



October 14, 2009

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

The Housing Finance Agencies (HFAs) of the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands trust in the commitment you made last February to support their affordable housing lending efforts as part of your *Making Home Affordable* plan. On their behalf, the National Council of State Housing Agencies (NCSHA) implores you to make good on that commitment now before the opportunity to do so and the promise that opportunity holds for the American people and our economic recovery are forever lost.

In making your pledge, you recognized that any national plan to make home affordable needed to include the state HFAs, which for decades, in good economic times and bad, have done just that—made home affordable. They have done so successfully, through safe and sound lending practices, from which they have never wavered and which stand today as best practices in the industry. Congress understood this, too, when it committed an additional \$11 billion in Housing Bond authority to states last year to help stimulate the housing market.

State HFAs have been primed for months to mobilize the billions of dollars in Housing Bond resources entrusted to them by the federal government to provide tens of thousands of working families affordable and sustainable homes, to help others hold on to the homes they already have, and to move foreclosed properties into first-time homebuyer hands. Unfortunately, HFA efforts have been stymied by a severely weakened Housing Bond market, which has left them unable to sell their bonds at interest rates that allow them to lend affordably and to access liquidity to support outstanding bond issues.

With your commitment to help, your National Economic Council and Departments of Treasury and Housing and Urban Development immediately engaged NCSHA and our state HFA members to find a solution. Never in my 20 years of service to the state HFAs in Washington have I had the privilege of working with a more talented and committed group of people.

Your team has worked intensively over many months, undeterred by challenges along the way, to come up with a strong plan to put state HFA Housing Bond resources to work by temporarily supporting

new issuances with Treasury bond purchases and outstanding issues with a Treasury-backed liquidity facility in response to a market still unable to respond fully to these urgent needs.

Developed in consultation with the Federal Housing Finance Agency and housing Government-Sponsored Enterprises Fannie Mae and Freddie Mac, which are prepared to execute it, the plan is carefully designed to protect taxpayers from any financial losses and to encourage the return of the bond market. Though we have not seen all of its detail, we are confident that state HFAs can implement the plan effectively by its year-end close, but only if it is issued immediately. We believe the plan's quick release is possible, as we understand that all of the principals party to its development have signed off on it.

State HFAs have been long-time trusted partners of the federal government in the delivery of affordable housing resources, administering virtually every major federal housing program today. Your Administration and the Congress recently turned to HFAs again, committing to them the administration of housing stimulus funds to achieve, among other goals, continued Low Income Housing Tax Credit rental housing production, often without compensation for their costs.

State HFAs are honored and pleased to answer your call to assist with your housing and economic recovery efforts. However, they need your help now to deliver on the commitment they share with you to making home affordable.

Please release your HFA plan now, so state HFAs can put it to work for the American people and the economy. Time is of the essence.

Sincerely,



Barbara J. Thompson
Executive Director

cc: The Honorable Shaun Donovan
Secretary, U.S. Department of Housing and Urban Development

The Honorable Timothy Geithner
Secretary, U.S. Department of the Treasury

The Honorable Lawrence Summers
Director, National Economic Council
Assistant to the President for Economic Policy