

June 25, 2002

Dear Financial Services Committee Member:

We are writing to you to indicate our strong opposition to the Ney Amendment on rural multi-family housing that will be offered to the Housing Affordability for America Act of 2002 (H.R.3995). The Ney Amendment will result in the displacement of thousands of rural families. It will not result in improved housing conditions for rural families.

The Ney Amendment will end the use restriction some 300,000 units of rural rental housing financed by the U.S. Department Of Agriculture. Under this amendment, owners of section 515 developments will be permitted to prepay their loans and displace the tenants. The Ney provision will also deregulate several thousand units of housing financed for migrant and seasonal farmworkers.

Some 60 percent of the residents of section 515 are elderly or disabled households. The average annual income of section 515 tenants is a little over \$8,000.

There is a significant shortage of affordable housing in rural America. In many small town and farming communities, the only adequate affordable rental housing is the section 515 projects. Vouchers are of little use when there is no rental housing in a community.

In recent years Congress and the Administration have unwisely reduced funding for rural rental housing and, therefore, made it more difficult to provide adequate incentives to preserve rural rental housing. However, this lack of funding does not justify the displacing low-income rural residents, including many disabled or elderly households.

For Fiscal Year 2003 the Administration has requested \$60 million for rehabilitation and preservation activities. This will make a big dent in the need for improving the portfolio and providing incentives for long-term use.

For these reasons, we respectively urge you to oppose the Ney Amendment on rural rental housing.

Sincerely,

Organization

State

Alliance for Better Housing

PA

Alliance for Building Communities

PA

Appoquinimink Development, Inc.

DE

Azteca Community Loan Fund

TX

Better Homes of Seaford, Inc.

DE

California Coalition for Rural Housing

CA

Organization	State
CAP Services, Inc.	WI
CASA of Oregon	OR
City of Casa Grande	AZ
Coachella Valley Housing Coalition	CA
Colorado Housing, Inc.	CO
Community Housing Improvement	CA
Congress of California Seniors	CA
Delaware Housing Coalition	DE
Delaware Rural Housing Consortium	DE
Delmarva Rural Ministries, Inc.	DE
Delta Housing Development Corporation	MS
East Missouri Action Agency	MO
Federation of Appalachian Housing Enterprises, Inc.	KY
Florida Non-Profit Housing, Inc.	FL
Frontier Housing, Inc.	KY
Hampden Hampshire Housing	MA
Homes for Islanders	WA
Homes in Partnership	FL
Housing Assistance Council	DC
Housing Preservation Project	MN
Human Resource Development and Employment, Inc.	WV
Interfaith Housing of Western Maryland	MD
Interfaith Mission of Sussex County, Inc.	DE
Kentucky Mountain Housing	KY
Kitsap County Consolidated Housing Authority	WA
La Causa De Esperanza, Inc.	WI
Little Dixie Community Action Agency	OK
Local Initiatives Support Corporation	DC
Maryland Disability Law Center	MD
Mercy Housing	CA
Midwest Assistance Program	MN
Milford Housing Development Corporation	DE
Millsboro Housing for Progress, Inc.	DE
National Housing Law Project	CA
National Low Income Housing Coalition	DC
National RCAP, Inc.	DC
National Rural Housing Coalition	DC
NCALL Research, Inc.	DE

Organization	State
New York State Rural Housing Coalition	NY
North Carolina Justice and Community Development Center	NC
Northwest Regional Facilitators	WA
NW Regional Housing Authority	NC
Office of Rural and Farmworker Housing	WA
Oti Kaga, Inc.	SD
Peoples' Self-Help Housing	CA
Rural Community Assistance Corporation	CA
Rural Opportunities, Inc.	NY
Self-Help Enterprises	CA
Self-Help Housing Corporation	HI
Southern Maryland Tri-County Community Action Committee, Inc.	MD
South County Housing	CA
Southeast Wisconsin Housing Corporation of Racine County	WI
Tierra Del Sol Housing Corporation	NM
Tri-County Housing, Inc.	CO
Washington Low Income Housing Network	WA
Washington State Housing Finance Commission	WA
Wisconsin Association of Self Help Executive Directors, Inc. (WASHED)	WI
Wisconsin Division of Housing & Intergovernmental Relations	WI