

March 6, 2013

The Honorable Barbara Mikulski
Chairwoman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Richard Shelby
Vice Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

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 Chairs and Ranking Members:

Recently, the Federal Housing Administration (FHA) notified Congress that it had exceeded 75 percent of its commitment authority to insure mortgages under the General Insurance/Special Risk Insurance (GI/SRI) Fund for multifamily rental and health care facilities. On behalf of our organizations, we urge Congress to act expeditiously to provide FHA with an additional \$5 billion of commitment authority to ensure continued access to these important programs. This is not a new appropriation. Failure to provide the additional commitment authority has the potential to cause significant disruptions to financing for apartments, hospitals, and health care facilities that serve millions of Americans.

During this continued period of significant turmoil in the credit markets, FHA's multifamily programs are providing needed stability and liquidity for project development and rehabilitation, acquisition, and recapitalization. In addition, FHA mortgage insurance is critical to the preservation of much-needed affordable housing. Any suspension of these important programs will negatively impact the availability of affordable credit and could result in some projects losing subsidy funds or being delayed so long that the projects become infeasible.

A shut-down of the programs will hurt our nation's economy just as we are beginning to see signs of a recovery. The National Association of Home Builders estimates that this additional authority will fund as many as 40,000 units, leverage \$2.2 billion in wages, and nearly 47,000 jobs. The FHA multifamily mortgage insurance programs generate enough revenue to cover their cost, thus the additional commitment authority would not require any budget offsets.

We thank you for your attention to this issue and stand ready to work with you on inclusion of the commitment authority in the Continuing Resolution to keep FHA's multifamily programs operating through the fiscal year.

Sincerely,

**Council for Affordable and Rural Housing
Institute of Real Estate Management
LeadingAge
Mortgage Bankers Association
National Apartment Association
National Association of Housing Cooperatives
National Association of Affordable Housing Lenders
National Affordable Housing Management Association
National Association of Home Builders
National Association of Realtors
National Leased Housing Association
National Multi Housing Council**

cc: Senate Committee on Banking, Housing and Urban Affairs and House Financial Services Committee