



## MHP's Federal Housing Pages: [www.mhponline.org/policy/federalpages](http://www.mhponline.org/policy/federalpages)

**MHP's Federal Housing Pages** are designed to help stakeholders, communities, developers, advocates, and citizens track federal housing programs and resources for Minnesota. With a new federal administration and changes in the economy, housing initiatives are evolving rapidly.

The information in the table below serves as a quick guide to some of the important federal housing policies. **For additional information including regular policy updates, funding, administration, resources and links, please visit the [MHP Federal Housing Pages](http://www.mhponline.org/policy/federalpages).** The Federal Housing Pages are not intended to be comprehensive, but to provide an overview of housing programs.

### **Federal Initiatives & Programs Highlighted:**

1. [Low Income Housing Tax Credit \(LIHTC\)](#)
2. [Public Housing](#)
3. [Weatherization & Energy Efficiency](#)
4. [National Housing Trust Fund](#)
5. [Preservation of Assisted Housing](#)
6. [Neighborhood Stabilization Project \(NSP\)](#)
7. [Community Development Block Grant \(CDBG\)](#)
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Program	Background
<p><b>1. Low Income Housing Tax Credit (LIHTC)</b></p> <p>The Low Income Housing Tax Credit (LIHTC) Program is currently the most significant program financing homes that are affordable to rent.</p> <p>The Low Income Housing Tax Credit (LIHTC) program has helped create over 29,000 new homes since its inception in 1987.</p>	<p>LIHTC faces an unprecedented crisis. Many 2008 and 2009 tax credits are unused due to lack of investor interest given the current economy.</p> <ul style="list-style-type: none"> <li>• Investors cannot benefit unless they have profits against which to take tax credits over the next 10 years.</li> <li>• Tax credit value has declined from \$0.90+ to \$0.70/ dollar. The credits, even when purchased by investors, provide far less capital for projects than before. This has stalled many new tax credit projects.</li> </ul> <p>The Housing and Economic Recovery Act (HERA) of 2008 provided reforms, and then ARRA financed assistance for tax credit projects. ARRA created:</p> <ul style="list-style-type: none"> <li>• Tax Credit Assistance Program (TCAP) to make up for the loss of value in credits for stalled tax credit projects.</li> <li>• Tax Credit Exchange Program (TCEP) allows states to exchange a portion of 2008 and 2009 credits for cash.</li> </ul> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/lihtc">http://www.mhponline.org/policy/federal/lihtc</a></p>
<p><b>2. Public Housing</b></p> <p>Public Housing units are publicly owned and ensure that residents generally pay only 30% of their income for housing and utilities.</p> <p>MN has about 20,000 public housing units in 210 cities. Nearly two thirds of units serve the elderly and people with disabilities. The average household income is \$12,200.</p>	<p><u>Federal:</u></p> <ul style="list-style-type: none"> <li>• Over the last 20 years, the federal government often failed to provide operating funds at the level needed.</li> <li>• Capital funds shortages created financial backlog \$20+ billion nationally, and over \$300 million in Minnesota.</li> </ul> <p><u>State:</u></p> <ul style="list-style-type: none"> <li>• MN legislature passed state funding for public housing in 2007 and 2009, mostly for capital funding.</li> </ul> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/publichousing">http://www.mhponline.org/policy/federal/publichousing</a></p>
<p><b>3. Weatherization &amp; Energy Efficiency</b></p> <p>Numerous programs help fund residential weatherization and energy efficiency.</p>	<p>In addition to ARRA stimulus funds, many programs also receive annual appropriations.</p> <p><u>Federal:</u></p> <ul style="list-style-type: none"> <li>• A <a href="#">memorandum of understanding</a> signed by HUD and has goal of weatherizing a million homes annually.</li> <li>• Under ARRA, WAP eligibility increased to 200% of poverty level and \$6,500 per home.</li> <li>• Green Retrofit applications being submitted, starting June 15, 2009.</li> </ul>



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<p>2009 American Recovery and Reinvestment Act (ARRA) funded the following:</p> <ul style="list-style-type: none"> <li>Weatherization Assistance Program (WAP); State Energy Program (SEP); Public Housing; Native American Housing block grants; Energy Efficiency &amp; Conservation Block Grants (EECBG); Appliance rebates and tax credits for homeowners; and Green Retrofit Program for Multifamily Housing.</li> </ul>	<p><u>State:</u></p> <ul style="list-style-type: none"> <li>MN Housing working with community action agencies to encourage of multi-family weatherization with WAP.</li> <li>MN legislature dedicated \$7.9 million for residential energy efficiency from the State Energy Program for incentives for weatherization for homeowners. Includes \$250,000 for residential outreach &amp; \$7.65 million for grants, loans or rebates to improve residential energy efficiency. Grant program to be administered through Minnesota Housing Fix Up Fund targeted to households with incomes at or below \$96,500. A rebate program may extend eligibility to higher income levels.</li> </ul> <hr/> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/weatherization">http://www.mhponline.org/policy/federal/weatherization</a></p>
<p><b>4. National Housing Trust Fund (NHTF)</b></p> <p>The National Housing Trust Fund was created as part of 2008 Housing and Economic Recovery Act (HERA) to create or preserve mostly rental housing for extremely low income households.</p>	<p>National Housing Trust Fund uses dedicated funding at:</p> <ul style="list-style-type: none"> <li>At least 90% of funds directed to rental housing, with 75% of rental funding for extremely low income homes.</li> <li>Fannie Mae/Freddie Mac was intended to capitalize program, but now new funding source(s) required after GSEs placed in receivership.</li> </ul> <p>NLIHC goal is to finance 1.5 million affordable units over 10 years.</p> <hr/> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/nhtf">http://www.mhponline.org/policy/federal/nhtf</a></p>
<p><b>5. Preservation of Federally Assisted Housing</b></p> <p>Federally assisted, privately owned rental housing units are at risk for losing their affordable status; resources are needed to preserve these units.</p> <p>Properties at risk include HUD Section 8 project-based, USDA</p>	<p>Preservation of federally assisted housing has two components:</p> <ul style="list-style-type: none"> <li>Preserving affordability of units (usually retaining or extending use agreements with owners).</li> <li>Physical preservation of units in need of rehab.</li> </ul> <p>On June 22, 2009 HUD Secretary Donovan outlined new preservation priorities:</p> <ul style="list-style-type: none"> <li>Funding for capital improvements.</li> <li>Enacting long term Section 8 contracts.</li> <li>Increased data collection on assisted housing.</li> </ul> <hr/> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/preservation">http://www.mhponline.org/policy/federal/preservation</a></p>



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Program	Background
<p>Rural Development Section 515, Section 202, and Section 811, tax credit properties, and others.</p>	
<p><b>6. Neighborhood Stabilization Program (NSP)</b></p> <p>The Neighborhood Stabilization Program (NSP) was established to help stabilize communities with many foreclosures and vacant properties through purchase and redevelopment of properties.</p> <p>Local Initiatives Support Corporation (LISC) estimates that there are about 50,000 foreclosed and vacant homes in Minnesota.</p>	<p><u>First Funding Round (NSP1):</u></p> <ul style="list-style-type: none"> <li>• Housing and Economic Recovery Act (HERA) of 2008 created initial funding.</li> <li>• Distributed by formula; available only to governments.</li> </ul> <p>MN recipients of NSP1 funds include:</p> <ul style="list-style-type: none"> <li>• Minneapolis &amp; St. Paul plus Anoka, Dakota and Hennepin counties.</li> <li>• State awards to additional locations through MHFA.</li> <li>• The first round of NSP funding will address about 1,800 units of foreclosed and vacant housing.</li> </ul> <p><u>Second Funding Round (NSP2):</u></p> <ul style="list-style-type: none"> <li>• American Recovery and Reinvestment Act (ARRA) of 2009 created \$2 billion in NSP2 funds.</li> <li>• Funds will be awarded competitively.</li> <li>• Allows applications by non-profits.</li> <li>• Three NSP2 applications totaling \$120 million were submitted by units of local government in Minnesota.</li> </ul> <p><b><i>For current policy developments, funding, administration, and links, visit:</i></b>  <a href="http://www.mhponline.org/policy/federal/nsp">http://www.mhponline.org/policy/federal/nsp</a></p>
<p><b>7. Community Development Block Grants (CDBG)</b></p> <p>The Community Development Block Grant (CDBG) is a flexible program that provides communities with resources to address community needs, such as affordable housing development and preservation, child care, job training, and economic development.</p>	<p>The CDBG program's goals include ensuring decent affordable housing and services and creating jobs through business expansion and retention.</p> <p>Provides grants by formula to 1,225 units of local government and states.</p> <p>American Recovery and Reinvestment Act (ARRA) stimulus funds must be used primarily to spur economic investment, energy efficiency, or job retention/ creation.</p> <p><b><i>For current policy developments, funding, administration, and links, visit:</i></b>  <a href="http://www.mhponline.org/policy/federal/cdbg">http://www.mhponline.org/policy/federal/cdbg</a></p>
<p><b>8. Section 8 Voucher Program (Housing Choice Vouchers)</b></p>	<p>The HCV program, the country's largest low-income housing assistance program, helps fight homelessness and assists families in moving to lower poverty areas.</p>



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<p>Housing Choice Vouchers (Section 8) vouchers generally enable households to pay no more than 30% of their income for housing.</p>	<ul style="list-style-type: none"> <li>• Despite sizeable need, HCV has not seen a sizable increase in vouchers in many years.</li> <li>• Vouchers follow tenants and allow them some flexibility in selecting an apartment.</li> </ul> <p>About 30,000 MN households receive HCV vouchers.</p> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/section8">http://www.mhponline.org/policy/federal/section8</a></p>
<p><b>9. Homeless Programs</b></p> <p>The Department of Housing and Urban Development (HUD) coordinates seven programs targeted specifically for fighting homelessness. The Veterans' Administration (VA) also funds homelessness programs for veterans.</p> <p>The Health and Human Services (HHS) Department funds a number of important supportive services programs not discussed here.</p>	<p>HUD coordinates seven programs targeted specifically for fighting homelessness. Five are known collectively as the McKinney-Vento homeless assistance programs (Supportive Housing Program (SHP); Shelter Plus Care (S+C); Section 8 Moderate Rehab for Single-Room Occupancy (SRO); Emergency Solutions Grants (ESG) fund shelters/transitional housing and homeless prevention; Title V (Federal Surplus Property to Assist Homeless).</p> <p>The HEARTH Act, passed in May 2009:</p> <ul style="list-style-type: none"> <li>• Consolidated the separate McKinney-Vento programs into a single Continuum of Care Program.</li> <li>• Converted existing "Emergency Shelter Grants" ESG program to "Emergency Solutions Grants" focused on prevention and re-housing similar to HPRP.</li> <li>• Expanded the definition of homelessness.</li> </ul> <p>Other important programs include Housing Opportunities for Persons with AIDS (HOPWA) and the Homelessness Prevention and Rapid Rehousing Program (HPRP). HPRP was created under ARRA in 2009 to rapidly re-house homeless people and to prevent homelessness using rent subsidies. Other HUD programs serve some homeless, but do not specifically target homelessness. The Veterans Administration's (VA) Homeless Providers Grant and Per Diem Program funds development and provision of supportive housing and/or supportive services to help homeless Veterans achieve residential stability.</p> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/homeless">http://www.mhponline.org/policy/federal/homeless</a></p>
<p><b>10. Indian/Native American Housing Programs</b></p> <p>Indian Housing programs help ensure that Native Americans have access to safe and affordable housing.</p> <p>Tribal governments receive federal resources directly from federal</p>	<p>Major HUD Native American Housing programs include:</p> <ul style="list-style-type: none"> <li>• Indian Housing Block Grant (NAHASDA)</li> <li>• Section 184 Loan Guarantees</li> <li>• <a href="#">Community Development Block Grant (CDBG)</a> Indian set asides (at least 1% of total CDBG appropriations)</li> </ul> <p>Major Interior Department Native American housing programs include the BIA Loan Guarantee Program; BIA Housing Improvement Program; IHS Sanitation Facilities Construction.</p> <p>The 2009 stimulus bill allocated funding for:</p>



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<p>agencies.</p> <p>MN tribes receiving federal funds: Chippewa Bands (Bois Forte, Fond Du Lac, Grand Portage, Leech Lake, Mille Lacs, Red Lake, and White Earth); Lower, Shakopee, and Upper Sioux; Ho-Chunk Nation.</p>	<ul style="list-style-type: none"> <li>• HUD Indian housing programs for new construction, acquisition, &amp; rehabilitation (including energy efficiency/conservation) and infrastructure.</li> <li>• CDBG, USDA Rural Development, and the Energy Efficiency &amp; Conservation Block Grant programs for Native American programs.</li> <li>• Interior Department Indian programs</li> </ul> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/indian">http://www.mhponline.org/policy/federal/indian</a></p>
<p><b>11. American Clean Energy &amp; Security Act (ACES) Cap &amp; Trade</b></p> <p>The American Clean Energy &amp; Security Act (ACES), the “Cap &amp; Trade” energy bill, includes a number of provisions pertinent to housing.</p>	<p>The proposed cap and trade mechanism in ACES sets a cap on pollutions allowed, and requires polluters to purchase and trade permits to pollute. Congress can then allocate the proceeds from the sale of permits to fund specific programs.</p> <p>Housing implications include:</p> <ul style="list-style-type: none"> <li>• Proposed weatherization of publicly subsidized housing.</li> <li>• Relief for low-income households who will be burdened disproportionately by increases in energy costs.</li> </ul> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/aces">http://www.mhponline.org/policy/federal/aces</a></p>
<p><b>12. Rural Housing Programs</b></p> <p>Both HUD and USDA Rural Development programs support rural housing.</p> <p>Key HUD rural programs: Rural Housing &amp; Economic Development (RHED). Many other HUD programs used in rural areas.</p> <p>Key USDA Rural Development programs: 502 Single Family loans; 504 Very low income repair loans &amp; grants; and 515 Rental Direct loans.</p>	<p><u>HUD's Rural Housing &amp; Economic Development (RHED) Program:</u></p> <ul style="list-style-type: none"> <li>• Funds state/local capacity building for rural housing and economic development and innovative housing and economic development activities in rural areas.</li> </ul> <p><u>USDA Rural Development Programs:</u></p> <ul style="list-style-type: none"> <li>• Section 502 loans help low-income households purchase homes in rural areas. Can be used to build, repair, renovate or relocate homes, or purchase/prepare sites.</li> <li>• Section 504 loans and grants help very low-income single family home dwellers make needed repairs.</li> </ul> <p>Section 515 Rural Rental Housing loans are for new construction, rehab, and improvement of land/ infrastructure to develop rural rental housing.</p> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/rural">http://www.mhponline.org/policy/federal/rural</a></p>



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<p><b>13. Community Development Finance Programs</b></p> <p>The Treasury Department promotes investment in underserved communities through a number of important programs. These include:</p> <ul style="list-style-type: none"> <li>• Community Reinvestment Act</li> <li>• Community Development Financial Institutions Fund (CDFI)</li> <li>• New Markets Tax Credits Program (NMTC)</li> </ul>	<p>The Community Reinvestment Act (CRA), meant to prohibit discrimination and requires banks to serve all communities:</p> <ul style="list-style-type: none"> <li>• Evaluates how well banks and savings institutions are meeting local credit needs and creates incentives and disincentives to promote fair lending.</li> <li>• Purchasing Low Income Housing Tax Credits and loaning to tax credit projects improves institutions' CRA scores.</li> </ul> <p>The CDFI Fund promotes economic revitalization and community development through community development financial institutions (CDFIs). MN has 35 CDFIs.</p> <ul style="list-style-type: none"> <li>• Invests in CDFIs that provide loans and services to underserved communities.</li> <li>• Provides incentives to banks to invest in communities</li> <li>• Created the New Markets Tax Credit (NMTC) Program.</li> </ul> <p>The New Markets Tax Credit Program stimulates investment in low income urban neighborhoods and rural communities. NMTC offers a 7-year, 39% federal income tax credit for investments through Community Development Entities.</p> <p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/commdev">http://www.mhponline.org/policy/federal/commdev</a></p>
<p><b>14. Homeownership Incentives &amp; Services</b></p> <p>For decades, the federal government has provided incentives for homeownership on an ongoing basis through tax incentives and government mortgage insurance programs.</p> <p>The recent foreclosure and mortgage crisis highlights the need for sustainable homeownership.</p> <p>The federal government has</p>	<p>The primary support provided by the federal government for homeownership has been tax deductions of interest on mortgages for homeowners and mortgage insurance programs through Federal Housing Administration (FHA) and Veterans Administration (VA).</p> <p>New government incentives for successful homeownership:</p> <ul style="list-style-type: none"> <li>• More resources for HUD Housing Counseling Assistance Program for pre-purchase &amp; foreclosure counseling.</li> <li>• Making Home Affordable (started 2009) to refinance and modify loans:             <ul style="list-style-type: none"> <li>○ Home Affordable Refinance Program (HARP) enables some borrowers to refinance mortgages. HARP helped 60,000 owners by August, 2009.</li> <li>○ Home Affordable Modification Program (HAMP) enables FHA-insured at-risk borrowers to have loans modified so mortgage payments are affordable.</li> </ul> </li> <li>• Hope for Homeowners, initiated in 2008 and modified in May 2009, allows borrowers to refinance into fixed rate FHA loans. Requires equity sharing at time of resale and provides financial incentives for loan servicers.</li> </ul> <p>The 2009 stimulus bill contained an \$8,000 tax credit for first time homebuyers through November 30, 2009.</p>



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Program	Background
undertaken new initiatives to encourage sustainable homeownership and, to minimize the number of foreclosures, and to stabilize the housing market.	<p><b>For current policy developments, funding, administration, and links, visit:</b>  <a href="http://www.mhponline.org/policy/federal/homeincentives">http://www.mhponline.org/policy/federal/homeincentives</a></p>

Program or Policy	Description & Issues
<b>15. Wage &amp; Labor Issues for Housing</b>	
<b>15 a. Davis Bacon Laws</b>	<p>Davis Bacon law requires that “prevailing wages” be paid for work done on federally assisted housing to ensure fair wages. Bacon rules apply to American Recovery and Reinvestment Act (ARRA) programs such as: CDBG-R, NSP2, Weatherization Assistance Program (WAP), Indian Housing Block Grant and Public Housing Capital Fund. Some program administrators express concern that construction costs could increase by 30% and that reporting requirements are difficult to meet.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#DB">http://mhponline.org/policy/federal/other#DB</a></p>
<b>15 b. Section 3 Jobs</b>	<p>Section 3 in the Housing and Urban Development Act of 1968 requires that recipients of certain HUD financial assistance provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. HUD Secretary Donovan and some legislators are interested in strengthening Section 3.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#S3">http://mhponline.org/policy/federal/other#S3</a></p>
<b>16. Building/Planning Standards &amp; Transportation</b>	
<b>16 a. Green Housing/Sustainable Communities</b>	<p>Sustainable communities provide access to affordable housing, transportation options, and lower transportation costs while protecting the environment. Sustainable building uses healthier and more resource-efficient methods to construct, renovate, operate, maintain, and demolish housing. HUD has joined with Department of Transportation and EPA to develop six principles for creating sustainable communities. Legislation has been introduced to create an Office of Sustainable Housing and Communities within Housing and Urban Development (HUD) which would tie together the work of HUD, the Environmental Protection Agency (EPA), the Department of Transportation, and other agencies. See also the American Clean Energy and Security Act of 2009 (Cap &amp; Trade) climate bill (# 11).</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#GS">http://mhponline.org/policy/federal/other#GS</a></p>
<b>16 b. Healthy Housing</b>	<p>In June, 2009, the Surgeon General and HUD announced a plan to promote healthy homes. HUD identified four goals: foster</p>



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Program or Policy	Description & Issues
	<p>partnerships for a healthy homes agenda, provide key research, incorporate healthy homes principles into ongoing programs, and enable communities to create healthy homes. Legislative proposals would establish an interagency council to coordinate the healthy housing work between federal agencies.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#HH">http://mhponline.org/policy/federal/other#HH</a></p>
<p><b>16 c. Transportation Bill Authorization</b></p>	<p>Authorization of the federal transportation bill occurs once every six years. Authorization presents the opportunity to ensure that transportation policies and funding support the availability of affordable housing near public transit and job centers; supports affordable, transit-oriented development; and encourages communities to coordinate transportation, land use, and housing planning. Authorizing a new federal transportation with the expiration of the last bill on 9/30/09 is an opportunity to advocate for improved policies.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#T4">http://mhponline.org/policy/federal/other#T4</a></p>
<p><b>17. Manufactured Housing</b></p>	<p>Manufactured housing makes homeownership affordable to many households. Current topics: improving financing for purchase of homes, energy efficiency replacement of substandard manufactured homes through rebate (currently in American Clean Energy and Security Act of 2009), and new federal regulations for Title I manufactured home loans to take effect mid-November 2009.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#MH">http://mhponline.org/policy/federal/other#MH</a></p>
<p><b>18. Fair Housing</b></p>	<p>The Fair Housing Act is meant to protect people from discrimination in housing transactions and promote integration. HUD's fair housing programs include Fair Housing Initiatives Program (FHIP) and Fair Housing Assistance Program (FHAP). Both CDBG and NSP programs contain fair housing components. HUD Secretary Shaun Donovan has prioritized fair housing, including foreclosure prevention, anti-predatory lending, and rental discrimination. Local fair housing policy areas include: Limited English proficiency (LEP) issues; sexual harassment in rental housing; reasonable accommodations for persons with disabilities; the responsibility of municipalities to affirmatively further fair housing; and discrimination based on receipt of public assistance.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#FH">http://mhponline.org/policy/federal/other#FH</a></p>
<p><b>19. Seniors and People with Disabilities</b></p>	<p><u>Housing for seniors</u> is poised to become an increasingly important policy issue as the baby boomer generation ages. HUD Section 202 Supportive Housing for the Elderly Program provides capital development grants for building and maintaining housing for seniors with very-low incomes, as well as rental assistance. Other important housing policies for seniors include <a href="#">public housing</a>, <a href="#">Housing Choice Vouchers (Section 8)</a>, the <a href="#">National Housing Trust Fund</a>, and Section 811 (below). Current problems include:</p>



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	<ul style="list-style-type: none"> <li>• Insufficient funding for new supportive senior housing for low-income seniors.</li> <li>• Insufficient number of vouchers to assist seniors in accessing assisted living facilities and/or health services.</li> <li>• Reform of Section 202 to enable seniors to age in place and convert Section 202 buildings into assisted living facilities.</li> </ul> <p><u>Housing affordability for people with disabilities</u> is growing problem. HUD's Section 811 program funds development of housing and tenant-based vouchers for people with disabilities with extremely low incomes. Other important housing policies for people with disabilities include <a href="#">public housing</a>, <a href="#">Housing Choice Vouchers (Section 8)</a> and the <a href="#">National Housing Trust Fund</a>. Current challenges include:</p> <ul style="list-style-type: none"> <li>• Integrating Section 811's supportive housing units and funding better with other properties and financing.</li> <li>• Limited funding levels for preservation of Section 811 properties.</li> <li>• People with disabilities often can only qualify for services when they are living in an institutional, rather than an integrated community, setting.</li> </ul> <p><b>For current policy developments and links, visit:</b> <a href="http://www.mhponline.org/policy/federal/other#SD">http://www.mhponline.org/policy/federal/other#SD</a></p>
<p><b>20. Restructuring of Fannie Mae and Freddie Mac</b></p>	<p>Fannie Mae and Freddie Mac are two secondary mortgage institutions created by acts of Congress (in 1938 and 1970, respectively) to attract capital to mortgage markets. The primary business of these Government Sponsored Enterprises (GSEs) is selling securities to raise funds to acquire mortgage loans. Congress sets affordable housing goals for both institutions that require investment in low income communities and affordable homes.</p> <p>During the recent financial and housing market meltdown, these institutions became financially unstable and required large infusions of capital from the Federal Reserve and Treasury. They are now controlled by the federal government under the oversight of the Federal Housing Finance Agency. Plans are being considered for removing "bad loans" from balance sheets of Freddie and Fannie so that they can once again attract investors. This would lead to major restructuring and possibly a consolidation of the two companies.</p> <p>The Housing and Economic Recovery Act of 2008 established the "Duty to Serve Underserved Markets" as a new requirement for the GSEs. This requires them to facilitate a secondary market for mortgages on housing for low- and moderate-income families in three markets: manufactured housing, affordable housing preservation, and rural markets.</p> <p><b>For current policy developments and links, visit:</b> <a href="http://mhponline.org/policy/federal/other#FF">http://mhponline.org/policy/federal/other#FF</a></p>