



October 30, 2018

Ms. Shannon Chase
Finance and Loan Analyst
Single Family Housing Direct Loan Origination Branch
U.S. Department of Agriculture
1400 Independence Ave. SW
Washington, DC 20250-0783

RE: 83-FR-44504

Dear Ms. Chase,

On behalf of the state Housing Finance Agencies (HFAs) it represents, the National Council of State Housing Agencies (NCSHA)¹ appreciates the opportunity to respond to the United States Department of Agriculture's (USDA) proposed rule (83-FR-44504) making amendments to the Single Family Housing Direct Home Loan Program and the Single Family Housing Guaranteed Loan Program (SFHGLP). We strongly support the proposal to establish a two-tier income banding structure to be used to determine the very low- and low-income limits, in addition to the moderate-income limits, for SFHGLP loans.

Aligning how very-low, low-income, and moderate-income limits are determined for SFHGLP borrowers is a commonsense step that will improve the effectiveness of the SFHGLP program. The proposed income bands, one for households with one to four members, and one for households of five or more, provide helpful simplicity and clarity. In addition, as USDA notes, the proposed income bands will allow SFHGLP loans to reach more borrowers the program was intended to benefit, such as families with two minimum-wage earners.

Overall, the proposed change will enable HFAs and other participating mortgagees to more efficiently originate SFHGLP loans. NCSHA urges USDA to quickly finalize and implement the new income bands so that rural borrowers and communities can begin to benefit.

Thank you for your consideration. We would be happy to discuss these issues with you at your convenience.

Sincerely,

Garth Rieman
Director of Housing Advocacy and Strategic Initiatives

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