

May 8, 2026

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Scott Turner
Secretary of Housing and Urban Development
U.S. Department of Housing and Urban Development
2415 Eisenhower Avenue
Alexandria Virginia, 22314

The Honorable Russell Vought
Director, Office of Management and Budget
725 17th Street NW
Washington, DC 20500

Dear Secretary Bessent, Secretary Turner, and Director Vought,

We appreciate the Trump Administration's commitment to bringing down housing costs and increasing the supply of homes across the country. President Trump's March 2026 executive order directing federal agencies to remove regulatory barriers to housing construction¹ demonstrates that this Administration is serious about using every available tool to address the housing shortage. That is why we are concerned that the President's Fiscal Year (FY) 2027 budget signaled the Trump Administration intends to close off access to the Federal Financing Bank (FFB) Risk Sharing program, one of the most effective and cost-efficient tools in the federal housing finance toolkit.

The undersigned organizations collectively represent state and local housing finance agencies (HFAs), affordable housing lenders, developers, and advocates who rely on the Federal Financing Bank (FFB) Risk Sharing Initiative to finance affordable housing construction and preservation across the country. The FFB Risk Sharing Initiative is a joint program of the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury, and housing agencies from roughly half of all states are currently approved to participate.²

The program works by combining two federal tools. FFB, a government-owned corporation within Treasury, funds mortgages directly for participating HFAs, while HUD's Federal Housing

¹ The White House, "REMOVING REGULATORY BARRIERS TO AFFORDABLE HOME CONSTRUCTION," March 13, 2026, <https://www.whitehouse.gov/presidential-actions/2026/03/removing-regulatory-barriers-to-affordable-home-construction/>.

² National Association of Affordable Housing Lenders and National Council of State Housing Agencies, "Fact Sheet: Growing Number of States Boosting Affordable Housing Supply through HUD Risk-Sharing," April 7, 2026, <https://naahl.org/news/fact-sheet-growing-number-of-states-boosting-affordable-housing-supply-through-hud-risk-sharing>.

Administration (FHA) provides mortgage insurance and takes on 50 percent of the credit risk.³ This structure means HFAs do not need to issue their own bonds for each project, reducing reliance on competitive bond allocations and lowering borrowing costs for housing agencies. Those savings flow directly to the affordable housing developments being financed and provide HFAs with a dependable funding option that complements tax credit and bond-financed transactions.⁴ The result is lower financing costs and greater access to capital, benefits that are especially significant for smaller developments and rural communities.

The FFB Risk Sharing program generates positive cash flows to the Treasury over the life of its loans. HUD fully guarantees all Treasury FFB funding, so there is never a risk that Treasury would not be repaid its advances. And unlike most housing assistance programs, FFB Risk Sharing requires no Congressional appropriation and produces a net revenue gain for the Treasury, making it precisely the kind of program a fiscally serious Administration should want to preserve and grow. Since its inception, the FFB Risk-Sharing Initiative has committed over \$7.03 billion in loans, financing more than 56,000 affordable rental homes.⁵

We are therefore troubled that, rather than expanding this proven tool, HUD and Treasury are considering winding the FFB Risk Sharing program down. The Administration's FY 2027 Budget Request, as reflected in HUD's Congressional Justifications, projects no new commitments for the program and contains the following excerpt:

*"The Administration is examining the FFB program and considering its necessity within the government's credit portfolio. Existing firm commitments will continue to be honored; however, HUD does not project that any new firm commitments will be issued in 2027."*⁶

HFAs that are ready to close deals are being turned away, and a growing pipeline of affordable homes that communities are counting on is at risk. In 2025, HFAs from eight different states reported multifamily housing projects scheduled to close using FFB financing, with a combined pipeline of nearly 7,400 units in active development. Even more HFAs indicated plans to use or pursue FFB financing for projects closing in 2026 and 2027.⁷ History bears this out: in past years when the FFB Risk Sharing program was temporarily suspended, lending activity was significantly reduced, demonstrating how essential it is to maintaining liquidity for lenders in the program.

The federal government's role in the FFB Risk Sharing program is to serve as a reliable, low-cost capital partner to state agencies doing the work of building homes, and it is a role that more than pays for itself. We ask that HUD and Treasury commit to (1) continuing to make new financing

³ Paul E. Williams, Center for Public Enterprise, "How the Federal Financing Bank supports multifamily construction," August 13, 2024, <https://publicenterprise.org/how-the-federal-financing-bank-supports-housing-construction/>.

⁴ National Council of State Housing Agencies, "FHA-HFA Risk-Sharing Program," <https://www.ncsha.org/advocacy-issues/fha-hfa-risk-share-program/>.

⁵ National Association of Affordable Housing Lenders and National Council of State Housing Agencies, "Fact Sheet: Growing Number of States Boosting Affordable Housing Supply through HUD Risk-Sharing," April 7, 2026, <https://naahl.org/news/fact-sheet-growing-number-of-states-boosting-affordable-housing-supply-through-hud-risk-sharing>.

⁶ U.S. Department of Housing and Urban Development, "FY 2027 Congressional Justifications," 2026, <https://www.hud.gov/sites/dfiles/CFO/documents/2027-Congressional-Justifications.pdf>.

⁷ Annika Hayes and Ashwin Warrior, Center for Public Enterprise, "Risk Share and FFB Continues to Provide Options for States Looking to Increase Housing Production," July 2, 2025, <https://publicenterprise.org/risk-share-and-ffb-continues-to-provide-options-for-states-looking-to-increase-housing-production/>.

commitments through the FFB Risk Sharing program; and (2) expanding its reach to additional states and agencies, consistent with its goals of increasing housing supply and reducing housing costs.

We stand ready to work with you to ensure this program continues and grows.

Sincerely,

National Association of Affordable Housing Lenders
Center for Public Enterprise
Community Housing Capital
Community Preservation Corporation
Housing Assistance Council
Housing Trust Silicon Valley
Local Initiatives Support Corporation (LISC) / National Equity Fund
Low Income Investment Fund
National Association of Local Housing Finance Agencies
National Council of State Housing Agencies
National Housing Conference
Opportunity Finance Network
RDF
ROC USA
Stewards of Affordable Housing for the Future (SAHF)