

**Thank Federal Housing Finance Agency Director Mel Watt for funding
the Housing Trust Fund and Capital Magnet Fund**

**Decision to implement the law could result in \$500 million for affordable
housing and community economic development**

Dear Colleague,

The Director of the Federal Housing Finance Agency, the Honorable Mel Watt, recently [announced](#) the agency's decision to resume funding for the Capital Magnet Fund and the begin funding the Housing Trust Fund. His decision comes after 78 members of Congress sent a [letter](#) reminding him that the law requires that Fannie Mae and Freddie Mac contribute to these funds to expand affordable rental housing and community economic development.

To sign the letter thanking Director Watt, contact Carol Wayman at Carol.Wayman@mail.house.gov or 54755 in Mr. Ellison's office.

Sincerely,

/s/

Keith Ellison
Member of Congress

/s/

Raúl M. Grijalva
Member of Congress

/s/

Carolyn B. Maloney
Member of Congress

The Honorable Mel Watt
Director
Federal Housing Finance Agency

Dear Director Watt:

We write to thank you for the decision to end the temporary suspension of contributions from Fannie Mae and Freddie Mac to the Housing Trust Fund and Capital Magnet Fund.

We appreciate your decision to follow the requirements set forth in the Housing and Economic Recovery Act of 2008 (HERA). This law requires Fannie Mae and Freddie Mac (the GSEs) to set aside “4.2 basis points for each dollar of the unpaid principal balance of its total new business purchases” to fund the Housing Trust Fund and Capital Magnet Fund. This was an important, hard-fought victory, as it provides a dedicated source of revenue for the construction and preservation of affordable housing for extremely low income families.

The GSEs have repaid all of the investment provided to them during the Great Recession. Thus, it is long past time for the FHFA to lift this temporary suspension and follow the intent of Congress by reinstating these contributions.

The need for affordable rental housing and job and business investment has only grown since the Great Recession. We need more than 7 million more homes nationwide that are affordable and available to extremely low-income households — those that earn less than 30 percent of the area median income. Apartment rents have risen nationally for 23 straight quarters. More than one in four working renter households spends more than half their income on housing. Half of African American and Latino renters pay more than one-third of their income for housing. Today, nearly 80 percent of renter households in the bottom 30 percent of income pay more than one-third of their income for rent. Housing subsidies do exist, but they only reach one in four eligible families nationwide because of funding shortages.

We thank you and your colleagues for ensuring that resources designed to assist low-income families and communities continue to flow as required by law.

Sincerely,