

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Vilsack,

I am writing to express my concern about shortfalls in the Rural Rental Assistance (RA) Program, which is administered by the U.S. Department of Agriculture-Rural Housing Service.

It is my understanding that the Rural Housing Service (RHS) anticipates a \$65 million cut in the program as a result of sequestration and other across-the-board cuts in the FY 2013 Agriculture Appropriations bill. Due to these cuts, RHS will be unable to fund RA contracts near the end of FY 2013. I am told that RHS believes the impact of the RA shortfall will be limited to September 2013.

Especially troubling are reports that RHS has no plans to compensate owners for lost RA that is not received in FY 13. Although RHS plans to use special servicing actions to mitigate the impact, it is not at all clear that these measures will be sufficient to make up for the lost RA income. A significant number of rural properties rely on RA to maintain financial viability. This subsidy is crucial to make up the difference between the contract rent and 30 percent of the tenant's income. Moreover, some of these servicing actions could be payment deferrals, which would still have to be paid to RHS at a later date, but without the RA owners should have received in FY 2013.

Please provide the following information to me at the earliest opportunity:

- The number of properties affected by the RA shortfall in my district / state;
- The average dollar value of the RA shortfall for those affected properties in my district / state;
- RHS' plans for mitigating the impact of the RA shortfall;
- Whether the plan for *each* of the properties will be sufficient to make-up for the dollar value of the shortfall;
 - If not, what is the dollar value of difference between the relief provided and the RA shortfall;
- The specific reasons RHS will not retroactively pay owners for lost RA in FY 2013.

Thank you for your assistance in the matter.

Sincerely,