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Opening Statement

Chairman Michael G. Oxley
House Committee on Financial Services

Subcommittee on Housing and Community Opportunity
“Oversight Hearing on the Rural Housing Service”

March 10, 2005

Today, the Subcommittee on Housing and Community Opportunity welcomes Russell Davis, Administrator of the Rural Housing Services and William Shear with the Government Accountability Office. Mr. Davis, I want to congratulate you on your first year in office, and I look forward to continuing to work with you to provide affordable housing in our rural communities.

Over the past few years, this Committee and the Administration have continued to seek bipartisan ways to extend homeownership and to make existing housing programs work better.

For example, the Committee passed the American Dream Downpayment Act that benefits 45,000 new homeowners annually. For rural areas, the Committee passed legislation that would allow the Government National Mortgage Association (GNMA) to securitize Rural Housing Service multi-family loans as well as providing new homeownership opportunities for Native Americans.

This year, the President’s fiscal year 2006 budget proposal would strengthen our efforts at supporting rural housing with a proposed increase of \$350 million for the Rural Housing Services.

While I believe we are on the right track, certainly there is much to be done to aid the almost 80,000 rural families that are currently on the RHS waiting list for rental vouchers. Similarly, I am concerned by recent GAO reports that show an uneven RHS definition of “rural.” We need to take a look at how RHS determines eligibility requirements to ensure that those families living in rural communities have access to the resources of RHS and can share in the American dream of homeownership.

I would like to thank Chairman Ney and others on this Committee for their diligence in advocating the needs of our rural communities and look forward to working with them and with you, Mr. Davis, to ensure that we do not overlook the affordable housing needs of our rural families.