

June 13, 2013

The Honorable Harold Rogers
Chairman
House Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
House Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rogers and Ranking Member Lowey:

We are writing to express our strong support for Rep. Jeff Fortenberry's (R-NE) amendment to the Agriculture and Rural Development Appropriations Act for Fiscal Year 2014. This amendment would keep eligible communities from being removed from the USDA Rural Housing Service (RHS) programs. The housing recovery in many rural areas depends on the RHS programs and we support extending the current grandfathering until the end of the next fiscal year.

On September 30, 2013, the USDA RHS will revise its definition of "rural" using data from the 2010 Census. As a result, eligibility for these programs will revert to a population definition created in 1974, and more than 900 communities that previously qualified will lose access to vital federal programs.

Programs such as Sections 502, 515, and 538 provide direct and guaranteed loans for both single and multifamily housing. 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 are 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. On the multifamily side, many of the programs are used in conjunction with Low Income Housing Tax Credits to provide much needed rental housing to rural areas and to make use of successful public-private partnerships.

We are not seeking to expand any program or authorize any additional funding. We simply wish to retain the pool of eligible communities until the definition is updated by Congress. As our nation struggles to recover from our economic crisis, our rural communities and their families need these programs more than ever. We urge you to support the Fortenberry amendment.

Sincerely,

**Mortgage Bankers Association
National Association of Home Builders
National Association of Realtors**

cc: Members of the House Appropriations Committee