



Kriss Worthington

Councilmember, City of Berkeley, District 7
 2180 Milvia Street, 5th Floor, Berkeley, CA 94704
 PHONE 510-981-7170 FAX 510-981-7177 kworthington@ci.berkeley.ca.us

CONSENT CALENDAR

September 10, 2013

To: Honorable Mayor and Members of the City Council
 From: Councilmember Kriss Worthington

Subject: Support the National Low Income Housing Coalition Lawsuit Against Federal Housing Finance Agency for Failure to Uphold their Statutory Obligation for Affordable Housing

RECOMMENDATION

Support the National Low Income Housing Coalition lawsuit against Edward DeMarco, the Acting Director of the Federal Housing Finance Agency for failure to uphold their statutory obligations to lift Fannie Mae and Freddie Mac's suspension and use their promised profits to fund affordable housing.

BACKGROUND

The National Low Income Housing Coalition, along with four individual plaintiffs and the Right to the City Alliance, filed a lawsuit against Edward DeMarco, the Acting Director of the Federal Housing Finance Agency, for failing to uphold Fannie Mae and Freddie Mac's statutory obligations to make contributions to the National Housing Trust Fund.

When the National Housing Trust Fund was established in the Housing and Economic Recovery (HERA) Act of 2008, it required that Fannie Mae and Freddie Mac transfer a portion of their profits to the fund. However, when the 2008 financial crisis hit the enterprises, they suspended this requirement until they got back on their feet. Since its suspension, the two enterprises have prospered but DeMarco has failed to reinstate the requirement.

Fannie Mae and Freddie Mac should fulfill their statutory obligation to fund the National Housing Trust Fund. From the year 2012 alone, approximately \$382 million, which is a portion of Fannie Mae and Freddie Mac's profits, should have gone to affordable housing through the National Housing Trust Fund. The National Housing Trust Fund remains unfunded while America's poorest families continue to struggle to afford the most basic necessity: a home.

FINANCIAL IMPLICATIONS:

None

CONTACT PERSON:

Councilmember Kriss Worthington
 Jennifer Chan

510-981-7170
Chanj9@uci.edu

