State Housing Finance Agencies: The Center of the Affordable Housing System

August 2020
State HFAs Have Substantially Increased Their Impact

HFA Single-Family and Multifamily Financing

2018 Single-Family Impact:
Financing: $27.6 billion
Households: 156,612

2018 Multifamily Impact:
Financing: $9.5 billion
Households: 145,728

Source: NCSHA
State HFAs Deliver Low-Income Rental Assistance

State HFAs are the primary statewide administrators of federal rental assistance and rental housing development and preservation funds.

To date, **30 state HFAs** have stood up new emergency rental assistance programs in response to the coronavirus crisis, with more in development. State HFAs stand ready to deliver more federal emergency rental assistance for coronavirus relief, as proposed by Senator Brown and included in the House HEROES Act.
State HFAs Help the Unemployed Keep Their Homes

HFAs delivered the federal Hardest Hit Fund (HHF), created to help unemployed homeowners during the Great Recession.

Borrowers who got HFA assistance through the program were 28 percent less likely to default on their mortgages. The program prevented $9 billion in losses to lenders and local governments, while helping hundreds of thousands of families stay in their homes.

**The Housing Assistance Fund** proposed by Senator Reed and included in the House HEROES Act would create a similar program for coronavirus relief.

Sources: U.S. Treasury Department; [Moulton et. al. (2020)](https://moultonetal2020.org); NCSHA
State HFAs are drivers of homeownership for borrowers of color, as reflected in the minority borrowers’ shares of HFA homeownership financing in states such as:

- AZ – 53 percent
- CA – 68 percent
- GA – 65 percent
- NJ – 47 percent
- TX – 77 percent

Sources: Home Mortgage Disclosure Act Data from Consumer Financial Protection Bureau; NCSHA
State HFAs Reach Underserved Borrowers and Markets

**Median Income of Single-Family Borrowers in 2018**

- HFA Homebuyers: $57,039
- First-Time Homebuyers: $75,000
- All Homebuyers: $91,600

**Median Income of Renters in 2018**

- HFA Housing Credit Renters: $17,470
- All Renters: $40,500

Sources: NCSHA; HUD; National Association of Realtors; Center on Budget and Policy Priorities
State HFAs Deliver High-Quality Financing

A 2018 study of more than 1 million low- and moderate-income mortgages found HFA loans were 20 percent less likely to experience a long-term default and 20 – 30 percent less likely to experience foreclosure than other loans to similar borrowers.

According to the report:

“Not only are HFAs more likely to require full documentation and careful underwriting, they also serve as a third-party monitor on the partner lenders originating loans through the state program, creating an additional incentive for careful screening by the lender.”

Source: Moulton, Record and Hembre (2018)
State HFAs Generate Economic Benefits for Their States

Local Economic Impact of New Construction in 2018 - Jobs Created

- Jobs Created Through Single-Family Construction: 69,454
- Jobs Created Through Multifamily Construction: 82,585
- Jobs Created Through Single-Family Construction: 12,163
- Jobs Created Through Multifamily Construction: 22,570

Sources: NCSHA; NAHB

Wages Generated (Billions)

- Local Wages Generated by Single-Family Home Construction: $4.5 (1-Year Impact), $0.6 (Annually Recurring Impact)
- Local Wages Generated by Multifamily Unit Construction: $7.7 (1-Year Impact), $1.7 (Annually Recurring Impact)

Revenue Raised (Millions)

- Local Revenue Raised by Single-Family Construction: $560 (1-Year Impact), $155 (Annually Recurring Impact)
- Local Revenue Raised by Multifamily Construction: $1,440 (1-Year Impact), $329 (Annually Recurring Impact)

Sources: NCSHA; NAHB
State HFAs don’t rely on the taxpayers to fund their operations. They maintain consistently high credit ratings, ranging from A to AAA, as of the end of 2018, according to S&P Global Ratings. State HFA aggregate equity has increased 13 percent since 2014, to nearly $32 billion as of the end of 2018.
State HFAs Were Created to Meet Each State’s Needs

Decade of Establishment of HFA
- 1960s
- 1970s
- 1980s
- 1990s
- 2000s

Source: NCSHA
About the National Council of State Housing Agencies

For more than 50 years, state housing finance agencies (HFAs) have played a central role in the nation’s affordable housing system, delivering financing to make possible the purchase, development, and rehabilitation of affordable homes and rental apartments for low- and middle-income households.

The National Council of State Housing Agencies (NCSHA) is a nonprofit, nonpartisan organization created to advance, through advocacy and education, the efforts of the nation’s state HFAs and their partners to provide affordable housing to those who need it.

**NCSHA’s vision: An affordably housed nation**