



Chairman Hal Rogers

House Committee on Appropriations

Fiscal Year 2015 Budget Hearing: Department of Agriculture Rural Development April 4, 2014 Opening Statement As Prepared

Mr. Chairman, thank you for yielding. I thank you all being with us today to discuss the Fiscal Year 2015 request for the Department of Agriculture's Rural Development budget. This agency covers some of the most important work that USDA does, and it is critical to the vision that the Department has set for itself – "helping rural America to thrive." That is certainly the vision that I have as well, and I appreciate that the Secretary took the time to visit my district back in January to announce the expansion of the StrikeForce initiative into Kentucky. With so many coal industry job losses in my region, we need all the support we can get that will help our current businesses and programs expand, and make Kentucky attractive for new businesses. This program will also go hand in hand with the initiative that I have worked on with our Governor, Shaping Our Appalachian Region (SOAR), to find ways that we can grow and find that next generation of economic opportunity and solid good paying jobs.

Some may think that USDA's Rural Development programs are relics of a bygone era. They may wonder if there is still a need in this country for help in getting rural utilities set up, or water treatment plants and piping systems built. I can assure you that there is. In my district we have used these programs to great effect. When I first came to Congress, thousands of eastern Kentuckians had straight pipes that dumped wastewater directly into streams and towns had unreliable and aging water systems if they had any at all. Now, thanks to Rural Development grants and loans, and through the work of volunteers at a local non-profit called Personal Responsibility In a Desirable Environment – PRIDE – our valleys have been cleaned, treatment plants have been built, and families have the comfort of safe, reliable water delivery that so many of us take for granted. In addition, through rural housing programs, many of my constituents have been able to move out of old, inefficient, dilapidated homes and raise their families in modernized homes with affordable payments.

With all of these positive strides, I am concerned that once again in this year's budget your request proposes significant cuts to Rural Housing programs like the Section 502 Direct Loan and the Section 523 Mutual and Self Help Housing programs. We know the game the administration is playing: cut funding for useful programs in order to make room for new spending and create the illusion of budget savings. But choosing to cut from these rural programs time and again shows lack of respect for our rural communities and the constituents who have made these programs successful.

In my district an organization called Kentucky Highlands has used USDA's Self-Help Housing program and the Section 502 Direct Loan program to help low-income, working families in

Kentucky become homeowners. In 2011, a woman who had been the victim of extreme domestic abuse, called Kentucky Highlands hoping to find a home for herself and her young daughter. With some financial counseling and guidance from Kentucky Highlands, she was approved for a \$66,000 Section 502 Direct Loan. And with the Self-Help Housing program, she was able to build her own home for about \$35,000 less than it would have cost to hire a contractor. That means that today, she is living in a home that she can afford, and she built with her own hands. Without the Self-Help Housing program and Section 502 Direct Loans, she would not have been able to have the benefits of homeownership and the clean slate that opportunity afforded her.

Two other Kentucky organizations, Frontier Housing and the Federation of Appalachian Housing Enterprises (FAHE), have participated in USDA's very successful demonstration program that not only helps low-income rural families become homeowners, but has significantly reduced the amount of time it takes for USDA to process its loan applications. USDA has reported that this program has helped the agency save \$1.5 million to date. Because of this demonstration program one of my constituents and his family were able to secure a 502 Direct Loan in half the time it normally takes for USDA to process the loans themselves. And because of that loan, he now lives in a new, energy-efficient, green home in Rowan County.

It seems to me that this is the sort of thing we should be encouraging – saving money and allowing hard-working people like these constituents to put in the time and effort to gain homeownership. I hope that you can begin to support these programs with a renewed emphasis rather than cutting them to make way for a wish list of new spending.

I look forward to hearing your testimony and your plans for supporting our nation's farmers and our rural communities through these difficult budgetary times. Thank you, Mr. Chairman, and I yield back.

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