Mr. Joe L. Myer  
c/o National Rural Housing Coalition  
1250 Eye Street, NW  
Ste. 902  
Washington, DC 20005  

Dear Mr. Myer:


A copy of your transcript has been provided should you wish to make any corrections. Please indicate these corrections directly on the transcript. Due to the disruption of mail service to the House of Representatives we ask that you fax the transcript in lieu of mailing it. Please fax only the pages on which you have made corrections, within (15) business days upon receipt to:

Committee on Financial Services  
ATTN: Terrie Allison  
Fax (202) 225-4254

Rule XI, clause 2(e)(1)(A) of the Rules of the House and Rule 8(a)(1) of the Rules of the Committee state that the transcript of any meeting or hearing shall be “a substantially verbatim account of the remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks involved.” We therefore ask that you keep your corrections to a minimum.

Please contact Terrie Allison at (202) 225-4548 if there are no corrections to your transcript.

If during the hearing you: (1) offered to submit additional material; or (2) were requested to submit additional material; please submit this material via electronic mail by sending it to fsctestimony@mail.house.gov. If you are unable to submit the material electronically, please contact the Committee staff to arrange for submission.
Thank you for your cooperation, and again for your testimony.

Yours truly,

Thomas G. Duncan
General Counsel

TGD/ta

Enclosure
Attached is a transcript of your remarks given before the Committee.

Listed below are the pages on which your remarks begin (and may continue on the next or succeeding pages). Please legibly indicate any corrections thereon and attach all insert or supplemental information to the proper page or pages to which it is to appear.

Clause 2(e)(1)(A) of rule XI of the Rules of the House and rule 8(a)(1) of the Rules of the Committee on Financial Services provides that the transcript of any meeting or hearing shall be "a substantially verbatim account of the remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections."

Supplemental material supplied for the record should be of photographic quality for reproduction. Please indicate clearly, by page and line, where supplemental requested material is to be placed. If the requested information is sent directly to the Member requesting such information, a copy should also be attached to this transcript.

See pages ____________________________

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7/31/07

Joe Myer

Date

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HEARING ON H.R. 2895, THE NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007
Thursday, July 19, 2007
U.S. House of Representatives,
Committee on Financial Services,
Washington, D.C.

The committee met, pursuant to notice, at 10:04 a.m., at 2128 Rayburn Building, Hon. Barney Frank [chairman of the committee] presiding.

Present: Representatives Frank, Waters, Velazquez, Watt, Moore of Kansas, Capuano, McCarthy, Baca, Lynch, Green, Cleaver, Sires, Ellison, Klein, Boren; Bachus, Castle, Royce, Gillmor, Biggert, Shays, Miller of California, Feeney, Hensarling, Garrett, McHenry, and Bachmann.
Mr. MYER. Chairman Frank, members, and my home state is Delaware; I want to acknowledge the introduction that Mike Castle gave me earlier. You should know that as governor, Mike Castle implemented a very successful housing trust fund which is operating today and has done a lot of good, and he is a great friend of affordable housing.

My name is Joe Myer, and I am Executive Director of NCALL Research and a current board member of the National Rural Housing Coalition. The National Rural Housing Coalition is a membership organization, a national one, that advocates for federal policies which improve housing and community facilities in rural America. We appreciate the opportunity to testify today on rural housing issues and H.R. 2895, the National Affordable Housing Trust Fund.

NCALL is a multi-faceted nonprofit housing operation in Dover, Delaware, and we offer a variety of housing development services to nonprofit organizations along with direct education services to lower income households. To that end, we have helped to develop 45 apartment communities for families, elderly, and migrant and seasonal farm workers. And we also just reached a milestone of 6,000 first-time home buyers.
We work regularly to develop apartments serving very low income. And frankly, these require complicated patchwork quilts of leveraging and financing to secure low income housing tax credits. We believe the National Housing Trust Fund assistance to rural Delaware will help to provide financing leverage needed to access other federal, state, and private partners.

Rural housing need: America's rural communities suffer from elevated poverty rates and substandard housing. Rural households on average are poorer, and according to the 2000 census, the poverty rate in rural America is 14 percent higher than the national rate.

Likewise, Delaware's rural counties have higher poverty rates than the state average, and experience similar conditions. For instance, 57 percent of all workers statewide have insufficient income to afford a two-bedroom apartment in their county of employment.

There is a deficit in this small state of 12,000 affordable housing units for those with extremely low incomes. A majority of Delaware's 20,000 substandard housing units in need of major repair or actual repayment exist in rural counties. And the median incomes in our rural counties are 30 percent lower than our metro county.

In face of this need, rural housing spending for USDA programs has dropped 20 percent over the past three years.
The administration’s Fiscal Year 2008 budget request calls for elimination of most rural housing programs serving low income households. NCALL has been directly hit with the impact of such reductions, which have slowed rural housing really to a trickle. Increased affordability gaps at the same time have created more demand than ever.

Availability of other federal programs for rural areas: Even though a disproportionate amount of the nation’s substandard housing is in rural areas, they are less likely to receive government-assisted mortgages. For instance, 22 percent of the nation’s population is in rural areas, but less than 7 percent of FHA assistance goes to non-metro areas. Only 10 percent of Veterans Affairs assistance reaches non-metro areas. Only 12 percent of Section 8 funds go to non-metro areas. And in 2003, of the 9 million families assisted by Fannie Mae, only 11 percent lived in rural America.

We are very pleased to support the National Affordable Housing Trust Fund Act. Reinvigoration of federal housing policy is long overdue. The resources that this legislation makes available will definitely have a positive impact on both the quality and the quantity of affordable housing across the nation.

Given the high levels of housing distress in rural areas
and recent reductions in federal assistance, the National Rural Housing Coalition is especially pleased to endorse this legislation. The National Housing Trust Fund Act will help provide resources for affordable housing that are desperately needed to help bridge increasing affordability gaps, especially in rural areas.

We have a few comments and recommendations regarding the legislation, and these are aimed at facilitating the use of the trust fund in rural areas. Under targeting requirements, we are pleased to support the targeting requirements established in legislation.

We do want to share and make the important point that the targeting required anticipates the availability of a level of subsidy that we have typically not seen much of in rural America. It is extremely difficult to assemble subsidies adequate for housing extremely low income households at 30 percent of median and below. We support this provision, and we hope to work with the committee to be sure that rural America is adequately served.

Secondly, use of the trust fund allocations for rural areas: Currently, the provision does not provide sufficient direction to states or participating jurisdictions on the definition of need. As a result, there is no uniform standard for allocating funds to rural communities. We will be pleased to work with the committee in designing a formula
that provides a fair share of the trust fund resources for rural America.

Again, we are pleased to support this legislation, and urge the committee to act on it promptly. On behalf of the National Rural Housing Coalition and NCALL, we support H.R. 2895 and the implementation of a National Housing Trust Fund.

Thank you.

[The statement of Joe L. Myer follows:]

**********INSERT**********
The CHAIRMAN. Thank you all, and this has been very helpful. Let me just say, because we are going to be talking next week and we will be talking informally with you, we do hope to vote this bill out of committee before we break in August and have it on the floor in September.

And there were some specific proposals. The mayors had some, the state housing authorities, and the rural people. Now, as you understand, they are not all obviously compatible. There are some conflicts there. And I begin by hoping everybody will remember that something is going to be better than perfection, and we will work on this.

I will say, and I know again there is also some other--we are trying to maximize the funds. I am sympathetic to the matching fund issue. I wish we were in a situation in which I wouldn't have to be as much, but there are problems in state and local areas. And so we will be approaching the matching fund issue.

I will say, with regard to the rural, there are going to be limits on our being too prescriptive because this is an argument for pass-through, and some of this is going to have to be done at the state level. It is going to be hard for us to be in some ways as prescriptive as others might like.

And then the question of the mayors versus the states and the others, we will work on all that and we will try to do our best. I will also say this. With some of these
things, this is not going to be forever. The trust fund will
be. One thing I am confident of, once this starts, nobody is
ever going to let it go away. For one thing, we will have
ongoing projects. At no given time would you be able to stop
it without the flow of funds.

But some of the operations we will talk to. So we will
be available. The staff will be available. We will working
out some of the specifics. And we really do look forward to
your help in our getting this bill forward. And I thank you
to all. The testimony has been useful, and the proposals for
some changes are also useful. And we will go forward.

The hearing is adjourned.

[Whereupon, at 1:37 p.m., the committee was adjourned.]