



HTF: The Housing Trust Fund

The national Housing Trust Fund (HTF) is the first new federal housing resource in a generation, and it is exclusively targeted to help build, preserve, rehabilitate, and operate housing affordable to people with the lowest incomes. In 2016, the first \$174 million in HTF dollars were allocated to states. This is an important first step, but far more resources are necessary to meet the need. NLIHC is committed to working with Congress and the administration to expand the HTF in order to serve more families with the greatest needs.

About the HTF

The HTF is the only federal housing program exclusively focused on providing states with resources targeted to serve households with the clearest, most acute housing needs.

- **Rental Housing and Homeownership Opportunities.** By law, 90% of HTF dollars must be used for the production, preservation, rehabilitation, or operation of affordable rental housing. Up to 10% may be used to support homeownership activities for first-time homebuyers, such as producing, rehabilitating, or preserving owner-occupied housing, as well as providing down payment assistance, closing costs, and interest rate buy-downs.
- **Highly Targeted To Serve Those With the Greatest Needs.** The HTF is *the* most highly targeted federal rental housing capital and homeownership program. By law, at least 75% of HTF dollars used to support rental housing must serve extremely low income (ELI) households earning no more than 30% of the Area Median Income (AMI) or the federal poverty limit. All HTF dollars must benefit households with very low incomes earning no more than 50% of AMI. In comparison, most other federal housing programs can serve families up to 80% of AMI.
- **Local Decision Making and Control.** Because the HTF is administered by HUD as a block grant, each state has the flexibility to decide how to best use HTF resources to address its most pressing housing needs. States decide which developments to support.
- **No Cost to Federal Government.** Because the HTF is funded outside of the appropriations process, it has no cost to the federal government. By statute, the initial source of funding for the HTF is a slight fee (0.042%) on Freddie Mac and Fannie Mae activity, only 65% of which goes to the HTF.

Efforts to Expand the HTF

NLIHC supports efforts to expand the HTF through any infrastructure bill, comprehensive tax reform, housing finance reform, and other legislative avenues.

For example, the bipartisan Johnson-Crapo housing finance reform legislation of 2014 included a provision that would increase funding for the HTF to an estimated \$3.5 billion annually, making a significant contribution to ending homelessness and housing poverty without competing with other important HUD programs for appropriated funds. To continue to build bipartisan support for housing finance reform legislation, the HTF must be protected and expanded and the HTF provision included in the Johnson-Crapo bill should be the starting point for any future legislation considered by Congress.

HTF Resources In Your State

To learn more about how HTF dollars are being used in your state, please visit: <http://nlihc.org/issues/nhtf/state-allocation-plans>.

FOR MORE INFORMATION, CONTACT SARAH SAADIAN, NLIHC VICE PRESIDENT OF PUBLIC POLICY AT [SSAADIAN@NLIHC.ORG](mailto:ssaadian@nlihc.org) OR 202-662-1530 EXT. 228.

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