

July 28, 2010

To: Members of the U.S. House of Representatives

From: Floyd E. Stoner, Executive Vice President, Congressional Relations & Public Policy

Re: Support for H.R. 5872, the General and Special Risk Insurance Funds Availability Act

I am writing on behalf of the members of the American Bankers Association to express our support for H.R. 5872, the General and Special Risk Insurance Funds Availability Act of 2010. This legislation is urgently needed as the Federal Housing Administration (FHA) has indicated that it will soon exhaust its commitment authority for loan guarantees for multifamily mortgages. FHA has played a crucial role in ensuring available housing credit during the recent economic crisis. It is essential that the FHA be allowed to continue guaranteeing loans without interruption. Without this legislation, the FHA would be forced to suspend its multifamily guarantee program.

We would also note that because the FHA collects fees to guard against default, the increase in loan guarantee authority will not result in a cost to taxpayers, but in fact is estimated to result in a net savings to the Treasury of \$94 million.

We urge Members of the House to support passage of H.R. 5872 to ensure the continuation of FHA multifamily loan guarantees.