

Congress of the United States
Washington, DC 20515

June 19, 2018

Dr. Ben Carson
Secretary
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Dear Secretary Carson:

We write to thank you for visiting Connecticut to view firsthand the devastation of crumbling foundations caused by the naturally occurring iron sulfide mineral pyrrhotite. Our hope is that you left the state with an increased understanding of both the human and economic toll this crisis has taken on thousands of families, and the urgent need to bring relief to the affected homeowners who are facing this disaster through no fault of their own.

Vincent and Maggie Perracchio, who graciously opened up their home to show you the nightmare they live with every day, are representative of the thousands of families in Connecticut who now have to grapple with whether to test their foundations, finance costly repairs, or simply walk away from homes that have become unlivable due to faulty concrete.

We believe there are a number of specific actions, many of which were referenced by officials, residents, and you during your visit, that you can take to help those homeowners who have been devastated by this crisis. It is worth noting that the federal government has a significant financial interest in assisting homeowners, as many homes in the affected areas were purchased using Federal Housing Administration loans, and many are federally guaranteed via Fannie Mae and Freddie Mac holdings. Those homes are now at risk of serious devaluation, a prospect that has already deeply impacted towns in the region and raises the possibility of significant costs to the Treasury.

First, we ask you to bring this critical issue to the attention of the President, who has the statutory authority under the Stafford Act to issue a disaster declaration following the request of the Governor and a preliminary assessment by the Federal Emergency Management Administration (FEMA). Should such a declaration be made for communities impacted by crumbling foundations, FEMA and HUD, through the Community Development Block Grant Disaster (CDBG) Relief program, could provide some direct aid to homeowners dealing with crumbling foundations. We believe that your first-hand experience seeing this problem up close would be invaluable in helping FEMA and the President understand the scope and impact of this problem.

Second, we ask that you direct your staff to continue working with us to identify and implement creative solutions within HUD's existing programs to provide relief in tandem with other housing affordability needs in Connecticut. HUD has previously identified CDBG Small Cities and entitlement community funds, the HOME Program, and the Section 108 Loan Guarantee

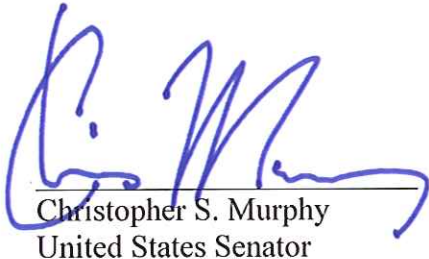
Program as possible existing options for assisting towns and homeowners with crumbling foundations, pursuant to program income guidelines and other restrictions.

Third, we ask for your continued support as we seek new resources and relief through the legislative and regulatory process. Together, we are working to build support for new targeted grant programs, provide flexibility within financial and housing regulations, and maximize the use of the federal tax code to aid in home repairs. The state of Connecticut has stepped up and agreed to bond \$100 million over five years as part of a newly formed captive insurance company, and direct federal assistance is necessary to complement that effort.

Fourth, you indicated a willingness to review how to help with homeowner insurance coverage for damaged foundations. We would like to continue that conversation with your staff.

We couldn't agree more with your assessment that the solutions to this issue ultimately depend on local, state, private, and federal partners all working together. Pyrrhotite has already wreaked havoc on homes and businesses in Canada, Ireland, Connecticut, and now Massachusetts, and this problem could have potentially national significance in years to come. Your visit was an important demonstration that addressing this crisis is not a partisan issue. We look forward to continuing to work with you and your staff to find necessary relief for the thousands of homeowners who are desperately looking for help.

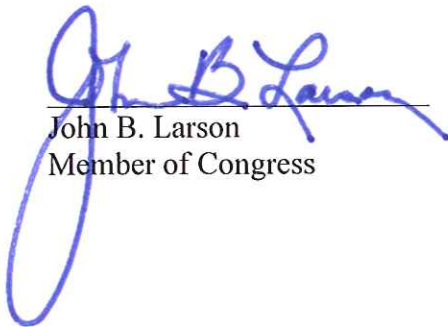
Sincerely,



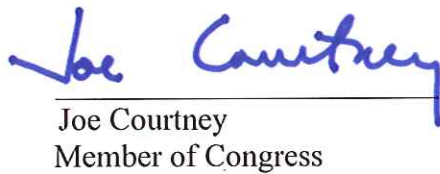
Christopher S. Murphy
United States Senator



Richard Blumenthal
United States Senator



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Joe Courtney
Member of Congress