

October 27, 1995.

Hon. Rick Lazio,
Chairman, Subcommittee on Housing and Community Opportunity
Committee on Banking and Financial Services
U.S. House of Representatives
Washington, DC.

Dear Mr. Chairman: I am writing to you to indicate our support for HR 1691, the Homesteading and Neighborhood Restoration Act of 1995. We support passage of HR 1691 because of the provisions of the bill related to rural rental housing. HR 1691 extends the section 515 rural rental housing program which is the only federal program providing rental housing to rural low income families and the elderly.

In addition, the legislation contains important provisions which will improve program operations by better targeting funds, preventing abuses, limiting uses of funds for re-financing, and clarifying the law regarding equity loans.

These provisions will ensure that limited federal funds are used in the best, most appropriate manner to provide assistance to rural households needing decent housing.

Extension of section 515 authority is particularly important because of a limitation in HR 1976, the Fiscal Year 1996 Agriculture Appropriations Act. This legislation bars the use of funds appropriations for section 515 for new construction until enactment of authorization legislation.

So, without passage of HR 1691, there will be no new rental housing construction in rural areas through section 515.

Thank you for your leadership on this important issue.

Sincerely yours,
Robert A. Rapoza.

National Rural Housing Coalition,
Washington, DC