

May 28, 2015

The Honorable Blaine Leutkemeyer
Chairman
House Financial Services Committee
Subcommittee on Housing and Insurance
2440 Rayburn House Office Building
Washington, DC 20515

The Honorable Emanuel Cleaver
Ranking Member
House Financial Services Committee
Subcommittee on Housing and Insurance
2335 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Leutkemeyer and Ranking Member Cleaver,

We are writing in support of the Rural Housing Service (RHS) Section 502 Single Family Housing Guaranteed Loan Program. At this critical time in our country's fragile economic recovery, RHS is providing a needed affordable source of housing finance for an important population.

The RHS program's loans are used to help low-to-moderate income individuals purchase their primary homes in rural areas. These borrowers – who have maximum incomes of 115 percent of area median income – often have fewer credit options than borrowers in urban locations. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare home sites. In FY 2014, the RHS helped more than 130,000 rural American families become homeowners, nearly 80 percent of which were first-time homebuyers.

Today, every Section 502 loan must be approved by RHS staff. In recent years, RHS staffing has been dramatically reduced, and borrowers have experienced significant delays in loan approval. RHS is in need of operational and programmatic support to ensure it has adequate staffing, as well as the latest technological updates necessary to keep the program healthy. We support efforts to provide RHS with these resources through the traditional appropriations process.

RHS plays a vital role in the U.S. housing finance system. We urge Congress to continue its long-standing support of this important program.

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