

Council for Affordable and Rural Housing
Institute of Real Estate Management
LeadingAge
Mortgage Bankers Association
National Apartment Association
National Association of Affordable Housing Lenders
National Affordable Housing Management Association
National Association of Home Builders
National Association of Realtors
National Leased Housing Association
National Multi Housing Council

Dear Senator:

We urge you to support an amendment that may be offered by Senators Mark Begich and Johnny Isakson to H.R. 933, the Continuing Resolution, to ensure the Federal Housing Administration (FHA) has sufficient commitment authority to operate its multifamily rental and health care programs through the end of the fiscal year.

Recently, FHA notified Congress that it had exceeded 75 percent of its commitment authority to insure mortgages under the General Insurance/Special Risk Insurance (GI/SRI) Fund for multifamily rental and health care facilities. The Begich-Isakson amendment would provide FHA with an additional \$5 billion of commitment authority to ensure continued access to these important programs. Failure to provide the additional commitment authority has the potential to cause significant disruptions to financing for apartments, hospitals, and health care facilities that serve millions of Americans.

During this continued period of significant turmoil in the credit markets, FHA's multifamily programs are providing needed stability and liquidity for project development and rehabilitation, acquisition, and recapitalization. In addition, FHA mortgage insurance is critical to the preservation of much-needed affordable housing. Any suspension of these important programs will negatively impact the availability of affordable credit and could result in some projects losing subsidy funds or being delayed so long that the projects become infeasible.

A shut-down of the programs will hurt our nation's economy just as we are beginning to see signs of a recovery. The National Association of Home Builders estimates that this additional authority will fund as many as 40,000 units, leverage \$2.2 billion in wages, and nearly 47,000 jobs.

The FHA multifamily mortgage insurance programs generate enough revenue to cover their cost, thus the additional commitment authority would not require any budget offsets. In fact, we understand that in FY2013 all programs under the GI/SRI Fund are operating with negative credit subsidy rates.

We urge your support of the Begich-Isakson amendment to ensure these important programs remain in operation through the fiscal year.