



January 14, 2009

The Honorable Herb Kohl
330 Hart Senate Building
United States Senate
Washington, DC 20510

Dear Senator Kohl:

We are writing in support of S. 118, the Section 202 Supportive Housing for the Elderly Act of 2009, and to urge its quick consideration. The Section 202 program has been in existence for nearly fifty years and represents a multi-billion dollar national commitment to affordable living arrangements for the nation's most vulnerable seniors.

The Mortgage Bankers Association¹ represents over 90 percent of the private lenders involved in the refinancing of existing Section 202 properties. Over the past few years, our members have been able to help rehabilitate and upgrade a number of these properties, utilizing funds generated from the refinancing of the mortgages. However, current statutes and HUD regulations limit the universe of properties eligible for refinancing and also restrict proceeds needed to repair and modernize these properties.

S. 118, particularly Title II, provides needed statutory changes to streamline and simplify the process of refinancing these loans and will increase participation by not-for-profit developers, private lenders, and investors. S. 118 will make it possible for organizations to recapitalize and preserve existing Section 202 housing, as well as increase the funding available for supportive services for frail and aging residents.

As you have realized in introducing this legislation, preservation is an important strategy for dealing with our affordable housing crisis. Older Section 202 properties are in desperate need of repair, rehabilitation or modernization. Limited federal funding has left many properties with no source of preservation financing, placing communities and

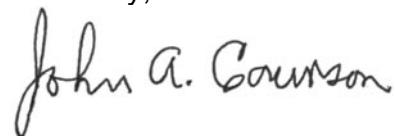
¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 370,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,400 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mortgagebankers.org.

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residents at risk. Owners have an opportunity to use record low interest rates and the equity in their properties to refinance their mortgages and fund the much-needed rehabilitation work in order to extend the lives of these properties, even in this compromised mortgage credit environment.

By improving this critical housing program, S. 118 will ensure that more very low-income seniors will have access to safe, decent, supportive housing. We thank you for your support and urge you to seek the earliest consideration of S. 118 by the Senate.

Sincerely,

A handwritten signature in black ink that reads "John A. Courson". The signature is written in a cursive style with a large initial 'J'.

John A. Courson
President and Chief Executive Officer
Mortgage Bankers Association