



# RHD Rural Delivery

New York State Rural Housing Coalition, Inc.

March, 2003

## HUD Proposes Higher FHA Loan Limit and New Rule Against Predatory Lending

HUD has taken several actions recently to help reach its goal of 5.5 million new minority homeowners by the end of the decade. First, the Federal Housing Administration (FHA) has increased its mortgage limits, allowing more low-income and first-time homebuyers to take advantage of FHA-insured loans. Second, the Department has proposed rules to protect homebuyers from predatory lending.

Effective January 1, 2003, FHA is insuring single family home mortgages up to \$154,896 in low-cost areas and up to \$280,749 in high-cost areas. The loan limits for two-, three- and four-unit dwellings have also increased. The FHA is sending letters to thousands of mortgage lenders and brokers to make them aware of the higher limits.

The new loan limits are part of an annual adjustment HUD makes to account for rising home prices. Under federal law, loan limits are tied to the conforming loan limits of Freddie Mac and Fannie Mae, federally chartered corporations that buy and package mortgages. Four years ago, the loan limits ranged from \$115,200 to \$208,800, levels below the cost of many homes in communities nationwide.

The higher loan limits will not

cost the government any money, because the FHA insurance fund is fully supported by premiums paid by borrowers who receive FHA insurance. The increased loan limits are expected to also benefit senior citizens who qualify for FHA-insured reverse mortgages.

HUD has also announced an initiative to protect homebuyers from predatory lending practices by publishing a proposed 'lending accountability' rule that makes lenders accountable for appraisals on mortgages insured by the FHA. The rule was published in the January 13, 2003 Federal Register.

Predatory lending results when home purchasers become unwitting victims of lenders, sellers and appraisers, often working together. The unsuspecting homebuyers either purchase homes with sales prices far in excess of the fair market value, or are substantially overcharged with costs associated with obtaining a mortgage.

The proposed rule makes lenders accountable for the quality of the appraisals performed by the appraisers the lender hires, and has been reviewed by Congress. The public comment period ends March 14, 2003.

This rule seeks to strengthen

HUD's regulations concerning the responsibilities of lenders in the selection of appraisers to perform appraisal on properties that will be security for FHA-insured mortgages.

According to HUD, the rule makes lenders strictly accountable for the quality of the appraisals and specifies that lenders that submit appraisals to HUD that do not meet the FHA standards are subject to sanction by HUD's Mortgagee Review Board.

HUD says that the rule will help assure that homebuyers will receive accurate statements of appraised values on homes they purchase using FHA mortgage insurance. The proposed rule will be revised after the consideration of public comments into final form for implementation.

In addition, HUD recently announced a proposal to expand protection of homeowners by proposing performance standards for appraisers of FHA-single family homes under the Appraiser Watch Initiative. FHA will monitor default and foreclosure claim rates, and some 25,000 appraisers will be held accountable for faulty appraisals which too often lead to default and foreclosure.

To review the proposed rule, go to [http://www.access.gpo.gov/su\\_docs/fedreg/a03113c.html](http://www.access.gpo.gov/su_docs/fedreg/a03113c.html).

**RD**

**R·u·r·a·l D·e·l·i·v·e·r·y**

Rural Delivery is published by the New York State Rural Housing Coalition, Inc. a nonprofit membership organization. The mission of the Rural Housing Coalition is to ensure the availability of safe, decent and affordable housing for rural New Yorkers of very low-, low- and moderate- income. Rural Delivery has a distribution of 255 copies per issue.

**Officers:**

Robert Hildebrand, Jr., Chair  
Mary Anderson, Vice Chair  
Robert Martin, Secretary  
Ken Parrotte, Treasurer

**Directors:**

Ginny Bates  
Brian Cassini  
Lynn Cebula  
Jennifer Gould  
Steven Heyman  
Alan Hipps  
Julee Johnson  
Charlie Kalthoff  
Greg Micoley  
John Mills

Martin Mucher  
Dottie Nixon  
Margaret O'Leary  
Gail Padalino  
Dale Prunoske  
Donna Scanlon  
Cheryl Shenkle  
Matthew Taylor  
Jane Todd  
John Wright

**Staff:**

**Blair Sebastian**  
Executive Director

**Colin McKnight**  
Deputy Director

**Anne Patnode**  
Operations Manager / Project Coordinator

**Hannah Blake**  
Technical Assistance Coordinator

**David Rustin**  
Membership / Conference Coordinator

For more information contact the Coalition at:  
879 Madison Avenue, Albany, New York 12208  
Tel: 518/458-8696 \* Fax: 518/458-8896

E-mail: [rhc@ruralhousing.org](mailto:rhc@ruralhousing.org)  
Web Site: [www.ruralhousing.org](http://www.ruralhousing.org)



**Bits and Pieces...**

**2003 NY Farms! Annual Meeting**

Friday, March 21, 2003, 9AM sign-in; 10-4 meeting and program. The annual meeting will be held at the New York State Grange Headquarters in Cortland, New York. Help to shape the future of NYF! — sharing your needs, programs and services and discussing how NY Farms! can support you as a member organization or affiliate. Participate in a meeting workshop on “Developing a Consumer Movement in Support of New York Agriculture and Food”. Network with, showcase your program to, and hear program updates from other members. Be entered into a raffle to win great NY farm and food products and more! Remember.....hold this date - Friday, March 21, 2003. For more information, contact Phil Yacuk, NY Farms! Acting Director at 845-639-9302 or e-mail [phily@bestweb.net](mailto:phily@bestweb.net).

**EDA/NARC Plan Brownfield Investment Satellite Broadcast**

The Economic Development Administration and the National Association of Regional Councils will sponsor a satellite broadcast on how local officials can proactively attract private sector investment in brownfield properties. This one-hour broadcast, scheduled for March 5, 2003 at 3:00 p.m. EST, will feature **David Sampson**, Assistant Secretary of Commerce for Economic Development, and **Scott Sherman**, an environmental lawyer and established Brownfields consultant. Three case studies will include private sector, city, and regional council perspectives. For additional details, please contact **Peggy Tadej** at [tadej@narc.org](mailto:tadej@narc.org) or (202) 986-1032 ext. 224. URL: <http://www.narc.org>

**HUD Issues FY 2003 Income Limits**

HUD has issued new income limits for 2003, covering the HOME and CDBG programs. The effective date is February 20, 2003. The new limits can be found on the HUD User website at <http://www.huduser.org/datasets/il/fmr03/index.html>.

**HMIS Meeting Slated For March 7**

The Statewide HMIS Planning Group will meet on March 7th from 11 AM to 3 PM in the County Executive’s Conference Room, 14th Floor, Onondaga County Civic Center, Syracuse. Call Hannah Blake at (518) 458-8696, ext. 12 for information and directions.

## HUD Requests \$31.3 Billion For FY 2004

The Bush Administration has proposed a \$31.3 billion budget for HUD in fiscal year 2004. Some of the highlights are:

**Home Investment Partnerships Program (HOME).** HUD is proposing a \$113 million increase in HOME. An estimated \$2.2 billion will be provided to State and local governments to encourage the production of affordable housing.

**Community Development Block Grant (CDBG) Program.** For FY 2004, HUD is seeking \$4.436 billion in formula grants to be allocated to States, cities, and larger urban counties as well as \$72.5 million to be distributed to Indian tribes by competition.

**Self-help Homeownership Opportunity Program (SHOP).** HUD is proposing \$65 million-triple the funding level of 2002-to fund so-called 'sweat equity' homeownership programs.

**Housing Opportunities For Persons With AIDS (HOPWA).** For FY 2004, HUD is seeking \$297 million to provide housing and supportive services to low-income persons with HIV/AIDS and their families. This represents a \$5 million increase over last year's request. HUD anticipates the HOPWA program will renew all existing grants that provide

permanent supportive housing. Further, it is expected that three new jurisdictions will become eligible for formula funding in FY 2004.

**The Samaritan Initiative.** This new interagency program includes competitively awarded grants that would be jointly administered by HUD and the Departments of Health and Human Services (HHS) and Veterans Affairs (VA). For FY 2004, HUD would provide \$50 million in housing assistance to those experiencing chronic or long-term homelessness while HHS and VA would each contribute \$10 million for services such as substance abuse treatment and primary health care.

**Homeless Assistance Grants.** HUD proposes to increase funding for homeless assistance by \$195.5 million and to consolidate the three competitive homeless assistance programs. This will simplify and streamline the provision of homeless assistance while eliminating the administrative burden of the competitive process. HUD is also proposing the transfer of the Emergency Food and Shelter Program from FEMA, in order to consolidate such emergency assistance in one place. Taken together, HUD's homeless assistance programs would be a record \$1.5 billion.

## Ad Council Sponsors Conference on PSA's

The Advertising Council will host *The Art of Getting Attention: Secrets 2003* in Washington, DC on May 8th and 9th. Attendees will get the inside information on on public service communications first-hand from seasoned professionals.

Participants in this training will learn critical communication skills; how to better know your audience; secure donated media; and maximize your message online. Perhaps most

importantly, you'll learn how to focus your message and further your cause.

The Ad Council is the organization that created the Smokey Bear, McGruff the Crime Dog, and "A Mind is a Terrible Thing to Waste" media campaigns.

Attendance is limited to 250 people. To register, go to <http://www.adcouncil.org/secrets2003> or call (212)984-1942.

## CDFI Program

### Applications Due

The Community Development Financial Institutions (CDFI) Fund of the U.S. Treasury Department is inviting designated CDFIs to apply for financial or technical assistance, according to the February 4 Federal Register. The CDFI Fund is also inviting comments on a revised interim rule for the CDFI Program.

The CDFI Fund states it is offering grants to nonprofits designated by the CDFI Fund as CDFIs to increase homeownership opportunities, employment opportunities, and financial services for people unfamiliar with banking.

Maximum grants for financial assistance are either \$1 million or \$2 million depending on the capitalization needs and total assets of the recipient CDFIs, according to the CDFI Fund. Interested CDFI applicants should consult the Federal Register notice to see which category applies to them. The application deadline is April 14, 2003.

In addition to financial assistance, the CDFI Fund says it is providing technical assistance grants of up to \$50,000 to CDFIs. Applications for technical assistance grants are being accepted and reviewed continually until May 31, 2004, subject to funding availability. Applicants must raise matching funds for either the financial assistance or technical assistance grants.

The revised interim rule, which took effect February 4, makes several changes to 12 CFR 1805 including revising the "primary mission eligibility test" for CDFIs, and replacing semiannual reporting requirements with annual reporting requirements, and other changes. The public comment period on the revised rule ends April 7, 2003.

## Native American Affordable Housing Conference To Offer Practical Training

Financial resources to help improve housing for the lowest-income Native Americans will be the focus of an upcoming training conference jointly sponsored by the Housing Assistance Council (HAC) and the National American Indian Housing Council (NAIHC). Scheduled for April 7-9, 2003, in Denver, the session will provide practical information for tribes, tribal housing organizations, and other nonprofits.

"Native Americans experience some of the worst housing conditions in the country," said Gary Gordon, NAIHC's executive director. "It can be difficult for tribes to improve their situations, but there are ways to do it, and this conference will address them."

Federal programs, private sector financing, funding combinations, and the uses of nonprofit organizations

will be covered at the conference, which is titled "Serving Lower-Income Housing Needs: A Conference for Tribes and Tribal Housing Organizations."

"The sessions will be participant-oriented," explained Moises Loza, executive director of HAC. "People are encouraged to bring their own ideas and questions, so they can get problem-solving assistance from experts. The conference will be an excellent resource for both new and experienced professionals."

Scholarships are available for participants, based on need. Details about the conference, along with registration and scholarship application forms, are available on the HAC's website, <http://www.ruralhome.org>. To receive a printed brochure, contact Nena Foster at HAC at (202) 842-8600.

## US Interagency Council On The Homeless 2003 NOFA Announced

### Collaborative Initiative to Help End Chronic Homelessness

Approximately \$35 Million is available this year. This is a coordinated notice for funding from: HUD-Office of Community Planning & Development HHS – Substance Abuse & Mental Health Services Administration and Health Resources & Services Administration and the Veterans Administration Substance Abuse, Mental Health & Provider Care Services. The purpose of this funding is to address the homeless persons with the highest and most frequent housing needs. The goal of the initiative is to assist states & communities in ending or substantially reducing chronic homelessness. This is to be accomplished by increasing the effectiveness of integrated systems by providing compre-

hensive services and treatment & linking them to housing, creation of additional permanent housing, increasing the use of mainstream resources to pay for services and treatment, replication of proven models, and support of infrastructure that sustains housing, services, treatments and inter-organizational partnerships. Funding is available in the following amounts:

HUD - \$20 M Permanent housing only

HHS / HRSA - \$3 M for primary health care services

HHS / SAMHSA - \$7 M Mental Health & Substance Abuse Services  
VA – approximately \$5 M

For information, visit the ICH website at <http://www.ich.gov>. Applications must be postmarked no later than April 14, 2003 to the HUD headquarters Office in Washington DC. No hand deliveries will be accepted.

## Task Force on Local Government Reform Seeks Input

Governor Pataki appointed a task force on local government reform that began meeting in August of 2002. To date, the task force has held roundtable discussions in Buffalo, Kingston, Lake Placid, Port Jefferson, Canandaigua, and Utica to solicit input from across the state on ways to make local government more effective and efficient at the Village, Town and City levels.

The results of those roundtables have been organized into 6 categories: Unfunded mandates; revenue generation; removing obstacles and empowering localities; structural change; capacity building; and mutual accountability. Preliminary proposals addressing these categories will be developed and presented for public comment at a series of hearings to be held this spring.

The task force welcomes suggestions via their website or by mail to: The Task Force on Local Government Reform, 41 State Street, Albany, NY 12231. For copies of task force documents, a full membership roster, roundtable reports, and notices of upcoming events, visit the task force website at [www.nylocal.govreform.org](http://www.nylocal.govreform.org).

## LISC Sponsors Conference for NonProfit Finance Professionals

The Second Annual Financial Management Professionals Conference, hosted by LISC's Organizational Development Initiative and sponsored by Citibank, will be July 31- Aug. 1 in Chicago. The conference is designed for CDC financial management professionals and includes training, networking, and peer-to-peer sessions. For more information, contact Lisa Deller at (212)455-1619 or email [ldeller@liscnet.org](mailto:ldeller@liscnet.org).

The New York State Rural Housing Coalition is happy to be able to provide help wanted advertising opportunities for our members and non-profit community development agencies. Ad copy must be provided in Microsoft Word format, and may be transmitted by email to [rhc@ruralhousing.org](mailto:rhc@ruralhousing.org). Ad copy must comply with federal and state equal opportunity requirements to be published, and must be received by the 25th of the month to ensure placement in the succeeding issue of *Rural Delivery*. Ads provided in this fashion will also be posted in the Career Opportunities page of the Coalition's website, unless a request is specifically made not to place the advertisement on-line.

### Assistant Economist

The Buffalo Branch of the Federal Reserve Bank of New York is seeking an assistant economist to conduct research on economic issues related to the economy of upstate New York. The assistant economist will conduct economic research projects and prepare written reports requiring an understanding of regional economics and the manipulation of economic data. We publish a quarterly newsletter for the general public, so strong writing skills are an absolute necessity. The assistant economist will also supply research to the community affairs division. Send resume and two writing samples to: Jackie Todd, Buffalo Branch - **Federal Reserve Bank of New York**, 160 Delaware Ave., Buffalo, New York, 14202, email: [jackie.todd@ny.frb.org](mailto:jackie.todd@ny.frb.org). For more details, visit: <http://www.ny.frb.org/careers/?expand=1>. EOE

### Supervising Case Manager-Residence

Supervise staff and provide oversight to the day-to-day operations of the Residence programs. Qualifications: Bachelor's Degree in Social Work, Psychology or Human Service related field plus 2 - 3 years experience case management/counseling. Minimum of 3 years in program supervision and experience working with mentally ill, MICA and

## Career Opportunities

### Executive Director

Seeking Executive Director for **Canastota Canal Town Corporation**, a non-profit community development organization. Canastota Canal Town is a Rural Preservation Company of the the NYS Division of Housing & Community Renewal. The Executive Director will be responsible for the day to day operations of housing rehabilitation programs, rental management, and administrative functions. Experience in grant writing for state and federal programs required. Experience in construction work write ups and cost estimating preferable. Please send resume and cover letter to: Search Committee, PO Box 51, Canastota, NY 13032 Fax: (315) 697-3769 Email: [CanCanal@aol.com](mailto:CanCanal@aol.com) EOE

### Director Of Housing Development & Management

The Director of Housing Development & Management will lead and manage new housing development initiatives; financing and partner relations; project management; construction and property management for HRH. Asset management encompasses a \$5.2 million development budget for 2002 and the maintenance of 271 units, including affordable rental and several commercial units. A Bachelor's degree is required with a minimum of 7-10 years of experience in housing development, with at least 5 years experience managing staff. Experience with diverse, low income constituents is essential. The right candidate will possess strong communication, problem-solving, project management, supervisory and budgetary skills. Salary commensurate with experience. A cover letter and resume may be directed to: **HRH** Director Search, 313 Mill Street, Poughkeepsie NY 12601. Inquire to [susanm@nonprofitjobs.org](mailto:susanm@nonprofitjobs.org). Details at <http://www.nonprofitjobs.org>. EOE

### Finance Director

**Finance Director** for non-profit Community Action Agency in Allegany County needed to manage all facets of the corporate accounting system in an agency comprised of multiple contracts and funding sources. The Director will utilize diplomacy, communication skills and experience to assist all agency divisions in capitalizing on growth opportunities, ensuring regulatory compliance, and safeguarding agency resources.

The successful candidate is an individual with: a Bachelors Degree in Business Administration, Accounting or related field; five years experience in accounting/financial management to include, but not limited to accounts payables, accounts receivables, cash management, general ledger closing; working knowledge of fund accounting; strong computer skills; experience with an automated accounting system; presentation skills; ability to effectively manage multiple tasks and priorities; working understanding of OMB Circular A-133 a plus; experience in non-profit management a plus.

Send resume and letter of interest to: Marlene Babchak, Deputy Executive Director, **ACCORD Corporation**, 84 Schuyler Street, P.O. Box 573 Belmont, NY 14813-0573 no later than March 26, 2003. ACCORD Corporation is an EO/AA Employer.

### Nutrition Resource Manager

**ComLinks**, a rural Community Action Partnership in Franklin County, NY, seeks FT Nutrition Resource Manager for the Cooperative Gleaning Program. Successful candidate will be responsible for all matters of food safety, nutrition education in food pantries and soup kitchens, public relations as it relates to feeding sites and nutrition and general assistance to the Program Director. A Bachelor's degree in Community/ Human Nutrition, Food service Administration, Dietetics or Public Health required. Salary in the mid 20's with comprehensive benefits package. Resume to: ComLinks, PO Box 270, Malone, NY 12953, attn: DebHolmes or email to [adminsop@capital.net](mailto:adminsop@capital.net).

EOE

## NCRC Opposes Ney's "Responsible Lending Act" as Providing Few Consumer Protections

The National Community Reinvestment Coalition (NCRC) believes that the "Responsible Lending Act" introduced by Rep. Robert Ney (R-OH) provides few consumer protections, will weaken existing federal law, and will preempt stronger state anti-predatory law. NCRC called upon Congress to enact a bill similar to the ones introduced last year by Senator Sarbanes (D-MD), Representative LaFalce (D-NY), and Representative Schakowsky (D-IL) in order to protect consumers from equity stripping and foreclosures by predatory lenders.

John Taylor, President and CEO of NCRC, states, "Preemption of state and local law is a non-starter when the proposed federal standard is weak. We must have rigorous and comprehensive federal law so that all consumers are protected, including the elderly, minorities, and immigrants who have recently achieved the American Dream of Homeownership."

The most recent drafts of Ney's bill would preempt any state or local laws, including those that "afford ad-

ditional substantive protections." It also wipes out a recent regulatory ruling mandating that state-chartered thrifts and independent mortgage companies cannot evade state limits on late fees and prepayment penalties on adjustable-rate mortgages and other alternative loans.

In place of strong state and local law, the "Responsible Lending Act" establishes toothless protections. It would outlaw prepayment penalties beyond four years for high cost loans. Prepayment penalties are traps on abusive loans since borrowers must often pay thousands of dollars in order to refinance out of abusive loans. The Sarbanes' bill, in contrast, would outlaw prepayment penalties beyond two years and cap the amount of prepayment penalties. Segments of the lending industry have already voluntarily limited the duration of prepayment penalties to shorter terms than the Ney bill proposes.

The Ney bill places no limit on the amount of points and fees that are financed or added to the loan amount on high-cost loans. Predatory lenders lure borrowers into abusive loans

by artificially lowering the immediate costs of exorbitant points and fees by adding them to the loan amount. Bills introduced by Sarbanes, LaFalce, and Schakowsky would limit the amount of points and fees that can be financed to three percent of the loan amount. Lastly, the Ney bill weakens provisions of federal law by absolving financial institutions purchasing predatory loans from liability in most instances and by loosening protections against flipping or repeated re-financing of loans with more fees added each time.

Taylor continued, "NCRC operates a Consumer Rescue Fund in which we identify victims of predatory lenders at the brink of bankruptcy and foreclosure. We then arrange for the refinancing of these consumers' loans into affordable prime loans. This bill exempts the vast majority of Consumer Rescue Fund loans from substantive protections. Isn't the purpose of Congress to protect the wealth and well being for American consumers, rather than making the marketplace a safe place for predators to roam?"

### NLIHC Conference April 28th

The National Low Income Housing Conference will be held in Washington, DC on April 28th and 29th. The conference will combine advocacy opportunities with training workshops and networking. Marian Wright Edelman will be keynote speaker. A congressional breakfast will be held on the morning of April 9th.

For more information on registration, visit the conference website at [www.nlihc.org](http://www.nlihc.org) or contact (202) 662-1530.

### Chadakoin Project Profiled In Quality Communities Newsletter

A main street revitalization project developed by a Rural Housing Coalition member agency was recently profiled in the latest issue of the *Quality Communities News*, published by the NYS Department of State.

The article detailed the radical turnaround of the Chadakoin Building in downtown Jamestown, resulting from the redevelopment efforts of CODE, the Jamestown-based preservation company. DHCR Commissioner Judy Calogero was quoted

in the article as saying the transformation 'is nothing short of amazing'.

The Chadakoin building was previously a blighted department store, covered with a windowless metal skin. CODE has removed that exterior cladding to reveal the attractive original design, and rehabilitated the building with 32 affordable apartments on the upper floors. A daycare center is now housed on the street level, and an alternative high school for at-risk pregnant and parenting teens occupies the second floor.

## Rural Advocates Legislative Update From Albany

The New York State Rural Advocates were one of the first groups on the Albany scene this year to meet with the Governor's office, DHCR, Division Of Budget, and Senate and Assembly members to discuss the Governor's budget proposal as it relates to the Preservation Program. Since the budget had been out less than a week, meetings focused on informing legislative members of the Governor's plan to reduce the preservation program funding by 55% and using this budget cut as an opportunity to restructure the entire program.

Every representative we met with expressed concern about the impact of this large budget cut and the effect that termination of the existing preservation program will have in rural communities. However, it is not certain how much funding, if any, will be available for restorations this year.

Advocates met with DHCR, DOB and the Governor's office twice during the first week in February. As of that date, there were no plans they could share with us for transitioning preservation companies from contract termination to NOFA. They began their timeline with contract termination notices to groups to be sent during the period from March 31 to May 31, but could not discuss what would happen if the budget is not passed by April 1. Division of Housing representatives stated that a preservation program NOFA, currently under discussion by DHCR, was their plan or framework to go forward. During these two meetings there were discussions regarding how the proposed Article 7 budget language, directing DHCR to terminate existing contracts and re-establish new funding and program standards

for the Neighborhood and Rural Preservation programs for July 1, 2003 based on the \$10 million proposed budget reduction and, will use consolidation as a guideline (one group per county) and census data instead of local needs to guide the program. We were told that non-performing groups could then be weeded out. In fact, there are NO rural preservation groups that are on probation or non-performing. About half of the rural preservation companies that are currently serving community needs and meeting their current multi-year contract obligations will be defunded mid-contract under the Governor's budget proposal.

During the 30 days following the budget presentation, when the Governor can make amendments to his proposal, rural localities passed resolutions in support of the preservation program and asked the Governor to restore preservation funding during his 30-day amendment period. Preservation Board members and program users have sent letters urging that funding be restored to the program and that the Article 7 language be removed.

This drastic program cut has interested the press. More stories have been generated as word of these cuts and their impact on local communities and current projects and programs becomes public. Questions about the future of the many units occupied by seniors and low income families owned and/or managed by the RPCs and NPCs have been raised. What will happen if half of the groups are forced to shut their doors or can no longer do housing work? What happens when contracts are terminated without assurances of continuity for companies? What happens to applications the RPCs and

NPC's have submitted for new programs or are in process of writing on behalf of municipalities when there is no RPC/NPC to administer them? At this time there are more questions raised than answers. The "Legislative Gazette" carried an article, there was an Associated Press story, "The Watertown Times" and "The Post-Standard" in Syracuse each carried a story and we got six minutes on North Country Public radio as interest grows.

The Rural Housing Coalition joined the Advocates effort and presented joint testimony for the Senate Budget Committee Hearings. Some individual groups presented testimony as well.

During the February recess, Advocates used the week to meet with their legislators in the district and are still in the process of simply informing their representatives of this damaging proposal in the budget.

On February 25, many Rural Advocates joined the NPCs during their lobby day. Additional meetings indicated that there is a good deal of support for Preservation Programs, but the budget gap remains a huge unknown.

March will be a very important month as the Legislature makes budget recommendations to leadership. A joint legislative day is being coordinated now. We hope to continue to work with the NPC Coalition, the Neighborworks Organizations and other housing groups to coordinate the message and the strategy to restore funding to the preservation program.

**For more information on what you can do in support of this effort, please contact Nancy Berkowitz, NYS Rural Advocates, 518-352-7787.**

## Federal Budget Finally Passes

The House of Representatives and the Senate agreed to a FY 2003 appropriations package on February 13th. This budget includes funding for HUD and USDA Rural Development programs, dating back to October 1, 2002.

Of note in this budget:

The RD Section 515 program saw a slight increase, to \$116 million. Guaranteed Section 502 loans were substantially increased to \$4.528 billion. Slight increases were seen in Section 504 repair loans, Section 521 rental assistance, and Section 514/516 farm labor programs.

The Rural Community Development Initiative (RCDI) was funded at \$7 million, including \$1 million for a demonstration on rural cooperative home-based health care. This

compares to \$6 million for RCDI in the previous year.

On the HUD side, most programs received level funding or slight increases. The Department of Housing and Urban Development is funded at a total program level of \$36.3 billion, an increase of \$1.8 billion over FY02, representing a net appropriation of \$31.2 million, an increase of \$1.2 billion over FY02. The HOME program is funded at \$1.93 billion, an increase of \$129 million over FY02 to help States and localities increase the supply of affordable housing.

The HOME downpayment assistance initiative was budgeted at \$75 million. SHOP, the Self-Help Homeownership Opportunity Program was funded at \$25.3 million.

The Housing Certificate Fund is

funded at \$17.2 billion, a \$1.6 billion increase over FY02 and provides the full amount necessary to ensure every family currently assisted by a Section 8 voucher continues to receive assistance.

Section 202 is funded at \$783 million, the same as FY02 and \$10 million above the President's request. Section 811 is funded at \$259 million, \$16 million above FY02 and \$9 million above the President's request. Housing Opportunities for Persons with AIDS (HOPWA) is funded at the President's request of \$292 million, \$14 million above last year. Empowerment Zones and Enterprise Communities are funded at \$30 million. For the full text of the final bill and explanatory conference report, go to: <http://thomas.loc.gov/home/approp/app03.html>.

---

*Visit Our Website At [WWW.ruralhousing.org](http://WWW.ruralhousing.org)*

---