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POLITICS AND POLICY

## Trump housing policy taking shape

By [Scott Sowers](#) January 17, 2025, 3:29 p.m. EST 2 Min Read



"Because of the broad, bipartisan support we have built for the LIHTCs, we believe there is a real opportunity to include housing credit provisions in the forthcoming major tax legislation," said Emily Cadik, CEO, Affordable Housing Tax Credit Coalition. *AHTC*

The Trump administration is sending out signals about how it intends to address the nation's housing challenges with the muni community hyper-focused on expanding mortgage bonds and lowering the bond financing threshold needed to secure Low Income Housing Tax Credits.

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The AHTCC champions the [Affordable Housing Credit Improvement Act](#) which includes lowering the bond threshold needed to secure 4% LIHTCs which are a valuable chip in the capital stack of affordable home building.

The organization believes the change would allow states to make more efficient use of their bond volume caps and use the additional capacity to finance more affordable housing.

More than half of U.S. states are already fully using or oversubscribed on their bond cap.

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In a nod towards supporting the home-building industry, President-elect Trump nominated Bill Pulte to serve as the next director of the Federal Housing Finance Agency.

Pulte is a philanthropist and the founder of Pulte Capital Partners, a private equity firm. He's also the grandson of the late homebuilding giant William Pulte and endorsed as a candidate by the National Association of Home Builders.

The PulteGroup is one of the largest production homebuilders in the U.S. and includes income qualified, affordable housing in its product line.

S&P Global Ratings issued a [report](#) last week projecting the outlook for the U.S. Public Finance Housing sector as stable.

"S&P's report is consistent with the latest analysis from all the major ratings agencies that state housing finance agencies have continued to deliver affordable financing for home mortgage loans and apartment construction during the recent period of higher inflation and interest rates," said Stockton Williams, executive director, National Council of State Housing Agencies

"State HFAs are well positioned to play a key role in lowering housing costs for hundreds of working families in 2025 through their issuance of tax-exempt housing bonds, which result in mortgage rates 100 basis points or more below conventional options and especially serve first-time buyers when combined with HFA down payment assistance."



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The upcoming debate over renewing the Tax Cuts and Job's Act does raise concerns for the industry as spelled out in S&P's report.

"If there were modification to, or elimination of, the municipal tax exemption as part of the expected successor tax legislation to the Tax Cuts and Jobs Act, we believe that HFAs would likely need to consider substantially modifying their financing strategies and could no longer rely on the net interest margin between the tax-exempt bonds issued and taxable loans originated to support their missions."

Scott Sowers  [in](#) [X](#)

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