

CDFIs Invest in Affordable Housing

The U.S. has an affordable housing crisis. A nationwide shortage of affordable housing stock is growing exponentially, with an increase of 52% from 2.5 million in 2018 to 3.8 million in 2020.¹

Rents have also continued to rise at an historic rate, with a nearly 32% increase over the past two years.² This increase has exacerbated a long-standing shortage in affordable rental housing.³ For first-time homebuyers in low-income communities, the lack of options and stringent mortgage requirements have made the American dream of homeownership unobtainable.

CDFIs Investments Create Housing People Can Call Home

Community development financial institutions (CDFIs) are lenders that specialize in investing in low-income, low-wealth communities. In rural, urban, and Native communities, CDFI offer responsible mortgages to people who may not qualify for mainstream financing. CDFIs also lead in preserving and creating quality, safe, and energy-efficient for-sale and rental homes.



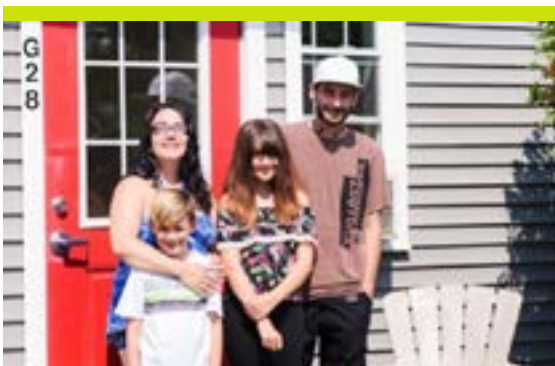
CDFI IMPACT

Through 2021, OFN member CDFIs have helped support the development or rehabilitation of more than

2.31 million affordable housing units nationwide.

And CDFIs have financed

\$2 billion annually in mortgages.⁴



SANFORD, MAINE

When Breary Farms and Meadowcreek Apartments faced bankruptcy, affordable housing provider The Caleb Group devised a plan to purchase both properties and retain their affordability. Genesis Community Loan Fund provided a loan to enable the purchase and preservation of these vital 62 rural, multifamily affordable housing units.

¹ Freddie Mac, [Housing Supply: A Growing Deficit](#), Research Note, May 7, 2021

² Center for Budget and Policy Priorities [Addressing the Affordable Housing Crisis Requires Expanding Rental Assistance and Adding Housing Units](#) October 27, 2022

³ National Low Income Housing Coalition, [The Gap: A Shortage of American Homes](#), April 2022

⁴ [OFN Member Survey 2021](#)

Policy Recommendations

- Support the creation of the Neighborhood Homes Investment Act (S.657), which will create a tax credit to drive new equity investment to the development and renovation of 1 – 4-unit family housing in distressed urban, suburban, and rural neighborhoods.
- Support the Native American Rural Homeownership Improvement Act (S.1941) to expand USDA’s Section 502 pilot program, growing the number of CDFI partners in deploying Section 502 loans to eligible Native borrowers.
- Ensure the Federal Housing Finance Agency approves the Government-Sponsored Enterprises (GSEs) annual housing allocations for the Capital Magnet Fund and Housing Trust Fund.
- Strengthen the Federal Housing Finance Agency’s Duty to Serve Program, including allowing and encouraging major or equity investments in CDFIs.
- Expand the GSE’s “credit box” to allow purchases of CDFI mortgages with a focus on traditionally underserved communities and activities that close the racial homeownership gap.
- Protect and expand the Low-Income Housing Tax Credit program through the Affordable Housing Credit Improvement Act (S.1557/H.R. 3238).
- Increase appropriations to the Community Development Block Grant and HOME Programs at the Department of Housing and Urban Development and to the housing programs through U.S Department of Agriculture’s Rural Development.



ANCHORAGE, ALASKA

Michael and Charlotte Mulcahy worked with Cook Inlet Lending Center for down payment assistance and to obtain a mortgage. The CDFI helped the couple open the door to their dream of homeownership.



CHICAGO, ILLINOIS

Area residents created Pilsen Housing Cooperative to provide long-term, affordable housing to residents in the face of skyrocketing rents, rapid gentrification, and local resident displacement. The limited equity co-op combined capital raised from members with a loan from Shared Capital Cooperative to purchase and transform a six-unit building into homes.

To learn more, email OFN’s Public Policy team at public.policy@ofn.org or call 202.618.6100.

ABOUT OPPORTUNITY FINANCE NETWORK (OFN)

Based in Washington, D.C., OFN is a leading national network of more than 390 CDFIs. An intermediary between CDFIs and government agencies, corporations, banks, foundations, and other investors, OFN helps our public and private sector partners invest in CDFIs to catalyze change and create economic opportunity in low-income, low-wealth rural, urban, and Native communities. Visit OFN.org for more.

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FOR ALL.

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