

December 11, 2017

The Honorable Jeb Hensarling  
Chairman, Financial Services Committee  
Room 2129, Rayburn Building  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member, Financial Services Committee  
Room 2129, Rayburn Building  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Sean Duffy  
Financial Services Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Emanuel Cleaver  
Financial Services Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Hensarling, Ranking Member Waters, Chairman Duffy, and Ranking Member Cleaver:

NHC is writing to express our strong concerns about H.R. 4560, scheduled for a vote in the Financial Services Committee tomorrow. This bill appears to suspend payments to the Capital Magnet Fund and the National Housing Trust Fund where certain investors in Fannie Mae and Freddie Mac fail to receive dividend payments. We agree with the need for legislation to reform Fannie Mae and Freddie Mac, which have been in government conservatorship for nearly a decade, awaiting Congressional action. However, we believe current legislative authority provides sufficient ability for the Director of the Federal Housing Finance Agency to suspend payments if there are risks to safety or soundness.

Comprehensive, bipartisan reform of these Government Sponsored Enterprises (GSEs) should replace the temporary arrangement currently in place. However, suspending payments for affordable housing while the housing affordability crisis among our nation's lowest income seniors, veterans, persons with disabilities, and families with children stands at near record-levels would be unwise as policy and immaterial to beginning overall reform. Payments to the two funds are part of the public purpose of the GSEs and should continue, consistent with safety and soundness of the GSEs.

The need for affordable housing—addressed by both the Capital Magnet Fund and the national Housing Trust Fund—is greater today than ever before. Although the economy has improved since 2008, the recovery has coupled rising housing costs with income stagnation among low-income Americans. As a result, the number of renter households that pay more than half of their income in rent is at an all-time high of 11.4 million families, more than one in four of all renters in the United States.<sup>1</sup> Nowhere in the country can full-time minimum wage workers afford a modest two-bedroom rental home.<sup>2</sup>

The Housing Trust Fund and the Capital Magnet Fund are critical resources for creating affordable housing in communities nationwide. We remain strongly committed to working with Congress to expand both programs through housing finance reform and other legislative avenues. We oppose the effort to curtail affordable housing in H.R. 4560.

To discuss any of these comments in further detail, please contact Rebekah King, Acting Director of Policy, National Housing Conference, (202) 466-2121 x248, [rking@nhc.org](mailto:rking@nhc.org).

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<sup>1</sup> Harvard University Joint Center for Housing Studies (JCHS), "The State of the Nation's Housing, 2016"

<sup>2</sup> Out of Reach 2016. National Low Income Housing Coalition. [http://nlihc.org/sites/default/files/oor/OOR\\_2016.pdf](http://nlihc.org/sites/default/files/oor/OOR_2016.pdf)



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Sincerely,

A handwritten signature in black ink that reads "Ethan Handelman". The signature is written in a cursive, flowing style.

Ethan Handelman  
Acting CEO