



January 4, 2018

The Honorable Steven Mnuchin
Secretary, U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Benjamin S. Carson, Sr. MD
Secretary, U.S. Department of Housing and Urban Development
451 Seventh St, SW
Washington, DC 20410-0001

Dear Secretary Mnuchin and Secretary Carson,

On behalf of our member state Housing Finance Agencies (HFAs), the National Council of State Housing Agencies (NCSHA) thanks you for all you are doing to advance affordable housing opportunity in this country. We applaud your successful efforts to preserve in tax reform legislation the Low Income Housing Tax Credit and tax-exempt private activity Housing Bonds. Collectively, these programs are our most powerful response to our growing affordable housing crisis.

We are writing today, however, on another matter that is very pressing for many of our members—the Federal Financing Bank (FFB) role in supporting HUD’s Federal Housing Administration (FHA) - Housing Finance Agency (HFA) Multifamily Loan Risk-Sharing Program. The availability of the Risk-Sharing program and the related FFB financing option is a vital component of many state HFAs’ affordable rental housing efforts.

We urge you to ensure that the FFB Risk-Sharing option remains available to HFAs. Specifically, we recommend you extend the current FFB-HUD agreement for as long a period as possible and ensure that the amount of commitment authority available for FFB Risk-Sharing loans is large enough to accommodate the growing demand for this program and provide HFAs, FFB, and HUD the confidence that the resources necessary will be available for the pipeline of affordable rental housing developments that need HFA financing.

HFAs need to know the program and the resources necessary to process Risk-Sharing loans will be available into the future, especially in light of the considerable amount of time it takes to finance many affordable rental housing developments.

We understand that the most urgent need is to modify the agreement between HUD and Treasury to expand program authority to meet expected demand in the future and to make available the commitment authority necessary for HFAs to receive HUD and FFB approval to finance developments in their production pipelines that need affordable housing loans under the FFB Risk-Sharing program.

The Risk-Sharing program and the related FFB financing are fundamentally important to many HFAs' affordable rental housing activities. They enable HUD and Treasury to partner with HFAs to make thousands more affordable rental homes possible than could be financed without them. These loans are good business for the federal government, providing what we understand is a small but significant return on investment.

These developments mean affordable housing and jobs. Providing more commitment authority and certainty is necessary to keep this economic development engine running.

Please do everything you can to ensure that this effective public-private partnership will continue and that HFAs can continue to depend upon its continued availability now and into the future.

Sincerely,

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

Garth B. Rieman
Interim Executive Director

Cc: Bob Iber, HUD
Craig Phillips, Treasury