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## **State HFAs to Finance More Than 200,000 Affordable Homes Under Administration's HFA Initiative**

The National Council of State Housing Agencies (NCSHA) today announced that the U.S. Department of Treasury has purchased \$13.9 billion in housing bonds from 50 of its Housing Finance Agency (HFA) members under the Obama Administration's HFA Initiative, unveiled October 19.

"These bond proceeds, combined with the \$7.7 billion in retail housing bonds the Initiative requires state HFAs to issue, will allow HFAs to finance more than 200,000 affordable homes, while generating jobs and tax revenue for the economy," said Susan Dewey, president of NCSHA and executive director of the Virginia Housing Development Authority. "HFAs are already putting these resources to work to provide first-time home buyer mortgages and finance rental housing," Dewey added.

The Initiative, part of the Administration's *Making Home Affordable* program, was developed through an unprecedented collaboration among the White House, Treasury, the Department of Housing and Urban Development, and the Federal Housing Finance Agency (FHFA), in consultation with HFAs and housing GSEs Fannie Mae and Freddie Mac. It has also provided a dozen state HFAs \$8.2 billion in liquidity to support outstanding bond issues, strengthening their financial footing and freeing more of their resources for housing investment.

The Initiative's temporary structure required the housing GSEs and HFAs to execute all transactions under it by January 12, 2010. "The same intense and unwavering commitment that the Administration, FHFA, and the housing GSEs made to the Initiative's development was evident in this execution phase," said Barbara Thompson, NCSHA's executive director. "HFAs are now able to bring the Initiative's benefits to America's working families in the form of affordable and safe mortgages and quality rental homes," she added.

State HFAs have consistently achieved over many decades affordable and sustainable housing outcomes by combining public purpose and accountability with sophisticated finance and sound underwriting skills. HFA loan performance continues to be strong, with delinquency and foreclosure rates well below the

conventional market. HFAs did not engage in subprime lending, offering largely fixed-rate, 30-year loan products.

For more information on the HFA Initiative, go to [www.ncsha.org](http://www.ncsha.org).

NCSHA is a national nonprofit, nonpartisan association that represents the affordable housing interests of state HFAs before the Administration and Congress. Its members are the HFAs of the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands and more than 300 of their affordable housing partners.

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