

# United States Senate

SUBCOMMITTEE ON HOUSING  
AND URBAN AFFAIRS  
WASHINGTON, D.C. 20510

ALBERT C. EISENBERG, STAFF DIRECTOR  
JESSIE E. BARLOW, MINORITY STAFF DIRECTOR

November 17, 1980

Senator Russell B. Long  
Chairman  
Finance Committee  
Washington, DC

Dear Mr. Chairman:

We understand that an effort will be made within the Reconciliation Conference this week to seek a permanent resolution of the Tax Exempt Mortgage Revenue Bond issue. We believe that the likelihood of such an event offers an important opportunity to resolve continuing uncertainties with regard to the source of mortgage financing and urban revitalization.

It is critical to the production of affordable housing and the revitalization of distressed urban communities that a permanent solution be enacted. We believe that mortgage revenue bonds, used prudently, can be a potent weapon in helping to meet the housing needs of low and moderate income persons who do not have access to the conventional mortgage market. Equally important, it is our view that a responsible solution offers an opportunity to inject mortgage and rehabilitation lending into previously neglected neighborhoods. This Conference provides an opportunity to address these concerns.

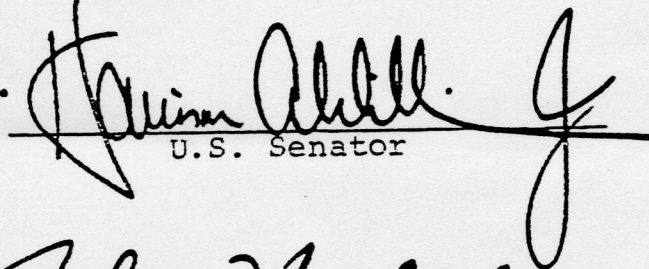
We are, however, strongly opposed to any consideration of H. R. 5741 as a practical solution. An overwhelming bureaucracy would be required to administer the bill's broad brush approach, which will eliminate not only irresponsible bond issues but also those issues which have furthered public policy in meeting unmet needs of low income families and elderly persons.

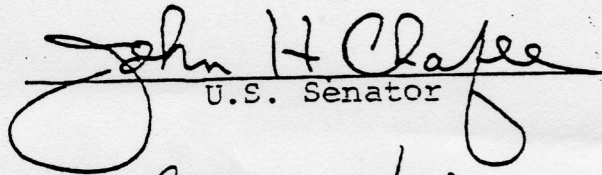
In our view, the task must not be to create a new federal agency and another layer of government review over State and local housing and rehabilitation programs, but rather to recognize the contributions of State authorized programs which are consistent with existing federal housing and development policies. For that reason, we strongly advocate: a minimum of interference with state authorized programs; no restrictions with regard to general obligation bonds or to multi-family housing bonds; a volume cap, if one must be set, that is no lower than 20% or \$300 million, whichever is greater; and, where

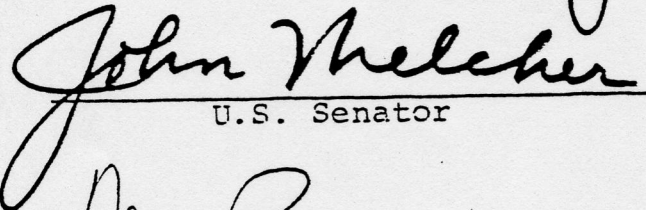
there are no state statutory income-eligibility restrictions, an eligibility ceiling set at either 130% of median area income, or a requirement that the issuer provide a 5% in-kind contribution in cases where the mortgage bond proceeds are part of a local redevelopment program; and an effective date of January 1, 1981, for bond issues.

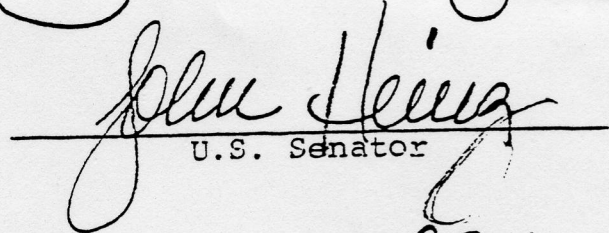
We appreciate your willingness to work toward a constructive solution to this matter, and are grateful for the leadership role you have taken.

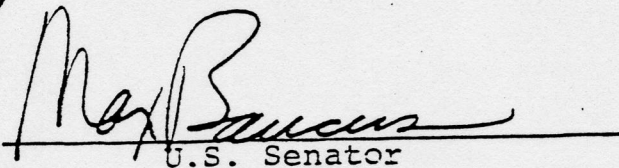
Sincerely,

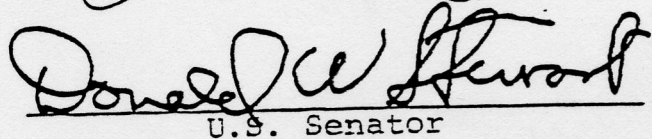
  
U.S. Senator

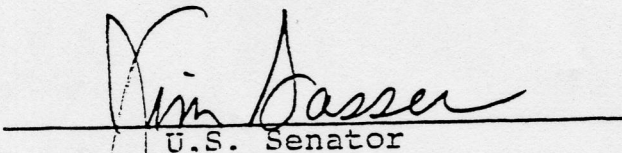
  
U.S. Senator

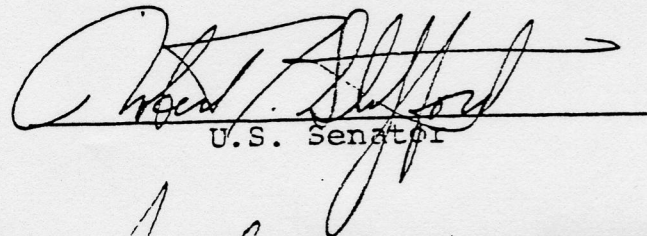
  
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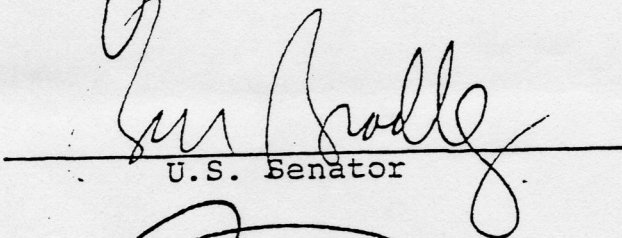
  
U.S. Senator

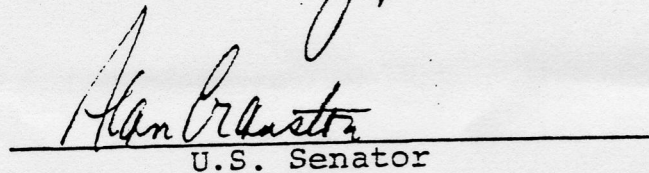
  
U.S. Senator

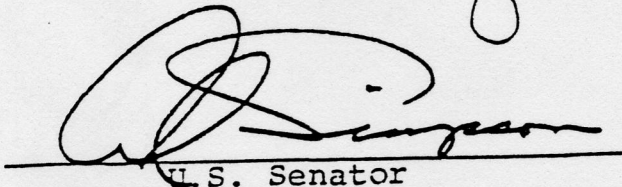
  
U.S. Senator


  
U.S. Senator

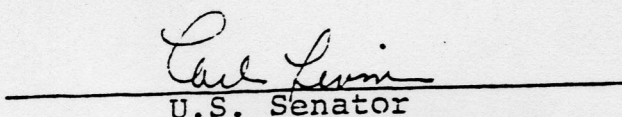
  
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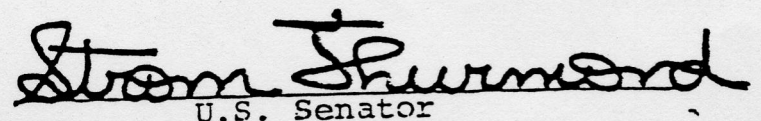
  
U.S. Senator

  
U.S. Senator

  
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*Paul Tsongas*  
U.S. Senator

*John C. Stennis*  
U.S. Senator

*Bill Toye*  
U.S. Senator

*Jimmings Randolph*  
U.S. Senator

*Robert Kennedy*  
U.S. Senator

*Stennis*  
U.S. Senator

*Ben Rufe*  
U.S. Senator

*Dick Lugar*  
U.S. Senator

*Henry M. Jackson*  
U.S. Senator

*John Tower*  
U.S. Senator

*Robert Morgan*  
U.S. Senator

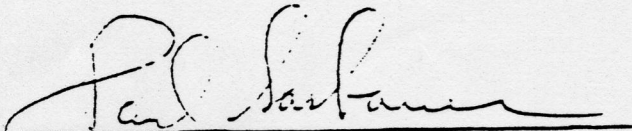
*Kenneth S. Schmitt*  
U.S. Senator

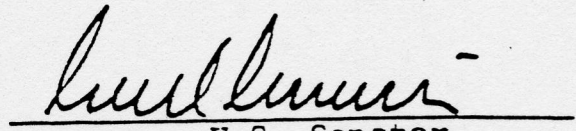
*Paul Danaher*  
U.S. Senator


*Clair Fey*  
U.S. Senator

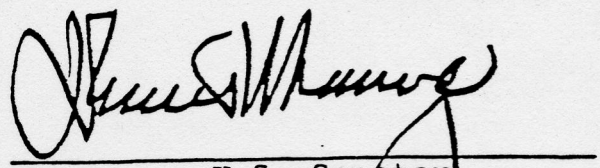
*S. I. Hayakawa*  
U.S. Senator

*Walter Mondale*  
U.S. Senator

  
U.S. Senator

  
U.S. Senator

  
U.S. Senator

  
U.S. Senator