

# NATIONAL RURAL HOUSING COALITION

## Sample Op-Ed

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From the halls of Capitol Hill to our kitchen tables, the entire nation is discussing the automatic across-the-board budget cuts, known in Washington as the “sequester.” While Congress and the President continue to play blame games, the real impact of these spending cuts, however, will be felt by low-income families right here in **STATE**.

One clear example is two USDA Rural Housing programs, which despite being among the most cost-effective federal housing programs, face unprecedented budget cuts.

According to a new report by the National Rural Housing Coalition, more than 2.1 million low-income rural families have accessed affordable mortgages under USDA’s Section 502 Direct Loan program, building more than \$40 billion in wealth for the nation’s rural poor. Likewise, USDA’s Self-Help Housing program is the only federal homeownership program of its kind; the report found that by helping families build their own homes on nights and weekends, the program reduces construction costs, allowing families to earn equity in their homes and make lasting investments in their communities.

Impressively, these two programs are among the most cost-effective federal housing programs, period. Both have strong track records of successfully expanding homeownership opportunities to the nation’s poorest rural families – at little expense to taxpayers. For example, each Section 502 Direct Loan costs the government \$7,200 over the *entire lifetime of the loan*, far less than *annual cost* of other federal housing programs.

Similarly, under the Self-Help Housing program, families provide at least 65 percent of the construction labor on their home. This frequently amounts to more than 1,000 hours, and allows participating families to walk into their home with an average \$27,000 in equity.

These programs make a real difference for low-income rural families in **STATE. ADD SENTENCE ABOUT PROGRAMS IN YOUR STATE.**

The benefits of these programs extend beyond participating families to rural communities and the nation as a whole. For example, in **STATE** alone, these programs have led to the creation of over **XXX** jobs and **\$XX billion** in local income.

Yet, despite their broad successes, USDA Rural Housing programs continue to face significant funding cuts. Over the past decade, Congress has slashed the Section 502 Direct Loan program’s Budget Authority by 80 percent – from \$203 million in 2003 to only \$42 million in 2012. This year, the President proposed cutting the program even further to only \$39 million.

Despite enormous demand – more than 50,000 families are on waiting lists for USDA’s Self-Help Housing programs -- Congress cut funding for the program by more than 28 percent from \$42 million in 2010 to \$30 million in 2012. If approved by Congress, the President’s Budget would reduce funding for the program to only \$10 million – representing a 76 percent cut from 2010.

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Today, with even further cuts under the sequestration, the fate of these successful programs hangs in the balance. For many low-income families, USDA Rural Housing programs are the only available source of safe, decent, and affordable housing. Instead of cutting funding for these programs arbitrarily under sequestration, Congress should be investing in them as two of the most cost-effective ways of to expand affordable homeownership opportunities.

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## **About Section 502 Direct Loans**

*Section 502 Direct Loans provide safe and sustainable fixed-rate mortgages – with up to 38-year terms and subsidized interest rates as low as just 1 percent – to help low-income rural families access clean, decent, and affordable housing. Demand for Section 502 loans continues to outpace supply; over 15,000 loan applications – amounting to more than \$1.9 billion – are currently on Section 502 waiting lists. Yet, Congress has slashed the program's Budget Authority by 80 percent over the past decade – from \$203 million in 2003 to only \$42 million in 2012. In 2013, the President proposed cutting the program even further to \$39 million.*

## **About Self-Help Housing**

*Under the Self-Help Housing program, rural families work on nights and weekends to build their own homes. In the past five years, more than 5,500 families have become homeowners under the program; yet, more than 50,000 families remain on Self-Help Housing wait lists across the nation. Despite this demand, Congress has already cut funding for the program by more than 28 percent from \$42 million in 2010 to \$30 million in 2012. If approved by Congress, the President's Budget Request would reduce funding for the program to only \$10 million – representing a 76 percent cut from 2010.*

## **About the National Rural Housing Coalition**

*NRHC is a national membership organization of non-profit housing organizations, housing developers, state and local officials, and housing advocates. Since 1969, NRHC has promoted and defended the principle that rural people have the right – regardless of income – to a decent, affordable place to live, clean drinking water, and basic community services.*