



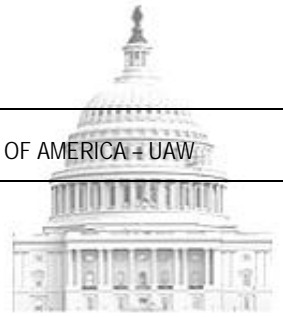
INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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IN REPLY REFER TO

October 25, 2005

1757 N STREET, N.W.
WASHINGTON, D.C. 20036
TELEPHONE: (202) 828-8500
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Dear Representative:

This week the House is scheduled to take up the Federal Housing Finance Reform Act (H.R. 1461). While this legislation is intended to increase oversight of agencies such as Fannie Mae and Freddie Mac, it also contains a provision that would alter the Affordable Housing Fund and destroy the advocacy rights of nonprofit organizations applying for grants under the Fund.

This provision would disqualify any nonprofit group that engages in voter participation activities, such as voter registration and get-out-the-vote efforts, from applying for a grant under the Affordable Housing Fund. This provision would apply even if the activities are non-partisan and even if they are paid for with non-federal monies.

This restriction is one-sided and unfair because it only applies to non-profit organizations, not any for-profit entities seeking grants from the Fund. Additionally, the "affiliation language" contained in this provision is considerably broader than in other federal statute. Under the current federal tax code, two organizations are affiliated only if one can control the decisions of the other. In contrast, this provision treats organizations as affiliated if there are "individuals" who "serve in similar capacity" for the two organizations. In addition, the sharing of any resources (regardless of how small) between two organizations constitutes an affiliation. And a grant from a foundation or government agency that is greater than 20 percent of that organization's budget would automatically affiliate the organization with the granting foundation or government agency.

The UAW believes that this provision in H.R. 1461 is overly broad and unfairly punishes nonprofit organizations. This provision would have a chilling effect on the speech and association rights of all nonprofits and would create a situation wherein virtually all organizations that do any work together would be considered "affiliated."

For these reasons the UAW strongly opposes this provision and urges you to support an amendment to strike it from the legislation. Thank you for considering our views on this issue.

Sincerely,

A handwritten signature in cursive script that reads "Alan Reuther".

Alan Reuther
Legislative Director

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