

Opening Statement

[strike gavel]

Good afternoon. Sen. Rounds, thank you for working together with me on today's hearing, focusing on what we can do to improve access to housing in rural communities.

Thank you to Sen. Shaheen for joining us today as well.

Small towns and rural places are creative, entrepreneurial, diverse, and wonderful places to live, work, and raise a family.

They produce our food and our energy. They're hubs of manufacturing and small business, education, health care, and arts and culture. And, when I travel to rural communities in Minnesota, I find hardworking, passionate people who love their communities and want to make them even better.

Yet, we know that for many rural communities, the shortage of affordable housing is an enormous impediment to attracting new businesses, new residents and new talent.

The reality is, if you don't have a safe, affordable place to live, nothing else in your life or your community works. Not your job. Not your education. Not your health.

Housing challenges can be about families trying to find a place to live for disabled individuals, or seniors living in overcrowded conditions. It could be workers who want to take a job at a grain elevator, meat processor or a manufacturing facility but the closest home they can afford is 40 miles away.

One hiring manager, in Minnesota, told me that they spend almost half their time helping new employees find housing.

I know Sen. Rounds has heard similar stories in South Dakota. I'm grateful to Senator Rounds that we have been able to work in a bipartisan way on this subcommittee to look for solutions to some of these challenges.

The U.S. Department of Agriculture's Rural Housing Service (RHS), which Congress created in 1949, plays an important role in supporting the development of single- and multi-family housing in small towns and rural places across the United States. RHS is a trusted and well-known partner for rural America, which faces unique challenges when it comes to developing and financing housing.

This is our subcommittee's second hearing focused on rural housing. In May, we heard from Xochitl Torres Small, the Under Secretary for Rural Development. She runs the Rural Housing Service, and she shared several ideas to improve the Rural Housing Service's administrative systems and to keep housing affordable for residents of Section 515 properties as those properties' USDA mortgages mature.

Following the hearing, Sen. Rounds and I made a public call for input on RHS programs, and we received nearly two dozen responses. I appreciate all of the thoughtful comments, and we learned a lot from them.

Nearly all of the letters pointed to the importance of fully funding the Rural Housing Service, and I certainly agree. Commenters also noted the importance of making administrative improvements, similar to what we heard from Under Secretary Torres Small.

We also heard about the need to decouple rental assistance from Section 515 mortgages. As properties with these mortgages age and their mortgages mature, many low-income families are at risk of unaffordable rent increases. Sen. Shaheen and I introduced a bill yesterday to fix this problem, and I appreciate her partnership on this issue.

In addition, we heard about the unique challenges that Native communities face in obtaining mortgages, particularly on trust land. Sen. Rounds and I have worked together on a bill to expand an innovative USDA pilot program to address this issue, and I look forward to hearing more from our witnesses about that today.

Finally, we received interesting suggestions for addressing other issues, including:

- ways to update the home repair programs,
- options to prevent foreclosures, which can both help keep residents in their homes *and* may save the USDA money, and
- opportunities to reduce burdens and bureaucratic red tape on homeowners and renters – especially very low-income families.

I look forward to hearing from all of today's witnesses about these issues and more, and I hope we can continue the productive discussions we've had so far about addressing the housing challenges facing small towns and rural places.

Sen. Rounds, you are recognized.

[recognize Sen. Rounds]

[then, if Sen. Shaheen is present, recognize her]