Real Estate Coalition Letter Sent to all Senators on the Senate Banking, Housing and Urban Affairs Committee

September 11, 2001

The Honorable Paul Sarbanes
Chair, Senate Banking, Housing and Urban Affairs Committee
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

The undersigned organizations support the extension of the Section 8 mark-to-market debt-restructuring program. We are disturbed, however, by S. 1254, as reported by the Senate Committee on Banking, Housing, and Urban Affairs on August 1, 2001. The bill, along with a five-year extension of the mark to market program, contains several controversial provisions that we believe will have a harmful effect on the preservation of the affordable housing stock.

The Senate provisions would (1) impose federal rent control over certain projects which no longer have project-based subsidies; (2) prematurely reopen Section 8 renewal transactions; (3) provide general language about the administrative process HUD uses to determine comparable rents which is unnecessary as HUD can determine or modify the administrative process under existing law, thus raising concerns about the intent and impact of Congress enacting this unnecessary provision; and (4) impose restrictions on enhanced voucher rents which could be harmful to tenants and which are unnecessary, since actual market rents would be determined when vacancies are filled by market tenants.

The bill reported by the House Committee on Financial Services on July 25, 2001, H.R. 2589 does not contain the objectionable provisions found in S. 1254. In view of the impending expiration of the mark to market program on October 1, 2001, and the serious and far-reaching issues raised by the Senate bill, we urge adoption of the House bill and postponement of debate on the controversial issues until a later date.

Thank you for your consideration of our concerns.

American Association of Homes and Services for the Aging
Council for Affordable and Rural Housing
Coalition for Affordable Housing Preservation
Institute of Real Estate Management
Institute for Responsible Housing Preservation
Mortgage Bankers Association
National Apartment Association
National Association of Realtors
National Affordable Housing Management Association
National Leased Housing Association
National Multi Housing Council
The Appraisal Institute