



HFAs:
THE CENTER OF THE
**AFFORDABLE
HOUSING SYSTEM**



STATE HFAs CAN DO EVEN MORE WITH SMART FEDERAL POLICIES

We call on Congress and the Administration to:

Produce and Preserve Affordable Apartments with Housing Credits and Housing Bonds

These two long-running programs are the primary drivers of affordable rental housing construction and rehabilitation. Congress should pass bipartisan legislation to expand and strengthen them through the enactment of the Affordable Housing Credit Improvement Act (S. 1557/H.R. 3238) and Housing Credit preservation provisions in the Decent, Affordable, Safe Housing for All Act (S. 690/H.R. 6970).

Expand Affordable Homeownership Opportunity for Lower-Income Households Through HFAs

Common-sense improvements to Housing Bonds, included in the Affordable Housing Bond Enhancement Act (S. 1805), would generate more sustainable mortgages for first-time home buyers. The Neighborhood Homes Tax Credit (S. 657, H.R. 3940) would stimulate new affordable for-sale construction and renovation.

Make the Housing Market More Equitable

The Federal Housing Finance Agency, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture, and federal bank regulators have wide-ranging authorities and incentives to ensure a fair playing field for households and communities of color. Congress should hold the agencies accountable to meaningful actions, including expanding partnerships with HFAs.

Invest in Proven Programs That Serve the Neediest

Congress should adequately fund and strengthen the highly successful HOME Investment Partnerships program and invest in Section 8 rental assistance and key rural housing programs so states can reach the most underserved households and communities. Congress should ensure the Administration extends permanently the effective and important Federal Financing Bank support for HUD's FHA-HFA Multifamily Risk-Sharing loan program.

Ensure Optimal Delivery of Rental Assistance

Congress and HUD should continue to rely primarily on state HFAs to administer Project-Based Rental Assistance (PBRA) contracts on behalf of the federal government and ensure continued state-by-state administration of HUD PBRA by state HFAs with the willingness and authorization under state law to deliver PBRA services.

For more information on NCSHA's requests of Congress, visit nasha.org.





STATE HFAs ARE THE CENTER OF THE AFFORDABLE HOUSING SYSTEM

For decades, state housing finance agencies (HFAs) have operated at the center of America's affordable housing system.

Each state created its HFA to meet its specific housing needs as they change over time and to do so in an efficient and accountable manner.

State HFAs don't rely on the taxpayers to fund their operations: They put their own balance sheets and financial tools to work to meet the housing needs of their states' rural, suburban, and urban communities.

State HFAs have delivered more than \$740 billion in financing to make possible the purchase, development, and rehabilitation of more than 8.2 million affordable homes and rental apartments for low- and middle-income households.

State HFAs are also indispensable partners of the federal government in meeting national housing challenges – working with both parties and any administration with the same practical, results-based approach.

Federal policymakers have several important opportunities to make progress on the nation's worsening housing affordability challenges by leveraging the capacity and expertise of state HFAs.

This report describes how.



2022 STATE HFA IMPACT

MORE THAN
\$28
BILLION
FINANCED

MORE THAN
\$15.7
BILLION
FINANCED

MORE THAN
108,000
HOUSEHOLDS

NEARLY
140,000
HOUSEHOLDS

Homeownership

Rental Housing



STATE HFAs ARE MEETING THE NATION'S HOUSING AFFORDABILITY CHALLENGES

State HFAs make affordable housing a new reality for 250,000 households every year. Working in every state in the country, the agencies are:

Expanding Affordable Homeownership Opportunities

In 2022, state HFA programs provided more than \$28 billion to more than 108,000 home buyers, including affordable mortgages, down payment assistance, and education and counseling. More than 90 percent of beneficiaries are first-time home buyers, and nearly 40 percent of HFA program loans serve borrowers of color.

The median borrower income for state HFA program loans in 2022 was \$59,427, more than 20 percent below the national median income.¹ The average purchase price of an HFA-financed home was \$210,346 – well below the national median home price of \$457,475.²

Increasing and Preserving Affordable Rental Housing

State HFAs provided more than \$15.74 billion in financing to create and preserve nearly 140,000 affordable rental apartments in 2022.

The state-run Housing Credit serves households with a median income of just \$18,200.³ More than 30 percent of the HOME funds administered by 45 state HFAs reach families HUD considers “extremely low income.”⁴ Project-Based Rental Assistance, administered by 36 state HFAs, supports residents with an average income of \$13,500.⁵

Meeting New Housing Challenges in Their States

States in every part of the country and all points on the political spectrum have made historic investments in housing over the past few years, typically turning to their state HFAs to stand up new programs and deliver results for their states' taxpayers.

State HFAs are also problem solvers for home builders, apartment developers, and community-based organizations struggling with the costs of excessive local regulations, higher interest rates, skyrocketing insurance costs, and persistent construction labor shortages.

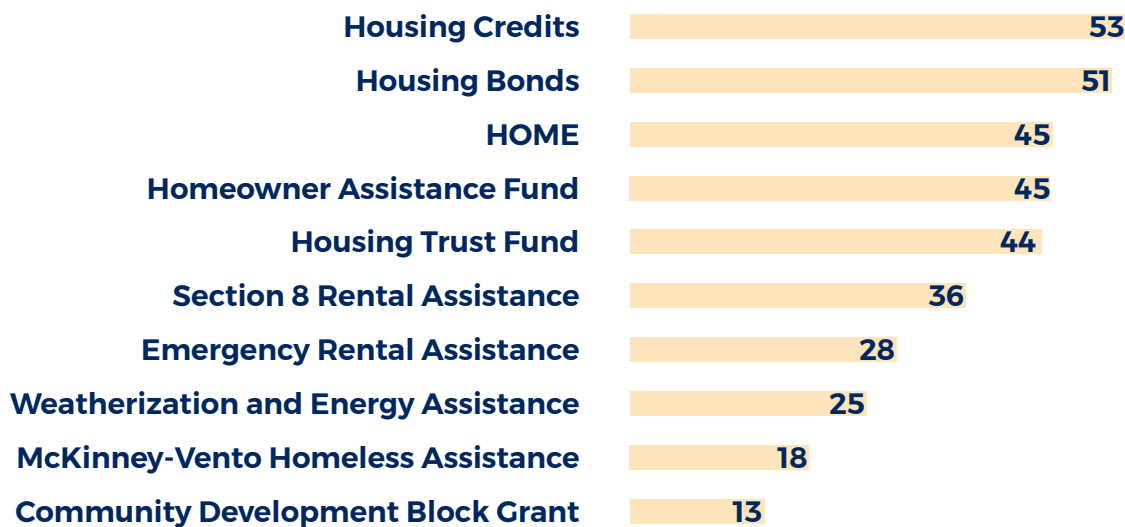


STATE HFAs DELIVER VALUE FOR THEIR STATES AND THE NATION

Delivering Key Federal Housing Resources to Meet State-Specific Needs

State HFAs' capacity and performance have earned the agencies the primary responsibility for delivering an array of federal housing programs in their respective states.

Number of State HFAs Administering Select Federal Programs*



*Totals include the HFAs of the 50 states, the District of Columbia, Guam, New York City, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands.

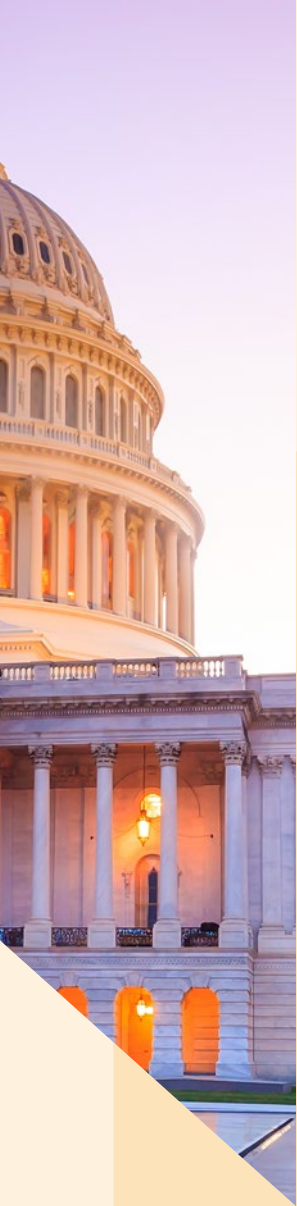
Operationally Strong and Ready to Do More

"[D]iverse financing methods, mortgage loan enhancements and prudent debt structures will support [HFAs'] financial performance. Strong underwriting standards, proactive loss mitigation and deep home equity will continue to minimize single-family delinquencies. On the multifamily front, extraordinary demand for affordable housing has contributed to almost 100% of projects being current on repayments, a trend set to continue through next year."⁶

Moody's Investors Service

"Prudent management of HFAs remains a cornerstone strength behind exceptional performance in 2022 and in the future....[W]hile uncertainty and volatility remain, HFAs maintained their stride [in 2023] and continue to build programs providing housing and positive social-impact services in their states."⁷

S&P Global Ratings



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.



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1 NCSHA State HFA Factbook: 2022 NCSHA Annual Survey Results (2023).

2 U.S. Census Bureau and U.S. Department of Housing and Urban Development, "Median Sales Price of Houses Sold for the United States," retrieved from FRED, Federal Reserve Bank of St. Louis (fred.stlouisfed.org/series/MSPUS), January 15, 2024.

3 U.S. Department of Housing and Urban Development, Tenants in LIHTC Units as of December 31, 2019.

4 NCSHA State HFA Factbook: 2022 NCSHA Annual Survey Results (2023).

5 U.S. Department of Housing and Urban Development, Resident Characteristics Report, as of January 31, 2023.

6 Moody's Investors Service, "Sector In-Depth: State Housing Finance Agencies - US" (October 13, 2023).

7 S&P Global Ratings, "U.S. Housing Finance Agencies 2022 Medians: Strong Metrics, Balance Sheets Reinforce Credit Quality" (September 19, 2023).