

Low-Income Housing Tax Credit Equity



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Investments

The federal government's Low-Income Housing Tax Credit (LIHTC) program encourages private equity investment in creating and preserving affordable rental housing for low- and very low-income households. It channels this investment by awarding tax credits to affordable housing developers who enter into partnerships with corporate investors like Fannie Mae that receive the tax credits in exchange for equity contributions to create and preserve affordable housing. Dana Brown, VP of LIHTC Equity Investments at Fannie Mae, answers some common questions about Fannie Mae's LIHTC program.

Fannie Mae recently announced that the cap for investment in LIHTC activities has been increased. What does the increase in Fannie Mae's cap mean for affordable housing?

LIHTC is a proven and effective tool for increasing affordable housing supply for people with low and very low incomes. On September 1, 2021, FHFA and the Biden administration announced that the annual cap that Fannie Mae can invest in LIHTC was increased to \$850 million annually (up from \$500 million), effective immediately. [This increase](#) will provide Fannie Mae with the ability to increase and improve more affordable housing in the markets that need it most.

What is the impact of the Fannie Mae LIHTC program?

Since reentering the LIHTC equity market in 2018, Fannie Mae has invested over \$1.8 billion supporting the creation and preservation of affordable properties throughout the country. As of year-end

2020, investments have been made in nearly 600 affordable properties representing over 43,000 units. We've partnered with 14 syndicators, including six nonprofit syndicator members of the National Association of State and Local Equity Funds. We have made more than 200 LIHTC investments in rural communities and over 50 properties for high-needs rural regions and populations.

Can you share some highlights of Fannie Mae's LIHTC investments so far?

The investments that we make support a number of underserved markets and projects. These include supportive services, rural developments, Native American communities, and disaster-impacted areas. We have remained a strong presence in the market through the tumultuous times that we have experienced recently and continue to experience. We will continue to be a leader in supporting the communities that need it most.

Recent LIHTC investments include:

- Apache Manor & Sandy Park Apartments (Tulsa, OK), which will facilitate the Rental Assistance Demonstration conversion of 318 public housing units in two properties. The Housing Authority of the City of Tulsa will provide supportive services to all residents.
- Beachwinds Apartments (Narragansett, RI), which will offer 104 units for senior and disabled residents with supportive services.

Learn more about Fannie Mae's LIHTC program, and read Dana Brown's recent [Perspectives Blog](#).

