



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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July 15, 2010

The Honorable Harry Reid
Majority Leader, United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Senator Reid:

In May, the Senate passed language to restore the Section 502 Rural Housing Service (RHS) Single Family Housing Guaranteed Loan Program within the Emergency Supplemental Act. The RHS language was added to that bill in an attempt to get it passed quickly. Now, the Supplemental is stuck in deliberations between the House and the Senate, and this valuable housing program remains unavailable to rural residents. On behalf of the 1.2 million members of the National Association of REALTORS®, I urge the Senate to quickly consider the stand-alone measure, S. 3266, the “Rural Housing Preservation and Stabilization Act of 2010,” introduced by Senator Bennet (CO).

On May 14th, the Rural Housing Service announced the Section 502 Rural Housing Service (RHS) Single Family Housing Guaranteed Loan Program had exhausted its existing funding authority. The Section 502 RHS loan guaranty program can be used by rural residents to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. S. 3266 restores this program by increasing the guarantee fee paid by borrowers to fully fund the program without federal subsidy, and providing additional commitment authority. This provision has been estimated by the Congressional Budget Office (CBO) to reduce discretionary spending in FY 2010 by \$24 million.

This program is critical to our nation’s rural citizens, and needs immediate Congressional attention. In FY09, the 502 program guaranteed 116,000 rural families’ affordable, safe home loans. Over the last year, as private markets have failed to return, participation of low-income families in this successful program has doubled. Today, many rural families are unable to obtain safe, affordable financing without this valuable program.

We urge you to move S. 3266 legislation to the floor for immediate passage.

Sincerely,

Vicki Cox Golder, CRB
2010 President, National Association of REALTORS®