

FED & MAIN

Creating an Economy That Works for All

Our October Focus: Research on a secondary market for loans originated by CDFIs, a follow-up on our work sizing the [CDFI market](#).

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HOUSEHOLD FINANCIAL WELL-BEING: New York Fed [research](#) on "buy now, pay later" loans finds that, rather than simply shifting purchases to a new platform, the loans may be enabling consumers to borrow and spend more than they otherwise would.

Researchers find that the loans may attract consumers who already have financial difficulties and are struggling to pay their existing bills.



Ideas: Rising insurance costs are making it harder to underwrite new deals using Low-income Housing Tax Credits, [Affordable Housing Finance](#) reported. Property insurance costs rose 26 percent on average in the past year, the piece notes.



CLIMATE: Bills that would regulate basement apartments stalled in the New York State Legislature last session, [City & State](#) reported.

Basement apartments—units that are partially above ground—are legal, but many are not up to code, City & State reported. Cellar apartments, which are entirely underground, are illegal.

A group of New York lawmakers have fiercely opposed regulations that would legalize cellar apartments and regulate basement apartments, arguing that legislation would result in even more people living in unsafe circumstances. On the other hand, some housing advocates argue that, since people currently live in unregulated basement and cellar apartments, legislation would create minimum standards around light, air, and exits for both categories.

At least [11 people died](#) when New York City basement apartments flooded during Hurricane Ida in 2021.



Ideas: New York City's drainage system can handle 1.75 inches of rainfall per hour, the [New York Times](#) reported. More rain than that, and the city floods. About 60 percent of New York City has "combined sewers," a drainage system that combines storm runoff with sewage in the same pipes. When the flow through the pipes is more than double what sewage treatment plants were designed to handle, the excess, which is a mix of rain and untreated sewage, goes straight into local waterways.



HEALTH: Veterans who struggle to afford healthy food are consistently less likely than non-veterans to be enrolled in the Supplemental Nutrition Assistance Program (SNAP), a September [e-book from the RAND Corporation](#) found.

One roadblock: the Veterans Affairs (VA) only screens veterans

who receive VA health care for food insecurity, the report states.



Ideas: The [National Academy of Medicine](#) will use a grant from Kaiser Permanente to develop an inventory of existing research and evidence on the relationship between climate and health. The group's goal is to create a resource so communities, policymakers, and researchers can pursue effective solutions to health problems exacerbated by climate change.

The New York Fed's Community Development unit works with community leaders to understand community needs and with capital providers to foster economic opportunities. We are searching for ideas that can tear down barriers to economic mobility for low- and moderate-income people; our focus is on the economic drivers of health, household financial well-being, and climate-related risks. Our goal is to elevate those ideas and connect them with funding. To see our [past newsletters](#), [events calendar](#), and learn more, visit our [website](#).

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