

Housing Bonds Talking Points

Audience

All members of Congress, with particular focus on members of the House Ways and Means and Senate Finance Committees

Requests

- Recognize the value and importance of the tax-exemption for Housing Bonds.
- If a member of the House of Representatives, sign the Ruppertsberger–Stivers letter to Ways and Means Committee leaders that expresses support for tax-exempt municipal bonds, including Housing Bonds.

Why protect Housing Bonds?

- **Tax-exempt private activity Housing Bonds**—including multifamily housing bonds used to finance rental housing production and the Mortgage Revenue Bond (MRB) program, which makes homeownership possible for first-time lower-income home buyers—**are essential to the efforts of state Housing Finance Agencies (HFAs) to help low- and moderate-income working families find affordable housing.**
- **Multifamily Bonds are a vital tool for addressing the rental housing crisis.** The number of cost-burdened renter households in 2018 was 20.8 million, a near-record that includes almost half of all renter households. Of these households, nearly 11 million pay more than half their income in rent.¹ Multifamily bonds are essential to the production and preservation of affordable rental housing. They provide critical financing to roughly 50 percent of Low Income Housing Tax Credit rental homes annually. *Talk about how your HFA uses multifamily bonds to finance affordable housing.*
- **MRBs enable creditworthy working families with modest incomes and limited capacity to amass the necessary down payments to access homeownership.** Using MRBs, state HFAs have helped more than 3 million responsible low- and moderate-income borrowers become homeowners. They help another approximately 75,000 families buy their first homes with MRB mortgages on average each year. The median income of an MRB borrower in 2017 was approximately \$43,959, approximately 29 percent less than the national median. HFAs have helped more than 250,000 additional homeowners by converting some of their bond authority to Mortgage Credit Certificates (MCCs), which provide home buyers with a federal tax credit for interest paid on their mortgages. *Discuss how your HFA uses MRBs and MCCs to help underserved consumers.*

¹ Harvard Joint Center for Housing Studies, *The State of the Nation's Housing 2018*

- **Housing bonds also provide other important indirect benefits** by helping the sale of homes under foreclosure; revitalizing distressed neighborhoods; bringing mortgage funds into capital-deprived areas; funding the repair and purchase of homes in older, urban communities; and helping low-income renters move out of public and assisted housing into homes of their own.
- **Many of these investments would not happen without Housing Bonds.** Eliminating or curbing the tax exemption would not reduce the need for affordable housing but would lead investors to demand higher interest rates, thus directly and negatively impacting the availability of lower-cost financing for low-income working families.