



**Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services
Subcommittee on Housing and Community Opportunity**

**The Section 8 Housing Assistance Program: Promoting Decent Affordable
Housing for Families and Individuals who Rent**

May 22, 2003

I want to commend Chairman Ney for scheduling this hearing, the first in a series of hearings the Subcommittee will hold to examine the current operation and administration of the Section 8 housing assistance program.

The Section 8 housing assistance program is the major vehicle for providing rental assistance to low-income families and individuals. While this program is an important tool in combating the affordable housing crisis, it has been criticized for its inefficiency and ever-increasing cost. Today, this program consumes over 50 percent of HUD's budget, and despite long waiting lists for vouchers in many communities, more than \$1 billion dollars are recaptured from the program each year.

The rising cost of the Section 8 program and some administrative concerns have caused many in Congress to conclude that the program is in need of reform. Over the past several years proposals to improve the program have been introduced and considered. Yet, while there is general agreement that changes are necessary, no clear consensus has emerged on just what those changes should be.

This year, the Administration, in its FY 2004 budget, proposed converting the Section 8 housing choice voucher program into a state-administered block grant to be called Housing Assistance for Needy Families. This proposal would dramatically change the way the Section 8 voucher program is funded and operated.

Clearly, it is prudent for this Committee to examine the Section 8 program and determine the need for reforms to make it more cost-effective and efficient. Given the Administration's new proposal, it is only fitting to have a HUD representative here to testify at our first hearing on this important issue. We look forward to Secretary Liu's testimony and to working with the Administration and other interested parties to determine how we can better serve the families and individuals who need assistance in finding and maintaining decent and affordable housing.

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