

# **National Housing Trust Fund Campaign Applauds Administration's Report on Federal Housing Finance Reform**

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## **PRESS RELEASE**

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The Obama Administration's report to Congress on "Reforming America's Housing Finance Market" proposes important measures to address the long-neglected shortage of rental housing that is affordable for the lowest income Americans.

The Administration asserts that an essential element of whatever new housing finance system the Congress will create is a commitment to a "system of transparent and targeted support for access and affordability." This includes a dedicated funding mechanism that "would support the development and preservation of more affordable rental housing for the lowest-income families to address serious supply shortages, similar to the Housing Trust Fund that the President has proposed to be capitalized." The paper cites the fact that for "every 100 extremely low income American families, only 32 adequate rental homes are affordable."

Congress required that the Administration issue this report to lay out its recommendations for the future of federal housing finance policy, specifically how to reform or replace the two government sponsored enterprises, Fannie Mae and Freddie Mac. The Administration calls for the gradual winding down of the two enterprises and a reduced role for the federal government in the housing finance market. Three options for how to structure the federal role are offered for the Congress to consider that build on the existing Federal Housing Administration programs. The Administration rejects both complete privatization of the mortgage system and total federal guarantees of mortgages.

A key feature of the report is the emphasis on better balance in the U.S. housing market to provide for a wider range of choices for all households. This includes a more robust and affordable rental housing sector and access to home ownership for those who are in a position to take on mortgages.

On behalf of the National Housing Trust Fund Campaign, Sheila Crowley, President of the National Low Income Housing Coalition, said "by including the housing shortage faced by the lowest income Americans in this report, the Obama Administration has focused attention on the fact that the U.S. housing market has not met the needs of all our people. The report offers a way forward for change and a chance to finally assure decent and affordable homes for all Americans, including a revenue source for the National Housing Trust Fund. We look forward to working with Congress and the Administration to advance this goal as soon as possible."