

United States Senate
WASHINGTON, DC 20510

August 9, 2006

The Honorable Alphonso Jackson
Secretary
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, D.C. 20410

Dear Mr. Secretary:

We are writing to express concern regarding the Department of Housing and Urban Development's (HUD's) proposal to increase fees on Federal Housing Administration (FHA) loans for affordable rental housing.

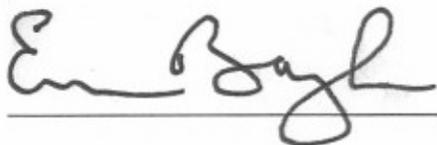
On June 28, HUD published in the Federal Register a notice of its intent to impose a 71 percent fee increase on FHA affordable multi-family housing mortgage loan programs. We are concerned that this fee increase would adversely affect these programs and harm efforts to promote the availability of affordable housing.

An increase in premiums will translate into higher rents and lead to the production of fewer affordable units. This will reduce the availability and affordability of rental housing.

Both the House and Senate Appropriations Committees urged HUD to submit to the appropriate committees of Congress a thorough assessment of the potential adverse effects of the proposed increased premiums. Congress should have an opportunity to carefully review and evaluate the consequences of these proposed increases before they are implemented.

Thank you.

Sincerely,


Eric Bayh


Ron Hage

Robert G. McKelvie

Tom Sarge

James Fein

Hillary Rodham Clinton

Sheila Flaxberg

Robert Kennedy

Tom Hayden

George Jackson

Earl Warren

Rebekah Coleman

Mary Kay

P. J. O'Rourke

Joseph Beaman

Mont Lewis

Tom Johnson

Elizabeth Dole

Tom

Chris DeM

Chuck Schumer

Jackie Reed

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George W. Wierwick
Kirk Sartum

Q. T. Hart