



NATIONAL ASSOCIATION OF NEIGHBORHOODS

February 10, 2009

Senator Christopher Dodd
448 Russell Senate Office Building
Washington, DC 20510

RE: Restoring Down Payment Assistance

Dear Senator Dodd:

One of the foundations for building great neighborhoods across America is access to housing. Conversely, one of the fastest ways to destabilize a neighborhood is to let foreclosed homes sit idle, driving down housing values, creating opportunities for increased crime and blight.

As you know, President Bush and the Congress eliminated privately funded down payment assistance (DPA) as of October 1, 2008. This action was a big mistake. Over the last decade alone, this program helped 600,000 families purchase homes, many of whom were first-time homebuyers of ethnic minority. Approximately 200,000 new and existing homes were sold last year with DPA. Roughly 40% of all loans originated by the Federal Housing Administration used DPA.

One of our member organizations, the Nehemiah Corporation of America, helped families purchase more than 78,000 homes last year. More than 25% of the sales involved foreclosed properties. About 40% of the borrowers were households headed by minorities and at least one-third were headed by females.

Fortunately, Representatives Al Green, Maxine Waters and Gary Miller have introduced a bi-partisan bill--H.R. 600-- to reinstate a new and improved version of this program which would provide a much needed stimulus to the economy and has been scored as revenue neutral by the Congressional Budget Office. This latest version of DPA has toughened credit requirements, increased mortgage insurance premiums and other improvements resulting in a program that according to a recent analysis by the Congressional Budget Office, costs American taxpayers nothing.

This new and improved DPA program will be an important tool that our members need to accelerate bringing back the nations housing market while not leaving behind people that work hard everyday to achieve the "American Dream." We strongly urge you to support H.R. 600.

Thank you for your consideration.

Sincerely,



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