

NAR Issue Summary

Housing / Affordable Housing Trust Fund

NAR Committee:

Federal Financing & Housing Policy Committee (Current)

What is the fundamental issue?

The National Affordable Housing Trust Fund was created under the Housing and Economic Recovery Act (HERA) of 2008. The program was designed to build, preserve, and rehabilitate housing for low-income Americans. However, it has never been funded, so it currently not operational.

I am a real estate professional. What does this mean for my business?

Increasing the supply of affordable and entry-level housing will allow people to gain a foothold into homeownership enabling more families of modest means to become homeowners.

NAR Policy:

The NATIONAL ASSOCIATION OF REALTORS® is unwavering in its commitment to assure that every American has the opportunity to attain a decent, safe and affordable home. This commitment must be addressed at the highest level of national priorities and must include the complete spectrum of the housing ladder -- from the homeless to the first-time homebuyer.

Opposition Arguments:

There are some who believe this is not a role of the Federal Government, and should not be funded by the Federal Government.

Legislative/Regulatory Status/Outlook

The NHTF was designed to be funded with dedicated sources of revenue - as opposed to being subject to the appropriations process. The initial sources were to be contributions from the Government Sponsored Enterprises (GSEs), Freddie Mac and Fannie Mae. However, within days of passage of this legislation, the GSEs were taken into conservatorship of the federal government, and the requirement for contributions to the Trust Fund was suspended. Advocates continue to search for other sources of revenue.

In December of 2014, FHFA Director Mel Watt announced that the GSEs would start making contributions to the Fund. This received much criticism from opponents on Capitol Hill. The outcome is yet to be seen.

Current Legislation/Regulation (bill number or regulation)

No actions at this time.

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