

October 1, 2008

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, DC

Dear Mr. Boehner,

On behalf of the 5,700 endorsers of the National Housing Trust Fund campaign, I am writing with an urgent request that you rescind the “alert” you issued on September 27 concerning the National Housing Trust Fund and issue a retraction.

You characterized a provision in an early draft of the financial rescue bill that would direct a portion of profits from the sale of the assets acquired under the proposed rescue plan into the new Housing Trust Fund as a “left-wing giveaway Democrats are pushing to force taxpayers to bankroll a slush fund for a discredited ally of the Democratic Party.” This is a false statement.

Here is the truth.

The Housing Trust Fund was established on July 30 when President Bush signed the Housing and Economic Recovery Act of 2008. It is a new federal housing program that will provide funds to state governments for the purpose of building and rehabilitating homes for the very lowest income people in the United States. These are the people who work in the low wage work force, as well as seniors and people with disabilities and people who are homeless. The states are to make grants to housing developers with demonstrated capacity and experience who will build and operate these homes.

These developers can include 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.

The Housing Trust Fund is the first new federal housing production program since 1974 that is specifically for extremely low income renter households. The need for this new program is acute. Today in the United States, there are 9 million extremely low income renter households and only 6.2 million homes with rents these families can afford. Consequently, 71% of extremely low income renters spend more than half of their income for housing, leaving them without enough money for other essentials and at high risk of losing their homes and joining the ranks of the

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homeless. This is a housing crisis of major and longstanding proportions that the federal government must address.

Funding for the Housing Trust Fund is to come from dedicated sources of revenue that are not subject to annual appropriations. The bill enacted this summer directs Fannie Mae and Freddie Mac to make annual contributions to the Housing Trust Fund. It also says Congress may direct other transfers, credits, or appropriations to the Housing Trust Fund in the future.

In an attempt to make the financial rescue bill more responsive to the housing needs of local communities, i.e., Main Street, Senate Banking Committee Chairman Christopher Dodd (D-CT) included a provision in his draft that would have directed 20% of the profits made from the sale of the assets that the Federal government would acquire in the proposed financial rescue program into the Housing Trust Fund and an allied program called the Capital Magnet Fund. This provision was dropped from the bill on which the House voted primarily due to objections from House Republicans.

The Housing Trust Fund legislation specifically prohibits the use of any of the funds for “political activities, lobbying, counseling, traveling and administrative expenses, or endorsements of a particular candidate or party.”

The NHTF is a critical resource 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.

Your alert appears to have generated considerable erroneous reports in the media. We must insist that you correct the record.

Sincerely,

Sheila Crowley
President and CEO