

NHETF

• The National
• Housing
• Trust Fund



Getting to Know the NHETF Regulations

Part 1

Introduction and Background

Ed Gramlich

National Low Income Housing Coalition

May 2015

Part 1 Topics



- The need for the NHTF
- NHTF is a “dedicated” source of funds
- Initial source of dedicated funds
- Regulations

Need for Affordable ELI Rental Housing



- National shortage of 7.1 million homes affordable and available to extremely low income (ELI) renter households.
 - ELI means income at or below 30% of area median income (AMI).
- There are only 31 rental homes affordable and available for every 100 ELI renter households.
- 75% of ELI renter households spent more than 50% of their income for rent and utilities.

Need for Affordable ELI Rental Housing

(continued)



- National shortage of 3.4 million homes affordable and available to deeply low income (DLI) renter households.
 - DLI means income at or below 15% of area median income (AMI).
- There are only 17 rental homes affordable and available for every 100 DLI renter households.
- 90% of ELI renter households spent more than 50% of their income for rent and utilities.

Introduction

National Housing Trust Fund (NHTF)

- Became law on July 30, 2008 as part of HERA (Housing and Economic Recovery Act).
- Program for collecting and distributing “dedicated” funds – money not at risk of Congressional appropriations cuts.
- Will not compete with existing HUD programs funded by Congressional appropriations.
- Block grant to states.

Introduction

(continued)



- No money in NHTF at first.
 - First dedicated funds were to come from 4.2 “basis points” (0.042%) on new business of Fannie Mae and Freddie Mac.
 - 65% to NHTF, 35% to Capital Magnet Fund.
 - But before funds could get to NHTF, Fannie and Freddie hit by 2008 banking crisis; this source of dedicated money put on hold.

Introduction

(continued)



- December 11, 2014, FHFA Director Mel Watt lifts suspension.
 - Directs Fannie and Freddie to set aside funds starting January 1, 2015.
 - 60 days after close of 2015, set-aside funds to transfer to HUD.
 - HUD estimates money allocated to states summer of 2016.

Introduction

(continued)



- How much NHTF money will there be in 2016?
 - Administration's FY16 estimate is \$120 million.
 - NLIHC and others have higher estimate – \$188 million in 2016.
 - Fannie and Freddie volume of business expected to be higher in 2015.

Introduction

(continued)



- HUD published proposed allocation formula on December 4, 2009.
- HUD published proposed regulations to carry out the NHTF on October 29, 2010.
- Interim regulations published, January 30, 2015,
 - HUD will solicit comments after states gain experience.
- NHTF rule is at 24 CFR part 93.
- Modeled on HOME regulations.

More NHTF Information



- NLIHC will be preparing additional materials about the National Housing Trust Fund over time.
- Periodically check www.nhtf.org
- HUD's NHTF webpage, <https://www.hudexchange.info/htf>

Contact Me



Ed Gramlich

National Low Income Housing Coalition

ed@nlihc.org

202.662.1530 x314

www.nlihc.org

Become an NLIHC Member



- Members are essential in helping NLIHC advocate on behalf of low income people in need of safe and affordable housing.
- Membership is open to individuals, organizations, corporations, and government agencies.
- Join NLIHC at <http://nlihc.org/membership>
- Questions?
- Contact outreach@nlihc.org or call 202-662-1530, ask to speak to your Housing Advocacy Organizer.