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Dear Chairmen Lucas and Bachus:

Many rural communities are in jeopardy of losing valuable federal programs as a result of the 2010 census. We urge the Agriculture Committee and Financial Services Committee to work together to address the needs of Americans living in rural areas. As you may know, a bipartisan amendment to the Farm Bill was agreed to by unanimous consent in the Senate. We urge similar bipartisan consideration in the House.

The Rural Housing Service (RHS) is now making determinations that more than 900 communities may be ineligible for their programs due to changes in population or their designation as part of an MSA. Programs such as the Section 502 loan program are instrumental in providing opportunities for homeownership for rural families. Section 502 loans can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. These loans are funded by private lenders, and simply insured by the RHS. These guarantees are at no cost to the federal government – as the loans are fully supported by the premiums paid by borrowers.

Congress created the definition of a "rural" community used by the RHS back in 1974; it has not been updated in the ensuing 38 years. Instead, following each census, Congress has simply "grandfathered" communities. We urge to you consider updating the definition of "rural community" to meet today's demographic trends, but in the meantime we must continue the long-standing practice of grandfathering existing communities.

We are not looking to expand any program or authorize any additional funding. We simply wish to retain the pool of eligible communities. As our nation struggles to recover from our economic crisis, our rural communities need these programs more than ever.

Given the limited legislative calendar remaining before the end of the fiscal year, we urge you to work together to find opportunities – like the Farm Bill – to include this legislation.

Sincerely,

Maurice "Moe" Veissi
2012 President, National Association of REALTORS®

Cc: Representative Colin Peterson, Representative Barney Frank



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