July 28, 2010

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The National Multi Housing Council (NMHC) and National Apartment Association (NAA) urge immediate action on H.R. 5872, the "General and Special Risk Insurance Funds Availability Act of 2010", to prevent an imminent shutdown of the FHA multifamily loan program.

Absent Congressional action the multifamily and health care insurance programs will shut down. As a result, needed affordable rental housing and health care facilities could be at risk of losing time-sensitive financing and subsidy commitments. Properties with maturing loans that must refinance could be at risk of losing the only source of refinancing available in the market at this time. The consequence is the delay or loss of bringing affordable housing to those people who need it so much.

As required, the Federal Housing Administration (FHA) notified Congress that it had exceeded 75 percent of its commitment authority to insure mortgages under the General Insurance and Special Risk Insurance (GI/SRI) Fund. FHA Commissioner David Stevens further warned that without an additional $5 billion in commitment authority, the agency's current limitation would be fully exhausted by late August or September. Without swift action, that warning is now a reality.

As you know, during this period of significant turmoil in the credit markets, FHA's multifamily and health care programs have been a critical source of stable and affordable financing. We cannot afford a suspension of these important programs.

NMHC and NAA strongly urge passage of this critical legislation.

Sincerely,

Douglas M. Bibby
President
National Multi Housing Council

Douglas S. Culkin, CAE
President
National Apartment Association

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