



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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October 13, 2010

The Honorable Tom Vilsack
Secretary
US Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Vilsack:

I am writing on behalf of the 1.1 million members of the National Association of REALTORS® (NAR) to ask that the Rural Housing Service immediately restore the Section 502 Rural Housing Guaranteed Loan Program.

The National Association of REALTORS® is America's largest trade association, including NAR's commercial real estate institutes, its societies, and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,400 local associations or boards, and 54 state and territory associations of REALTORS®.

Rural Americans rely on programs like the Section 502 Rural Housing Guaranteed Loan Program to provide them with services that are otherwise unavailable or difficult to obtain. In Fiscal Year 2009 this program provided 116,000 families with the opportunity to obtain safe, affordable mortgage financing to purchase a home.

On October 1, 2010, USDA's Rural Development issued a notice to participating lenders that funds for the Single Family Housing Guaranteed Loan Program are not available for a short period of time at the beginning of fiscal year 2011. However, on September 30, 2010, HR 3081, legislation making continuing appropriations for fiscal year 2011, was enacted into law. This legislation specifically addresses supplemental funding for the rural housing insurance program making it unclear why funds are not available.

The notice states that "during the temporary lapse in funding, Rural Development will issue Conditional Commitments." While we appreciate that Rural Development is issuing conditional commitments this is not sufficient as many lenders are hesitant to offer a loan without the full guarantee of RHS. This, in turn, means that rural families do not have access to the program.

We urge you to immediately restart the Section 502 Rural Housing Guaranteed Loan Program. We are pleased to meet with you to discuss further. Thank you for your time and consideration of this matter. If you have any questions or concerns, or if I may be of service to you, please do not hesitate to contact me or our Senior Regulatory Policy Representative, Jerry Nagy, at 202.383.1233 or jnagy@realtors.org.

Sincerely,

A handwritten signature in black ink that reads "Vicki Cox Golder". The signature is written in a cursive style with a large initial "V".

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