

NATIONAL RURAL HOUSING COALITION

1331 G Street, N.W., 10th Floor, Washington, DC 20005 • (202)393-5229 • fax (202)393-3034 • <http://ruralhousingcoalition.org>

June 21, 2012

The Honorable Tom Vilsack
U.S. Department of Agriculture, Secretary
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Vilsack:

I write to express our concerns about the U.S. Department of Agriculture's (USDA) debt collection practices, as outlined in a recent article in the Wall Street Journal (Ruth Simon, "USDA Is a Tough Collector When Mortgages Go Bad," May 25, 2012).

In these very troubling economic times, it is clear that USDA can—and should—do a better job assisting borrowers who have fallen behind in their mortgage payments. I strongly urge USDA to use its substantial authority to assist homeowners in need. In rebuilding our nation's housing market, USDA's highest priority should be to help struggling homeowners avoid unnecessary foreclosures—through moratorium, mortgage modifications, interest rate reductions, refinancing, and deferred payments.

Over the past 60 years, the Section 502 Direct Loan program has provided more than 2.1 million very low- and low-income rural families with access to affordable and sustainable homeownership opportunities. It is credited with building more than \$40 billion in wealth for our nation's poorest families. And, despite serving families with limited economic means, the Section 502 Direct Loan program is the *single, most cost-effective* federal housing program. Clearly, no other federal homeownership program can match its success in serving lower-income rural families.

Sincerely,



Robert A. Rapoza
National Rural Housing Coalition