



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



STATE HFAs CAN DO EVEN MORE WITH SMART FEDERAL POLICIES

State housing finance agencies are pushing Congress and the Administration to make housing more affordable in four key areas in 2026.

Tax Policy

To help tackle the affordable housing crisis the nation is facing, Congress should advance bipartisan legislation to expand and improve tax-exempt Housing Bonds and Housing Credits. Housing Bonds provide lower-cost mortgage loans for homeownership and rental housing. Housing Credits are the primary incentive for affordable apartment construction. Both policies are well established, highly effective, and supported by many members of both parties.

Congress should expand homeownership opportunities by exempting Mortgage Revenue Bonds from the private activity bond cap, enacting the Affordable Housing Bond Enhancement Act (S. 1511/H.R. 7414) to modernize the Mortgage Revenue Bond and Mortgage Credit Certificate programs, and creating a new tax incentive for starter home building, modeled on the Housing Credit program, as proposed in the Neighborhood Homes Investment Act (S. 1686/H.R. 2854).

Congress also should build on the successful 2025 expansion of the Housing Credit program by enacting the Affordable Housing Credit Improvement Act (S. 1515/H.R. 2725) to facilitate development for hard-to-reach communities and make common-sense adjustments to program rules that would expand the supply of affordable rental housing.

Spending Policy

As Congress looks for opportunities to reduce federal spending, it should ensure proven programs that increase housing supply and make housing more affordable for working families and economically vulnerable individuals remain funded. The HOME housing block grant is an efficient, all-purpose tool run at the state and local levels. Federal rent vouchers and project-based rental housing assistance, often administered by state HFAs, make housing affordable for millions of people and promote the viability of thousands of apartment properties operated by the private sector and community-based groups.

Housing Authorization Legislation

The Senate 21st Century ROAD to Housing and House Housing for the 21st Century bills include important and long-overdue improvements to the HUD and USDA housing programs that are central to HFAs' missions. They would expand the supply of affordable housing and lower costs through streamlined regulations, common-sense program reforms, and new flexible financing options. Particularly important and helpful changes for HFAs would improve the HOME Investment Partnerships Program, raise the cap on banks' public welfare investments, and modernize rural housing programs.

Housing Finance

The housing Government-Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac play an indispensable role in financing affordable homeownership and rental housing opportunities for working families. Fannie and Freddie should expand their effective partnerships with HFAs, increasing financing through HFA bonds and securities and encouraging new supply through targeted pilot programs. The Federal Housing Administration, Ginnie Mae, and the Rural Housing Service also should continue to ensure affordable financing is widely available for home buyers and builders. State HFAs play essential roles in enabling them to reach underserved markets, such as rural communities throughout the country. These kinds of partnerships can and should be expanded.



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 \$860 billion in financing to make possible the purchase, development, and rehabilitation of more than 8.5 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.

2024 STATE HFA IMPACT

MORE THAN
\$38
BILLION
FINANCED

NEARLY
\$18
BILLION
FINANCED

MORE THAN
140,000
HOUSEHOLDS

MORE THAN
162,000
HOUSEHOLDS

Homeownership

Rental Housing



STATE HFAs ARE MEETING THE NATION'S HOUSING AFFORDABILITY CHALLENGES

State HFAs make affordable housing a new reality for more than 300,000 households every year. Working in every state in the country, the agencies are:

Expanding Affordable Homeownership Opportunities

In 2024, state HFA programs provided more than \$38 billion to more than 140,000 home buyers, including affordable mortgages, down payment assistance, and education and counseling.

The median income of an HFA-financed home buyer is approximately \$75,000 – more than 30 percent below the national median for all home buyers. Their average home price is \$242,678 – less than half of the national average. Eighty-five percent of HFA-supported owners are first-time home buyers.

Increasing and Preserving Affordable Rental Housing

State HFAs provided nearly \$18 billion in financing to create and preserve more than 162,000 affordable rental apartments in 2024.

Eighty-eight percent of HFA-financed apartments serve households earning 60 percent of their area's median income or less. The main HFA-administered rental assistance program supports renters with an average household income of \$18,600. The federal Low-Income Housing Tax Credit (LIHTC) program, administered in 53 states and territories by the HFA, serves mostly extremely low-income people and drives apartment development across the country.

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.



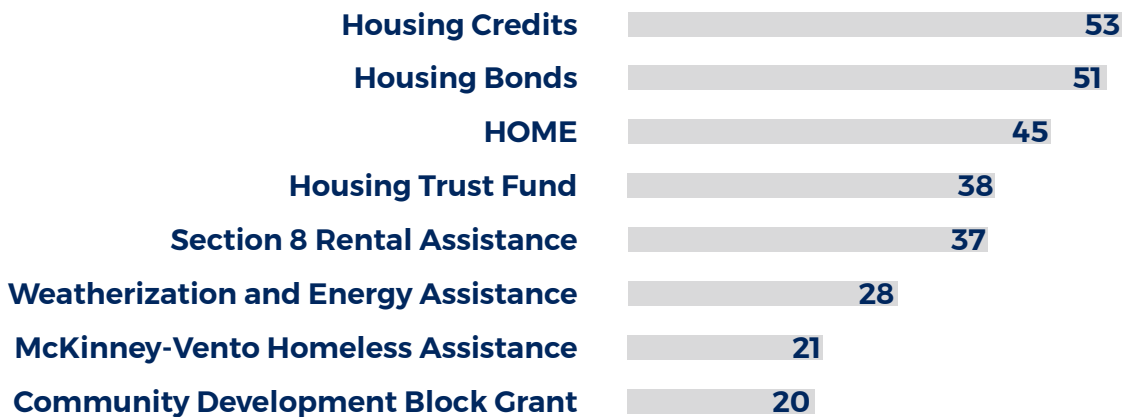
STATE HFAs DELIVER VALUE FOR THEIR STATES AND THE NATION

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*

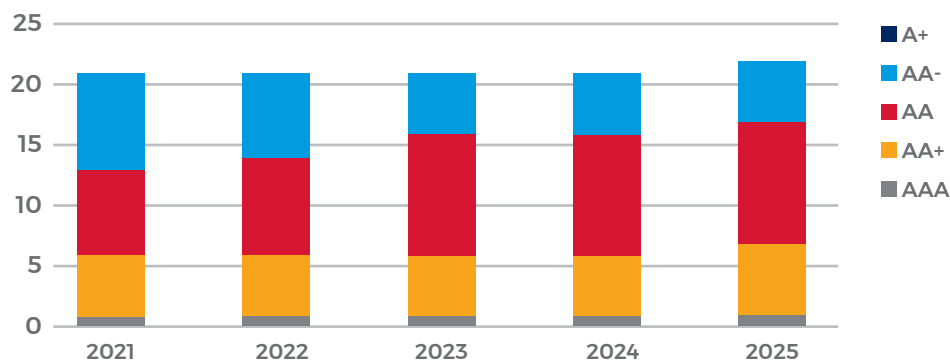


*Totals include the HFAs of the 50 states, District of Columbia, Guam, New York City, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands.

Operationally Strong and Ready to Do More

S&P Global Ratings has rated HFAs highly throughout the past five years.

State HFA Bond Ratings, 2021 - 2025*



*Includes public ratings only. Source: S&P Global Ratings Copyright ©2026 by Standard & Poor's Financial Services LLC. All rights reserved.

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.



National Council of State Housing Agencies
444 North Capitol Street NW, Suite 625
Washington, DC 20001

202-624-7710
info@ncsha.org
ncsha.org