

# Congress of the United States

Washington, DC 20515

March 23, 2016

Dear Secretary Lew,

We write to express our support for Indiana's application for the Fifth Round, Phase 2 allocation funding under the Hardest Hit Fund (HHF). As residents with first-hand knowledge of our state's need for further foreclosure prevention and blight elimination activities, we are confident in the Indiana Housing and Community Development Authority's (IHCDA) ability to quickly and effectively utilize additional funds to further economic recovery.

The funding under HHF has been a critical tool for Indiana, which has and continues to assist our state's recovery from the sharp decrease in home prices following the recession. To date, this funding has helped nearly 7,000 unemployed and underemployed Hoosiers stay in their homes. Indiana has also utilized a portion of its HHF allocation to demolish blighted properties in recognition that a successful and long-lasting approach to neighborhood stabilization must also address blight elimination and economic development. These combined efforts have been important tools to help our state stabilize property values, improve public safety, and provide opportunities for economic development.

Recognizing Treasury's commitment to expend the newly released HHF funds expeditiously, we understand your decision to structure the distribution of funds in two phases, with the first using a formula based on each state's population and utilization of prior HHF funds, and the second phase using an application process. As representatives and residents of Indiana, we acknowledge our homeowner assistance programs started slowly; however, the last 18 months has seen IHCDA commit almost 30 percent of Indiana's homeowner assistance dollars to qualified Hoosier families. The steep uptick in homeowner assistance warrants a marked increase in the need to fulfill Indiana's homeowner assistance pipeline.

Cumulatively, Indiana has received \$250.3 million to date in HHF funds. This amounts to less than 3 percent of the total money allocated amongst the 18 states. It also represents less than \$38 per person in our state, significantly less than the nearly \$85 per person allocated to Rhode Island, and higher on a per person basis than only two other recipient states: Georgia and Alabama.

Additionally, we believe Indiana's utilization rate of prior HHF funds led to an artificially low Phase I allocation. As previously stated, Indiana is one of six states to take advantage of the opportunity to use a portion of their HHF funds for a blight elimination program. To date, Indiana's blight elimination recipients have reported the demolition of nearly 600 residential structures, out of more than 2,800 structures statewide that have been approved to receive funding for demolition under the program. Because of the time lag between demolitions and when IHCDA is reimbursed for the payment of claims, Indiana may appear to have a smaller spend down rate that does not reflect the success our state has had in swiftly directing funds in a manner that maximizes recovery efforts.

Going forward, we are confident that our state has the means and infrastructure in place to live up to your goal of ensuring that funds are used expeditiously. We encourage you to continue to support our state's efforts to fully recover from the recession by giving Indiana's application full consideration.

We appreciate your attention. Please do not hesitate to let us know if you have any questions or concerns.

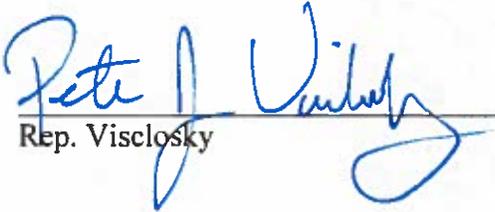
Sincerely,



Sen. Coats



Sen. Donnelly



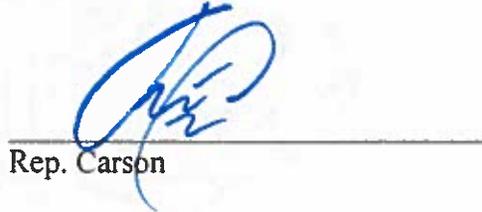
Rep. Visclosky



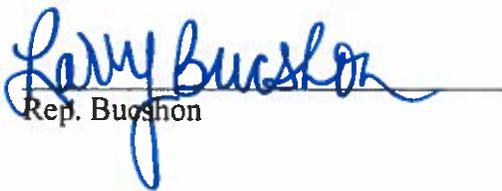
Rep. Walorski



Rep. Brooks



Rep. Carson



Rep. Bucshon