



A home is the *foundation.*

October 2, 2008

Dear Member of Congress,

We are writing to express our deep concern with the manner in which the National Housing Trust Fund is being characterized in the current debate about the financial crisis.

The National Housing Trust Fund (NHTF) was created in the recently enacted Housing and Economic Recovery Act of 2008. A fact sheet on the NHTF is attached.

Creation of the NHTF was the culmination of eight years of bi-partisan work by over 5,700 organizations, including non- and for-profits, developers, and faith-based organizations. The NHTF will provide funds to produce, rehabilitate and preserve homes that are affordable to families with the very lowest incomes in our nation. We are very pleased that Congress created this needed program with bi-partisan support.

As the debate on the financial rescue bill took shape, initial Congressional drafts of the bill included a provision directing some of the profits that may result from the bill to fund the NHTF. It was later withdrawn primarily due to the objections of the House Republicans.

Opponents of the provision labeled this provision a "slush fund for a discredited ally of the Democratic Party." (John Boehner, statement 9/27/08, *Dems Want to Reward Scandal-Tarnished "Community Organizing" Group in Economic Rescue Bill*, republicanleader.house.gov/News/DocumentSingle.aspx?DocumentID=103884). This has caused a great deal of erroneous reports about the NHTF to appear on numerous on-line and broadcast media.

This characterization of the NHTF and the provision to direct funding to it in the draft bill is totally inaccurate.

What is accurate is that the governor in your state will designate a state agency to administer NHTF funds that go to your state. This agency will determine which organizations receive these funds. Not Congress, the Administration, or a political party will be able to direct where the funds go. The bill contains significant safeguards to prevent abuse.

- The funds are distributed to states on a formula based on the housing needs of those with income at and below 50% of area median income with specific emphasis on those at or below 30%.
- In distributing the funds, each state will select eligible recipients for funding. To be eligible, the organizations and agencies (for-profit and non-profit) must demonstrate the experience and capacity to produce the kind of housing the program calls for, the financial capacity to undertake the eligible activity, and familiarity with federal, state, and local housing programs.

- No funds can be used for political activities, lobbying, counseling, traveling and administrative expenses, or endorsements of a particular candidate or party.
- The law contains extensive reporting and audit requirements to ensure proper use of the funds and prevent abuse.

We have also heard that the provision to direct funds to the NHTF has been called an earmark. As you know quite well, an earmark by a Member of Congress is a provision in law by which the Member directs a specific amount of money to a specific recipient. By no stretch of the imagination can creating a dedicated source of funding for the NHTF be called an earmark. It is no more an earmark than the gas tax that funds the Highway Trust Fund is an earmark.

The NHTF is a critical resource tool to address the serious housing problems of the very lowest income families. The NHTF Campaign is non-partisan and represents organizations across the political spectrum. The NHTF is not the political tool of any party and to suggest otherwise denigrates the hard work of thousands of people across the country to address critical housing needs of the lowest income people in their communities.

The NHTF has always enjoyed bi-partisan support. We are deeply grateful to the many Members on both sides of the aisle who voted to establish the NHTF.

Sincerely,

American Association of Homes and Services for the Aging
Center for Community Change
Coalition on Human Needs
Consortium for Citizens with Disabilities
Corporation for Supportive Housing
Council of Large Public Housing Authorities
Enterprise Community Partners
Housing Assistance Council
Jesuit Conference USA
Local Initiatives Support Corporation
Lutheran Services in America
NAACP
National AIDS Housing Coalition
National Alliance on Mental Illness
National Alliance to End Homelessness
National Coalition for Asian Pacific American Community Development
National Coalition for the Homeless
National Council on Independent Living
National Health Care for the Homeless Council
National Housing Conference
National Housing Law Project
National Housing Trust
National Law Center on Homelessness & Poverty
National Low Income Housing Coalition
National Policy and Advocacy Council on Homelessness
National Urban League
Sierra Club
The Arc of the United States
United Cerebral Palsy
United Way of America
Volunteers of America

