

FOR IMMEDIATE RELEASE

May 10, 2022

Contacts: Yolanda McCutchen  
(202) 777-1650



***DCHFA upgraded to 'AA-' from 'A+' by Standard & Poor's***  
*Financial strength, outperformance of peer agencies and strong management team*  
*among reasons for higher rating*

Washington, D.C. – The [District of Columbia Housing Finance Agency's](#) (DCHFA) credit rating was upgraded by Standard & Poor's (S&P) on April 21, 2023 from A+ to AA-. As DCHFA continuously strives to increase the supply of affordable housing in the District of Columbia, this upgrade shows the Agency is showing consistent financial results year over year.

“As the District’s population continues to grow and local market-rate housing costs climb, it’s a pivotal time for DCHFA to receive a rating upgrade, as a main financier of affordable housing,” stated Christopher E. Donald, Executive Director/CEO, DCHFA. “DCHFA has worked diligently over the last several years to improve our financial situation by earning stable net income and building the strength of our balance sheet, which has enabled this ratings upgrade. The implications of this rating upgrade are a direct link to our mission of financing affordable housing units in the District of Columbia. The overall economics of the Agency’s transactions improves with higher ratings which is good for the developer, the renter and the District of Columbia as it enables more units to be financed.”

**S&P gave four main reasons for the upgrade, including:**

- Financial strength, as measured by nearly \$167 million in equity, net equity-to-assets ratio of 27.5 percent in fiscal year 2022 and 25.6 percent on a five-year average.
- Above-average profitability compared with that of peers, measured by a five-year average return on average assets of 2.8 percent, and net interest margin (NIM) of 0.8 percent and low-risk asset base, which consists of mortgages either insured by the government and private mortgage insurance providers or backed by Ginnie Mae, Fannie Mae, or Freddie Mac mortgage-backed securities (MBS).
- Strong liquidity, with a short-term investments-to-total assets ratio of 22.6 percent, and total loans-to-total assets ratio of 37.7 percent in fiscal year 2022; and
- Strong management team and board members, with a track record of adapting the Agency's programs through strategic initiatives that increased the Agency's asset base through difficult circumstances.

S&P’s outlook for the Agency states, “We believe DCHFA’s strategic initiatives have and will continue to lead to stabilized financial ratios and will position the Agency well to maintain its credit quality even during a downturn. Therefore, we do not expect to change the rating within the two-year outlook period.”

***The District of Columbia Housing Finance Agency is an S&P AA- rated issuer, serving Washington, D.C.’s residents for more than 40 years. The Agency’s mission is to advance the District of Columbia’s housing priorities; the Agency invests in affordable housing and neighborhood development, which provides pathways for D.C. residents to transform their lives. We accomplish our mission by delivering the most efficient and effective sources of capital available in the market to finance rental housing and to create homeownership***

*opportunities. The Agency operates from a core set of values: Leadership\*Excellence\*Community  
Focus\*Integrity\*Collaboration \*Innovation*

