



**NATIONAL LOW INCOME  
HOUSING COALITION**

September 24, 2019

The Honorable Steven Mnuchin  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Mark Calabria  
Federal Housing Finance Agency  
400 7th Street, SW  
Washington, D.C. 20219

To Secretary Mnuchin and Director Calabria:

On behalf of the National Low Income Housing Coalition, I write to urge you to continue contributions to the national Housing Trust Fund (HTF) as the U.S. Department of the Treasury and the Federal Housing Finance Agency move forward with administrative reforms to the housing finance system, including the implementation of any capital restoration plan. Today, the affordable housing crisis continues to worsen, most severely impacting America's poorest seniors, people with disabilities, families with children, people experiencing homelessness, and others. The HTF was created by Congress to address the affordable housing needs of America's lowest-income households, a segment of the housing finance system that cannot be met through Fannie Mae's and Freddie Mac's regular course of business or addressed by the private sector alone. Moreover, because funding for the HTF is modest, continued contributions would have no material impact on the ability of Fannie Mae and Freddie Mac to successfully complete a capital restoration plan. For this reason, we urge you to continue contributions to the HTF throughout any capital restoration plan to help ensure that fewer communities or households are left out of the housing finance system.

Our country is in the grips of a pervasive affordable housing crisis, impacting rural, suburban and urban communities alike. While the affordable housing crisis has many dimensions, the fundamental problem is the mismatch between what people earn or otherwise have available to spend for their homes and what housing costs. Rents have risen faster than renters' incomes over the last two decades<sup>1</sup>, and while more low-income people are renting their homes than ever before, the supply of affordable housing and rental assistance has not kept pace.<sup>2</sup> As a result, record-breaking numbers of households cannot afford a decent place to call home. Every state and every community is impacted.

The greatest need for affordable housing is primarily concentrated among extremely low-income renters who earn no more than the federal poverty limit or 30% of their area median income (AMI). NLIHC's recent report, [The Gap: A Shortage of Available Homes](#), found that there is a shortage of more than 7 million affordable and available rental homes for the nation's 11 million extremely low income renters. This means that just three out of ten extremely low-income families can find an affordable place to call home. Without affordable options, three out of four extremely low-income families are severely cost-burdened, spending more than half of their income on rent and utilities. These families are often forced to make impossible choices

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<sup>1</sup> Joint Center for Housing Studies of Harvard University. 2018. *The State of the Nation's Housing*. Cambridge, MA: Author.

<sup>2</sup> Ibid.

between paying rent and buying groceries or visiting their doctor. In worst cases, they become homeless.

As you know, the national HTF was created by Congress through the Housing and Economic Recovery Act of 2008 precisely to address this crisis. It is the first new federal housing resource in a generation exclusively targeted to serve people with the lowest incomes, allowing the HTF to serve a critical role that cannot be met by the GSEs' regular course of business or addressed by the private sector alone. The initial source of funding designated in the statute for the HTF is a small annual assessment of 4.2 basis points of the volume of business of Freddie Mac and Fannie Mae. Sixty-five percent of this affordable housing allocation goes to the HTF.

While still new, the HTF program is allowing local communities to build much-needed rental housing for some of the country's most vulnerable families. NLIHC's recent [interim analysis](#) of how states have started using the \$174 million HTF available in 2016 finds that 43 states have awarded HTF funds to 138 projects with over 1,500 HTF-assisted homes. Since that mid-September interim report, all states and the District of Columbia tell NLIHC that they have awarded HTF funds to 160 projects with more than 1,918 HTF-assisted homes. These rental homes house people previously experiencing homelessness, survivors of domestic violence, people with disabilities, seniors, veterans, people with traumatic brain injuries, and other extremely low-income people.

At this time, funding for the HTF is small compared to the capital needs of the government sponsored entities (GSEs). In 2016, the first \$174 million in HTF dollars were allocated to states, followed by \$219 million in 2017 and \$267 million in 2018. Continuing funding for this important program would have no material impact on the financial stability and security of these institutions or their ability to successfully complete a capital restoration plan.

Given the critical role the HTF plays in addressing the severe housing shortage for America's poorest families across the nation, we urge the Department of the Treasury and the Federal Housing Finance Agency to continue funding the HTF during the course of any capital restoration plan for Fannie Mae and Freddie Mac

If you need any additional information, please feel free to contact me or NLIHC Senior Policy Director Sarah Mickelson ([smickelson@nlihc.org](mailto:smickelson@nlihc.org)).

Sincerely,



Diane Yentel  
President and CEO