

Resolution No. 1

Date: 1/23/2020

City: Las Vegas, NV

NAHB Resolution

Title: Affordable Housing Mission of Fannie Mae and Freddie Mac
Sponsor: Housing Finance Committee
Submitted by: Stillman Knight

WHEREAS, households across the United States have experienced a housing crisis caused by an inadequate supply of homes and rental units at affordable prices;

WHEREAS, Fannie Mae and Freddie Mac (the Enterprises) have an affordable housing mission mandated in the Housing and Economic Recovery Act (HERA) of 2008, which requires:

- a duty to serve very-low-, low-, and moderate-income families in the underserved markets of manufactured housing, affordable housing preservation, and rural markets;
- the Federal Housing Finance Agency (FHFA) to establish, monitor and enforce annual affordable housing goals for single family and multifamily loan purchases that are generally targeted to very-low-income and low-income households and geographic areas; and
- establishment of a Housing Trust Fund, targeted to extremely-low- and very-low-income households, and a Capital Magnet Fund targeted to extremely-low-, very-low- and low-income households;

WHEREAS, on September 5, 2019 U.S. Department of Treasury (Treasury) issued its recommendations for housing finance system reform, as directed in President Trump's March 27, 2019 Memorandum on Federal Housing Finance Reform, which urged Congress to replace statutory housing goals with a more efficient system, such as a fee on guarantors to provide direct subsidies; and

WHEREAS, expanding Fannie Mae's and Freddie Mac's affordable housing mission to include workforce housing needs for moderate-income families earning up to 120 percent of area median income could help more families achieve homeownership or rent a quality apartment,

NOW, THEREFORE, BE IT RESOLVED that NAHB support reform of the affordable housing missions for government-backed secondary market entities, including Fannie Mae and Freddie Mac that:

- Upholds safety and soundness of the entities;
- Preserves the important countercyclical role of Fannie Mae and Freddie Mac in providing access to mortgage credit;
- Includes single-family and multifamily components;
- Advances meaningful initiatives that address housing needs for households with incomes at or below 120 percent of area median income across geographic markets and in various market segments;
- Requires accountability for the effectiveness of programs that receive a federal guarantee / backstop; and
- Has enforceable consequences for failure to meet affordable housing mandates.

Leadership Council Action:

Resolutions Committee Action:

Housing Finance Committee Action:

Federal Government Affairs Committee Action:

Multifamily Council Board of Trustees Action:

Approved

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval