

Talking Points for Meetings with Banking Committee Members

The Senate Banking and House Financial Services Committees are the committees of jurisdiction over all HUD programs, including the Federal Housing Administration (FHA) and Section 8. The committees also oversee the housing Government-Sponsored Enterprises (GSEs), including Fannie Mae, Freddie Mac, Ginnie Mae, and the Federal Home Loan Banks (FHLBs).

When meeting with banking committee members, ask them to take the following actions:

HOUSING FINANCE REFORM ACTION ITEMS:

- ❖ Enact comprehensive housing finance reform legislation that maintains federal backing for the secondary housing finance market.
- ❖ Require of the new housing finance system a strong commitment to ensuring the availability of affordable housing options for all consumers and communities.
- ❖ Direct any new federally backed secondary market entities to advance their affordable housing mission by engaging HFAs as preferred affordable housing lending partners.
- ❖ Maintain in housing finance reform a dedicated funding stream for the Housing Trust Fund while allowing states maximum flexibility in administering the fund.

Talking Points

- ✓ The GSEs—Fannie Mae, Freddie Mac, Ginnie Mae, and the Federal Home Loan Banks— play a critical role in our housing finance system, making affordable mortgage financing available to responsible borrowers and affordable rental home developments.
- ✓ HFAs have successfully partnered with the GSEs to advance their affordable housing missions, both single-family and multifamily.
- ✓ Federal backing and a strong commitment to affordable housing are critical to ensuring that the housing finance system supports all borrowers and communities, not just the high-end market.
- ✓ HFAs' strong history of responsible affordable homeownership and rental housing lending, combined with their deep knowledge of their states' housing needs, makes HFAs the ideal affordable housing partners for the new housing finance system.

FEDERAL HOUSING ADMINISTRATION SINGLE-FAMILY ACTION ITEMS:

- ❖ Support a strong and active FHA and preserve its ability to offer affordable low down payment mortgages to responsible low- and moderate-income borrowers.
- ❖ Ensure that any FHA-reform legislation does not impede FHA's ability to fulfill its homeownership mission

Talking Points

- ✓ FHA's affordable homeownership program is vital to making homeownership a reality for working families.
- ✓ FHA's support for low down payment lending is critical to HFAs' affordable homeownership lending.
- ✓ While FHA did realize substantial losses during the financial crisis, through sound underwriting and good management, it has restored its capital ratio to its statutorily mandated ratio and its finances continue to improve.

**FHA-HFA MULTIFAMILY LOAN RISK-SHARING PROGRAM ACTION ITEM:**

- ❖ Support legislation allowing Ginnie Mae to securitize FHA-HFA Risk-Sharing loans to help state HFAs finance affordable rental housing production and preservation. Until then, maintain option for Federal Financing Bank (FFB) for Risk-Sharing loans.

Talking Points

- ✓ The FHA-HFA Risk-Sharing program allows state HFAs that meet rigorous financial standards to underwrite FHA multifamily loans in return for sharing the risk of losses on those loans.
- ✓ The program has been a huge success, with 38 HFAs financing over 1,462 loans, totaling nearly \$9.4 billion in principal and supporting more than 163,000 affordable rental homes.
- ✓ Securitizing Risk-Sharing loans will reduce the cost of financing rental housing developments, making it possible to achieve lower rents and reach even lower income tenants.
- ✓ The Senate Banking Committee has previously supported this legislation in a bipartisan amendment to the Johnson-Crapo housing finance reform bill.

RENTAL ASSISTANCE ACTION ITEMS:

- ❖ Ensure that successful HFA project-based contract and voucher administrators continue in and are adequately compensated for these critical roles.
- ❖ Simplify the voucher program to help states and localities assist more families with the funds they have and help families achieve self-sufficiency.
- ❖ Provide states flexible rental assistance resources they can project-base or tenant-base to make Housing Bond, Housing Credit, HOME, and other rental housing affordable to some of our lowest-income and most vulnerable families.

Talking Points

- ✓ Project-based Section 8 and vouchers provide an indispensable housing safety net to some of our state's lowest income families.
- ✓ Many more families are eligible for vouchers than receive them.
- ✓ The voucher program is bound by unnecessary rules that reduce its efficiency and limit voucher administrators' flexibility to respond to their most pressing needs.

PRESERVATION ACTION ITEM:

- ❖ Support legislation that strengthens and expands affordable rental housing preservation tools and incentives.

Talking Points

- ✓ At a time when more and more Americans are struggling to find an affordable home, the market loses 150,000 units each year, many due to old age.
- ✓ Preservation is often more cost-effective than new construction.
- ✓ Preservation maintains the valuable public resource of affordable rental homes.