State Housing Finance Agencies:

AT THE CENTER OF AFFORDABLE HOUSING

High housing costs have become a painful reality for millions of Americans, inflicting financial hardships on families and holding back the nation's economic growth. It's no surprise voters across the political spectrum identify housing affordability as a top concern.

The challenges facing aspiring first-time home buyers, working-class renters struggling to make ends meet, and cash-strapped owners of older homes are different — but they all reflect the same underlying fact: Almost anywhere you look, America has a housing affordability crisis.

State housing finance agencies are at the center of the solutions to these problems.

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 lower- and middle-income households.

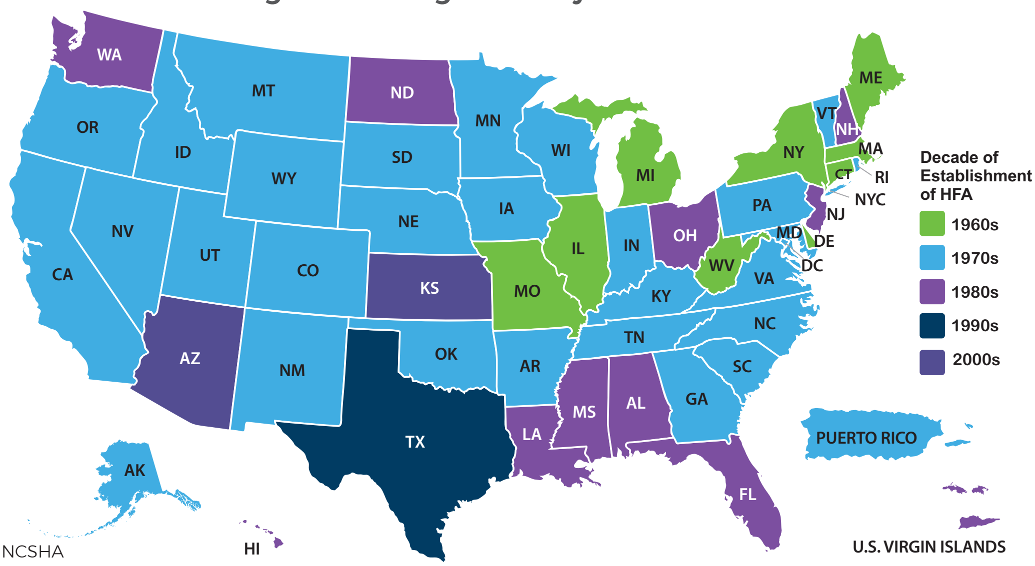
Every year, these agencies help 275,000 – 300,000 owners and renters all across the country.

HFAs combine the financial sophistication and business discipline of a large-scale lending institution with the transparency and accountability of a public-purpose organization. They are self-supporting — not reliant on taxpayers to execute their mission.

Each HFA was created by its state to meet its own specific housing needs, so no two are exactly alike. They all share a common mission: to make housing more affordable.

This report describes how they do it.

FIGURE 1: **State Housing Finance Agencies by Decade of Establishment**



Source: NCSHA

AFFORDABLE HOMEOWNERSHIP

The Challenges

Homeownership, the primary driver of household wealth and a foundation for family stability, is increasingly out of reach for millions of Americans.

Home prices rose by 48 percent, more than double the rate of median income, between 2019 and 2024.[i] More than three quarters of the homes on the market were unaffordable for the typical household as of the end of last year.[ii] The share of newly built homes serving entry-level buyers is less than nine percent.[iii] And homeowners earning $55,000 or less have cumulative home repair needs of $75 billion.[iv]

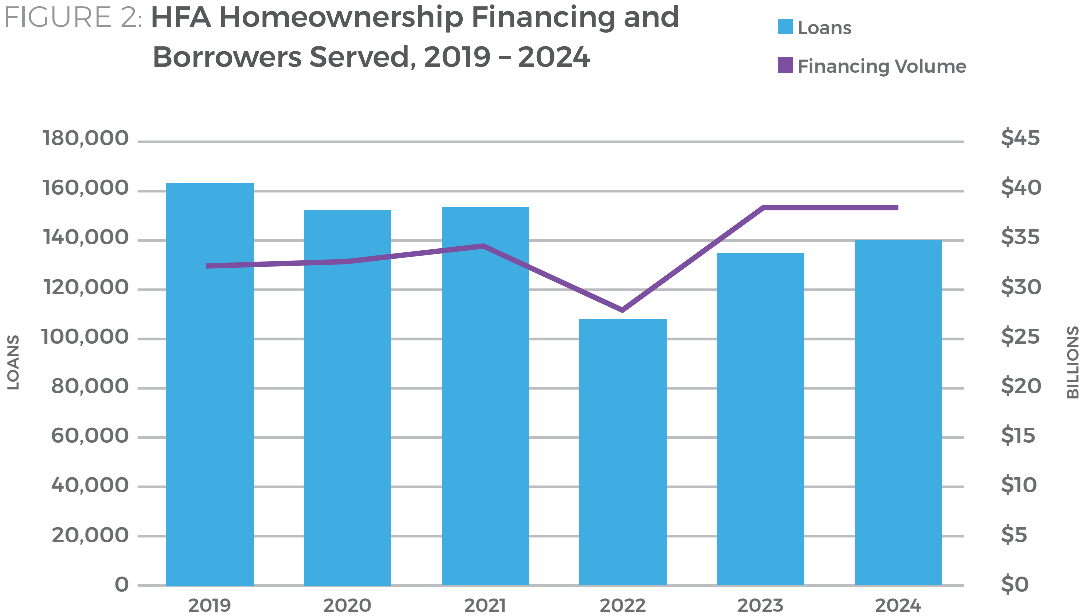
HFA Solutions

State HFAs have made homeownership more affordable for nearly five million lower-income homeowners and home buyers. They do it by:

- financing affordable mortgages,
- providing down payment assistance,
- supporting affordable home construction, and
- funding necessary home improvements.

The Results

FIGURE 2: **HFA Homeownership Financing and Borrowers Served, 2019 – 2024**

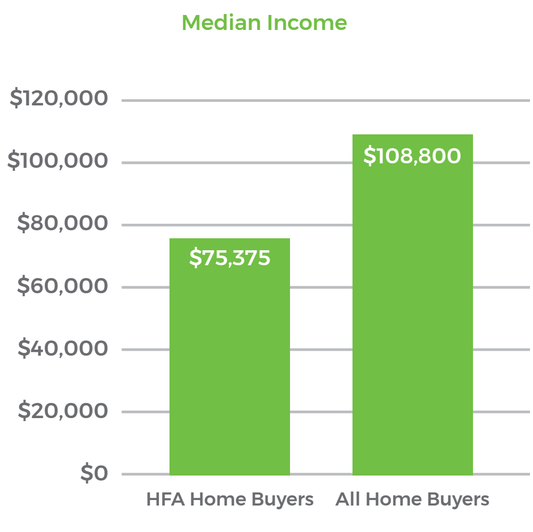


Source: NCSHA

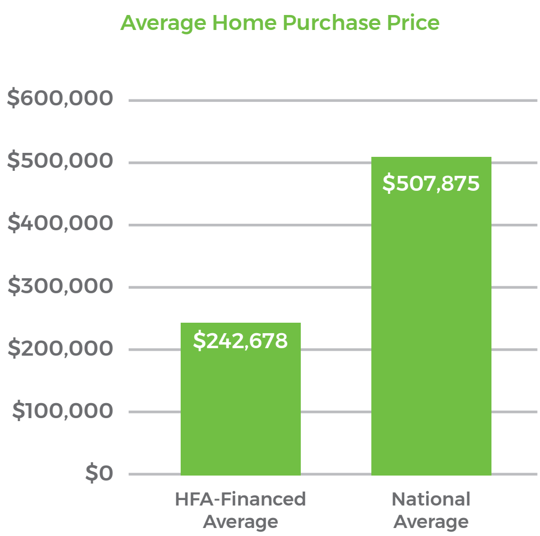
The Impacts

The median income of an HFA-financed home buyer is $75,375 — more than 30 percent below the national median for all home buyers. Their average home purchase price is $242,678 — less than half of the national average. Eighty-five percent of HFA-supported owners are first-time home buyers.

FIGURE 3: **HFA Home Buyer Incomes and Home Purchase Prices, 2024**



Sources: National Association of REALTORS©, “2024 Profile of Home Buyers and Sellers,” November 4, 2024.



Sources: U.S. Census Bureau and U.S. Department of Housing and Urban Development, “Average Sales Price of Houses Sold for the United States (ASPUS),” Federal Reserve Bank of St. Louis. February 5, 2026. https://fred.stlouisfed.org/series/ASPUS

AFFORDABLE RENTAL HOUSING

The Challenges

Record numbers of Americans are paying unsustainable rents, living in poor-quality apartments, and experiencing homelessness.

Nationwide, renter households need to earn more than $80,000 to reasonably afford the typical rental, a 33 percent increase in just five years.[v] Twelve million renters pay more than half their income for rent and utilities,[vi] while four million live in substandard conditions.[vii] Three out of every four households income-eligible for rental assistance don't receive any.[viii] The supply of affordable apartments is millions short of demand,[ix] and low-cost rentals are being lost faster than new ones can be built.[x]

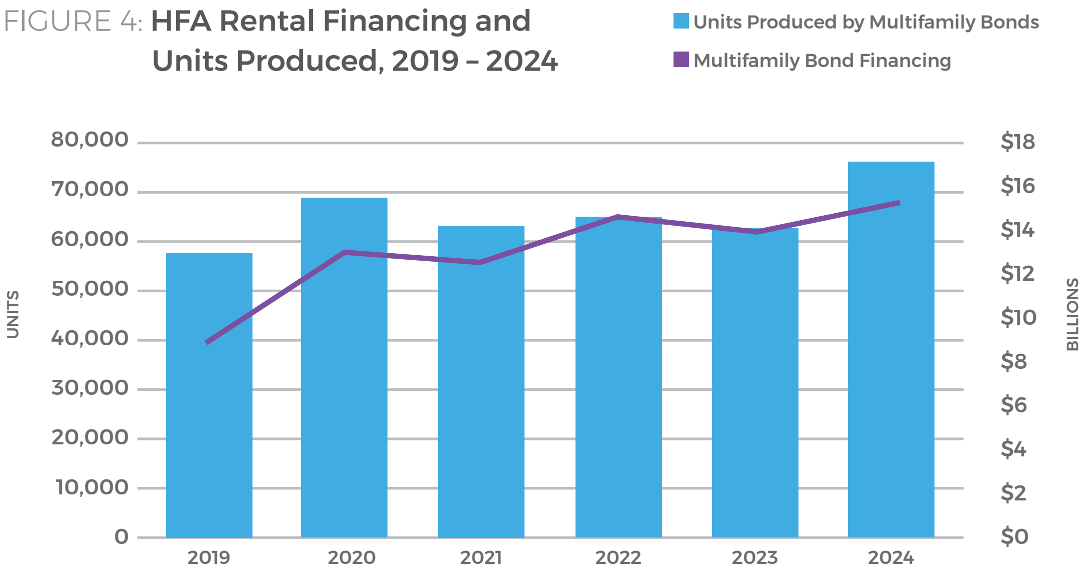
HFA Solutions

State HFAs have provided lower-cost homes and improved housing conditions by financing nearly four million apartments for low-income renters. They do it by:

- financing apartment development,
- allocating construction incentives,
- delivering rental assistance, and
- ensuring quality property standards and timely rent collection.

The Results

FIGURE 4: **HFA Rental Financing and Units Produced, 2019 – 2024**

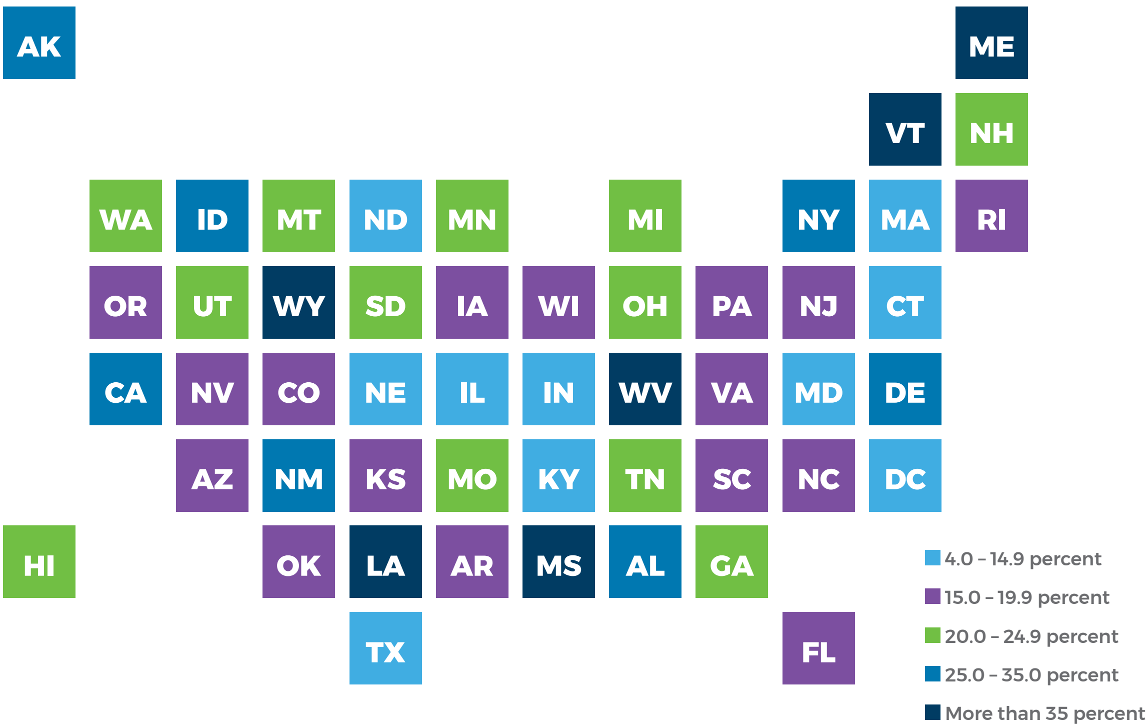


Source: NCSHA

The Impacts

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.

FIGURE 5: **Low-Income Housing Tax Credits Finance at Least 15 Percent of New Multifamily Housing in 40 States**



Notes: Defines multifamily housing as buildings with at least five units. Defines tax credit units as those with Low-Income Housing Tax Credit (LIHTC) subsidies. Compares the number of LIHTC units placed in service from 2000 – 2019 with the number of housing units recorded as built from 2000 – 2019 in 2017 – 2021 survey.

Source: National Housing Preservation Database (2023); American Community Survey 2017 – 2021 by year structure built.

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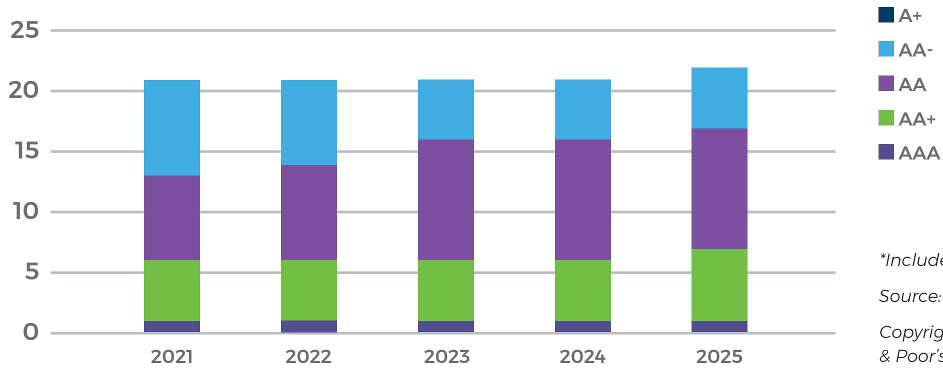
THE FOUNDATIONS OF HFA EFFECTIVENESS

Strong Management

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

FIGURE 6: **State HFA Issuer Credit Ratings,* 2021 – 2025**



*Includes public ratings only

Source: S&P Global Ratings

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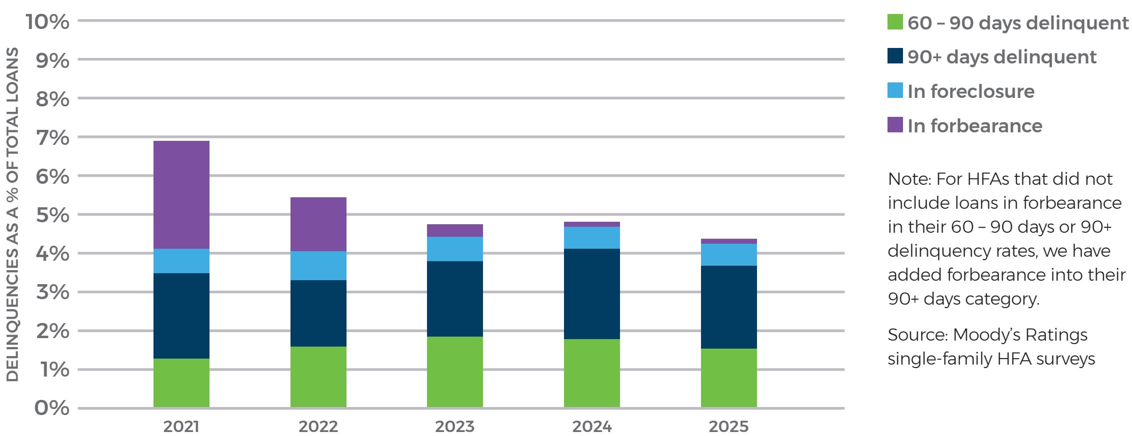
Superior Financial Performance

Analysis by Moody's Ratings attests to HFA loan quality.

FIGURE 7: **State HFA Home Mortgage Loan Performance, Q4 2021 – 2025**

High-quality loans lead to favorable portfolio outcomes, as indicated by low delinquency and foreclosure rates during economic challenges. (Single-family loan portfolio)



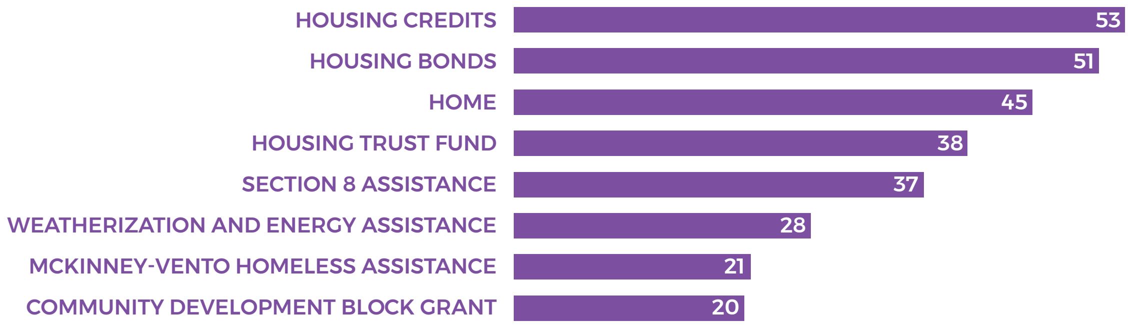
Note: For HFAs that did not include loans in forbearance in their 60 – 90 days or 90+ delinquency rates, we have added forbearance into their 90+ days category.

Source: Moody's Ratings single-family HFA surveys

Sound Stewardship of Federal Resources

HFAs are the primary administrators of most major federal housing programs, reflecting a long-running, bipartisan confidence that they are best positioned to serve both national housing objectives and specific state needs. Governors and state legislatures in every part of the country are also turning to state HFAs to solve their housing challenges as never before.

FIGURE 8: **Number of State HFAs Administering Key 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.

Source: NCSHA

State HFAs

Alabama Housing Finance Authority
Alaska Housing Finance Corporation
Arizona Department of Housing
Arkansas Development Finance Authority
California Housing Finance Agency
Colorado Housing and Finance Authority
Connecticut Housing Finance Authority
Delaware State Housing Authority
District of Columbia Housing Finance Agency
Florida Housing Finance Corporation
Georgia Department of Community Affairs/ Georgia Housing and Finance Authority
Hawai'i Housing Finance and Development Corporation
Idaho Housing and Finance Association
Illinois Housing Development Authority
Indiana Housing and Community Development Authority
Iowa Finance Authority
Kansas Housing Resources Corporation
Kentucky Housing Corporation
Louisiana Housing Corporation
MaineHousing
Maryland Department of Housing and Community Development
MassHousing
Michigan State Housing Development Authority
Minnesota Housing
Mississippi Home Corporation
Missouri Housing Development Commission
Montana Housing
Nebraska Investment Finance Authority
Nevada Housing Division
New Hampshire Housing Finance Authority
New Jersey Housing and Mortgage Finance Agency
New Mexico Mortgage Finance Authority
New York City Housing Development Corporation
New York State Homes and Community Renewal
North Carolina Housing Finance Agency
North Dakota Housing Finance Agency
Ohio Housing Finance Agency
Oklahoma Housing Finance Agency
Oregon Housing and Community Services
Pennsylvania Housing Finance Agency
Puerto Rico Housing Finance Authority
Rhode Island Housing
South Carolina State Housing Finance and Development Authority
South Dakota Housing Development Authority
Tennessee Housing Development Agency
Texas Department of Housing and Community Affairs
Utah Housing Corporation
Vermont Housing Finance Agency
Virgin Islands Housing Finance Authority
Virginia Housing
Washington State Housing Finance Commission
West Virginia Housing Development Fund
Wisconsin Housing and Economic Development Authority
Wyoming Community Development Authority

About NCSHA

The National Council of State Housing Agencies is a nonprofit, nonpartisan organization created by the nation's state housing finance agencies (HFAs) more than 50 years ago. NCSHA advances the agencies' shared policy priorities with Congress and federal agencies; produces and disseminates educational, training, and best-practice information for agency staff; and promotes HFA leadership and innovation in meeting their states' housing needs. **Learn more at ncsha.org.**

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