



# Council for Affordable and Rural Housing

*Serving the Affordable Housing Needs of Rural America*

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February 13, 2019

Mr. C. Lamar Seats  
Deputy Assistant Secretary  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Room 6106  
Washington, DC 20410

Dear Deputy Assistant Secretary Seats:

We wanted to express our appreciation for your efforts and the efforts of your staff in performing what functions you could during the recent government shutdown and appreciate the swift efforts post shutdown to return to normal. Your partners in delivering MultiFamily rental housing are glad you are all back.

Any shutdown is at the very least unsettling and can also be destructive to the Agency, it's partners and the residents we all serve. Still, we learned some lessons from the recent record long shutdown that will help deal better with a shutdown, at least temporarily should you be faced with one in the near term or during the next appropriations cycle.

We have the following suggestions, other than avoiding a shutdown entirely.

1. Allow staff to renew Housing Assistance Contracts (HAPs) or treat expiring contracts as automatically renewing during the shutdown. HUD was allowed to continue monthly funding with remaining funding on hand, but certain contracts were not renewed before the shutdown. Clearly, HAP contracts are continuing or revolving contracts as where appropriation funds are available, there is a strong legal and practical basis to treat the HAP contracts as renewed for that funding period. We would suggest the same treatment for PRAC contracts.
2. Prioritize issuing 9807, insurance terminations, during shutdown to allow transactions seeking to repay existing loans to proceed.
3. Allow owners to use reserves without prior approval, and any releases used would be subject to a post shutdown application and approval.
4. Allow interim and final draws on FHA loans.
5. Suspend REAC and MOR inspections as the ability to confer with HUD and appeal was suspended.

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Page 2

We appreciate your consideration of these matters. In no way will these make a shutdown better or acceptable but will help avoid, temporarily, certain crises and some of the strain that a shutdown would cause over the first several weeks.

Sincerely,

A handwritten signature in cursive script that reads "Colleen M. Fisher". The signature is written in black ink and is positioned above the printed name and title.

Colleen Fisher

Executive Director