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PRESS RELEASE

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President Signs Bill into Law to Create a National Housing Trust Fund

WASHINGTON, DC - Today, President George W. Bush signed into law a bill to create a national Housing Trust Fund, the first new federal rental housing production to specifically help the lowest income households in the U.S. enacted since 1974. The Housing Trust Fund is one of the many provisions of the Housing and Economic Recovery Act of 2008 that the President signed early this morning.

The Housing Trust Fund's most important features are:

- It is a **permanent** program with a dedicated source of funding.
- At least **90%** of the funds must be used for the production, preservation, rehabilitation, or operation of **rental housing**. Up to 10% can be used for the following homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment assistance, closing cost assistance, and assistance for interest rate buy-downs.
- At least **75%** of the funds for rental housing must benefit **extremely low income** (30% of area median income or less) households and all funds must benefit very low income households (50% of area median income or less).

Fannie Mae and Freddie Mac are required to make annual contributions to the Housing Trust Fund, which will be administered by the U.S. Department of Housing and Urban Development (HUD). HUD will make grants to states, which will allocate funds to qualified organizations and agencies to build and operate rental housing that is affordable to people employed in the low wage work force and to the lowest income elderly and disabled people in our country.

The amount in the Housing Trust Fund had it been fully implemented in 2008 is estimated to be about \$300 million. This amount is expected to grow over time. The bill also allows Congress to "transfer, appropriate, or credit" other funds to the Housing Trust Fund.

"Today marks the return of the Federal government to the business of supporting the production of rental homes for families whose incomes are too low to afford to rent decent homes in today's housing market. There are 9 million extremely low income renter households in the U.S. and only 6.2 million homes renting at prices they can afford. This is a longstanding crisis that has been ignored by federal policy makers for too long. The enactment of the Housing Trust Fund offers these families hope for more stable homes and healthier, more productive lives," said Sheila Crowley, President of the National Low Income Housing Coalition, which leads the National Housing Trust Fund campaign.

“The National Housing Trust Fund campaign is deeply grateful to Representatives Barney Frank (D-MA) and Maxine Waters (D-CA), and Senators Christopher Dodd (D-CT) and Jack Reed (D-RI) for their leadership in getting the Housing Trust Fund passed,” said Crowley. “Senators John Kerry (D-MA) and Bernie Sanders (D-VT) also must be congratulated for being early and committed champions to this cause.”

The National Housing Trust Fund campaign has been endorsed by more than 6,000 organizations and state and local elected officials. For more information, go to www.nhtf.org.

The National Low Income Housing Coalition is a membership organization dedicated solely to ending America's affordable housing crisis. NLIHC educates, organizes and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone.

The National Low Income Housing Coalition recognizes journalists who do an exemplary coverage of the affordable housing crisis. For more information, go to www.nlihc.org/cndma.

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