



May 3, 2010

The Honorable Barney Frank
Chairman, Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

On behalf of the National Council of State Housing Agencies (NCSHA) and the state Housing Finance Agencies (HFAs) it represents, I am writing in support of the Housing Preservation and Tenant Protection Act, H.R. 4868. We applaud your leadership in introducing this legislation, which contains numerous measures to help curtail the loss of federally and state-financed affordable housing due to conversion to market-rate housing, deterioration, and foreclosure, and to prevent the displacement of low-income tenants.

We thank you for including in H.R. 4868 a provision to eliminate the unnecessary prohibition on Ginnie Mae securitization of multifamily loans insured under the FHA/HFA Risk-Sharing program. This provision would facilitate the sale of bonds to fund HFA loans necessary to the preservation and development of affordable rental housing. In addition, the increased preservation and development activity facilitated by this change would stimulate local economies by creating jobs and investment.

We also greatly appreciate your inclusion of a provision offering owners of state-assisted or financed properties with maturing mortgages the option of accepting a project-based Section 8 Housing Assistance Payment (HAP) contract to help preserve these affordable properties. The ability to secure a project-based Section 8 HAP contract administered by the HFA will provide a strong incentive to owners to preserve state assisted or financed properties. Owners may use the HAP contract in conjunction with other resources to finance the rehabilitation and preservation of properties as part of a long-term preservation strategy overseen by the HFA. This proposed change is critical not only to preserving affordable housing but also to preventing the displacement of thousands of low- and moderate-income families across the country.

Thank you again for your leadership in preserving affordable housing.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Barbara', is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke at the end.

Barbara J. Thompson
Executive Director