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July 24, 2007

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

Dear Mr. Myer:

Thank you for testifying at the July 19, 2007, Committee on Financial Services hearing entitled, "H.R. 2895, The National Affordable Housing Trust Fund Act of 2007."

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,

A handwritten signature in black ink that reads "Thomas G. Duncan". The signature is written in a cursive style with a long horizontal stroke at the end.

Thomas G. Duncan
General Counsel

TGD/ta

Enclosure

DO NOT DETACH

U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Date 7/31/07

Referred to Joe Myer

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 _____

Terrie Allison

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1 Diversified Reporting Services, Inc.

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3 HEARING ON H.R. 2895, THE NATIONAL

4 AFFORDABLE HOUSING TRUST FUND ACT OF 2007

5 Thursday, July 19, 2007

6 U.S. House of Representatives,

7 Committee on Financial Services,

8 Washington, D.C.

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

12 Present: Representatives Frank, Waters, Velazquez,
13 Watt, Moore of Kansas, Capuano, McCarthy, Baca, Lynch, Green,
14 Cleaver, Sires, Ellison, Klein, Boren; Bachus, Castle, Royce,
15 Gillmor, Biggert, Shays, Miller of California, Feeney,
16 Hensarling, Garrett, McHenry, and Bachmann.

3948 STATEMENT OF JOE L. MYER

3949 Mr. MYER. Chairman Frank, members, and my home state is
3950 Delaware; I want to acknowledge the introduction that Mike
3951 Castle gave me earlier. You should know that as governor,
3952 Mike Castle implemented a very successful housing trust fund
3953 which is operating today and has done a lot of good, and he
3954 is a great friend of affordable housing.

3955 My name is Joe Myer, and I am Executive Director of
3956 NCALL Research and a current board member of the National
3957 Rural Housing Coalition. The National Rural Housing
3958 Coalition is a membership organization, a national one, that
3959 advocates for federal policies which improve housing and
3960 community facilities in rural America. We appreciate the
3961 opportunity to testify today on rural housing issues and H.R.
3962 2895, the National Affordable Housing Trust Fund.

3963 NCALL is a multi-faceted nonprofit housing operation in
3964 Dover, Delaware, and we offer a variety of housing
3965 development services to nonprofit organizations along with
3966 direct education services to lower income households. To
3967 that end, we have helped to develop 45 apartment communities
3968 for families, elderly, and migrant and seasonal farm workers.

3969 And we also just reached a milestone of 6,000 first-time
3970 home buyers.

3971 We work regularly to develop apartments serving very low
3972 income. And frankly, these require complicated patchwork
3973 quilts of leveraging and financing to secure low income
3974 housing tax credits. We believe the National Housing Trust
3975 Fund assistance to rural Delaware will help to provide
3976 financing leverage needed to access other federal, state, and
3977 private partners.

3978 Rural housing need: America's rural communities suffer
3979 from elevated poverty rates and substandard housing. Rural
3980 households on average are poorer, and according to the 2000
3981 census, the poverty rate in rural America is 14 percent
3982 higher than the national rate.

3983 Likewise, Delaware's rural counties have higher poverty
3984 rates than the state average, and experience similar
3985 conditions. For instance, 57 percent of all workers
3986 statewide have insufficient income to afford a two-bedroom
3987 apartment in their county of employment.

3988 There is a deficit in this small state of 12,000
3989 affordable housing units for those with extremely low
3990 incomes. A majority of Delaware's 20,000 substandard housing
3991 units in need of major repair or actual repayment exist in
3992 rural counties. And the median incomes in our rural counties
3993 are 30 percent lower than our metro county.

3994 In face of this need, rural housing spending for USDA
3995 programs has dropped 20 percent over the past three years.

3996 | The administration's Fiscal Year 2008 budget request calls
3997 | for elimination of most rural housing programs serving low
3998 | income households.

3999 | NCALL has been directly hit with the impact of such
4000 | reductions, which have slowed rural housing really to a
4001 | trickle. Increased affordability gaps at the same time have
4002 | created more demand than ever.

4003 | Availability of other federal programs for rural areas:
4004 | Even though a disproportionate amount of the nation's
4005 | substandard housing is in rural areas, they are less likely
4006 | to receive government-assisted mortgages. For instance, 22
4007 | percent of the nation's population is in rural areas, but
4008 | less than 7 percent of FHA assistance goes to non-metro
4009 | areas. Only 10 percent of Veterans Affairs assistance reaches
4010 | non-metro areas. Only 12 percent of Section 8 funds go to
4011 | non-metro areas. And in 2003, of the 9 million families
4012 | assisted by Fannie Mae, only 11 percent lived in rural
4013 | America.

4014 | We are very pleased to support the National Affordable
4015 | Housing Trust Fund Act. Reinvigoration of federal housing
4016 | policy is long overdue. The resources that this legislation
4017 | makes available will definitely have a positive impact on
4018 | both the quality and the quantity of affordable housing
4019 | across the nation.

4020 | Given the high levels of housing distress in rural areas

4021 and recent reductions in federal assistance, the National
4022 Rural Housing Coalition is especially pleased to endorse this
4023 legislation. The National Housing Trust Fund Act will help
4024 provide resources for affordable housing that are desperately
4025 needed to help bridge increasing affordability gaps,
4026 especially in rural areas.

4027 We have a few comments and recommendations regarding the
4028 legislation, and these are aimed at facilitating the use of
4029 the trust fund in rural areas. Under targeting requirements,
4030 we are pleased to support the targeting requirements
4031 established in legislation.

4032 We do want to share and make the important point that
4033 the targeting required anticipates the availability of a
4034 level of subsidy that we have typically not seen much of in
4035 rural America. It is extremely difficult to assemble
4036 subsidies adequate for housing extremely low income
4037 households at 30 percent of median and below. We support
4038 this provision, and we hope to work with the committee to be
4039 sure that rural America is adequately served.

4040 Secondly, use of the trust fund allocations for rural
4041 areas: Currently, the provision does not provide sufficient
4042 direction to states or participating jurisdictions on the
4043 definition of need. As a result, there is no uniform
4044 standard for allocating funds to rural communities. We will
4045 be pleased to work with the committee in designing a formula

4046 | that provides a fair share of the trust fund resources for
4047 | rural America.

4048 | Again, we are pleased to support this legislation, and
4049 | urge the committee to act on it promptly. On behalf of the
4050 | National Rural Housing Coalition and NCALL, we support H.R.
4051 | 2895 and the implementation of a National Housing Trust Fund.

4052 | Thank you.

4053 | [The statement of Joe L. Myer follows:]

4054 | *****INSERT*****

4055 The CHAIRMAN. Thank you all, and this has been very
4056 helpful. Let me just say, because we are going to be talking
4057 next week and we will be talking informally with you, we do
4058 hope to vote this bill out of committee before we break in
4059 August and have it on the floor in September.

4060 And there were some specific proposals. The mayors had
4061 some, the state housing authorities, and the rural people.
4062 Now, as you understand, they are not all obviously
4063 compatible. There are some conflicts there. And I begin by
4064 hoping everybody will remember that something is going to be
4065 better than perfection, and we will work on this.

4066 I will say, and I know again there is also some
4067 other--we are trying to maximize the funds. I am sympathetic
4068 to the matching fund issue. I wish we were in a situation in
4069 which I wouldn't have to be as much, but there are problems
4070 in state and local areas. And so we will be approaching the
4071 matching fund issue.

4072 I will say, with regard to the rural, there are going to
4073 be limits on our being too prescriptive because this is an
4074 argument for pass-through, and some of this is going to have
4075 to be done at the state level. It is going to be hard for us
4076 to be in some ways as prescriptive as others might like.

4077 And then the question of the mayors versus the states
4078 and the others, we will work on all that and we will try to
4079 do our best. I will also say this. With some of these

4080 | things, this is not going to be forever. The trust fund will
4081 | be. One thing I am confident of, once this starts, nobody is
4082 | ever going to let it go away. For one thing, we will have
4083 | ongoing projects. At no given time would you be able to stop
4084 | it without the flow of funds.

4085 | But some of the operations we will talk to. So we will
4086 | be available. The staff will be available. We will working
4087 | out some of the specifics. And we really do look forward to
4088 | your help in our getting this bill forward. And I thank you
4089 | all. The testimony has been useful, and the proposals for
4090 | some changes are also useful. And we will go forward.

4091 | The hearing is adjourned.

4092 | [Whereupon, at 1:37 p.m., the committee was adjourned.]