Board of Directors Action:	Approved
Executive Board Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Custom Home Builders Committee Action:	Recommends Approval
Business Management & Information Technology Committee Action:	Recommends Approval
50+ Council Board of Trustees Action:	Recommends Approval
Single Family Small Volume Builders Committee Action:	Recommends Approval
Single Family Production Builders Committee Action:	Recommends Approval
Multifamily Council Board of Trustees Action:	Recommends Approval