



March 17, 2010

The Honorable Daniel Inouye
Chairman
Senate Appropriations Committee
S-131, The Capitol
Washington, DC 20510

The Honorable Thad Cochran
Ranking Member
Senate Appropriations Committee
S-146A, The Capitol
Washington, DC 20510

Dear Chairman Inouye and Ranking Member Cochran:

The Mortgage Bankers Association (MBA) respectfully requests that you take immediate action to ensure that the commitment authority for Rural Housing Service (RHS) Section 502 Single Family Housing Guaranteed Loan Program is extended through the current fiscal year. The RHS is a valuable source of mortgage credit for consumers in designated rural areas and its commitment authority will be depleted by April, if Congress does not intervene.

At this critical time in our country's fragile economic recovery, RHS is providing a necessary affordable source of housing finance for an important population. The RHS program's loans are used to help low-to-moderate income individuals or households purchase their primary homes in rural areas. These borrowers – who have maximum incomes of 115 percent of Area Median Income – often have fewer credit options than borrowers in urban locations. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare home sites. Borrowers must have good credit and reliable incomes to sustain homeownership.

MBA requests the Senate to approve at least \$150 million in budget authority (which equates to approximately \$10 billion in commitment authority) to carry the program through the end of fiscal year 2010. We are open, however, to alternative solutions that would allow the program to serve borrowers throughout this year.

We appreciate your attention to this important and time-sensitive issue.

Sincerely,

A handwritten signature in black ink that reads 'John A. Courson'.

John A. Courson
President and Chief Executive Officer