



A home is the *foundation.*

October 10, 2008

Dear Member of Congress,

Last week, you received the attached letter about the misuse of the National Housing Trust Fund in the debate about the financial rescue bill.

Today, House Minority Leader John Boehner (R-OH) issued another false statement about the National Housing Trust Fund. He said:

"Last summer, for example, Democrats forced a giant housing bill loaded up with a taxpayer-funded slush fund for ACORN through Congress. More recently, Democrats attempted to divert billions from the economic rescue proposal to ACORN in the form of a 'housing trust fund.' In reality, it was little more than a massive check to the liberal group, care of American taxpayers."

Here **again** are the **facts**:

- The National Housing Trust Fund was established with enactment of the Housing and Economy Recovery Act of 2008, which passed the House by a vote of 272-152 and the Senate by a vote of 72-13.
- The National Housing Trust Fund will be administered by HUD, which will provide **grants to states**. Funds will be distributed on the basis of a formula that reflects the housing needs of families with extremely low incomes and very low incomes in the state. States will make grants to eligible entities.
- 90% of the funds **must** be used for the production, preservation, rehabilitation, or operation of rental housing; 10% can be used for homeownership activities for first-time homebuyers. At least 75% of the funds for rental housing must benefit households with incomes at or below 30% of the area median and all funds must benefit households with incomes at or below 50% of the area median.
- **No** NHTF funds may be used for political activities, lobbying, counseling, traveling and administrative expenses, or endorsements of a particular candidate or party.
- Eligible recipients of grants from the states must be organizations and agencies (for-profit or non-profit, public or private) that demonstrate the experience and capacity to **produce the housing** the program calls for, the financial capacity to undertake the eligible activity, and familiarity with federal, state, and local housing programs.
- Eligible recipients can include organizations such as local branches and affiliates of Catholic Charities USA, Volunteers of America, Lutheran Services in America, Mercy Housing, Corporation for Supportive Housing, Enterprise Community Partners, Local Initiatives Support

Corporation, National Church Residences, and many other local non-profit and public housing organizations.

- **ACORN does not** produce, preserve, rehabilitate, or operate rental housing or engage in homeownership activities for first time homebuyers and is ineligible to even apply for a grant through the National Housing Trust Fund.
- ACORN Housing Corporation, a **separate** organization, is primarily a housing counseling agency, helping people with low and moderate incomes buy homes and assist those hurt by the subprime crisis to save their homes. In order to receive any funds from the National Housing Trust Fund, one of ACORN Housing Corporation's 37 local offices would have to compete for a grant in its state to do one of the eligible activities.

We urge all Members of Congress to base their statements about the National Housing Trust Fund on accurate and truthful information.

Please go to www.truthabouthousingtrustfund.org for more information.

Sincerely,

A handwritten signature in cursive script that reads "Sheila Crowley". The signature is written in black ink and has a fluid, connected style.

Sheila Crowley
President and CEO
National Low Income Housing Coalition