

November 3, 2004

Office of the General Counsel
Rules Docket Clerk- Room 10276
Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410-0001

Re:

Docket No. FR-4937-N-01 ("Proposed Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2005")

Docket No. FR-4937-N-02 ("Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2005")

Dear Sir or Madam:

The National Association of Affordable Housing Lenders (NAAHL) represents America's leaders in moving private capital to those in need. Our nearly 200 member organizations include 71 insured depository institutions, 50 non-profit providers, GSEs, pension funds, foundations and others committed to increasing private capital lending and investing in low- and moderate-income communities.

NAAHL previously submitted a letter to HUD expressing our opposition to proposed changes in the methodology for calculating Fair Market Rent (FMR) Schedules for FY2005. In addition to the issues we previously raised, we are also concerned that there are serious factual questions about the published Fair Market Rent reductions. We request that HUD defer implementation of those reductions until all the factual issues are resolved.

The Section 8 program has sustained a series of blows in 2004 that have undermined private sector confidence in the government as a partner in providing affordable housing. Now is not the time to destabilize the program further.

Sincerely,

Judith A. Kennedy
President