



November 3, 2025

The Honorable Bill Pulte  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street SW  
Washington, DC 20219

Dear Director Pulte

The National Council of State Housing Agencies (NCSHA),<sup>1</sup> on behalf of the nation's state housing finance agencies (HFAs), appreciates the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed Strategic Plan for fiscal years 2026 to 2030.

NCSHA applauds FHFA for including in its Strategic Plan explicit objectives to encourage both the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac and the Federal Home Loan Banks (FHLBs) to help expand the housing supply throughout the nation. The lack of housing options, both for sale and rental, is the biggest contributor to our country's current affordable housing crisis. We thank FHFA and President Trump for highlighting this issue in recent months. Including it in FHFA's Strategic Plan demonstrates a strong commitment to taking concrete action. We strongly urge FHFA to include this objective in the final Strategic Plan.

NCSHA also strongly supports the explicit commitment in the proposed Strategic Plan to, "ensure that the Enterprises comply with Affordable Housing Goals, Duty to Serve, Housing Trust Fund, Capital Magnet Fund, executive compensation, and other applicable statutory requirements." The Enterprises' efforts to support mortgage finance liquidity in all markets at all times is vital to efforts to promote affordable housing lending for for-sale and rental housing. The additional effort and strategic focus buttressed by the affordable housing goals and Duty to Serve requirements have a major impact on the ability of HFAs, Community Development Financial Institutions, and other affordable housing partners to deliver housing help to those who need it and promote important innovation.

### **Ready to Work Together**

NCSHA and the state HFAs stand ready to work with FHFA, the GSEs, and FHLBs to develop solutions for boosting housing supply. HFAs are state-chartered housing agencies that operate in every state, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands. They are primary

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<sup>1</sup> NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

providers of affordable home mortgage loans and down payment assistance, financing for affordable rental apartment development, and direct rental assistance, and many other affordable housing and community development programs. They bring a wealth of practical knowledge and experience to the table.

In recent years, as the housing shortage has deepened, HFAs in more than a dozen states have been tasked by their governors and state legislatures with identifying and implementing initiatives to increase the stock of affordable for-sale and/or rental housing in their states. These varying initiatives have not only expanded the supply of affordable homes but also given HFAs and their partners first-hand experience regarding the benefits and drawbacks of various approaches, as well as any new tools that are needed. NCSHA and our member HFAs will draw on this experience and develop ideas to share with you on how FHFA, the Enterprises, and the FHLBs could help increase the supply of affordable housing.

### **Preserve Commitment to Housing Credit Investments**

Further, we want to thank FHFA for specifically citing Enterprise involvement in the Low-Income Housing Tax Credit (Housing Credit) market as one of the strategies FHFA will use to encourage GSE efforts to expand the housing supply. The Housing Credit is our nation's most effective tool for financing the development of rental housing affordable to low-income Americans.

Fannie Mae and Freddie Mac's reentry into the Housing Credit market in 2018 came at a critical time, as the lower corporate tax rate enacted by the Tax Cuts and Jobs Act of 2017 had put downward pressure on the price of Housing Credits. This is a particularly acute issue for Housing Credits that support developments in rural markets, which often do not have the same potential pool of investors as projects in urban areas, where financial institutions purchase Housing Credits to earn credit under the Community Reinvestment Act.

Since 2018, the GSEs have made \$8.7 billion combined in Housing Credit investments to support over 1,000 properties, including more than 130 in high-needs rural regions. FHFA has continuously fostered such investments by increasing the annual Housing Credit investment cap for each Enterprise. We thank FHFA for doubling the Housing Credit investment cap for each Enterprise from \$1 billion to \$2 billion earlier this year.

We encourage FHFA to maintain GSE Housing Credit investments as a means of boosting housing supply in the Final Strategic Plan.

### **Unleash the Potential of FHLB AHP Programs**

One of the means FHFA proposes to use to ensure that the FHLBs help expand affordable housing supply is to monitor if the FHLBs properly leverage their Affordable Housing Programs (AHP) to address critical supply needs in their regions. NCSHA supports this provision and hopes to have the opportunity to share with you proposed reforms for the AHP regulations.

The AHP programs serve as a reliable source of funding for affordable housing in their districts. Many HFAs have utilized AHP financing to support their affordable housing activities. The AHP especially serves as source of critical gap financing for Housing Credit and/or Housing Bond projects that make up for the gap between other subsidies the project receives and the actual costs of construction.

As important as AHP is, its overly rigid structure has made it difficult for HFAs to utilize AHP funds in conjunction with the federal and state programs they run. This can diminish AHP's impact by making it harder to combine it with other funding sources. While FHFA took steps in a 2018 rule to introduce more flexibility into the AHP program, more can be done to help AHP work better with existing affordable housing programs and initiatives.

NCSHA is looking forward to the opportunity to further discuss with FHFA opportunities to reform the AHP regulations and guidelines so the programs can more effectively and efficiently support affordable housing.

Thank you for your consideration. We would be happy to discuss these issues with you at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Garth Rieman  
Director, Housing Advocacy and Strategic Initiatives