

Early next week, NAR will launch an all-member Call for Action (CFA) to remind the House and Senate to maintain access to safe and affordable mortgages backed by the Rural Housing Service Section (RHS) 502 Program. Without Congressional Action, nearly 900 communities in 48 states will be dropped from the program because under current law, The Department of Agriculture (USDA) must revise the list of communities eligible for RHS Section 502 loans based on 2010 census data.

Unfortunately for small but growing communities, USDA will soon have to use a definition of eligibility not updated since 1974. Without Congressional action, access to the RHS Section 502 loans will be limited, thus impacting thousands of homeowners nationwide. Section 502 loans can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. These loans are funded by private lenders and insured by the RHS. The Section 502 Program is self-funded and budget neutral, meaning that broadening the population definition will not place additional financial burden on American taxpayers. In 2011, the RHS helped nearly 140,000 American families become homeowners.

When you receive the CFA, please be sure to respond right away, and ask other REALTORS® to do the same. This is all part of reminding Congress that homeownership does matter. For more information on the RHS Section 502 Program and the issue at stake, please read the NAR Issue Brief found on REALTOR.org: <http://www.ksefocus.com/billdatabase/clientfiles/172/6/1662.pdf>