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Sent: Friday, September 18, 2009 12:07 PM  
To: !REG-COMMENTS  
Cc: Hannah, Tom - Washington, DC; Steininger, Michael - Washington, DC  
Subject: Comment for RIN 2590-AA27

As the Project manager responsible for preserving USDA's Section 515 direct loan program which provides affordable rental housing for low-income tenants in rural areas, I happy to see that the Section 515 program is included in the "duty to Serve" regulations. This program has an aging portfolio, serves rural areas and is critical to providing quality affordable rental housing opportunities to low income rural residents.

Preservation in rural areas is often difficult because of the small size of our properties, lack of tenant subsidy and the risky nature of making a financial commitment in inherently risky markets. Currently, we are concerned that the same "lack of credit elsewhere" that prompted the creation of the program in the sixties is again present in rural markets.

I generally support the effectiveness measures as proposed, but would suggest that something further be added (maybe outreach test) to measure capacity building in or for mission based organizations that seek to develop, preserve or operate affordable rental housing. It can be a sizable investment in time to this type of organization to get up to speed to successfully compete for resources such as LIHTC's that make many of the current financial transactions feasible, but it is an effort that needs to be made. To date, our program has not developed an acceptable level of capacity and the FFHA may have the expertise and resources to make this happen. This would be a more focused definition of outreach which is a term that can quickly become fussy and un-measurable.

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